

Green Bond Fact Sheet

City of Reykjavik		Date: 10-Jan-2019	
Issue date: 17-Dec-2018 Maturity date: 21-Oct-2048 Tenor: 30			
Issuer Name	City of Reykjavik	Amount Issued	ISK4.1bn (USD33m)
Country of risk	Iceland	CBI Database	Included
Issuer Type ¹	Local government	Bond Type	Senior unsecured
Green Bond Framework	Link to GB Framework	Second party opinion	CICERO
Certification Standard	Not certified	Assurance report	N/A
Certification Verifier	N/A	Green bond rating	N/A
Use of Proceeds			
<input type="checkbox"/> Energy	<input type="checkbox"/> Solar <input type="checkbox"/> Onshore wind <input type="checkbox"/> Offshore wind <input type="checkbox"/> Geothermal <input type="checkbox"/> Hydro	<input type="checkbox"/> Tidal <input type="checkbox"/> Biofuels <input type="checkbox"/> Bioenergy <input type="checkbox"/> District heating <input type="checkbox"/> Electricity grid	<input type="checkbox"/> Energy storage <input type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Buildings	<input checked="" type="checkbox"/> Certified Buildings <input type="checkbox"/> HVAC systems <input type="checkbox"/> Energy performance	<input type="checkbox"/> Water performance <input type="checkbox"/> Energy storage/meters <input type="checkbox"/> Other energy related	<input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Transport	<input checked="" type="checkbox"/> Electric vehicles <input checked="" type="checkbox"/> Low emission vehicles <input checked="" type="checkbox"/> Bus rapid transit <input checked="" type="checkbox"/> Passenger trains <input checked="" type="checkbox"/> Urban rail	<input type="checkbox"/> Freight rolling stock <input checked="" type="checkbox"/> Coach / public bus <input checked="" type="checkbox"/> Bicycle infrastructure <input checked="" type="checkbox"/> Energy performance	<input type="checkbox"/> Transport logistics <input checked="" type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Water & wastewater	<input type="checkbox"/> Water distribution <input type="checkbox"/> Water treatment <input type="checkbox"/> Wastewater treatment <input type="checkbox"/> Water storage	<input type="checkbox"/> Storm water mgmt <input type="checkbox"/> Desalination plants <input type="checkbox"/> Erosion control <input type="checkbox"/> Energy performance	<input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Waste management	<input checked="" type="checkbox"/> Recycling <input type="checkbox"/> Waste prevention <input type="checkbox"/> Pollution control	<input checked="" type="checkbox"/> Landfill, energy capture <input type="checkbox"/> Energy performance <input checked="" type="checkbox"/> Infrastructure	<input type="checkbox"/> Waste to energy <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience

<input checked="" type="checkbox"/> Land use & agriculture	<input checked="" type="checkbox"/> Afforestation/parks <input checked="" type="checkbox"/> Land remediation <input type="checkbox"/> Sustainable agriculture <input type="checkbox"/> FSC Forestry <input type="checkbox"/> Energy/water efficiency <input type="checkbox"/> Adaptation & resilience <input type="checkbox"/> FSC Cellulose & paper
<input checked="" type="checkbox"/> Other	<input checked="" type="checkbox"/> Adaptation & resilience <input type="checkbox"/> ICT <input type="checkbox"/> Industry: process
Issue details	
Reporting	<p>The City of Reykjavík will communicate how proceeds were allocated to Eligible Projects in its Annual Green Bond Impact Report. An external auditor will verify the allocation of funds.</p> <p>The environmental impact from funded projects will be estimated by internal and/or external sustainability experts and reported through annual Impact Reports for investor documentation.</p> <p>The reports will be published on the City of Reykjavík’s website and other relevant media and investor forums.</p>
Company information	<p>The City of Reykjavík is the capital of Iceland. The city has approximately 130,000 people, roughly 35% of Iceland’s total population. It is responsible for public infrastructures such as public schools, roads, swimming pools, libraries, social welfare, museums, waste collection, and public transport.</p> <p>The City of Reykjavík has established a climate policy along with its environmental and natural resource policy in order to reach its sustainability goals of carbon neutrality by 2040. Both electricity and space heating in the City of Reykjavík is provided with renewable energy resources (geothermal and hydro from nearby power plants). This leaves the transport sector as the main contributor of greenhouse gases. The city’s goal is to have automobile traffic and public transport free of direct greenhouse gas emissions by 2040, which will be the main objective to reach carbon neutrality. Another key priority is to improve infrastructure for electric vehicles, cycling and public transport within its geographical limits. By 2025, 100% of vehicles owned by The City of Reykjavík will be powered by energy free of direct greenhouse gas emissions.</p>
Firsts, records and certifications	<p>The first Icelandic municipality to issue a green bond and the first green bond to be listed on Nasdaq Iceland’s Sustainable Bonds List.</p>
Proceeds description	<p>According to the issuer, approximately 70 to 100% of the first issuance will be used for refinancing recent eligible projects (from 2016-2017).</p> <ul style="list-style-type: none"> • New and retrofitted buildings expected to have a “Very Good”, “Excellent”, or “Outstanding” BREEAM rating, which follows market standards. The requirement to include the following is ambitious and in line with the City’s long-term policy goals: <ul style="list-style-type: none"> ○ A screening for climate risk and resilience included in the design. ○ Electricity and space heating from 100% renewable energy sources. ○ Solutions for a car-free living and electric charging stations fuelled with 100% renewable energy sources.

	<ul style="list-style-type: none"> • Clean transportation: Covers a variety of methods. Should avoid fossil-fuel based solutions. • Waste management: Waste collection vehicles using renewable energy is a good addition to the more typical waste processing and methane collection projects. • Sustainable land use: Wetland reclamation, forestry and densification, and documentation of biodiversity. • Energy efficiency: Also linked to transportation, e.g. retrofitting led bulbs for street lighting. The explicit exclusion of fossil fuel based technologies is commendable. • Adaptation: A growing area of concern, it is interesting to see this is a priority for the City of Reykjavik.
Climate Bonds view	The City of Reykjavik has a good set of commendable targets, and its Green Bond Framework receives a Dark Green shading in CICERO's SPO. In addition to green buildings, it would be good to see more quantifiable requirements for projects in other areas.
Underwriters	
Deal comments	
Credit Rating	N/A
Pricing summary	N/A
Investors summary	N/A

¹ Issuer categories: ABS, development bank, financial corporate, government-backed entity, loan, local government, non-financial corporate, sovereign