

## Media Release

### **New Climate Bonds Certification Criteria released for Buildings in European Cities**

Austria, Belgium, Denmark, Finland, Hungary, Germany, Ireland, Netherlands,  
Norway, Poland, Portugal, Spain

**LONDON/BRUSSELS:** 17/02/2021: 07:00 / 08:00: The Climate Bonds Initiative today published green bonds Certification Criteria for a new range of European cities. This adds to its list of cities which can be associated with Certified Climate Bonds for commercial and residential buildings.

The requirements for Climate Bonds Certification are based on the CO<sub>2</sub> emissions of the best performing proportion of buildings in each city region. The additional cities open a new range of opportunities to boost green bond investment in low carbon buildings throughout the EU. They join the list of EU cities announced in [April 2019](#). Some EUR 90 billion of green property bonds have been issued so far in Europe.

First launched in 2017, the Low Carbon Buildings Criteria has been used by almost 1/3 of the 318 Certified bonds which have been issued worldwide so far.

#### **New Cities for Commercial Buildings:**

**Austria:** Vienna, Granz, Linz, Salzburg

**Denmark:** Copenhagen

**Ireland:** Dublin and Cork

**Norway:** Oslo, Stavanger, Bergen

**Portugal:** Faro, Porto, Lisbon, Coimbra

**Spain:** Madrid, Barcelona, Bilbao, Oviedo, Málaga, Valencia, Seville, Alicante

Find full list in **Table 1**.

Residential property Criteria for Finland and Catalonia have also been added to the existing list of countries and regions where Certification is available for green residential investment that includes Belgium, Finland, Hungary, Germany, Ireland, Netherlands, Norway, Poland, Barcelona in Spain and the Metropolitan Area in France.

Buildings are responsible for approximately 40% of energy consumption and 36% of CO<sub>2</sub> emissions in the EU. The Climate Bonds Low Carbon Buildings Criteria is designed to assist the low carbon transition, with its focus on investments towards emissions reductions in the built environment and a pathway towards Net Zero Carbon buildings as its objectives.

#### **Sean Kidney, CEO, Climate Bonds Initiative:**

“Buildings have consistently supported over a quarter of green issuance year-on-year. But with three quarters of hard assets made up of buildings, there remains huge potential for expansion across Europe, the world’s largest green bonds market.”

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**Notes to Journalists:**

**About the Climate Bonds Initiative:** Climate Bonds Initiative is an international investor-focused not-for-profit organization working to mobilise capital markets for climate action. The Climate Bonds Initiative carries out market analysis, policy research, market development; advises governments and regulators; and administers a global green bond Certification Scheme. For more information, please visit <http://www.climatebonds.net>.

**About Climate Bonds Standard:** The Climate Bonds Standard is an international screening tool for investors and governments, which allows them to easily evaluate climate and green bonds with confidence that the funds are being used to deliver climate change solutions.

**The Low Carbon Buildings Criteria:** Set out what building assets are eligible for certification under the Climate Bonds Standard. They are divided into three different types:

- Commercial Buildings: buildings used for office space.
- Residential Buildings: buildings used for housing that includes single family, multi-family, and mixed use where more than 50% of the asset is residential. Subcategories of residential buildings have unique emissions performance profiles. Existing instruments such as local building codes, energy rating schemes and energy labeling schemes (e.g., Energy Performance Certificates in the EU) are leveraged as emission performance proxies (using the proxy methodology).
- Upgrade Projects: Commercial, residential and some other types of buildings can be eligible for Certification if they achieve an emission reduction of 30%-50% (depending on bond term) from a baseline.

**About the Commercial Low Carbon Buildings Criteria:** The underlying concept of the Criteria is the low carbon trajectory. Climate Bonds have calculated trajectories for each city and established by taking a baseline representing the top 15% in terms of carbon intensity (kg CO<sub>2</sub>/m<sup>2</sup>) and drawing a linear line down to zero carbon in 2050. This rate of decarbonisation is in alignment with the Paris Climate Agreement and a below 2°C warming scenario.

There are three options for Certifying a Commercial Building under the Low Carbon Building Criteria. Which option the issuer can take depends on the location of the buildings, and the related data which is available. For more visit <https://www.climatebonds.net/standard/buildings>

**About Residential Property Criteria:** Residential Buildings Criteria uses local building codes and energy ratings/labels as a proxy for performance of the top 15% of buildings in a city. Criteria by location is analysed by city or region by relevant Building Code and/or Energy Rating.

**Table 1 European Cities where Commercial Certification is Available**

| Country        | City   |
|----------------|--|
| Austria        | Graz, Linz, Salzburg, Vienna   |
| Belgium        | Brussels   |
| Czech Republic | Prague   |
| Denmark        | Copenhagen   |
| France         | Bordeaux, Lille, Lyon, Marseille, Nantes, Paris                              |
| Germany        | Berlin, Cologne, Dusseldorf, Frankfurt, Hamburg, Munich Stuttgart            |
| Ireland        | Cork, Dublin   |
| Italy          | Bari, Bologna, Catania, Florence, Genoa, Milan, Naples, Palermo, Rome, Turin |
| Netherlands    | Amsterdam  |

|                 |  |
|-----------------|--|
| <b>Norway</b>   | Bergen, Oslo, Stavanger  |
| <b>Poland</b>   | Warsaw   |
| <b>Portugal</b> | Coimbra, Faro, Lisbon, Porto   |
| <b>Spain</b>    | Alicante, Barcelona, Bilbao, Madrid, Málaga, Oviedo, Seville, Valencia |

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