

Investing in the ocean

NordicSIF June 2022 – Paul Malpas



1

The rise of responsible investment

2

Ocean engagement

Investment universe

Engagement

Impact analysis

3

Investing with impact



1

The rise of responsible investment

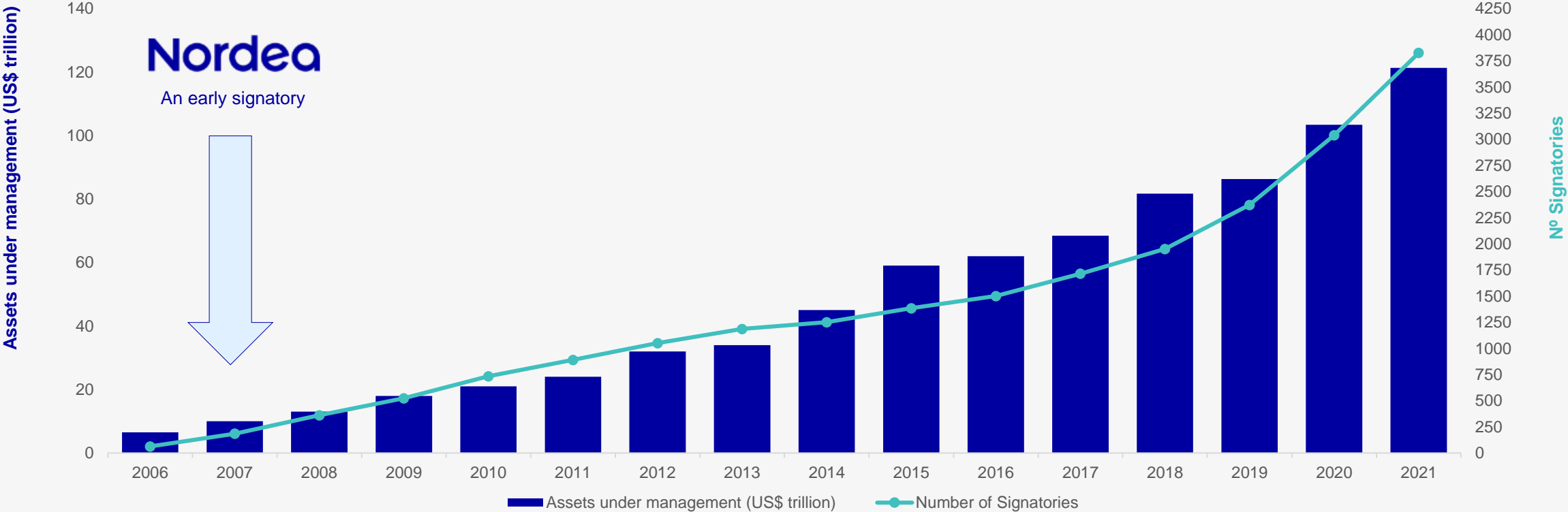
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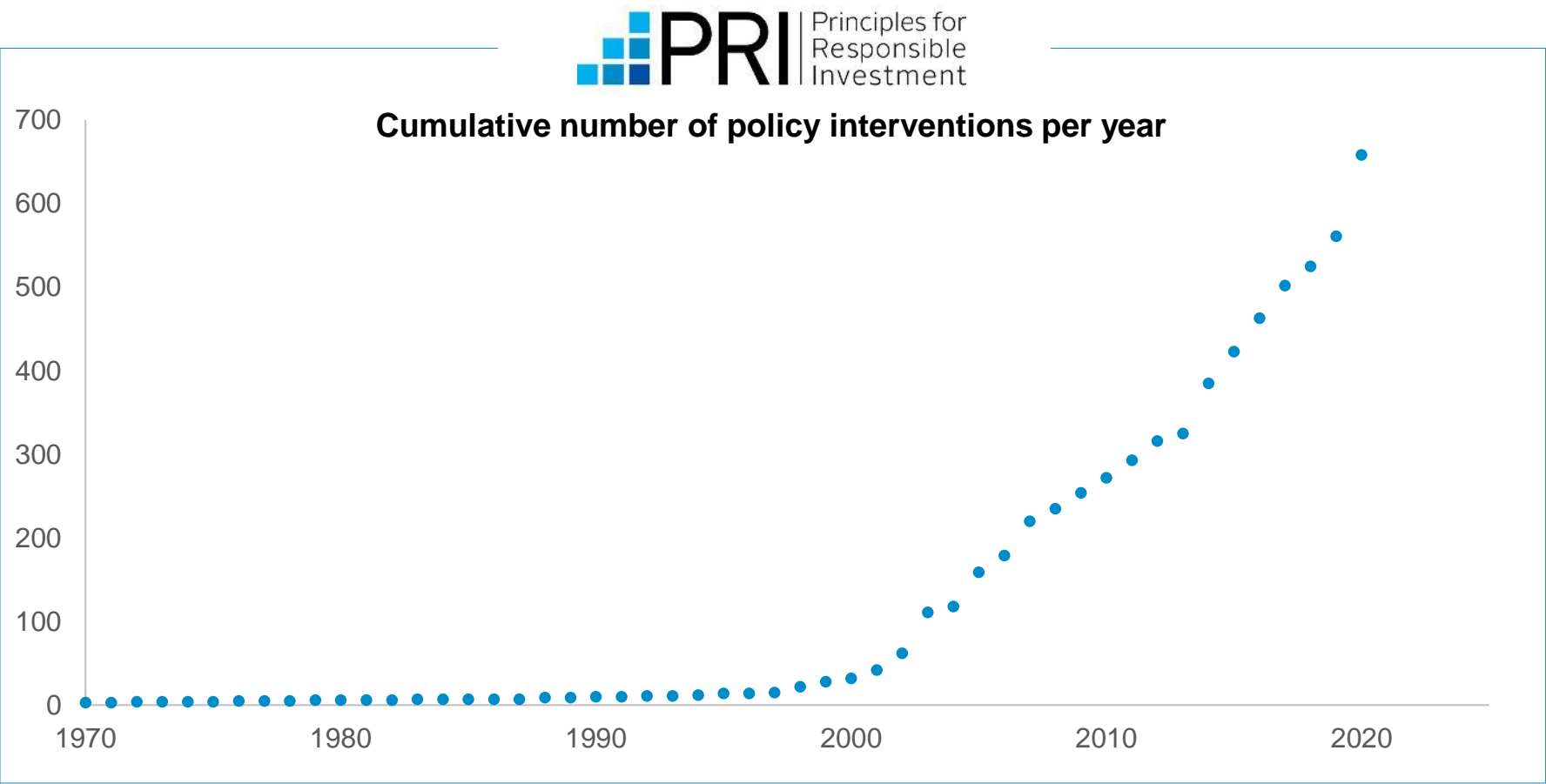
The growth of responsible investment: evidence from UNPRI



Source: UNPRI (<https://www.unpri.org/pri/about-the-pri>). Data accessed on 25.01.2022.

The growth of responsible investment policies and regulation

Massive increase in policy interventions since 2000



Source: PRI responsible investment database <https://www.unpri.org/policy/regulation-database>

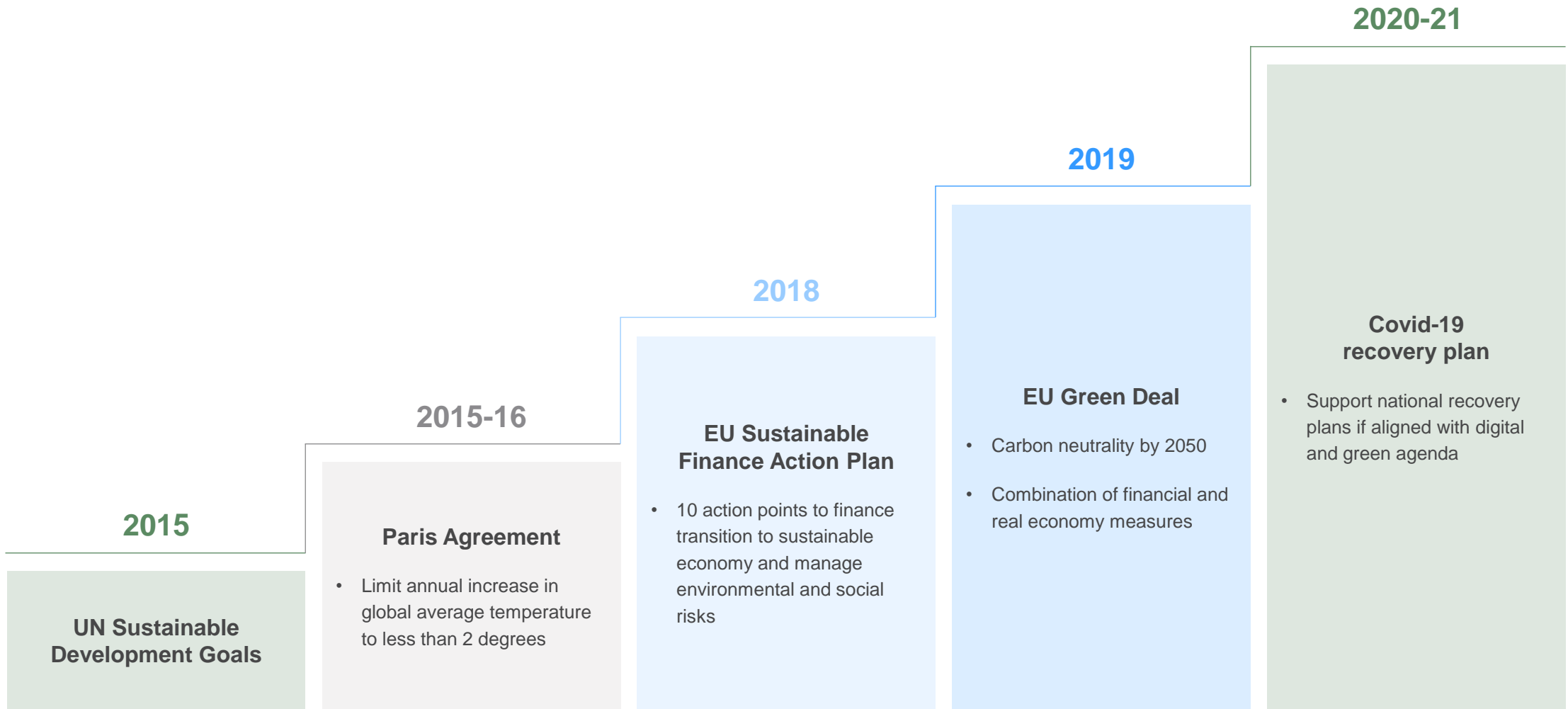
ESG: a strong and growing market ...
The market has picked up the trend



Source: Global Sustainable Investment Alliance, [Global Sustainable Investment Review 2020](#)

Regulatory timeline

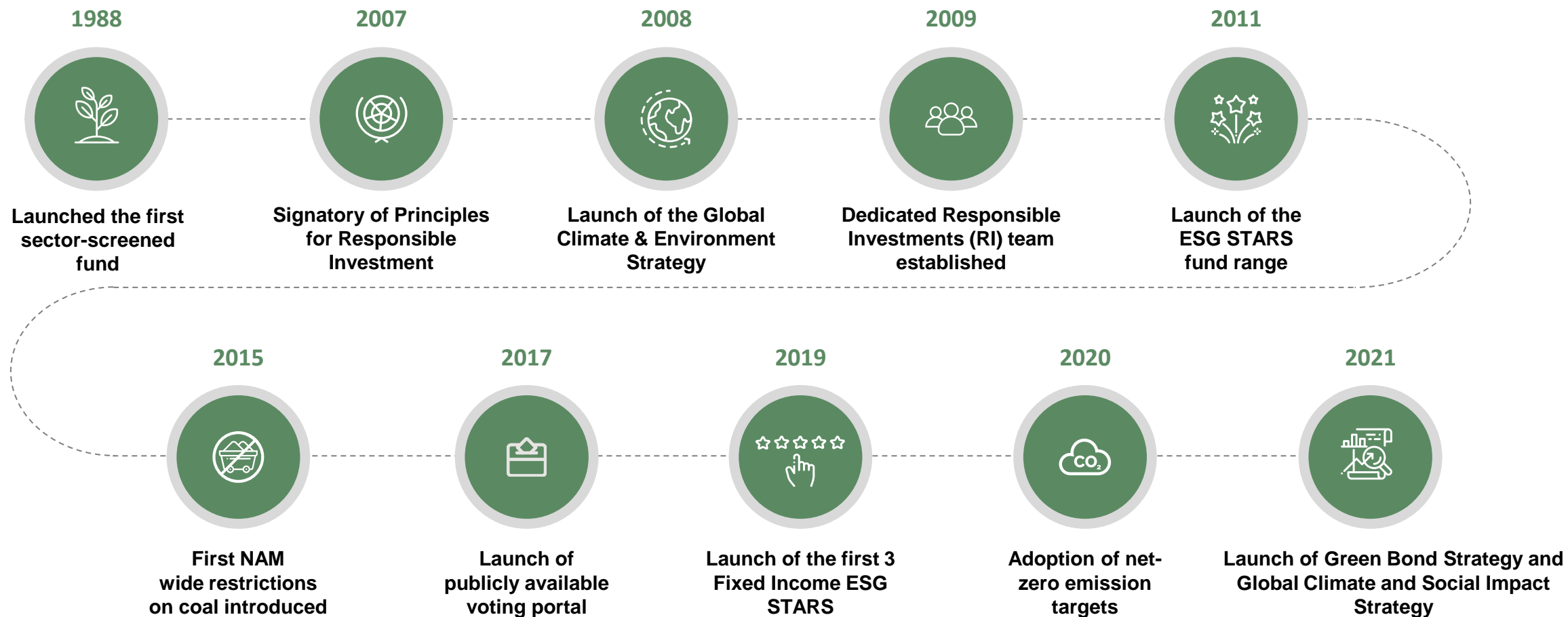
What's happened



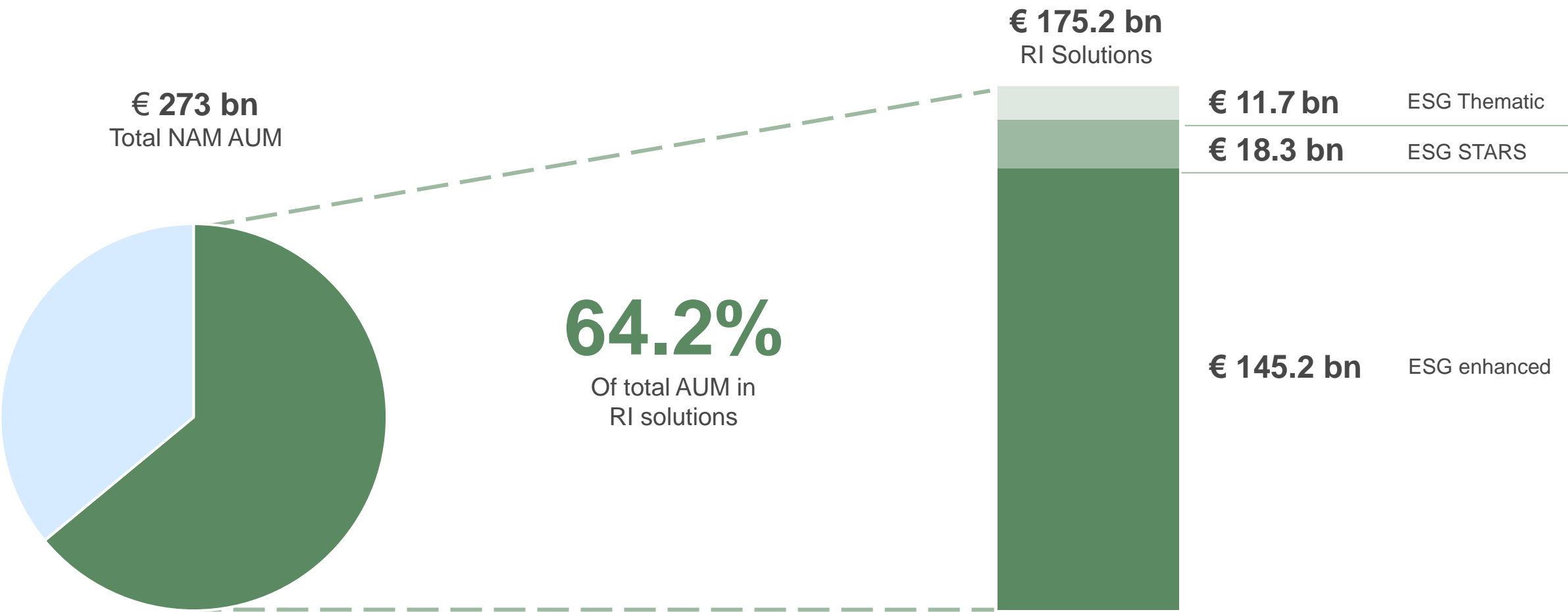
Source: Nordea Investment Funds S.A.

Nordea Asset Management: a strong and long-dated commitment to RI

Our journey towards a sustainable future



Nordea Asset Management's RI AUM in detail Q122



Source: Nordea Investment Management AB. Data as of: 31.03.2022.



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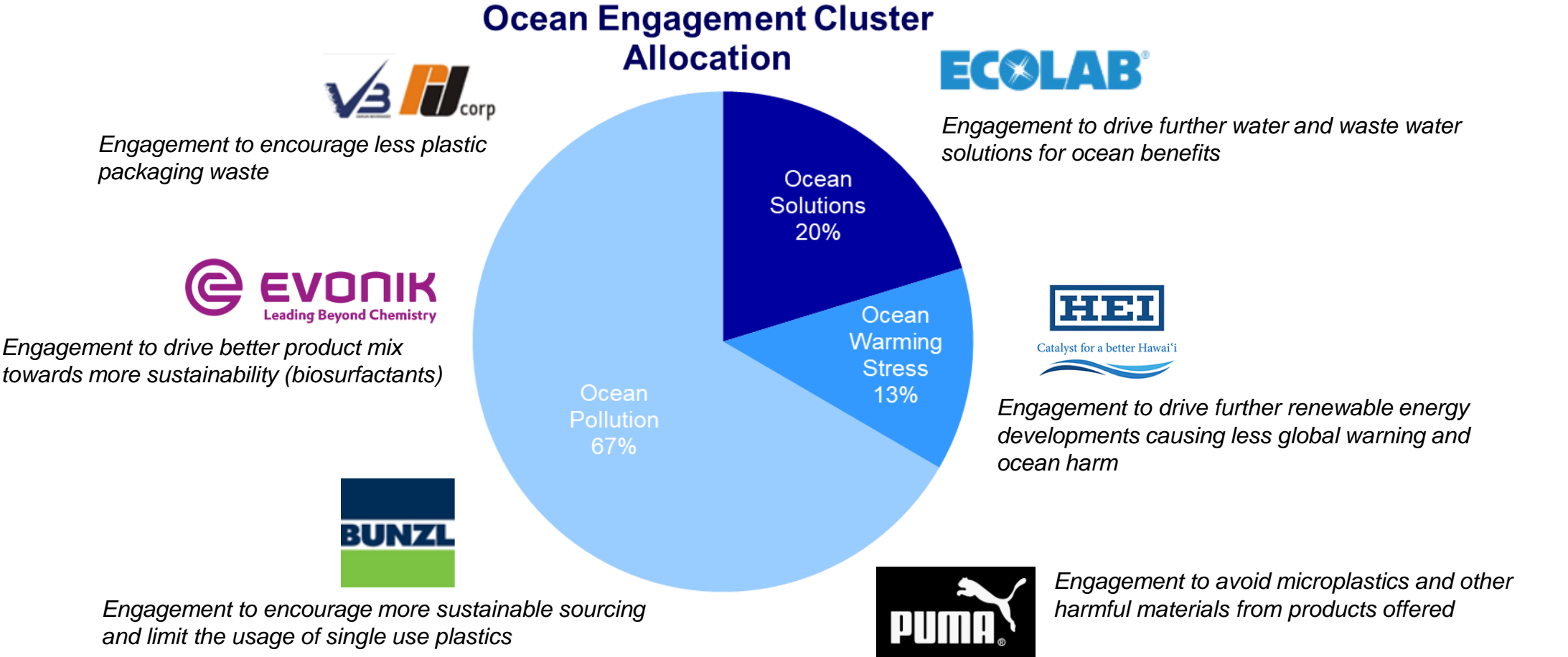
Ocean engagement - investment universe

- A large part of our Climate & Environment universe of 1250 companies qualify as ocean solutions
- We have identified 14 strategies with exposure to ocean engagement

Themes	<div data-bbox="242 432 879 539">Ocean Pollution → Harmful Activities</div> 	<div data-bbox="1014 432 1651 539">Ocean Warming Stress → Climate Change</div> 	<div data-bbox="1778 432 2407 539">Ocean Solutions → Clean Leaders</div> 
Strategies	<p>Chemical and Toxic Contaminants Anti-Ocean Consumer Products Plastics, Packaging and Waste Manufacturing Externalities Ocean-Risk Activities (Coastal Infrastructure, Shipping, Extraction, Fishing, Tourism)</p>	<p>Agriculture and Deforestation Energy Transition Industrial Activity Transportation Unsustainable Consumption</p>	<p>Circular Economy Environmental Services Resource Efficiency Water and Waste Management</p>

Source: Nordea Investment Management AB

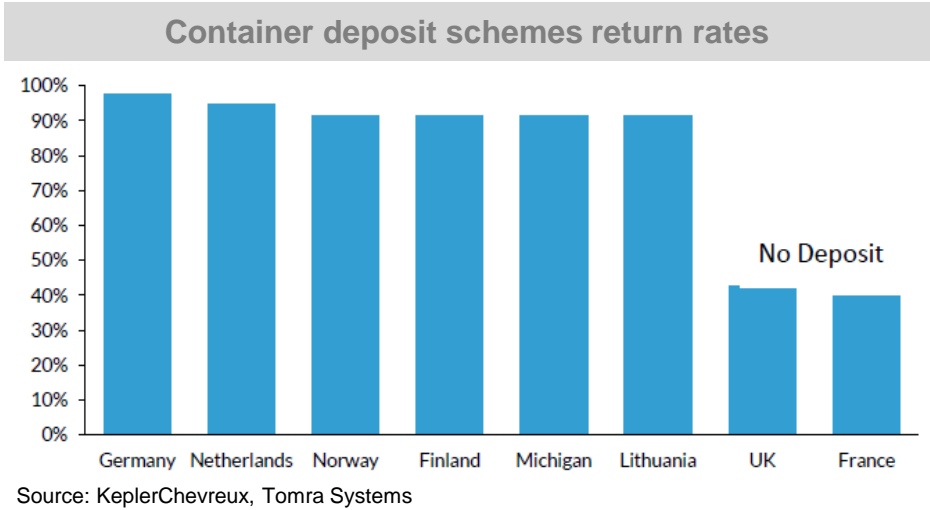
Engagement map with selected companies pictured



Source: Nordea Investment Management AB, company web sites

Impact analysis for ocean solution provider - Tomra Systems

<div>9</div> <div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> <div></div>	<div>11</div> <div>SUSTAINABLE CITIES AND COMMUNITIES</div> <div></div>	<div>12</div> <div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div></div>	Environment Protection	Problem	Solutions	Impact
				Less than half of all plastic bottles purchased globally are collected for recycling.	Container deposit schemes involving reverse vending machine to collect used beverage containers at collection points or retailers.	Tomra Systems collects 2.5% of all beverage containers sold globally each year.
				France and UK only collect ~40% of the beverage containers sold, well below the 2029 EU target collection rate of 90%.	After the introduction of a deposit of EUR0.10 per bottle, return rates in Lithuania increased from 34% to 92%.	At a collection rate of 90%, the amount of plastics waste collected annually in the EU would increase by 1 million tonnes relative to 2017.



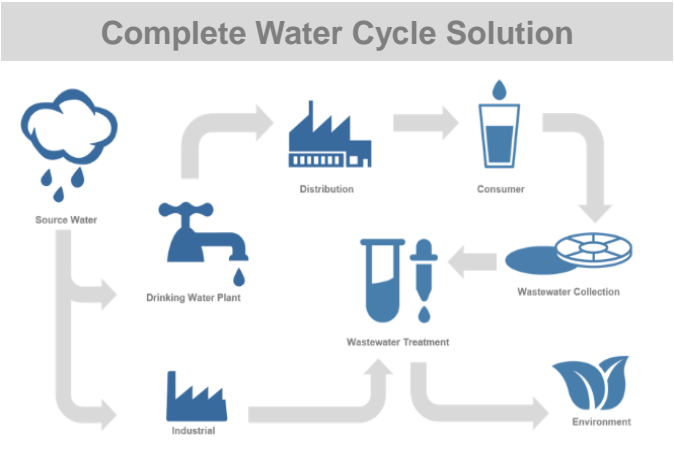
Impact analysis for ocean solution provider - Danaher

<div>3 GOOD HEALTH</div> <div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>Environment Protection</div>	Problem	Solutions	Impact
	<p>80% of wastewater generated by society is released back to the environment without being treated or reused.*</p> <p>However, chlorine disinfection produces harmful by-products and requires transportation of liquid chlorine to the wastewater plants.</p>	<p>Danaher provides a complete water cycle solution: source water and wastewater treatment, water quality monitoring and compliance monitoring solutions</p> <p>Trojan (a Danaher subsidiary) treats respectively 33% and 20% of all wastewater in the US and in China using municipal UV installations.</p>	<p>In 2017 alone, Trojan UV installations reduced wastewater treatment emissions by an amount equivalent to taking 800,000 cars off the road, compared to traditional treatment requiring chlorine transport.</p> <p>Compared to traditional UV systems, Trojan lamps generates 66% less carbon emissions.</p>

*Ramboll, Wastewater treatment: an undervalued driver of sustainability, 2017



Source: World Bank



Source: Danaher



Chlorine Trains Pose an Even Deadlier Threat Than Oil Trains

A new report finds the railroad cars that transport the toxic gas around the United States are vulnerable to accidents and sabotage.

Source: Takepart.com

Impact analysis for ocean solution provider - American Water Works

<div>3 GOOD HEALTH</div> <div>6 CLEAN WATER AND SANITATION</div> <div>11 SUSTAINABLE CITIES AND COMMUNITIES</div> <div>Resource Efficiency</div>	Problem	Solutions	Impact
	2.1 trillion gallons of treated water leaks from outdated pipes every year. By 2020, 44% of US pipe infrastructure to be classified as poor, very poor or life elapsed.	Critical need for multi-decade investments in infrastructure	American Water Works' pipe replacement cycle is 40% shorter than the US average.*
	An additional \$1trillion is required over a 25-period to repair and expand the US water infrastructure.	American Water Works announced at least \$8bn capital investment over 5 years to address aging infrastructure and reduce/eliminate leaks	Reducing leaks by 10% only would save enough water to supply 1.5 million US households a year.**

Fixing leaking pipes is a priority

Every day nearly

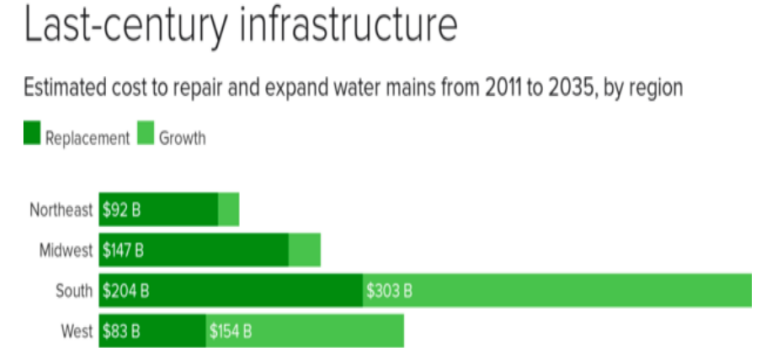
6 Billion Gallons

of treated water is **LOST**

due to leaking pipes

Source: ASCE

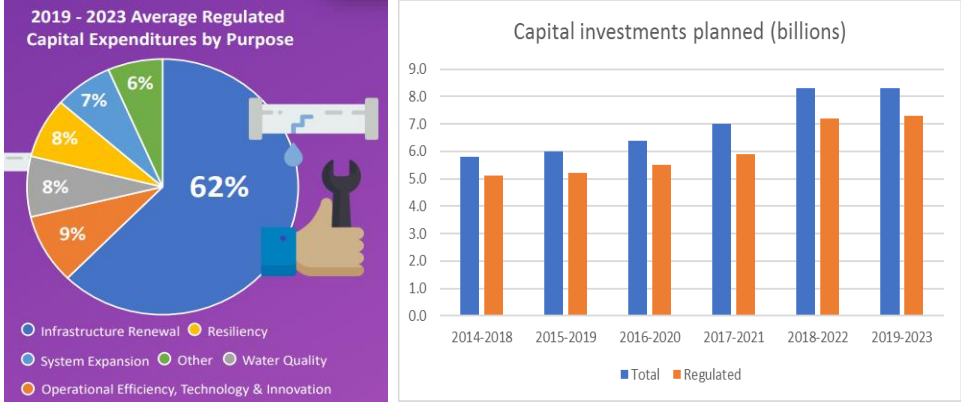
Ageing infrastructure costly to repair



Source: American Water Works Association

Source: AWWA, CBS, <https://www.cbsnews.com/news/lead-in-americas-water-systems-is-a-national-problem/>

Growth in spending



Source: American Water Works

Source: American Water Works, Nordea

* 120 years vs 200 years in average

**400 gallons per day per household, 219 billion gallons saved per year



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Off the shelf strategies

Nordea 1 SICAV		Launch	
ESG STARS Funds	Equity	Nordea 1 – Emerging Stars Equity Fund	15-04-2011
		Nordea 1 – Nordic Stars Equity Fund	19-08-2014
		Nordea 1 – Global Stars Equity Fund	17-05-2016
		Nordea 1 – European Stars Equity Fund	14-11-2017
		Nordea 1 – North American Stars Equity Fund	30-05-2012
		Nordea 1 – Asian Stars Equity Fund	28-04-2020
	Fixed Income	Nordea 1 – European Corporate Stars Bond Fund	10-01-2019
		Nordea 1 – European High Yield Stars Bond Fund	15-01-2019
		Nordea 1 – Emerging Stars Bond Fund	17-01-2019
		Nordea 1 – Emerging Stars Local Bond Fund	26-10-2015
		Nordea 1 — North American High Yield Stars Bond Fund ¹	17-11-2021
		Nordea 1 — US Corporate Stars Bond Fund ²	10-11-2021
ESG Thematic Funds	Nordea 1 – Global Climate and Environment Fund ³	13-03-2008	
	Nordea 1 – Global Gender Diversity Fund	21-02-2019	
	Nordea 1 – Global Social Empowerment Fund ⁴	03-12-2020	
	Nordea 1 – Global Green Bond Fund	22-04-2021	
	Nordea 1 – Global Climate and Social Impact Fund	06-07-2021	
	Nordea 1 – Global Climate Engagement Fund	26-04-2022	

Bespoke solutions

We have a long history of working with clients on bespoke investment solutions in the form of segregated mandates

Investors can leverage on our commitment, experience and a robust framework that targets competitive returns while supporting a sustainable economy

Our award winning in-house responsible investment team has developed a proprietary forward looking ESG rating system, based on long standing expertise, which helps drive our engagement activities

We match measurable financial returns with measurable environmental impact through transparent reporting



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1) The fund was launched on 17.11.2021 as a result of the merger with Nordea 2, SICAV - US High Yield ESG Bond Fund launched 07.02.2019. 2) The fund was launched on 10.11.2021 as a result of the merger with Nordea 2, SICAV - US Corporate ESG Bond Fund launched on 05.02.2019. 3) Please note that the Nordea 1 – Global Climate and Environment Fund is soft closed since 26.02.2021.

Thank you



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