



NORDIC  
INVESTMENT  
BANK

FINANCING  
THE  
FUTURE

# NIB's Nordic-Baltic Blue Bond



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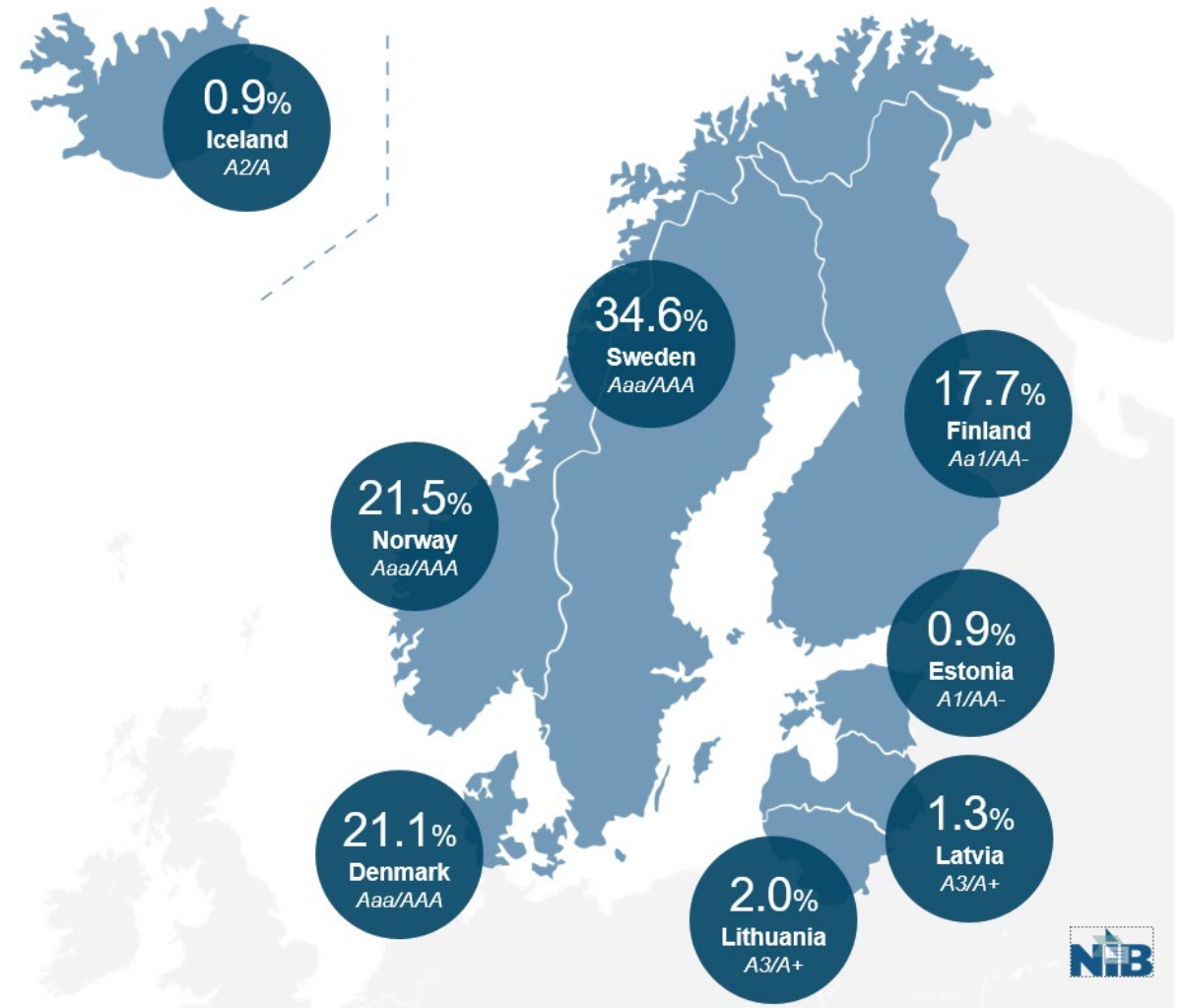
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# NIB

- AAA/Aaa-rated supranational institution
- Based in Helsinki
- Founded by the Nordic countries in 1975, the Baltic countries joined in 2005



# NIB

## Projects financed in Iceland



Landsbankinn



Orkuveita Reykjavíkur



Landsnet hf.



Össur hf.



RARIK ohf.

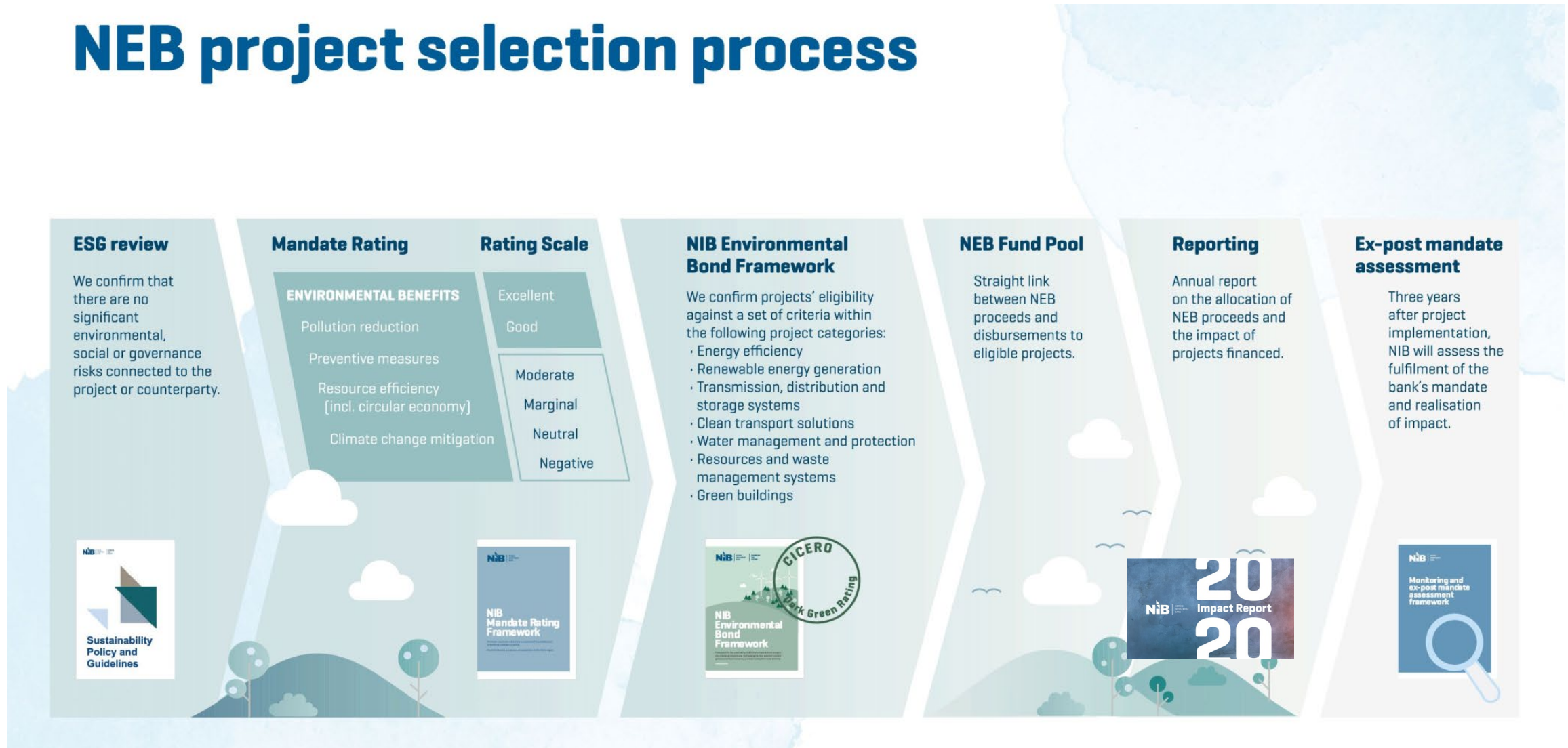
## Nordic-Baltic Blue Bond – Why?



- ▶ The Nordic–Baltic region is rich in water resources, but human activity is putting increasing pressure on marine and coastal environments
- ▶ The Baltic Sea has particularly been affected by eutrophication due to the high levels of nitrogen and phosphorus discharge that results in excessive plant and algae growth
- ▶ Investments in wastewater treatment will be a necessity for sustainable urban development in the future
- ▶ Improving the environment is one of the pillars of NIB’s mandate, and the Bank has long been playing an important role in the recovery of the Baltic Sea.
- ▶ Investors are conscious of the challenges facing the region’s water resources, especially those affecting the Baltic Sea. With the NIB Nordic–Baltic blue bond, investors will be able to directly target water related investments addressing those challenges

# NIB ENVIRONMENTAL BONDS

## NEB project selection process



# NIB ENVIRONMENTAL BOND

## Use of Proceeds

### Energy efficiency

- Reduction of energy use by min. 30%



### Renewable energy generation

- Wind turbines, solar, tidal and existing or small hydropower plants
- Electricity or heat from geothermal or biomass
- Infrastructure for liquid sustainable biofuel
- Investments in R&D for renewable energies



### Transmission, distribution and storage systems

- Expansion or upgrades to connect renewable energy
- District heating or cooling networks upgrades to carbon neutral energy supply systems



### Clean transport solutions

- Based on electricity or sustainable biofuels
- Infrastructure for clean transport solutions



### Green buildings

- LEED Platinum or BREEAM Excellent or Outstanding



### Resources and waste management

- Resource efficiency in support for circular economy
- Infrastructure for better waste management
- Energy recovery from waste (considering circular economy)



### Water management and protection

- Wastewater treatment and pollution prevention
- Stormwater systems and flood protection
- Protection of water resources
- Protection and restoration of water ecosystems



## Nordic-Baltic Blue Bond – Set-Up?

### ■ Issued under NIB Environmental Bond framework

- selection process, selection criteria, separation of funds, reporting and general set up - same as for current NIB Environmental Bonds

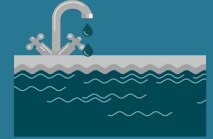
### ■ However focus on financing projects within the Water management and protection –category only

- a. **Wastewater treatment and water pollution prevention:** with the aim of reducing discharges into water (mainly phosphorus, nitrogen, organic matter, heavy metals, plastics and pharmaceuticals)
- b. **Stormwater systems and flood protection:** with the aim of supporting pollution prevention and the development of climate change resilient infrastructure
- c. **Protection of water resources:** with the aim of minimising groundwater extraction and contamination, and improving the replenishment of aquifers
- d. **Protection and restoration of water and marine ecosystems:** projects aimed at the extension of protected areas, protection and restoration of water and marine ecosystems, and biodiversity (such as wetlands, rivers and lakes, coastal areas and open sea zones)

### ■ Earmarked and separate reporting on all projects financed by the Nordic-Blue Bond in annual impact report

## Water management and protection

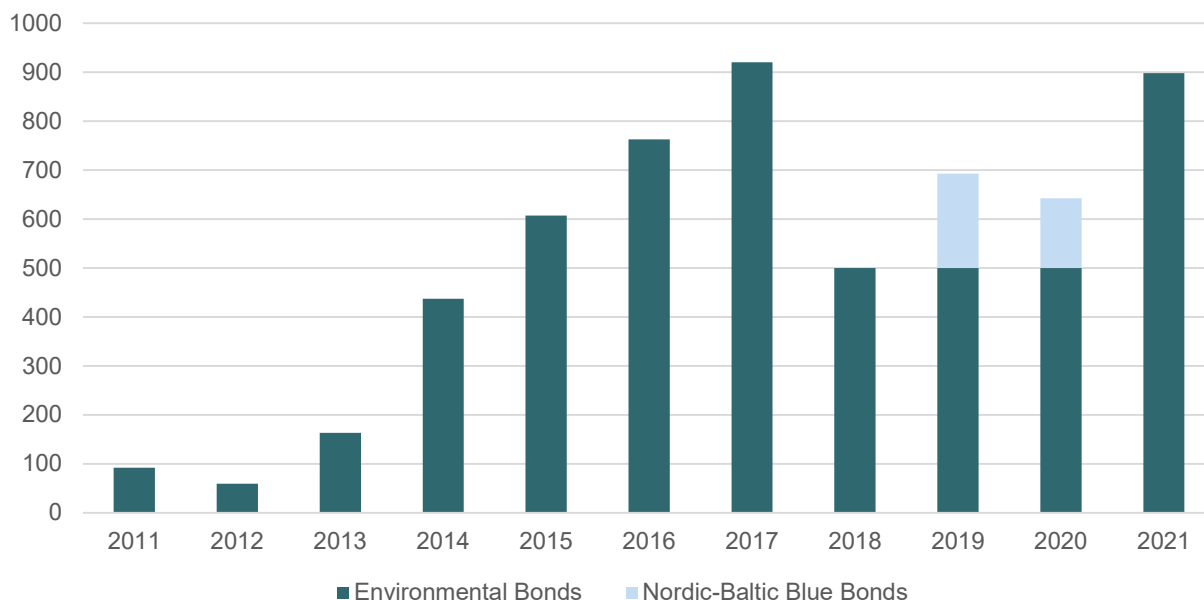
- Wastewater treatment and pollution prevention
- Stormwater systems and flood protection
- Protection of water resources
- Protection and restoration of water ecosystems



# NIB ENVIRONMENTAL BONDS

## 10 years in the sustainable bond market

NIB Environmental Bond issuance 2011-2021  
Total EUR 5.8bn



Sep  
2020

NIB

**SEK 1.5bn**

0.100% NEB –  
Blue Bond due  
2025

Orderbook: SEK 2.5bn  
13 orders

Jan  
2019

NIB

**SEK 2.0bn**

0.375% NEB –  
Blue Bond due  
2024

Orderbook: SEK 3.2bn  
21 orders



# Impact of NEB-financed projects 2011-2020

**1,163,000 t/a  
in GHG savings  
[tCO<sub>2</sub>eq/a]**

## Renewable energy generation

**877 MW** installed capacity  
**2,212 GWh/a** in renewable energy  
(**41.5%** bioenergy, **34.5%** hydropower,  
**24%** windpower)



## Energy efficiency

**58 GWh/a** saved

## Resources and waste management systems

**600 GWh/a** waste-to-energy  
(**32%** electricity, **68%** thermal energy)



## Green buildings

**329,000 m<sup>2</sup>** to be certified  
**BREEAM Excellent/LEED Platinum**  
**800 MWh/a** renewable energy



## Transmission, distribution and storage systems

**661 MW** installed capacity,  
**15 GWh/a** recovered waste heat



## Water management and protection

**1.06 million population equivalent** wastewater treatment capacity (including Nordic-Baltic Blue Bond projects)



## Clean transport solutions

**18,000 t/a** in avoided GHG emissions  
[tCO<sub>2</sub>eq/a]



# NIB ENVIRONMENTAL BONDS

## Impact of financed projects 2020 (pro-rated share)



### Green buildings

83,000 m<sup>2</sup> gross floor area  
400 MWh/a own carbon-neutral  
energy generation



### Clean transport solutions

7,700 t CO<sub>2</sub>e/a avoided



### Renewable energy generation

51 MW added capacity  
29,400 MWh/a added generation  
7,800 t CO<sub>2</sub>e/a avoided



### Resources and waste management systems

12,500 t/a waste treated



### Transmission, distribution and storage systems

339 MW connected renewable  
transmission capacity



## IMPACT OF BLUE BOND-FINANCED PROJECTS 2020

[pro-rated to NIB's share of financing]



### Water management and protection

56,000 PE added wastewater  
treatment capacity  
69 t/a reduced nitrogen discharges



Project-specific impact data and NIB's methodology for assessing impact is published on our website: [https://www.nib.int/investors/environmental\\_bonds](https://www.nib.int/investors/environmental_bonds)

# Wastewater treatment plant

The Blominmäki facility will replace the existing treatment plant in Suomenoja, Espoo, which was built in 1963 and is reaching the end of its operational life. The larger capacity of the new plant will be able to accommodate the 50% increase in treatment volumes that is expected over the next twenty years.

State-of-the-art wastewater treatment is essential for saving the Baltic Sea marine environment from further degradation. This loan will help to improve treatment capacity in an area with a steadily growing population.



Finnish water services company  
Turun seudun puhdistamo Oy  
Åbo, Finland

# Wastewater treatment modernisation

The loan is for modernising an existing wastewater treatment plant. The project will separate the wastewater and storm water discharge systems, enabling the utilization of its full wastewater treatment capacity during extreme weather conditions. It will reduce the overflows of untreated wastewater as well as the nutrient and microbiological load on the environment. The microbiological load will be further reduced by installing effluent disinfection units.

Due to climate change, the heavy rainfalls are predicted to become more common and the maximum sea level to rise in the future.



City of Stockholm, Sweden  
The city is a longstanding client of NIB, co-financing the Henriksdal wastewater and Slussen projects

# Wastewater treatment modernisation

Storm water  
As more houses and roads are being built, the areas for natural filtration and evaporation of rainwater are being reduced. In order to reduce flood damages, the city will upgrade its pipes and ponds for storm water collection and treatment. The upgrade is also adapting the city's storm water collection for events of heavy precipitation due to climate change.

Sewage collection  
The city will connect new residential areas and summer cottages to its centralised sewage system, thus ending inefficient decentralised treatment of sewage. The need for additional wastewater treatment capacity is due to population growth. The project will also reduce the amount of untreated wastewater discharges into the ecosystem through flooding.



Nya Slussen, Stockholm, Sweden

# Reshaping Slussen in Stockholm

Financing clean transport solutions at the Slussen traffic hub, and the redevelopment of the Slussen water locks.

The expansion of the water locks will increase the drainage capacity and accommodate higher floodgates by adding two larger water channels beside the locks.

The Nya Slussen redevelopment project is a crucial flooding mitigation measure that will allow Stockholm and the Mälars region to prepare for the effects of rising sea levels and more extreme weather conditions in the future.



# We're a **RELIABLE** investment target



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