



2018

NiB Environmental
Bond Report

Contents

- 3** About NIB
- 4** Impact of NEB-financed projects in 2018
- 5** Treasurer's review
- 7** Environmental bond selection process
- 8** Updated NIB Environmental Bond Framework
- 9** NIB Environmental Bond issuance
- 10** Projects financed by NEB proceeds in 2018
- 11** Projects eligible for NEB-financing 2011-2018
- 13** Case study: E-CO Energi
- 14** Case study: Bane Nor Eiendom
- 15** Case study: Municipality of Kauhava
- 16** NIB actively developing the green bond market
- 17** Green bond investments
- 18** Disclaimer
- 19** Contact

About NIB

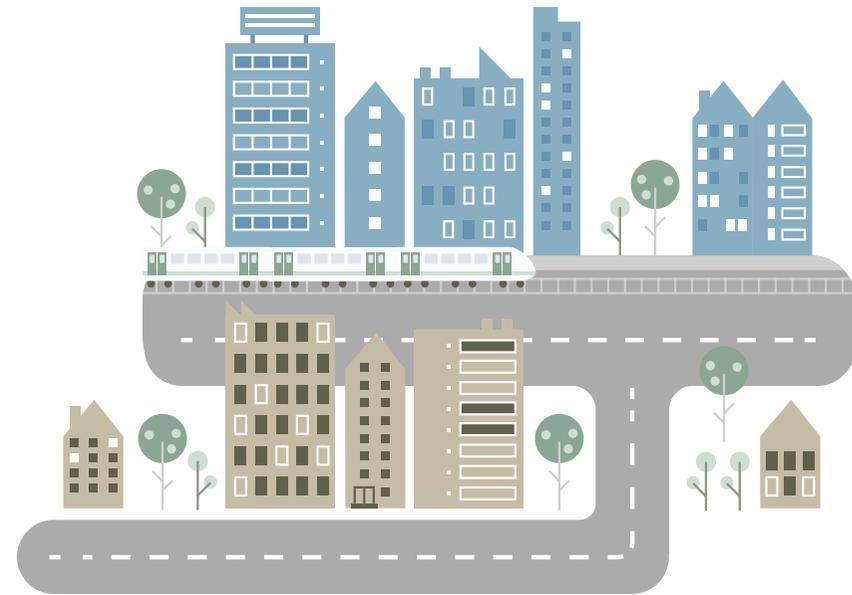
The Nordic Investment Bank (NIB) finances projects that promote productivity gains and environmental benefits for the Nordic and Baltic countries. The Bank offers long-term loans and guarantees on competitive market terms to clients in the private and public sectors.

NIB is an international financial institution owned by Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway and Sweden. NIB has lending operations both within and outside its member countries.

The Bank acquires the funds for its lending by borrowing on the international capital markets. NIB's bonds enjoy the highest possible [AAA/Aaa] credit rating.

Since 2011, NIB has raised funds for part of its environmental lending through issuing NIB Environmental Bonds (NEBs). NIB issues NEBs to attract investors who particularly want to finance projects that benefit the environment. As the leading Nordic green bond issuer, we have a strong interest in participating in setting the standards for environmental financing.

NIB is also expanding its lending by purchasing green bonds issued by companies and municipalities in the Nordic and Baltic member countries. This financing complements NIB's ordinary lending and supports the green bond market.

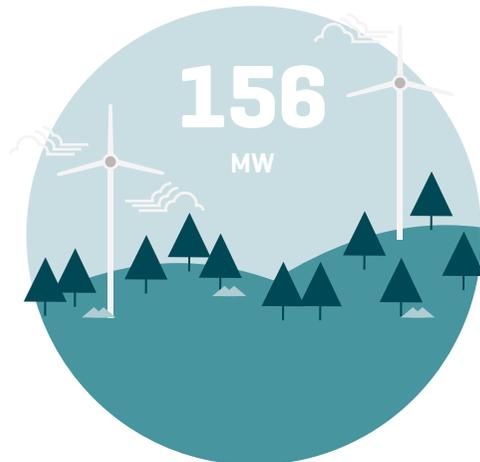


NIB issues NIB Environmental Bonds to attract investors who particularly want to finance projects that benefit the environment.

Impact of NEB-financed projects in 2018

PRORATED TO NIB'S SHARE OF FINANCING

Added **renewable energy capacity**



CO₂ emission equivalents reduced or avoided annually



Increased **renewable energy generation** annually



Green buildings to be certified as LEED Platinum or BREEAM Excellent



Treasurer's review

The growth of the global green bond market was somewhat slower in 2018 compared to the previous year. So was NIB's issuance, as the Bank issued EUR 500 million in NIB Environmental Bonds (NEBs) in 2018, versus EUR 920 million in 2017. However, at year-end 2018, the Bank had several eligible projects in the NEB Fund Pool waiting to be financed with NEBs in 2019.

During 2011–2018, NIB issued a total of EUR 3.5 billion in environmental bonds. All proceeds have been invested in eligible environmental projects. In the global context, the Nordics are still at the forefront. The Nordic share of the total cumulative green bond issuance in 2007–2018 is approximately 7%.

During 2018, NIB revised its Mandate Rating Framework, which we use as a tool when assessing projects and their estimated impact. NIB also updated the framework for the issuance of NIB Environmental Bonds.

UPDATED FRAMEWORKS

The main aim of revising the [Mandate Rating Framework](#) (MRF) has been to incorporate experiences gained and to maintain consistency in NIB's project assessment, as well as to keep up with the latest developments in sustainable

finance and environmental science. The revised MRF will allow NIB to further support investments in sustainable growth through increasing economic productivity, whilst transitioning towards a low-carbon economy and more resilient infrastructure.

The updated [NIB Environmental Bond Framework](#) has been aligned with the revised MRF. The updated environmental bond framework defines the best-in-class environmental projects that NIB undertakes. The framework further strengthens the areas of resource efficiency, including the circular economy, water-related investments, and adaptation to climate change.

The NEB framework is aligned with the Green Bond Principles, demonstrating good governance around project selection as well as impact assessment and reporting, all crucial to maintaining market integrity.

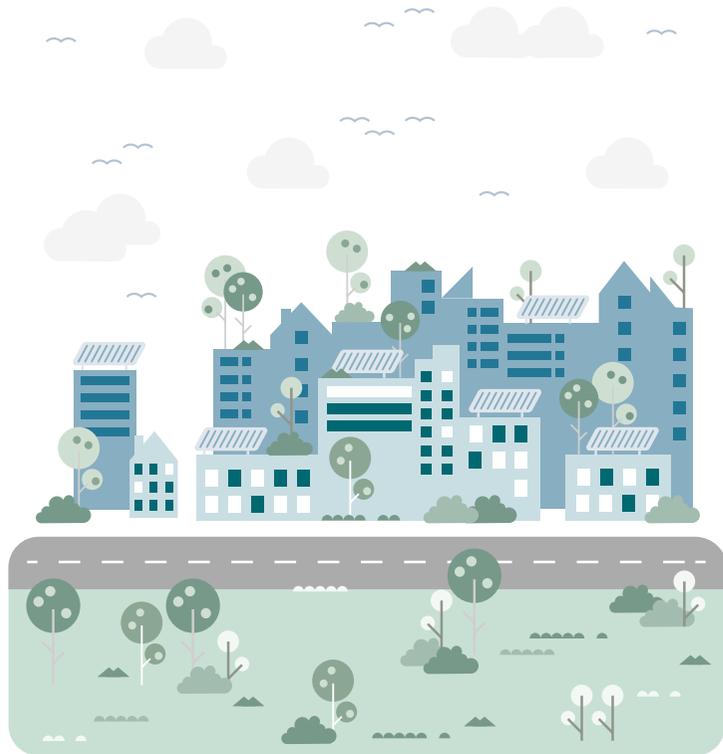
The updated NEB framework also received a new [second opinion](#) from the independent Center for International Climate and Environmental Research in Oslo (CICERO). CICERO rated the updated framework as Dark Green, the highest rating possible. The Dark Green shading indicates that the projects and solutions are realisations of today's long-term vision of a low-carbon and climate-resilient future, typically entailing zero-emission solutions and governance structures that integrate environmental concerns into all activities.

IMPACT REPORTING

In 2018, the Bank has started to report impact at project level. Previously, our reported impact has been calculated at



Lars Eibeholm Vice-President, Head of Treasury



portfolio level. The new reporting addresses investors’ wish for more detailed reporting. You will find a link to individual projects and their estimated impact in this report. New for 2018 is also the mapping of project categories according to the UN Sustainable Development Goals.

During 2018, NIB’s Sustainability & Mandate unit became part of the Treasury department, and Luca De Lorenzo was hired as head of the unit. He joined NIB from the Stockholm Environmental Institute. With NIB’s way of assessing projects and evaluating impacts, moving the unit to Treasury will strengthen our ability to bridge investors’ appetite for green finance and the increasing regulation of the green bond market

GREEN FINANCE DEVELOPMENT

NIB has acted as an observer to the EU’s High-Level Expert Group on Sustainable Finance. The group delivered its final recommendations to the European Commission in January 2018, and the Commission swiftly turned the recommendations into an ambitious action plan. The Technical Expert Group on Sustainable Finance has invited experts to comment on the proposed activities contributing to climate change mitigation and the usability of the taxonomy. I believe NIB’s categorisation will prove to be aligned with the upcoming taxonomy by the EU Commission.

NIB was re-elected as a member of the Green Bond and Social Bond Principles (the Principles) in 2018. After the summer, NIB was also elected as the chair of the Principles’ Steering Committee. The Principles will continue to support green bond market participants globally. The voluntary guidelines and recommendations are set to complement the more regulatory actions and standards.

Various discussions in 2018 questioned whether green bonds can bring additionality and facilitate the needed transition. The non-financial additionality has already been proven, and recently published academic research also points to green bond issuances contributing to companies’ financial performance and yielding a positive stock market reaction.

THE PROCESS NEEDS TO SPEED UP

The Intergovernmental Panel on Climate Change report published in October 2018 stressed the urgent need to speed up the transition to a low-carbon economy and to reach the Paris Agreement targets. Clarity around the definition of “green” is needed to accelerate the necessary decision processes. We should, however, avoid adding unnecessary costs for participating in green financing and issuing green bonds.

Environmental bond selection process

Review of environmental and social risks

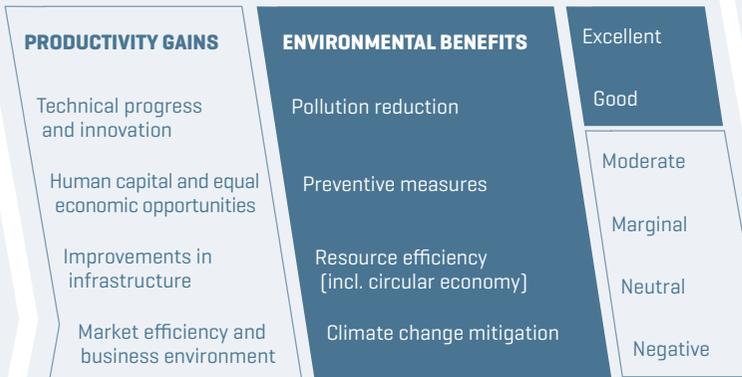
We confirm that there are no significant environmental or social risks connected to the project.



[Read here.](#)

Mandate Rating

The assessment of the projects' environmental benefits should result in a rating of Good or Excellent.



[Read here.](#)

NIB Environmental Bond Framework

We confirm projects' eligibility against a set of criteria within the following project categories:

- ▾ Energy efficiency
- ▾ Renewable energy generation
- ▾ Transmission, distribution and storage systems
- ▾ Clean transport solutions
- ▾ Water management and protection
- ▾ Resources and waste management systems
- ▾ Green buildings



[Read here.](#)

NEB Fund Pool

NIB ensures a straight link between NEB proceeds and disbursements to eligible projects.

Reporting

NIB reports annually on the allocation of NEB proceeds and the impact of projects financed.

Updated NIB Environmental Bond Framework

In 2018, NIB updated its NIB Environmental Bond Framework to align it with the Bank’s revised Mandate Rating Framework. The main aim of the update was to further strengthen the framework in the areas of resource efficiency including circular economy, water related investments, climate adaptation and resilience.

The Bank issues NIB Environmental Bonds (NEBs) and uses the proceeds to finance projects that have a significant positive impact on the environment. The debt obligations carry no project risk and are issued under NIB’s standard debt issuance programmes.

CICERO (the Center for International Climate and Environmental Research) in Oslo has issued [a second opinion](#) on the updated NEB framework, allocating it its highest rating.

“The Nordic Investment Bank’s Environmental Bond framework provides a clear and sound framework for climate- and environment friendly investments. The framework has been allocated the highest rating in our methodology, which is dark green”, says Sophie Dejonckheere, Senior Climate Finance Adviser at CICERO.

In line with the Green Bond Principles, NIB has four core framework components:

- ▼ Process for project evaluation and selection
- ▼ Use of proceeds
- ▼ Management of proceeds
- ▼ Reporting

PROCESS FOR PROJECT EVALUATION AND SELECTION

NIB’s Sustainability & Mandate rating unit identifies projects meeting NEB eligibility criteria during the mandate assessment of potential loans, and is responsible for pre-selecting loans suitable for receiving funding from NEBs. Only projects that receive a “Good” or “Excellent” environmental mandate rating are considered for NEB financing.

The unit performs a qualitative sector assessment and a project-specific quantitative analysis to reach an overall environmental rating, using the [NIB Mandate Rating Framework](#). In addition to the mandate assessment, all projects undergo a review of the environmental and social risks as well as resilience towards the effects of climate change in accordance with [NIB’s Sustainability Policy and Guidelines](#). All loan proposals are part of the regular credit process taken to the Credit Committee, which is responsible for approving recommended NEB loans.

USE OF PROCEEDS

NEB funds are allocated to projects within the categories listed. Projects that provide resilience and adaptation to climate change within the defined project categories without necessarily showing a direct environmental impact are also eligible for NEB funding.

1. Energy efficiency leading to a reduction in energy use of minimum 30% (fossil fuel energy generation is excluded)
2. Renewable energy generation
3. Transmission, distribution and storage systems (connecting more renewable electricity to the grid or enabling transition to carbon-neutral energy supply systems)

4. Clean transport solutions, primarily based on electricity and sustainable biofuels
5. Water management and protection
6. Resources and waste management systems
7. Green buildings (certified according to LEED Platinum and BREEAM Excellent or Outstanding)

In addition, the following screening criteria are applied:

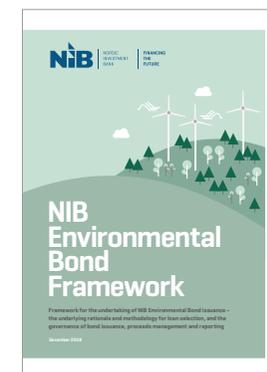
- ▼ that the project is new (completed not more than one year prior to NIB’s project review) and is located in a member or EU country
- ▼ that the review of environmental and social risks has not identified any potentially threatening risk elements to the project
- ▼ that the project has a high likelihood of achieving the targeted environmental benefits and NIB has access to reliable project data for impact reporting

Management of proceeds

NIB separates and monitors the flow of funds from NEB issuances and use of proceeds from NIB’s general funding. Bond proceeds are allocated to a separate portfolio, the NEB Fund Pool. Mismatches in the timeliness of funding and disbursements are managed within NIB’s short-term asset and liability management according to NIB’s liquidity policy. Ultimately, NIB ensures a straight link between proceeds and disbursements to loan for projects.

Reporting

NIB reports annually on the allocation of NEB proceeds and the impact of projects financed.



You can read the updated NIB Environmental Bond Framework [here](#)

NIB Environmental Bond issuance

In 2018, NIB issued one NIB Environmental Bond for EUR 500 million. This was the fourth year in a row in which NIB issued a EUR 500 million environmental bond. With this transaction, NIB is further anchoring its status as the leading Nordic-Baltic issuer of green bonds.

The 7.5-year, EUR 500 million transaction had a high-quality order book of more than EUR 850 million, with a strong representation of green investors. More than 50 investors supported the transaction. Of these, a significant proportion were new investors to NIB, contributing to good investor diversification for the Bank.

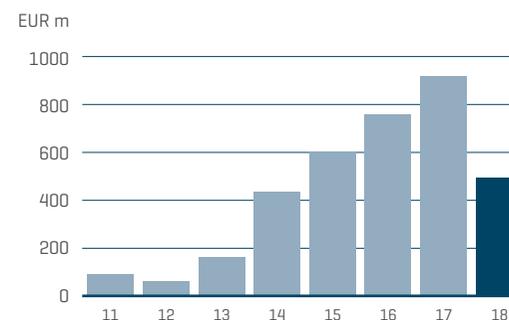
NIB ENVIRONMENTAL BOND ISSUANCE 2011-2018

The Bank has brought green bonds to the market every year since 2011. By the end of 2018, NIB has issued a total of EUR 3.5 billion in NEBs. [See the graph below.]

NIB ENVIRONMENTAL BOND ISSUANCE 2018

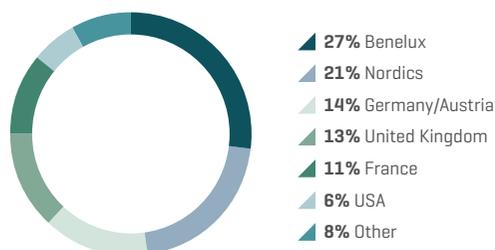
| Currency | Amount in millions | Coupon | ISIN | Value date | Maturity date |
|----------|--------------------|--------|--------------|------------|---------------|
| EUR | 500 | 0.5% | XS1815070633 | May 2018 | November 2025 |

NIB ENVIRONMENTAL BOND ISSUANCE 2011-2018



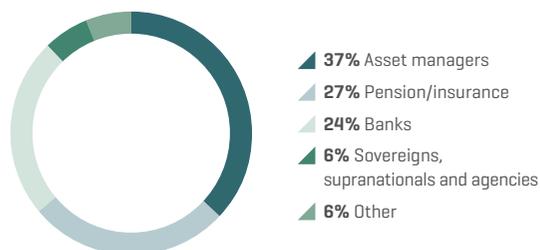
NEB INVESTORS 2018

% by geographical region



NEB INVESTORS 2018

% by investor type

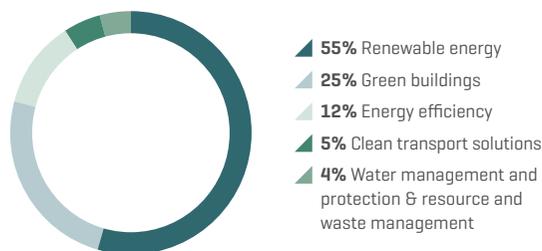


Projects financed by NEB proceeds in 2018

During 2018, NIB financed eight projects with NEB proceeds equivalent to EUR 332 million. Six of these projects received their first NEB funds in 2018. The projects financed fell into the following categories:

NEB-FINANCED PROJECTS IN 2018

%, projects by NEB category



RENEWABLE ENERGY GENERATION

The main share of NEB funding in 2018 was the financing of renewable energy projects.

NIB allocated a total of EUR 181 million to the expansion of renewable energy, including greenfield construction and extension of hydropower in Norway. These projects will add 336 MW of renewable production capacity, and are estimated to result in additional renewable energy generation of 897 GWh annually. Prorated to NIB's share of financing, the added capacity is 156 MW and the added generation 415 GWh.

NIB estimates that these projects will, in total, help avoid approximately 355,000 tonnes of CO₂e emissions annually. Prorated to NIB's share of financing, the reduction is 164,365 tonnes of CO₂e emissions annually.

One of the hydropower investments—the extension of E-CO Energi's Vamma hydropower plant—is presented as a case study in this report.

GREEN BUILDINGS AND ENERGY EFFICIENCY MEASURES

Over one third of the NEB financing was in the building sector in 2018.

NIB financed three green building projects totalling EUR 82 million. Green buildings are considered eligible for NEB funding if they are certified according to either LEED Platinum or BREEAM Excellent or Outstanding.

Combined, the eligible building projects cover approximately 272,600 square metres to be certified in accordance with LEED Platinum or BREEAM Excellent. Prorated to NIB's share of financing, the certified building area is approximately 29,168 square metres.

One of the green building investments—to finance green building developments along Bane NOR's railway network in Norway—is presented as a case study in this report.

Green buildings are properties that reduce negative impacts on the climate and environment in the way they are built and operated. In addition to green buildings, a total of EUR 40 million of NEB funds was allocated to projects improving energy efficiency in buildings.

One of the energy efficiency investments—the construction of a new school centre in the municipality of Kauhava, Finland—is presented as a case study in this report.

OTHER ELIGIBLE CATEGORIES

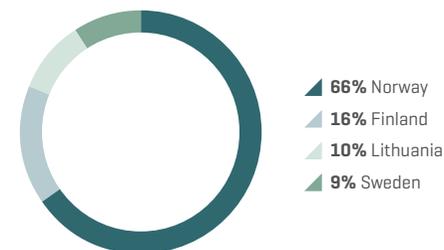
The remaining part of NEB funds in 2018, a total of EUR 29 million, was allocated to municipal investments in wastewater treatment, waste management and clean transport solutions.

GEOGRAPHICAL DISTRIBUTION OF PROJECTS

Of this year's disbursements, 66% went to projects in Norway, 16% to projects in Finland, 10% to projects in Lithuania and 9% to projects in Sweden.

NEB-FINANCED PROJECTS IN 2018

%, projects by country



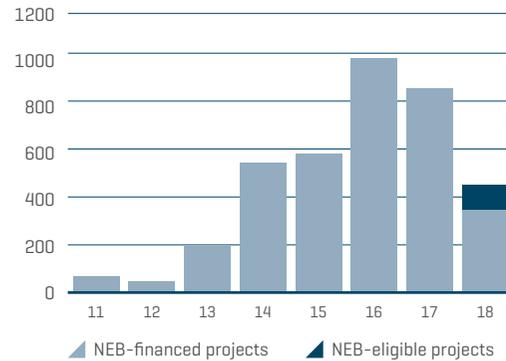
Projects eligible for NEB-financing 2011-2018

The Bank allocates NEB proceeds to a separate portfolio: the NEB Fund Pool. By the end of 2018, NIB had added a total of 66 projects with a total amount of EUR 3.6 billion.

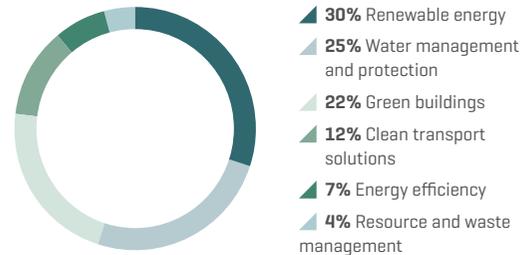
The following charts highlight the distribution statistics for projects by NEB category and country for all financed projects in the NEB Fund Pool between 2011 and 2018.

Projects financed by NEBs should be situated in NIB’s member countries or other EU countries, according to our framework. A majority of the NIB-financed projects so far are located in Sweden, Finland and Norway. Visit NIB’s website for a list of all [NEB-financed projects](#).

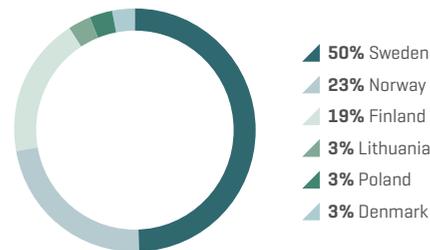
NEB DISBURSEMENTS PER YEAR 2011-2018
in EURm



NEB-FINANCED PROJECTS 2011-2018
%, projects by NEB category



NEB-FINANCED PROJECTS 2011-2018
%, by country



NEB-FINANCED PROJECTS AND THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The seventeen UN Sustainable Development Goals (SDGs) set out a global roadmap for tackling economic, environmental and social challenges as part of the 2030 Agenda for Sustainable Development. The SDGs present a common framework for governments, business and civil society to enhance the value of their innovations and investments, and to strengthen stakeholder relations. NIB has mapped its eligible NEB project categories against the SDGs. You can find an overview on page 12 in this report.

IMPACT OF NEB-FINANCED PROJECTS 2011-2018

| SDG | NEB Category | Energy savings, GWh/a | Added renewable energy capacity, MW | Increased renewable energy generation, GWh/a | GHG emissions reduced or avoided ⁵ , t/CO ₂ e/a | Added wastewater treatment capacity, PE ⁶ | Green buildings certified gross floor area, m ² |
|---------------------|---|-----------------------|-------------------------------------|--|---|--|--|
| | Clean transport solutions | 2 | - | - | 3,242 | - | - |
| | Energy efficiency ¹ | 26 | - | - | 5,728 | - | - |
| | Green buildings ² | - | - | 1 | 1,525 | - | 185,836 |
| | Renewable energy generation | | | | | | |
| | Hydropower | | 290 | 644 | 254,347 | - | - |
| | Wind power | | 161 | 527 | 239,566 | - | - |
| | Biofuels | | 345 | 920 | 494,902 | - | - |
| | Transmission, distribution and storage systems ³ | - | - | - | - | - | - |
| | Resources and waste management systems | - | 77 | 596 | 89,355 | - | - |
| | Water management and protection | - | - | 104 | 2,515 | 658,014 | - |
| TOTAL IMPACT | | 28 GWh/a | 873 MW⁴ | 2,791 GWh/a⁴ | 1,091,179 t/CO₂e/a | 658,014 PE | 185,836 m² |

¹ Energy efficiency projects include buildings, industry and infrastructure. Energy savings are reported for projects with absolute savings.
² Eligible green buildings are certified according to the highest levels of BREEAM [Excellent or Outstanding] and LEED [Platinum].
³ This category includes projects connecting more renewable electricity to the grid or enabling transition to carbon-neutral energy supply systems. No projects have to date been included under this category.
⁴ Includes energy recovery from waste under “Resources and waste management systems” and “Water management and protection”.
⁵ Greenhouse gas calculations include both project-specific direct reduction of fossil fuel use as well as indirect impacts via increased renewable energy production that can crowd out fossil fuel use elsewhere.
⁶ Main indicator for wastewater projects is the added treatment capacity presented as person equivalents (PE). One PE equals the pollution load in household sewage produced by one person.

Methodology:

- Impacts of NEB-financed projects are measured ex-ante according to a set of environmental indicators in line with harmonized impact reporting approaches agreed with other international financial institutions (IFIs) under the Green Bond Principles.
- NIB reports direct emission reductions that can be measured, or alternatively indirect impacts such as avoided emissions due to added renewable energy. Should a project partly replace existing capacity or directly impact the operation of other production units, only the actual difference in impact is reported.
- All impacts are prorated to NIB’s share of financing compared to the total project cost. Until 2017, NIB reported impact based on agreed loan amounts. Starting from 2018, the impact is reported based on disbursements to better capture the impact of each green bond issuance.
- Greenhouse gas calculations are based on the Harmonized Approach to Greenhouse Gas Accounting, agreed with other IFIs in November 2015. The EU grid emission factor for electricity, calculated as a combined margin [combination of built and operating margin], is used. For thermal energy, local emission factors are utilised for calculation of emission reductions.



873 MW in renewable energy capacity = **290 onshore wind turbines**



2,791 GWh in renewable energy = the annual energy need of **110,000 single-family houses**



CO₂e

1,091,179 tonnes of CO₂e reduced or avoided = the annual carbon footprint of **110,000 people** in NIB’s member countries



Project-specific impact data is published on NIB’s website: https://www.nib.int/investors/environmental_bonds

Case study:

E-CO Energi

The Norwegian energy group E-CO Energi Holding AS and NIB have signed a long-term loan agreement of NOK 1.8 billion [EUR 181 million], which is 100% financed by NIB Environmental Bond proceeds.

The 12-year loan will finance the construction of three new hydroelectric power stations: Rosten (with a capacity of 80 MW), Nedre Otta (85 MW) and Tolga (43 MW), as well as an extension of the existing Vamma plant with a new 128 MW turbine on Norway's largest and longest river, the Glomma.

These are all run-of-the-river hydropower plants, which are a sustainable way of generating renewable energy in an already-regulated watercourse.

The investments in hydropower will significantly increase the production of renewable energy in Norway and ensure the security of supply. Hydroelectricity is one of the most mature technologies for renewable energy generation.

The Rosten plant has been operating since August 2018. The extension of Vamma is expected to start commercial production in spring 2019. Nedre Otta is scheduled for completion in 2020. The Tolga project is expected to be completed in 2021.

Disbursement year:
2018

Amount disbursed:
EUR 181 million

Maturity:
2030

NEB category:
Renewable energy generation

NEB eligibility:
100%

The Vamma
hydropower plant.
Photo: E-CO Energi
Holding AS



Case study:

Bane Nor Eiendom

The Norwegian state company Bane Nor Eiendom AS and NIB have signed a loan facility of NOK 350 million [EUR 36.80 million] to finance the construction green buildings and energy efficiency redevelopments along Bane NOR's railway network. The facility is 100% financed by NIB Environmental Bond proceeds.

The seven-year loan facility will first finance the construction of a new office building, Bane Nor SF's headquarters, at Schweigaards gate 33 in Oslo. The building will be certified in accordance with the "Excellent" rating under the BREEAM-NOR certification, Norway's national modification of the world-leading Building Research Establishment Environmental Assessment Method. The project is already under construction and is scheduled to be completed early in 2019.

The building will be equipped with photovoltaic cells that will provide approximately 100 MWh of electricity annually, corresponding to 5% of the total annual energy need. Approximately 50% of the roof terrace area will be green areas with vegetation, accommodating benefits for storm-water management and control over heating and cooling.

Moreover, the central location provides easy access to the building by public transport. The building also includes parking spaces for 160 bikes as well as a parking area for 30 cars with the possibility for charging electric vehicles.

Disbursement year:
2018

Disbursed amount:
NOK 350 million

Amount in EUR:
36.80 million

Maturity: 2026

NEB Category:
Green buildings

NEB eligibility:
100%

Illustration: LPO
Arkitekter AS



Case study:

Municipality of Kauhava

The Municipality of Kauhava in western Finland and NIB have signed a long-term loan agreement of EUR 10 million, which is 100% financed by NIB Environmental Bond proceeds.

The 20-year loan will finance the construction of a new and energy-efficient school centre for approximately 750 pupils, and extensions of the two existing daycare facilities, Metsäkulma and Voltti, for around 60 children. Kauhava is a municipality of approximately 17,000 residents in Southern Ostrobothnia.

The total electricity and heat consumption is estimated to be cut by more than 50%, decreasing by 2,200 MWh annually, compared to the old school. The targeted energy-efficiency of the new school centre will be 13% more efficient than is currently required for educational buildings in Finland. The school will have solar panels on its roofs generating 160 MWh of electricity annually.

The extensions of the daycare facilities were completed in October 2018. Construction work for the school centre is ongoing and is scheduled for completion in autumn 2020.

Disbursement year:
2018

Amount disbursed:
EUR 10 million

Maturity:
2038

NEB category:
Energy efficiency

NEB eligibility:
100%

Jorma Ylirinne,
Construction
Manager at Kauhava
Municipality, at
a school center
under construction.
Photo: Municipality
of Kauhava



NIB actively developing the green bond market

In 2018, NIB was re-elected as a member of the Executive Committee of the “Principles”—the Green Bond Principles [GBP], Social Bond Principles [SBP], and Sustainability Bond Guidelines [SBG]. In addition, Lars Eibeholm, Head of Treasury at NIB, was elected to chair the Principles’ Steering Committee.

The Principles is a set of voluntary guidelines and recommendations promoting the integrity of a sustainable bond market. Most market participants use the Principles as their key reference; hence, NIB expects the Principles to continue to play a leading role in further developing the green, social and sustainable bond market.

UPDATED PRINCIPLES

The [2018 version of the Principles](#) was published at the GBP/SBP Annual Meeting in June along with Guidelines for External Reviews, a high-level mapping to the UN’s Sustainable Development Goals, and the Framework for Impact Reporting of Social Bonds.

NIB participates in the Principles’ working groups, and especially in the working group on impact reporting. NIB’s

environmental analysts have contributed to the development of impact metrics in reporting on renewable energy, energy efficiency, sustainable water and wastewater management, resource efficiency and waste management, as well as clean transportation.

OBJECTIVES FOR 2018–2019

The work within [the various working](#) groups will continue in accordance with their Terms of Reference. The working group on impact reporting has started developing impact metrics for green buildings. The guidelines and core metrics for this category are expected to be published during spring 2019.

During the year, the Executive Committee will look into how to strengthen the outreach to members and observers. A valuable tool in collecting the market’s opinion is through the annual consultation the Executive Committee conducts.

The Research working group has been established to collect, analyse and share findings with the market. By publishing these findings, the Principles believe it will help to broaden the understanding of the market drivers. One topic to be analysed is the concept of providing “additionality” in green and social finance.

The Executive Committee acknowledges the many ongoing initiatives to regulate, mainly the green bond market. The Committee will stay in close dialogue with the relevant stakeholders, and a taskforce has been established to keep the Committee updated on these initiatives.

CONTRIBUTING TO THE EU ACTION PLAN ON SUSTAINABLE FINANCE

NIB acted as an observer to the High-Level Expert Group on Sustainable Finance assigned to provide recommendations to the European Commission.

In 2018, the work progressed with the EU Action Plan and the Technical Expert Group [TEG] on sustainable finance to assist the Commission in developing, for example, a taxonomy for climate mitigation, and an EU Green Bond Standard.

The TEG has published its first proposal on a taxonomy for climate change mitigation, and NIB will provide feedback on the proposed taxonomy and its usability.

In addition, NIB has signed up to the Commission’s invitation for stakeholders to contribute their technical expertise in the different workshops to be set up in early 2019.

Green bond investments

NIB has taken an active role as an investor in developing and supporting the Nordic-Baltic green bond market.

NIB has extensive experience in evaluating the environmental impact of all projects it lends to, which benefits the assessment of underlying projects financed by NIB-purchased green bonds. In 2016, NIB decided to allocate EUR 500 million for the Bank's lending portfolio for managed investments in green bonds issued by companies and municipalities in the Nordic-Baltic region.

By the end of 2018, the aggregate principal amount of the green bonds invested was EUR 308 million through 20 investments. Information on purchases made so far is available on the [NIB website](#).

NIB reviews each green bond considered for purchasing to ensure that the underlying investments meet the Bank's internal criteria for labelling a bond as "green".

NIB actively discusses green eligibility criteria with green bond issuers. NIB has also initiated cooperation with arranging banks to ensure that green bonds offered to NIB fulfil certain criteria. As part of the cooperation, NIB has discussed the arranging banks' green bond policies, procedures and awareness of NIB's environmental criteria.



Disclaimer

This report and other information appearing in or linked from the report are for information purposes only. It does not constitute an offer to sell, or the solicitation of an order to buy, any of the securities referred to therein. None of this report or other information appearing linked from the report should be construed as investment, legal or tax advice.

Any reproduction or distribution of the report or other information appearing on the linked webpages, in whole or in part, or any disclosure of any of their contents may be prohibited or limited by the laws of certain jurisdictions. By proceeding to any of the linked webpages you represent, warrant and agree to your compliance with all such prohibitions or limitations.

The report and other information appearing in or linked from the report is historical only and speaks only as of its respective date. NIB expressly disclaims any intention or obligation to update or revise any such report or information.

Contact

For further information about NIB Environmental Bonds, please contact:

Jens Hellerup

Senior Director, Head of Funding and Investor Relations
jens.hellerup@nib.int
+358 10 618 0340

Luca De Lorenzo

Head of Sustainability and Mandate
luca.delorenzo@nib.int
+358 10 618 0297

Jukka Ahonen

Senior Director, Head of Communications
jukka.ahonen@nib.int
+358 10 618 0295

www.nib.int/capital_markets/environmental_bonds