

Corporate bonds

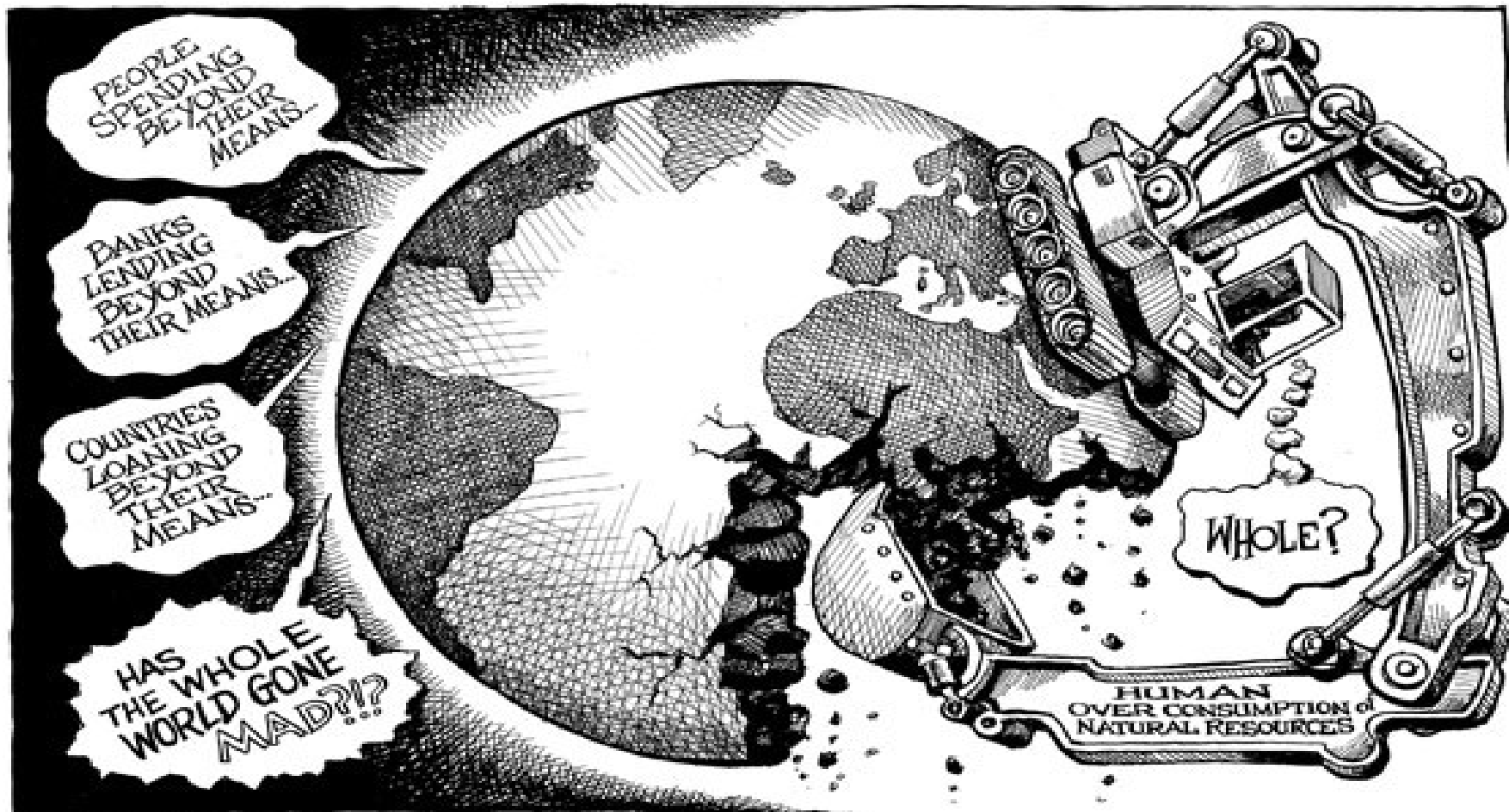
Supporting sustainable development

Analysts:

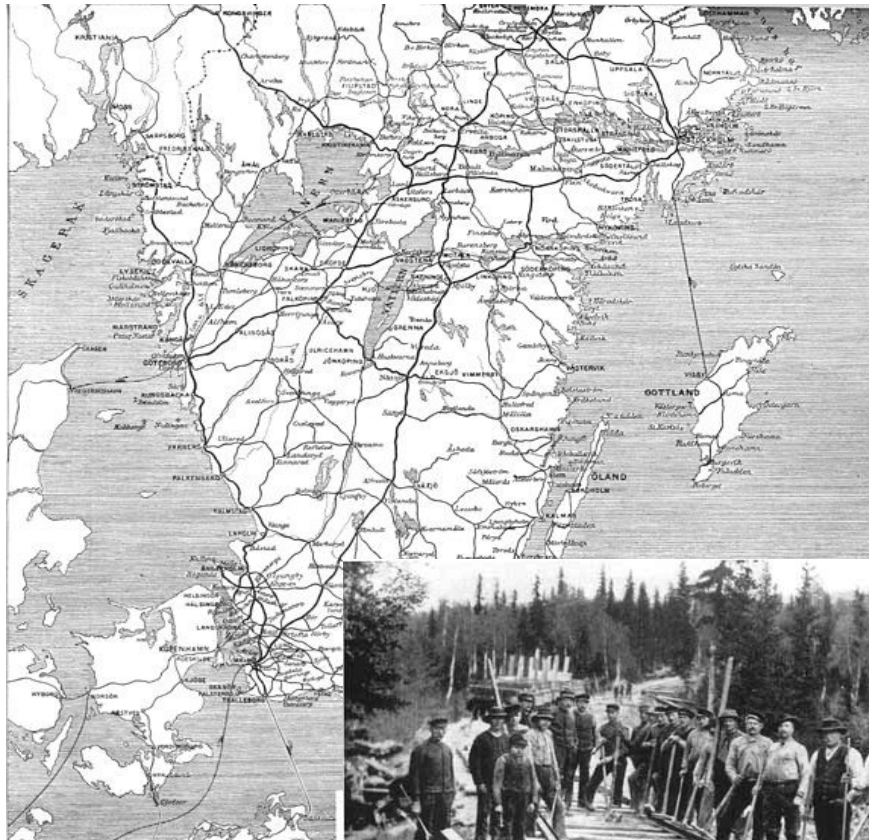
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A lot of focus on economic growth - but how about the environment...?

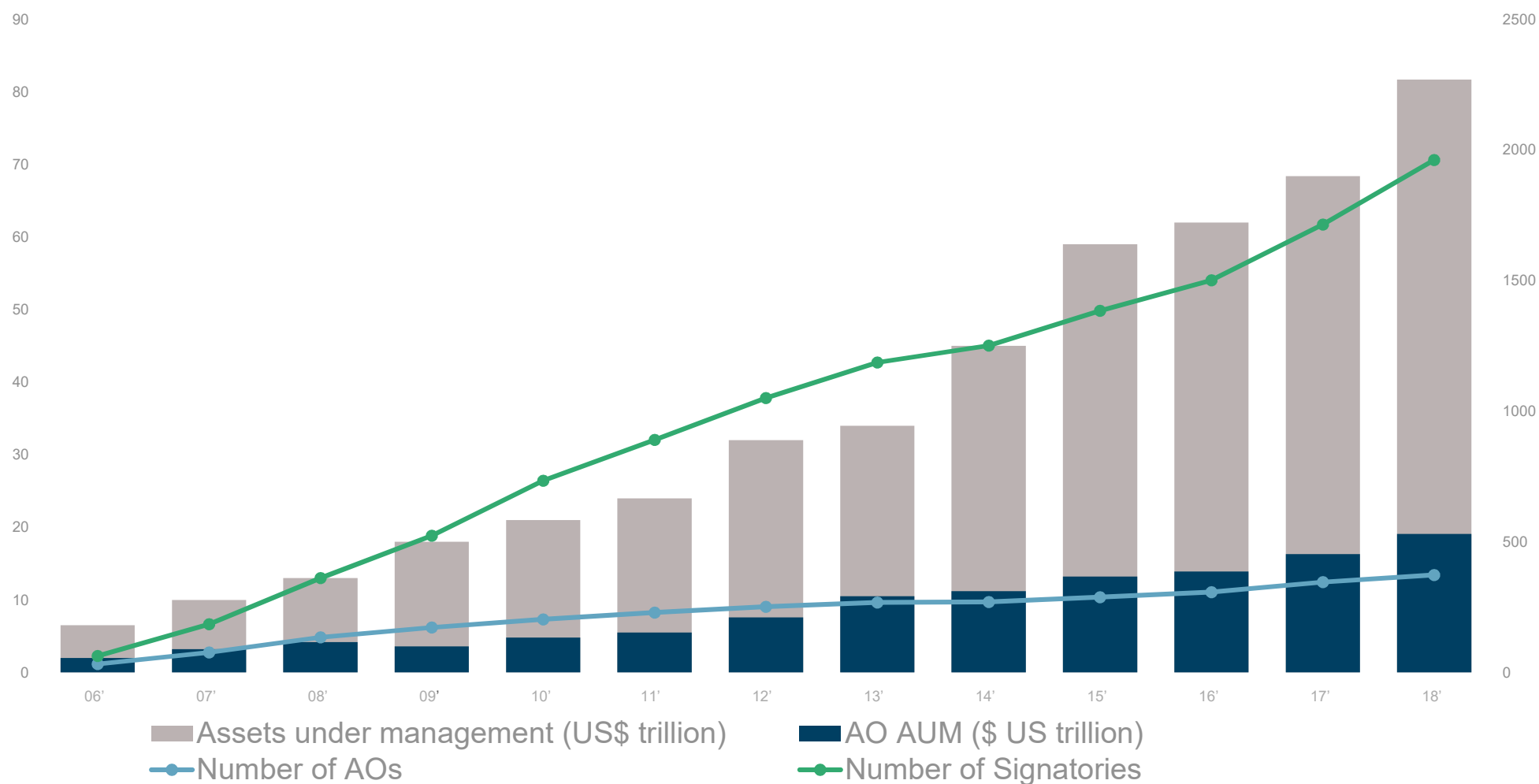


Corporate bonds have a long history (also) in Sweden



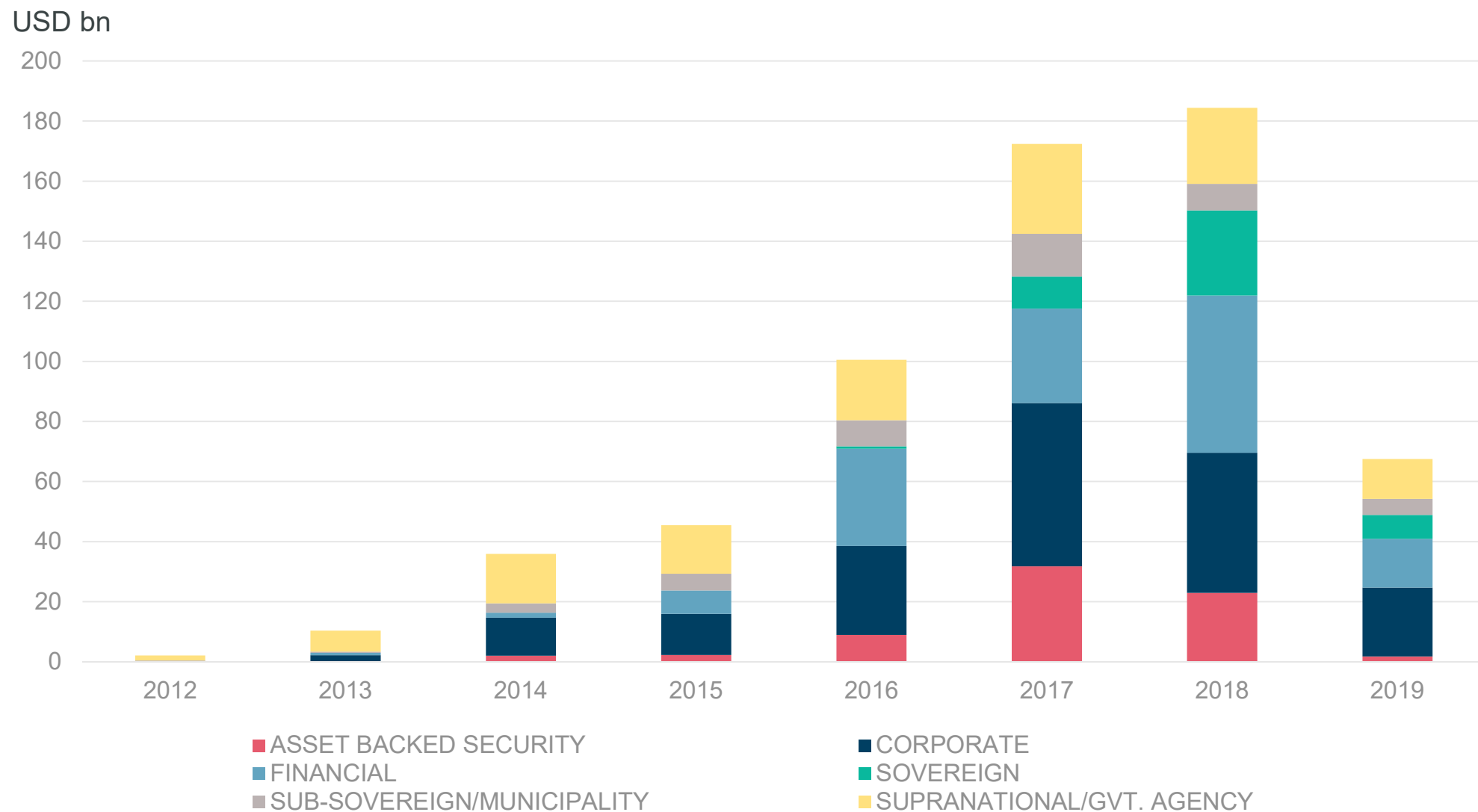
Sustainable finance is becoming increasingly important to investors

Signatories committed to the UN PRI – including ESG aspects into their investment practices



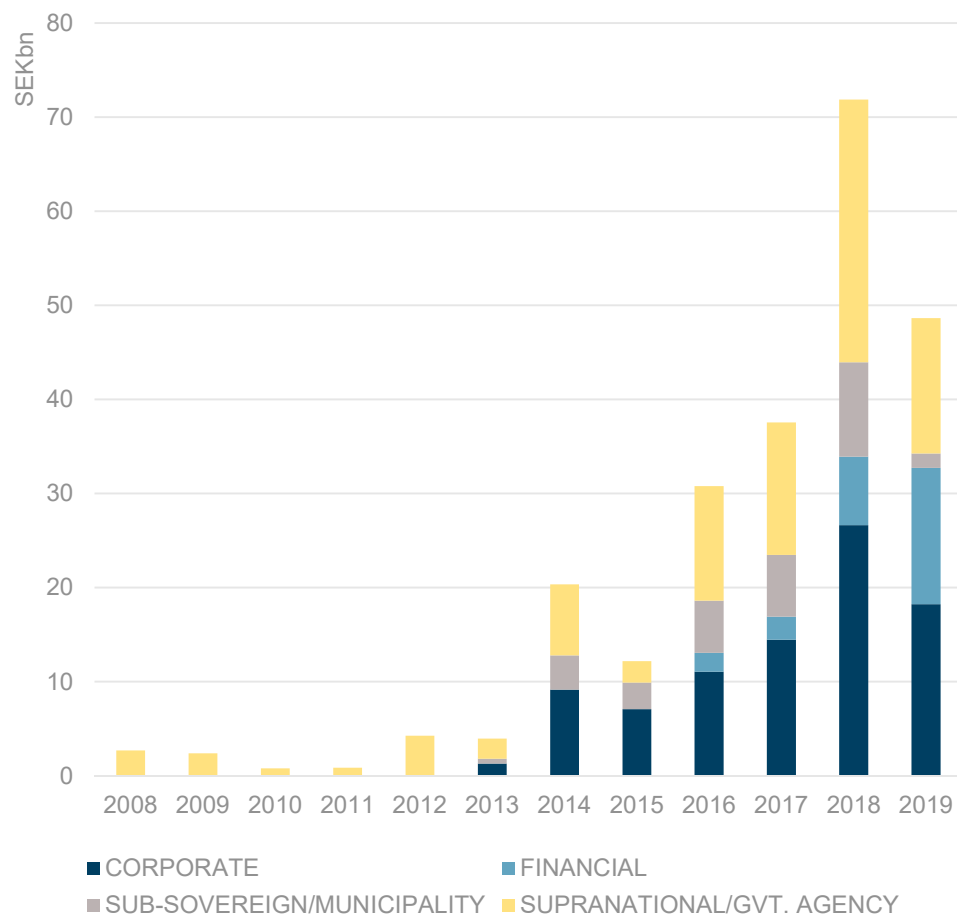
Source: Danske Bank, UN PRI

Global Green Bond issuance

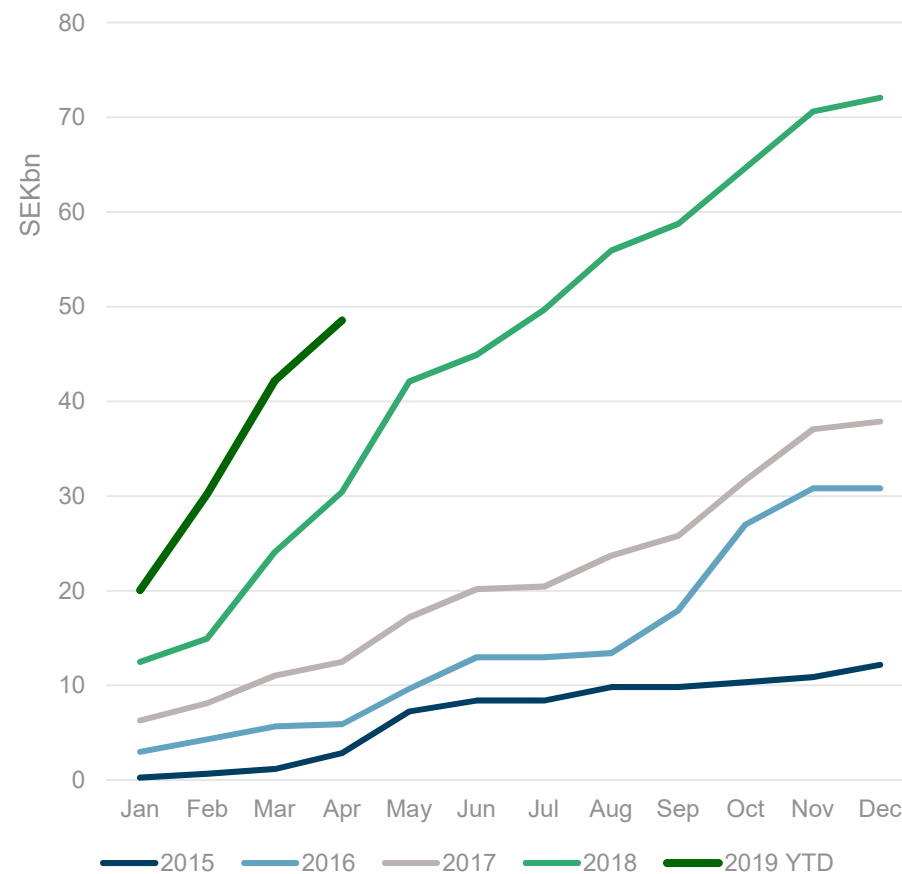


SEK Green Bonds

SEK Green Bond issuance



Cumulative Monthly SEK Green Bond Issuance



Next stage: Increased focus on ESG risks

CREDIT & CORP BONDS RESEARCH
Investment Research

Danske Bank
15 January 2019
Sector report

Nordic Utilities

ESG risks in Nordic Utilities

In this document, we identify and discuss the largest environmental, social and governance (ESG) issues and challenges facing the Nordic utilities. We also give our view on the individual utilities' exposure to such topics. Finally, we provide an overview of ESG risk ratings for the names under coverage.

Generally strong ratings for Nordic Utilities

Independent ESG rating agency Sustainalytics generally scores the Nordic utilities fairly strongly on ESG issues. This is due to their fairly low carbon intensity, with most Nordic generators exposed to non-emitting technologies such as hydro, nuclear and wind. The generators also typically have a high focus on ESG measures and provide comprehensive updates on their ESG efforts and policies.

Nordic network companies tend to score less than generators. We believe this is due to Sustainalytics' general view that outages due to grid failures pose a relatively high threat to a company's image and reputation. Generally though, we think Sustainalytics is too negative on network operators.

In the following, we will identify the typical ESG themes that might adversely influence the performance of a Nordic utility. Typically, we are looking for overarching themes that, if not handled properly, could lead to scandals or accidents that could result in a serious negative backlash for the company's operating and/or financial performance.

The main categories of ESG risk we identify for Nordic utilities are as follows.

- Nuclear waste handling and nuclear safety.
- Hydro and wind's impact on the environment.
- CO₂ emissions.

Sustainalytics score

Company	ESG risk rating*	Management focus on ESG issues**	Degree of exposure to ESG issues*
Fortum	24	68	64
Orsted	25	65	63
Vattenfall	22	67	59
TVO	NR	NR	NR
Statkraft	18	46	32
Fingrid	35	37	54
Statnett	29	39	44
Elentis	52	26	55
Caruna	45	27	60
Elevio	50	29	59
Stockholm Energi	NR	NR	NR

* On a scale from 1-100, where 1 is the best
 ** On a scale from 1-100 where 100 is the best
 Source: Sustainalytics

Key points

- Nordic nuclear operators have good visibility on nuclear waste handling.
- Protection of fauna in Nordic rivers is an issue for hydro stations.
- The CO₂ profiles of Nordic utilities are generally good.
- Wind energy often encounters local opposition.
- Grid companies face possible reputational damage from grid outages.
- Health and safety records are generally good.
- High ESG scores in the Nordic region.

Outstanding Nordic green bonds within the utilities sector

Issuer	Green	Maturity	Currency	and ADR issued
Appl Energy	2,800M	30-Nov-27	USD	300M
ØK	15M	06-Oct-21	USD	100M
Envest Energy	15M	05-Oct-25	USD	100M
Fingrid	1,115M	23-Nov-27	EUR	27M
Lyse	15M	18-Apr-23	USD	12M
MT	15M	13-Nov-24	USD	12M
MT	15M	12-Nov-25	USD	12M
Ørsted (Hydro)	2,200M	24-Nov-24	EUR	100M
Ørsted	1,500M	26-Nov-29	EUR	100M
Solbætt	15M	15-Nov-23	USD	21M
ST	1,500M	25-May-28	USD	115M
ST	1,500M	25-May-25	USD	115M
Stockholm Energi	1,700M	24-May-22	USD	100M
Vander	15M	11-Oct-19	USD	100M

Source: Company data, Danske Bank DCM Research

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EN PODCAST OM FÖRETAGSOBLIGATIONER

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99: Tillväxtparadigmet

Louis & Gabriel 2019/04/08 Podcast 0 Comments

Äntligen är hon tillbaka! Josefine Syssner vid Centrum för kommunstrategiska studier gästar podden och vägleder oss i en djupdykning av kommunsektorns villkor och framtid.



Kan den svenska välfärdsmodellen behållas trots krympande kommuner och förändrade tillväxtförutsättningar? Hur är det att vara en kommun som krymper – vem ska ta de tuffa prioriteringsbesluten och var måste kommunen minska på verksamheten? Men kanske behöver det inte vara så illa – optimisten Louis ser ljusare tider för civilsamhället!

Lyssna för böveln klart på avsnittet – det avslutas med tävling!

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