



# IMPACT REPORT FOR 2021

SID - Slovenska izvozna in razvojna banka, d. d., Ljubljana

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# SID BANK`S GREEN BOND

In accordance with its primary mission, SID Bank finances preserving of the environment and energy efficiency with the aim to provide funding for supporting actions to protect the environment, ensure proper waste management, proper consumption of natural resources, increasing investments in environment protection infrastructures, encouraging the use of renewable energy sources and encouraging efficient energy.

As part of the activities to achieve the above-mentioned goals, SID Bank issued a green bond in the amount of EUR 75 million in December 2018 with ISIN code XS1921553803 (hereinafter: Green bond).

**SID Bank's Green bond was the first green bond issued by a Slovenian issuer in the international capital markets in accordance with the ICMA 2018 Green Bond Principles<sup>[1]</sup> (hereinafter: ICMA Principles) and one of the first green bonds in this part of Europe.**

At the Green Bond Pioneer Awards event in 2019, SID Bank received award from the international organization Climate Bonds Initiative for the issuance of the first public sector green bond from the Republic of Slovenia.



[1] The ICMA 2018 Green Bond Principles are voluntary guidelines that recommend transparency and disclosure of information and promote integrity in the development of the green bond market by clarifying the approach to issuing green bonds.

SID Bank has published the Green Bond Framework<sup>[2]</sup> (hereinafter: the Framework) in accordance with the ICMA Principles determining the following categories for allocation of the net proceeds of the Green Bond portfolio projects (Eligible Green Projects Portfolio):

- ✓ **Renewable Energy**
- ✓ **Energy Efficiency**
- ✓ **Pollution Prevention and Control**
- ✓ **Environmentally Sustainable Management of Living Natural Resources and Land Use**
- ✓ **Clean Transportation**
- ✓ **Sustainable Water and Wastewater Management**
- ✓ **Eco-efficient and/or Circular Economy Adapted Products, Production Technologies and Processes**
- ✓ **Green Buildings**

SID Bank has obtained an independent second party opinion from Sustainalytics, which confirmed that Green Bond Framework is credible and impactful, aligned with the ICMA Principles.



[2] [https://www.sid.si/sites/www.sid.si/files/documents/investorji/green\\_framework\\_-\\_final\\_english\\_28.11.2018.pdf](https://www.sid.si/sites/www.sid.si/files/documents/investorji/green_framework_-_final_english_28.11.2018.pdf)



# USE OF GREEN BOND'S PROCEEDS



In the Green Framework SID Bank obliged itself to report on the allocated amount and the estimated environmental effects<sup>[3]</sup> of financed green projects according to the categories set out in the ICMA Principles on an annual basis. Annual reporting comprise the environmental impacts of projects financed by SID Bank in 2021 and cumulative environmental impacts. As the allocation of the Green Bond proceeds concluded at the end of 2021 this report on the environmental impacts of Green Bond is final.

[3] The estimated environmental effects represent an assessment of the expected annual environmental effects for the representative year when the project is completed and operates at normal capacity.

**In 2021 SID Bank allocated funds on the basis of Green bond proceeds to 7 projects in the total amount of EUR 8.2 million.**

**By the end of 2021 SID Bank allocated funds to 22 projects in the total amount of EUR 87.0 million, of which EUR 79.0 million were disbursed.<sup>[4]</sup>**

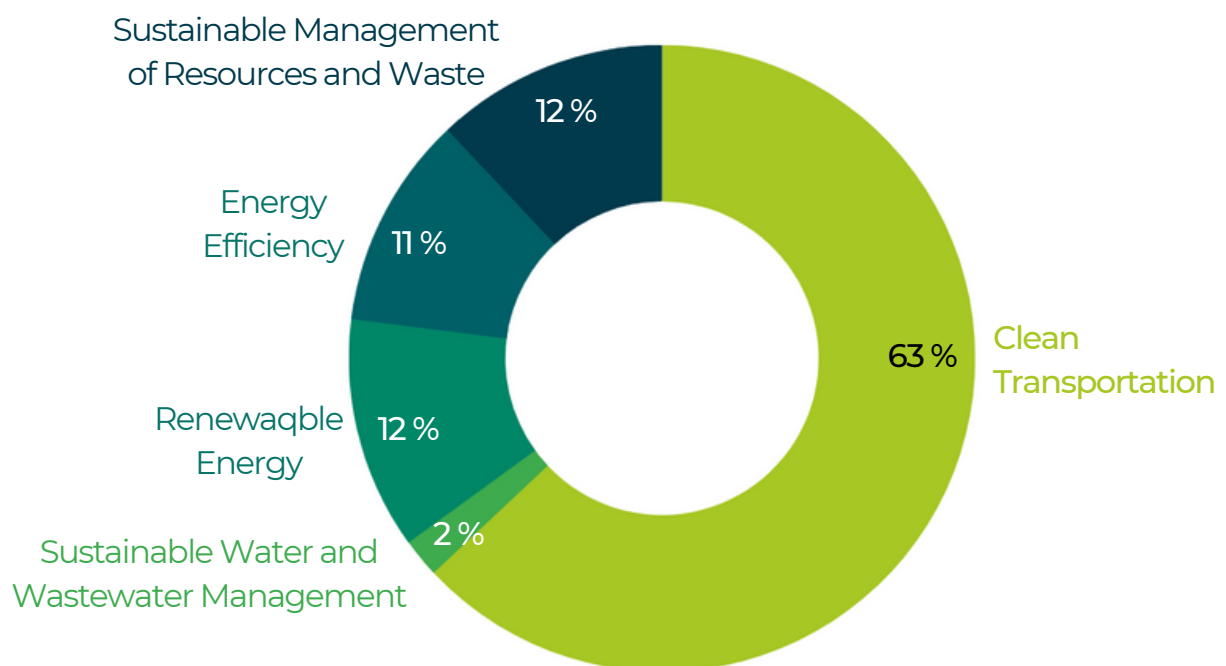
By the end of 2021 undisbursed allocated funds amounted to EUR 8.0 million.<sup>[5]</sup>

The largest share, namely 63% of all funds, has been allocated to green projects in the ICMA Green Category of Clean Transportation, 12% in the category of Renewable Energy, 12% in the category of Sustainable Management of Resources and Waste, 11% of funds for projects in the category of Energy Efficiency, and 2% in the category of Sustainable Water and Wastewater Management.



**By the end 2021 SID bank managed to successfully allocate the Green bond proceeds to green projects in line with the Green Bond Framework.**

Picture 1: Structure of Allocated Funds by ICMA Green Categories by the end of 2021



[4] The amount of allocated funds for projects includes only that part of SID Bank's investments that contains the green component. The non-green part of projects is excluded from reporting.

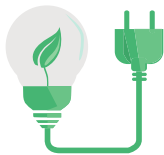
[5] Green Bond proceeds were allocated to projects financed after the issuance of Green Bond (EUR 55.3 million) and projects financed prior to the issuance (EUR 31.7 million).

# ESTIMATED ENVIRONMENTAL IMPACTS OF GREEN PROJECTS

The following estimated environmental effects are achieved annually with one million euros of green bond proceeds allocated by the end of 2021:



Reduction of greenhouse gas emissions by **1,092 tons CO<sub>2</sub>**



Electricity savings of **46 MWh**



Energy savings, other than electricity, of **4,989 GJ**



Increase in passenger kilometers from the clean transportation in the amount of **1,467 passenger kilometers**

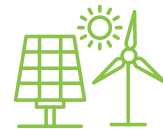


**17 tonnes** of cleaned and **14 tonnes** of reused excess sludge from waste water treatment plant

Production of electricity from renewable energy sources in the amount of **371 MWh**



Production of thermal energy from renewable energy sources in the amount of **2,194 GJ**



Production of energy or fuel from non-recyclable materials or waste in the amount of **3,403 GJ**



Decreased quantity of water usage by **4,867 m<sup>3</sup>**



Decreased quantity of waste water by **5.013 m<sup>3</sup>**

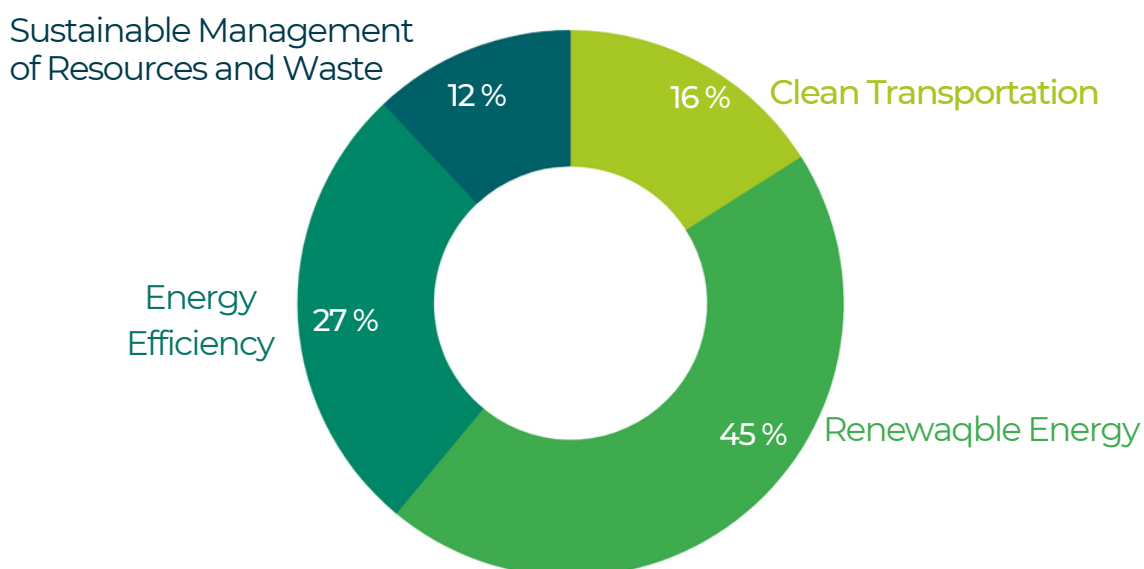




70% of greenhouse gas emissions' reduction for the projects financed in 2021 relates to category Energy Efficiency.

Cumulatively, by the end of 2021 45% of greenhouse gas emissions' reduction relates to projects from category Renewable energy, 27% from category Energy Efficiency, 16% from category Clean transportation and 12% from category Sustainable Management of Resources and Waste.<sup>[6]</sup>

Picture 2: Cumulative reduction of greenhouse gas emissions by ICMA green categories



The environmental impact assessment of projects financed from the Green bond has been made in cooperation with the Jožef Stefan Institute - Energy Efficiency Centre (hereinafter: the Institute), which is an external independent evaluator and is the leading institution in this area in the Republic of Slovenia.

In its environmental impact assessment the ICMA Principles have been followed. Its methodologies and calculations are typically based on actual data on the environmental impacts of individual projects if available. Alternatively methods for calculating characteristic data (savings, emission reductions) in use in Slovenia or other expert bases/data sources for calculations have been applied. In the absence of precisely identifiable methods the expert judgement has been used to assess the environmental effects.

[6] Only the pro-rated share of the environmental effects that corresponds to the projects' costs financed from the green bond proceeds is reported.

A summary of the environmental effects of green projects for year 2021 and cumulative environmental effects by the end of 2021 is shown in the tables below.

Table 1: Allocated and disbursed loans together with environmental effects by ICMA green categories for projects approved in 2021

ICMA green category	Allocated amount in EUR	Disbursed amount in EUR	Electricity production from renewable energy in MWh	Energy production from renewable energy in GJ	Reducing greenhouse gas emissions in t CO <sub>2</sub>	Savings of other energy in GJ	Increased installed capacity of renewable energy in MWh	Decreased quantity of water usage in m <sup>3</sup>	Decreased quantity of waste water in m <sup>3</sup>	Amount of cleaned excess sludge from waste water treatment plant in t	Amount of reused excess sludge from waste water treatment plant in t	Decreased amount of waste/emissions in t
Renewable Energy	1,652,122	1,061,044	1,428	95,760	6,207	/	3	/	/	/	/	/
Energy Efficiency	4,800,927	588,946	/	/	21,148	319,444	/	/	/	/	/	/
Sustainable Management of Resources and Waste	825,000	0	/	/	2,879	/	/	/	/	/	/	1,564
Sustainable Water and Wastewater Management	900,000	450,000	/	/	/	/	/	365,000	376,000	1,300	1,040	/
<b>TOTAL</b>	<b>8,178,049</b>	<b>2,099,990</b>	<b>1,428</b>	<b>95,760</b>	<b>30,234</b>	<b>319,444</b>	<b>3</b>	<b>365,000</b>	<b>376,000</b>	<b>1,300</b>	<b>1,040</b>	<b>1,564</b>

Legend: GJ - giga joules, MWh - megawatt hours, t CO<sub>2</sub> - tonnes of carbon dioxide, t - tonnes, m<sup>3</sup>- cubic meters.

Table 2: Allocated and disbursed loans together with cumulative environmental effects by ICMA green categories for projects approved by the end of 2021

ICMA green category	Allocated amount in EUR	Disbursed amount in EUR	Electricity production from renewable energy in MWh	Energy production from renewable energy in GJ	Reducing greenhouse gas emissions in t CO	Savings of electricity in MWh	Savings of other energy in GJ	Increasing the amount of recycled products or fuel in t	Production of energy or fuel from non-recyclable materials/waste in GJ
Renewable Energy	10,462,855	9,871,777	27,805	164,536	24,859				
Energy Efficiency	9,745,523	5,533,542	/	/	24,221	2,382	352,352		
Sustainable Management of Resources and Waste	10,381,563	8,041,465	/	/	16,218			14,011	255,219
Clean Transportation	54,729,953	54,729,953	/	/	16,573	1,076	21,841		
Sustainable Water and Wastewater Management	1,675,000	795,145	/	/	/	/	/		
<b>TOTAL</b>	<b>86,994,894</b>	<b>78,971,882</b>	<b>27,805</b>	<b>164,536</b>	<b>81,871</b>	<b>3,458</b>	<b>374,193</b>	<b>14,011</b>	<b>255,219</b>

Legend: MWh - megawatt hours, GJ - giga joules, t CO<sub>2</sub> - tonnes of carbon dioxide, t - tonnes, PE - Population Equivalent, km - kilometers.

Table 2 - continuation: Allocated and disbursed loans together with cumulative environmental effects by ICMA green categories for projects approved by the end of 2021

ICMA green category	Allocated amount in EUR	Disbursed amount in EUR	Increased installed capacity of renewable energy sources in MWh	Decreased quantity of water usage in m <sup>3</sup>	Decreased quantity of waste water in m <sup>3</sup>	Amount of cleaned excess sludge from waste water treatment plant in t	Amount of cleaned excess sludge from waste water treatment plant in t	Amount of cleaned waste water in PE	Decreased amount of waste/emissions in t	Increase in usage of wood in t	Increase in passenger km
Renewable Energy	10,462,855	9,871,777	22	/	/	/	/	/	/		
Energy Efficiency	9,745,523	5,533,542		/	/	/	/	/	/		
Sustainable Management of Resources and Waste	10,381,563	8,041,465		/	/	/	/	/	1,564	275	
Clean Transportation	54,729,953	54,729,953							/		110,000
Sustainable Water and Wastewater Management	1,675,000	795,145		365,000	376,000	1,300	1,040	2,118			
<b>TOTAL</b>	<b>86,994,894</b>	<b>78,971,882</b>	<b>22</b>	<b>365,000</b>	<b>376,000</b>	<b>1,300</b>	<b>1,040</b>	<b>2,118</b>	<b>1,564</b>	<b>275</b>	<b>110,000</b>

Legend: MWh - megawatt hours, GJ - giga joules, t CO<sub>2</sub> - tonnes of carbon dioxide, t - tonnes, PE - Population Equivalent, km - kilometers, m<sup>3</sup>- cubic meters.

All projects financed from the Green bond contribute to fulfillment of Sustainable Development Goals which were set in 2015 by the United Nations.