



NORDIC
INVESTMENT
BANK

FINANCING
THE
FUTURE

2025

Integrity Report



Foreword by the President

The year 2025 was a significant one for the Nordic Investment Bank: we celebrated 50 years since the Nordic countries signed the agreement to establish NIB and 20 years of Baltic membership. Since our establishment in 1975, we had to continuously respond to changing economic, environmental, and political realities, and throughout 2025, we faced a geopolitical situation without precedent in the Bank's history.

While NIB benefits from operating in a region with high governance standards, we remain vigilant and proactive in upholding our stance on integrity. Accountability, transparency, and responsibility are essential aspects of sustainable finance and the Bank's culture which enable us to maintain our stakeholders' trust and confidence. This is especially relevant as we adapt to new operating environments and move into new sectors to further support the Nordic and Baltic countries: this year, we signed our first defence loans to strengthen the region's resilience and long-term security.

A cornerstone of our integrity framework is the Integrity and Compliance Policy, which was updated this year, incorporating enhancements in the areas of sanctions, anti-corruption and the prevention of money laundering. The Bank's commitment to privacy was also renewed as part of a review of our personal data protection framework.

In 2026, we will continue to support our member countries by contributing to the prosperity and sustainability of the region. Our mission – to provide long-term financing to improve productivity and benefit the environment – remains at the core of our work. We understand the importance of doing this with integrity and in accordance with sound business ethics.

André Kүүsvek
President & CEO



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About this report

NIB publishes an annual Integrity Report to provide an overview of NIB's integrity and compliance framework and associated activities during the year. The Integrity Report is approved by NIB's Board of Directors for publication.

1 Integrity and Compliance at NIB

1.1 Commitment to integrity

The Nordic Investment Bank (NIB) is committed to the integrity of markets and to following best practices and international standards in the areas of governance, business ethics, accountability, and transparency in all its operations and activities. NIB has zero tolerance with respect to conduct risk and financial crime risk and implements efficient monitoring systems and controls to identify these risks proactively.

As an international financial institution (IFI), any misconduct or prohibited practice, such as corruption, fraud, money laundering or terrorist financing, is regarded as material. These prohibited practices are linked to a wide range of negative impacts, such as undermining the rule of law, economic loss and inefficiency, and damage to the environment. Prevention is at the forefront of NIB's efforts, and the Bank has anti-corruption and anti-money laundering controls in place. Further, NIB complies with the sanctions regimes relevant to its operations imposed by the UN Security Council, the European Union, any NIB member country, the United Kingdom (His Majesty's Treasury), and the United States of America (OFAC).

1.2 Governance

NIB's Board of Directors has the ultimate responsibility for ensuring that integrity and compliance risks are managed. The Board also approves NIB's policies relating to compliance, integrity, anti-corruption, and investigations. NIB's Control Committee is responsible monitoring the effectiveness and adequacy of the Bank's integrity and compliance activities.

1.2.1 Integrity & Compliance Office

The Integrity & Compliance Office (ICO) is an integral part of NIB's risk management framework. ICO has a formal status within the Bank and carries out its functions on its own initiative. The unit actively contributes to NIB's control measures to ensure a holistic understanding of risk. ICO's primary responsibility is to provide support in identifying, assessing, managing, and reporting on the integrity risk NIB's faces. As part of this role, ICO is the Bank's focal point for issues concerning integrity due diligence (IDD), anti-money laundering/combating terrorism financing, prohibited practices, and sanctions.

ICO is headed by the Chief Compliance Officer (CCO), who has unrestricted access to the President, the Chair of the Board of Directors, and the Chair of the Control Committee. The CCO reports twice a year to the Bank's governing bodies on integrity and compliance matters. The CCO also presents ICO's annual activity plan to the Board of Directors for approval.

ICO's roles and objectives



Integrity culture

ICO works to promote a culture of integrity and high ethical standards at NIB. ICO interprets and advises on NIB's Codes of Conduct and provides guidance on handling conflicts of interest.



Risk management

ICO engages with all business, operational, and control functions across the Bank, as well as with senior management to manage integrity risks effectively and to facilitate NIB in achieving its mandate.



Integrity Due Diligence

ICO serves as the second line of defence in NIB's integrity due diligence process (IDD). The IDD process serves to identify integrity and reputational risks arising in NIB's lending and treasury operations and internal procurement.



Sanctions

ICO monitors and advises NIB's management on sanctions issued by the UN Security Council, the European Union, the United Kingdom, the United States of America (OFAC), and by a NIB member country.



Prohibited practices, misconduct and non-compliance

The CCO receives and investigates reports of prohibited practices, misconduct, and non-compliance occurring in NIB's activities and operations.



Training

ICO provides regular training to the Bank's staff and members of the governing bodies to increase awareness and mitigate integrity and compliance-related risks.

1.3 NIB’s Integrity Policy Framework

As an IFI, NIB is not subject to supervision by any national or regional financial or supervisory authority. However, NIB considers the legislation of its member countries and that of the European Union in the development of its integrity framework. The policies of the framework are approved by the Board of Directors.

NIB has adopted a risk-based approach regarding the application of integrity and compliance controls.

The **Integrity and Compliance Policy** outlines the Bank’s commitments to integrity and the measures employed to avoid or mitigate and manage integrity and compliance risks. This includes actions to fight against prohibited practices, including corruption, bribery, fraud, money laundering, and terrorist financing in all of NIB’s operations and activities.

NIB has **Codes of Conduct** for its staff and members of governing bodies in place that outline principles and obligations with regards to conduct. The Codes are available in English, NIB’s working language. The Code of Conduct for Staff is applicable to all employees, including internal consultants. Upon joining the Bank and annually thereafter, all employees and members of the governing bodies are required to give written attestation of compliance with the principles and obligations of the applicable Codes.

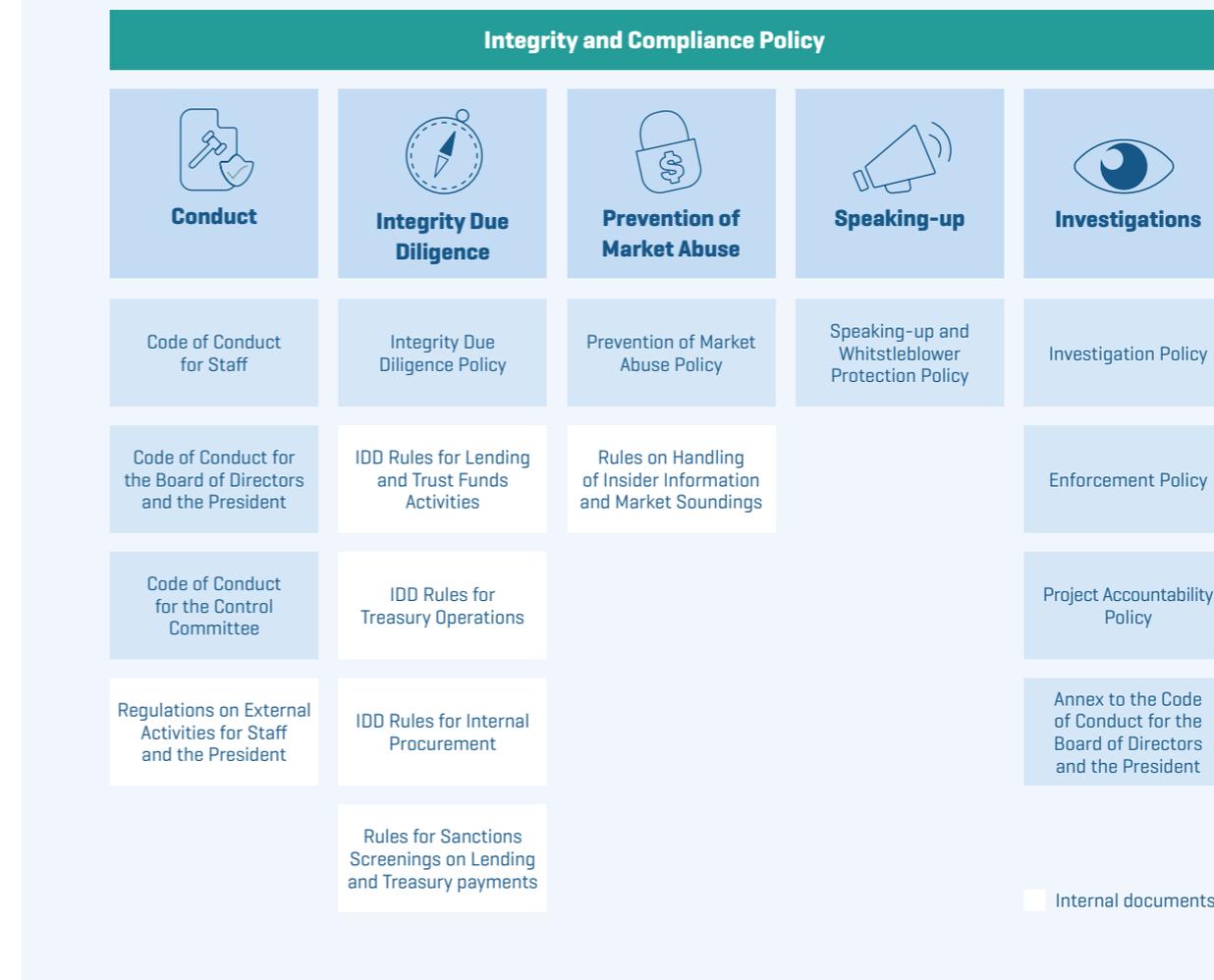
The **Integrity Due Diligence Policy** and its related internal procedures describe how NIB identifies, manages, and mitigates integrity and reputational risks related to the Bank’s counterparties. Where relevant, IDD also includes cross-border structural reviews and tax due diligence to assess whether financial flows are subject to effective taxation.

NIB’s **Speaking up and Whistleblower Protection Policy** establishes the Bank’s mechanisms for raising concerns and reporting suspicions of prohibited practices in connection with NIB’s operations or projects. Reports of prohibited practices and allegations of misconduct by employees are investigated in accordance with **NIB’s Investigations Policy**. Further, the **Project Accountability Policy** sets out the process according to which the Bank handles reports of alleged non-compliance with its own policies by individuals or organisations who believe to have suffered, or are likely to suffer, harm in connection with a NIB-financed activity.

NIB also adheres to the Uniform Framework for Preventing and Combating Fraud and Corruption, signed by the major Multilateral Development Banks (MDBs) in 2006. The agreement outlines a consistent and harmonised approach between the MDBs to combat corruption including the mutual recognition of enforcement actions [cross-debarment].

1.4 Reporting to ICO

NIB promotes good governance in the projects it finances and strives to be transparent in its operations. Any person suspecting that corruption or any other type of prohibited practice could have occurred in connection with a NIB-financed activity is encouraged to report this allegation to the Bank. NIB has established mechanisms for reporting concerns around corruption, misconduct and non-compliance. The mechanism is handled by ICO.



Reports can be made in English and in the eight Nordic and Baltic languages and can be submitted to the Chief Compliance Officer via designated email addresses, by post, by phone, or in person. All reports are strictly confidential and can be made anonymously. More information is available on [NIB’s website](#).

NIB’s Speaking up and Whistleblower Protection Policy defines the protections available for reporters of concerns and witnesses in investigations. The Policy also establishes the prohibition of retaliation against reporters and describes NIB’s process for handling reports.

2 ICO's Activities in 2025

2.1 Policy and process development

Integrity and Compliance Policy

NIB's Integrity and Compliance Policy forms the basis of the Bank's integrity framework. An update of the policy was carried out to address latest integrity standards and to align recent changes made to other documents in the framework.

Prevention of Market Abuse Policy

NIB's Prevention of Market Abuse Policy set out the Bank's commitment to the integrity of markets and establishes the provisions for the proper handling of inside information and market soundings. The Policy was updated to improve alignment with the EU's Market Abuse Regulation and to clarify reporting requirements for staff.

Regulations on External Activities

To improve the management of staff's professional activities outside their role at NIB, new Regulations on External Activities for Staff and the President were approved by the Board of Directors in December 2025. The document sets out a process to manage any actual or perceived conflicts of interest resulting from staff's activities outside of work.

Privacy and Data Protection Framework

A material revision of NIB's Privacy and Data Protection Framework was initiated during 2025. As part of the review, the provisions of existing policies were streamlined and combined into a new "Privacy Policy" and internal rules and guidelines on personal data management. The Privacy Policy introduces a commitment to the protection of privacy and requires that privacy should be considered in all relevant policy, product, system, or business process developments.

2.2 InvestEU and tax due diligences

NIB is an implementing partner for the InvestEU programme, which enables the European Commission [EC] to provide guarantees alongside NIB's own lending activities. ICO supported the development of the processes required by the EC, which included the implementation of a tax due diligence process at project level with ICO being responsible to oversee the completion of this due diligence. In 2025, ICO was involved with the tax due diligence for 14 transactions eligible for InvestEU financing.

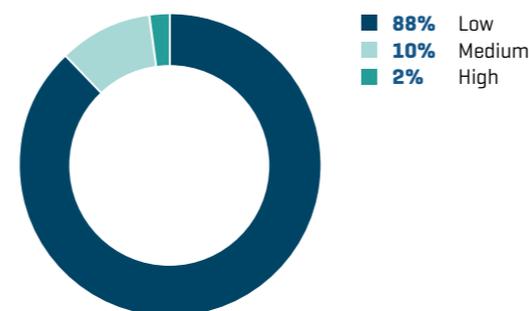
2.3 Operational support in the IDD process

As established in the Integrity Due Diligence Policy, ICO acts as the second line of defence in the IDD process to identify integrity-related risks arising in NIB's Lending, Treasury, and procurement activities. ICO advises the Bank's operational units, senior management, and the Board of Directors whenever the integrity risk is assessed to be Medium or higher during the appraisal process.

Lending

In 2025, a total of 280 IDD assessments were conducted for the Bank's lending operations, with ICO providing support as required and when requested by the Lending teams which are the first line of defence. The level of engagement varied from project to project and ranged between simple internal assessments to extensive client engagements.

Figure 1: Integrity risk ratings for potential new Lending in 2025



Common integrity issues leading to increased risk involve sanctions and corruption matters. As and when appropriate, ICO offers advice to client companies dealing with high integrity-related risks or complex project structures. This may include reviewing clients' integrity management controls and providing views on how these controls can be enhanced. This cooperation with clients helps to improve NIB's understanding of the risks our lending customers are facing and to mitigate risks in future projects.

Treasury

ICO also provides support to the operational units on the integrity due diligence applicable to relevant Treasury counterparties. During the reporting period, ICO reviewed 32 Treasury counterparties.

Legal – internal procurement of goods and services

In accordance with NIB's procurement rules for the selection of the Bank's suppliers and vendors, ICO and the Legal department, which is responsible for coordinating the procurement processes, have continued cooperation to ensure appropriate scrutiny of NIB's counterparties.

Payment screening

ICO provides support to the NIB's Lending and Treasury Administration unit in managing the sanctions screening process, which is performed on all incoming and outgoing Lending and Treasury payments.

2.4 Investigations

During 2025, ICO received three reports of alleged internal misconduct. One of the cases was concluded with no misconduct being identified and two matters continue to be under investigation.

At the beginning of the year, ICO had no external investigation related to NIB's borrowers registered as open. No new allegations or prohibited practices, including corruption, fraud, money laundering, or bribery, in relation to NIB's counterparties or financed projects were registered. At the end of 2025, ICO had no external investigations open.

External investigations

	Open at the start of the year	Registered during the year	Closed during the year	Open at the end of the year	NIB Sanctions Panel decisions	Referral to national authorities
2025	-	-	-	-	-	-
2024	-	-	-	-	-	-
2023	-	-	-	-	-	-
2022	4	-	4	-	-	-
2021	4	2	2	4	-	-

2.4.1 NIB's Sanctions Panel

As set out in NIB's Enforcement Policy, the Bank has an independent sanctions panel established by the Board of Directors to determine cases of prohibited practices committed by external parties in connection with a NIB operation or a NIB-financed activity and to impose sanctions, such as reprimands or debarment, if deemed appropriate. The Panel comprises of three members, two external members appointed by the Board who serve for a term of five years, renewable once, and one internal member, nominated by the President on a case-by-case basis.

A recruitment process for an external Sanction Panel member has been initiated in light of the expiry of the appointment term of the current Chair of the Sanctions Panel.

2.5 Project Accountability Mechanism

One report of alleged non-compliance with NIB's Sustainability Policy was received in relation to a NIB-financed project. A preliminary assessment is being carried out to determine the eligibility of the report under the policy.

2.6 Training

Training is a critical component in raising awareness on integrity and compliance matters. Upon joining NIB, all new staff are required to complete a mandatory eLearning course on NIB's Code of Conduct. New trainings and refresher courses on integrity-related topics are developed and launched to staff on a rolling basis throughout the year.

During spring, a new eLearning course on the prevention of market abuse was rolled out to staff in Lending and Treasury. Support was also provided on the development of a training on business travel and data governance.

3 Data privacy

NIB recognises the importance of the protection of personal data and is committed to upholding the fundamental rights of the individuals the Bank processes data on. NIB's Chief Compliance Officer acts as the Data Protection Officer (DPO) and is responsible for monitoring the processing of personal data and for assessing compliance with the data protection policies across the organisation. The DPO also oversees the implementation of NIB's data protection plan, in which he is supported by the Data Privacy Team, consisting of members of Legal, IT and ICO.

4 Cooperation

NIB strives to harmonise its policies and controls with that of other international financial institutions. Collaboration with the compliance functions of peer organisations supports ICO in aligning its processes and helps to improve information sharing. NIB is also part of the Independent Accountability Mechanism Network (IAM).

As in previous years, cooperation with peers mainly concerned topics related to private sector integrity, sanctions compliance, and investigations. As part of this collaboration and knowledge sharing, an ICO staff member undertook a temporary secondment with a peer institution.

ICO also collaborates with the compliance functions of NIB's sister organisation the Nordic Development Fund (NDF) and the Nordic Environment Finance Corporation (NEFCO) on training, information sharing and aligning policies, procedures and processes.

As part of the obligations under the InvestEU agreement, implementing partners such as NIB are required to exchange information with the EU's anti-fraud body (OLAF) and the European Public Prosecutor's Office in case of allegations of fraud or corruption associated with loans under the InvestEU facility. To manage expectations around such information exchange and to set out a framework of interaction, NIB signed a Memorandum of Understanding with OLAF in February 2025.

Glossary

Anti-bribery and Corruption Controls means NIB's controls for ensuring that the activities carried out by staff and counterparties meet NIB's integrity standards, and for managing the risk of corruption and unethical business practices.

Anti-money Laundering Controls means policies, procedures, and processes designed to mitigate the risks of money laundering.

Conduct risk means risk of legal or regulatory sanctions, financial loss, or reputational harm from an action that is to the detriment of NIB's customers or has an adverse effect on market stability or effective competition. This includes internal fraud, client mistreatment, misconduct, market abuse, and improper processing of personal data by a NIB employee.

Financial crime risk means risk of legal or regulatory sanctions, financial loss or reputational harm that NIB may suffer as a result of failures to identify or manage financial crime within, arising from, or associated with its operations. Financial crime includes money laundering, sanctions, and bribery and corruption risk.

Integrity risk means the risk of legal or regulatory sanctions, material financial loss, or loss to reputation that an entity may suffer as a result of its failure to comply with applicable integrity related laws, rules and standards. In NIB's risk taxonomy, integrity risk is divided into conduct risk and financial crime risk.

Misconduct means any intentional or negligent failure by the Bank's own staff or consultants/experts appointed by the Bank to observe or comply with the Bank's policies.

Prohibited Practices means a corrupt practice, fraudulent practice, coercive practice, collusive practice, theft, obstruction, money laundering or terrorist financing.



NORDIC
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BANK

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FUTURE

Integrity & Compliance Office

Nordic Investment Bank

Fabianinkatu 34

P.O. Box 249

FI-00171 Helsinki

Email: contactICO@nib.int

Reporting prohibited practices: corruption@nib.int

Reporting non-compliance with NIB's policies: complaints@nib.int