

Nordic Investment Bank (“NIB”)

11 February 2025

Scope 1 and 2: NIB commits to reduce absolute scope 1 and 2 GHG emissions 57.6% by 2030 from a 2022 base year.

Scope 3 Portfolio Targets

Headline target: NIB's portfolio targets cover 71% of its total lending and investments by financed emissions as of 2022. As of that year, required activities made up 100%¹ of NIB’s total lending and investment by financed emissions while optional activities made up 0%.

In terms of total assets, NIB’s portfolio targets cover 24% of its total investment and lending as of 2022. As of that year, required activities made up 46%¹ of NIB’s total investment and lending by total assets while out of scope activities made up 54%.

Scope 3 asset class level targets

| Asset class | Method | Target language |
|--|---------------------------------------|---|
| Electricity generation project finance and corporate loans | Sector Decarbonization Approach (SDA) | NIB commits to maintain the GHG emissions intensity of its electricity generation project finance and corporate loan portfolio at or below 64 gCO ₂ e/kWh from 2022 through 2030 and only finance 1.5°C aligned electricity generation projects. |
| Corporate loans: commercial real estate | SDA | NIB commits to maintain the GHG emissions intensity of its real estate loan portfolio at or below 9 kgCO ₂ e/m ² from 2022 through 2030 and only finance 1.5°C aligned real estate assets. |
| Corporate loans: steel | SDA | NIB commits to reduce GHG emissions from the steel sector within its corporate loans portfolio 23% per tonne of hot-rolled steel by 2030 from a 2022 base year. |

¹The targets cover required activities for which the minimum coverage requirement is less than 100%.



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|---|----------------------------|--|
| Corporate loans: other long-term debt | Portfolio Coverage (PC) | NIB commits to 79% of its other long-term corporate loans portfolio by outstanding loan amount setting SBTi-validated targets by 2030 from a 2022 base year. |
| Corporate loans: consumer retail | PC | NIB commits to that 83% of its consumer retail corporate loans portfolio by outstanding loan amount setting SBTi-validated targets by 2030 from a 2022 base year. |
| Corporate bonds | PC | NIB commits to that 56% of its corporate bond portfolio by invested amount setting SBTi-validated targets by 2030 from a 2022 base year. |
| Corporate loans: fossil fuels | Fossil Fuel Finance | <p>NIB commits to publicly disclose on an annual basis all of its financial activities by outstanding amount as well as the GHG emissions attributed to its applicable loans and investments that are related to companies in the coal, oil and/or gas sectors separately.</p> <p>NIB commits to immediately end all new applicable financial activities related to (i) projects and companies involved in new coal mines, extensions or expansion of coal mines or new unabated coal-fired power plants; and (ii) new long-lead time upstream oil and gas projects and midstream infrastructure dedicated to new long-lead time upstream oil and gas projects; and (iii) including those provided to companies that are dedicated to such oil and gas activities.</p> |

Summary

The NIB will implement the following strategy and actions to achieve its targets:

- Incorporating the bank's Sustainability Policy in all its business conduct, and credit and investment decisions.
- Align the bank's environmental loans and sustainability-linked loans to support and accelerate transition. The bank also offers advisory services to its clients to reduce their emissions.
- All projects are assessed based on the bank's internal Mandate Rating Framework where climate change mitigation is an integral part.
- The bank will continue to accelerate its engagement with both internal and external stakeholders to ensure the transition is ambitious and inclusive.



- For the applicable electricity generation portfolio, NIB will continue to maintain at least 80% renewable or other zero-emissions electricity generation project financing and will only finance new capacity from zero-emission sources and additional exposure to existing capacity only if the infrastructure has an emissions abatement plan consistent with limiting warming to 1.5°C with no or limited overshoot.
- For the applicable real estate portfolio, NIB will only finance new developments that are zero-carbon-ready (i.e., highest energy efficiency class based on local rating schemes and uses either renewable energy directly or an energy supply that will be fully decarbonized by 2050, such as electricity or district heat) and/or existing developments if they have an emissions reduction plan consistent with limiting warming to 1.5°C with no or limited overshoot.

NIB's targets cover sectors with concentrated financed emissions and/or are important to decarbonize (hard-to-abate sectors). To facilitate a broad-based transition, NIB will therefore focus on both "fast-lane" (low-carbon sectors) sectors with existing green solutions and "slow-lane" (hard-to-abate) sectors, addressing the challenges faced by industries with fewer low-carbon options. NIB will seek opportunities to expand its exposure in the slow-lane sector, though with the target of aligning the portfolio with the science-based decarbonization pathway. The bank will work with its customers and support them in reducing carbon emissions by fostering innovation, supporting research and development, and exploring financing mechanisms to drive their transition to achieving a low-carbon economy. NIB does not have exposure to coal projects/companies or oil and gas projects/companies that generate revenue from the upstream segment, which makes the transition and phaseout targets not applicable to NIB. Additionally, NIB will continue its commitment to halt the financing in the future, ensuring no future exposure in the abovementioned projects/companies. NIB defines coal companies and projects as those with over 10% revenue from thermal coal value chain, i.e. exploration, mining or extraction and the development or expansion of mines for all thermal coal grades (GICS code: 10102050). NIB defines Oil & Gas companies and projects as those active in the exploration, extraction and development or expansion of oil and gas fields and infrastructure connected to this GICS codes (10102020, 10102010). NIB's climate strategy will give a more comprehensive description of the bank's strategy and actions to achieve its targets.



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About the SBTi

The Science Based Targets initiative (SBTi) is a corporate climate action organization that enables companies and financial institutions worldwide to play their part in combating the climate crisis.

We develop standards, tools and guidance which allow companies to set greenhouse gas (GHG) emissions reductions targets in line with what is needed to keep global heating below catastrophic levels and reach net-zero by 2050 at latest.

The SBTi is incorporated as a charity, with a subsidiary which will host our target validation services. Our partners are CDP, the United Nations Global Compact, the We Mean Business Coalition, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF).

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