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Speaking-up and Whistleblowing Policy

Adopted by the Board on 4 February 2016 with entry into force as
of 22 February 2016



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1 Introduction and Objective

NIB is determined to nourish an open environment in which Employees and stakeholders can bring to the Bank's attention any compliance or integrity concern. The Speaking-up and Whistleblowing Policy aims at making it easier for Employees and other stakeholders, including witnesses in investigations, to report in good faith, to the investigative functions of the Bank about any wrongdoings. It shall be possible to report and provide information without having any fear of retaliation.

This Policy complements the other rules that the Bank has in place to ensure integrity in its operations and activities. The Speaking-up and Whistleblowing Policy provides procedural rules and guidance on the protection of Whistle blowers and witnesses and in this way the Policy supports the Bank's efforts to combat Prohibited Practices or other wrongdoings, as defined in the Investigations and Enforcement Policy.

Nothing in this Policy shall be considered to waive the Bank's privileges and immunities as set forth in NIB's constituent documents¹ or in applicable national or international law.

2 Definitions

Employee or **Staff Member** means, for the purposes of this document, all categories of employees, regardless of their form of contract, including in-house consultants and other types of contractual employees.

External party means any party not employed by NIB, including individuals or entities either engaged in or seeking dealings with the Bank, and their employees, agents and representatives.

Reporting in good faith means reporting with a reasonable belief that the information shared with NIB is true.

Retaliation means any action taken or threatened against an individual to punish him or her for reporting in good faith or cooperating in an investigation on matters concerning Prohibited Practices, Misconduct or Non-compliance².

Retaliation may include actions taken, or threatened, even when based on a belief (including a mistaken belief) that reporting or cooperation was about to occur or has occurred and when the allegations are determined to be unfounded. Retaliation includes taking, threatening or recommending retaliatory actions. Retaliation also includes actions undertaken to prevent or improperly influence reporting or cooperation.

Retaliation against External parties may also for example include exclusion from participation in a procurement process, or in the execution of dealings with the Bank.

Retaliation does not include: (i) Bank actions that are based on the appropriate application of NIB regulations, rules, policies and contract terms applicable to Employees and External parties; and (ii) Bank actions, including sanctions for Misconduct or Prohibited Practices, that may be perceived by a Whistle blower as adverse but are related to policy considerations, facts and circumstances not related to the person concerned, having acted as a Whistle blower.

¹ NIB's constituent documents include the Agreement between Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway and Sweden concerning the Nordic Investment Bank of 11 February 2004 and thereto related Statutes and the Host Country Agreement between the Government of Finland and the Nordic Investment Bank of 20 October 2010. These documents are available on the Bank's website, www.nib.int.

² Prohibited Practice, Misconduct and Non-compliance Complaints are defined in the Investigations and Enforcement Policy.

Whistle blower A Whistle blower is an Employee of NIB or External party who, in good faith, reports allegations of Prohibited Practices, Misconduct or who submits a complaint due to non-compliance with the Bank’s policies. A Whistle blower can also be a witness, who, in good faith, provides information, including testimony or written or electronic evidence, while participating in a Bank investigation, audit or other inquiry related to such matters.

3 Reporting Prohibited Practices, Misconduct and Non-compliance

All Employees and appointed members of the Board of NIB are obliged to report suspected or alleged Prohibited Practices, including fraud and corruption relating to NIB’s operations, to the Chief Compliance Officer (CCO) or the Head of Internal Audit. Moreover, Employees are encouraged to report to CCO suspected Misconduct on the part of Employees. Supervisors have a duty to report any Misconduct, including suspected Misconduct reported to them by others.

It is furthermore the duty of all Employees to cooperate in investigations conducted by the Integrity & Compliance Office (ICO) and other appointed investigators, audits, or other inquiries initiated by the Bank.

External parties are encouraged to report to the Bank any alleged or suspected Prohibited Practices, Misconduct and Non-compliance with NIB’s policies. External parties may also be required by contractual commitments to cooperate in an investigation, audit or other inquiry initiated by the Bank.

General reporting channels are established in the Bank’s Code of Conduct for Staff and in the Staff Regulations, the Integrity and Compliance Policy and the Investigation and Enforcement Policy. The reporting of allegations of Prohibited Practices and Misconduct and Non-compliance shall be made in good faith.

Malicious reports and complaints will not be considered for investigation and the reporters are thereby not protected under this Policy. Malicious reporting constitutes Misconduct.

Complaints of Employees associated with performance appraisals, discriminatory work assignments, equal employment and career progress opportunities, sexual harassment or any other personal grievances are dealt with in accordance with the Bank’s Staff Regulations, unless the above mentioned issues and actions are taken in a retaliatory manner.

4 Prohibition of Retaliation

Any Employee or External party shall be free to report allegations or suspicion of Prohibited Practices, Misconduct, Non-compliance or any other type of wrongdoing to authorised Bank representatives, and to cooperate with these representatives of the Bank in the context of an investigation, audit or other inquiry without fear of retaliation.

Retaliation is expressly prohibited and is a form of Misconduct. This includes also Retaliation against members of the Council on Fighting Corruption performing their duties under the Bank’s integrity and compliance framework.



5 Reporting Retaliation

In case an Employee suspects that s/he has been subject to retaliation s/he shall report to the Integrity & Compliance Office (ICO) and may also consult the Ombudsman in the matter. A Whistle blower who reports and believes that s/he has been retaliated against for doing so, or believes that s/he is or may be experiencing retaliation, shall promptly report this to ICO.

A person who files a report of retaliation must substantiate the claim with factual information or documentation concerning the allegation to show that (1) s/he reported a suspected wrongdoing or cooperated in an investigation or audit, (2) suffered thereafter an unjustified and unfavourable action and (3) there are reasonable grounds to believe that the alleged retaliatory act resulted from reporting the wrongdoing or cooperating in an investigation or audit.

6 Whistle blower Protection, Confidentiality and Anonymity

Anonymous reports shall be investigated unless determined to be malicious. However, reporters are encouraged to identify themselves to the Chief Compliance Officer (CCO) or other entities within the Bank to facilitate investigations or follow-up actions on the reported matter.

The reporters shall ensure that information is provided timely and in sufficient detail so that the matter can reasonably be considered by the Bank. Insufficient information may result in the fact that an investigation cannot be initiated. Moreover, anyone reporting anonymously should note that whistle blower protection may not be invoked in accordance with this Policy.

The Bank will keep the identity of an Employee or External party who identifies him or herself to the Chief Compliance Officer (CCO) confidential when reporting suspected Prohibited Practices or other wrongdoings, confidential inside and outside the Bank, unless the Whistle blower in writing consents to disclosure.

Nevertheless, the identity of the Whistle blower can be disclosed if the Bank is requested to disclose such information by a national judicial authority and NIB's Board of Directors agrees to comply with such a request.³

The identity can also be disclosed if the Employee or External party made allegations that were knowingly false or made with reckless disregard as to whether they were true or false.

Employees or External parties who make allegations that are false will not be protected by this Policy and may be subject to sanctions, subject to the Bank's Investigation and Enforcement Policy and/or Staff Regulations. The Bank may initiate legal proceedings against External Parties that provide false or malicious allegations against NIB or present and former NIB staff.

7 Investigation of Reported Retaliation

Based on the reported retaliation, ICO shall at its own discretion launch an investigation into the matter. The investigation shall be carried out in accordance with the Investigations and Enforcement Policy. ICO shall investigate if the alleged retaliatory action has been triggered by a reporting activity by the Employee or External Party.

ICO may recommend immediate actions in accordance with the Bank's rules and policies and contractual terms, as decided upon by the President, would there be a need for immediate protection of the Whistle blower. If it is established that an Employee of NIB has committed an act

³ Which in case of an Employee requires waiver of immunity pursuant to Article 14 of the Agreement between Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway and Sweden concerning the Nordic Investment Bank.

of retaliation against a Whistle blower, the Employee shall be subject to disciplinary sanction, which, depending on the severity of the case, may include termination of Bank employment in accordance with the Staff Regulations. The Bank shall also take actions that the Bank deems appropriate to remedy the retaliation.

If it is established that an External party to NIB has committed an act of retaliation, then any dealings with such party shall be reviewed by the Bank, and the Bank may take actions to hold the External party accountable. Actions may include, but are not limited to: terminating its dealings with such a party, refraining from future dealings with such a party, or exercising contractual remedies. However, the Bank has limited possibilities to protect external Whistle blowers.

The cooperation of a Whistle blower with authorised Bank representatives shall not necessarily exonerate that party from sanction by the Bank for that party's wrongdoing; however, such cooperation shall be taken into consideration as a mitigating factor in determining any disciplinary sanction or exercising contractual remedies, if applicable.

With due regard to the privileges and immunities conferred to the Bank and Employees, the Board of Directors may authorize the referral of concerns regarding the possibility of retaliation or allegations of retaliation to national authorities and cooperate with national authorities when there are concerns of the possible violation of national law or when otherwise determined by the Bank to be necessary to uphold the principles of the Bank's internal rules.

Where an Employee has made a prima facie case of Retaliation for having acted as a Whistle blower, the burden of proof would then shift to the Bank to show by clear and convincing evidence that the same employment action would have been taken absent the whistleblowing.

To avoid a conflict of interest, Whistle blowers shall normally not take part in an investigation except as witnesses. Furthermore, NIB is not obliged to report to the Whistle blowers on the progress of its investigations.

8 Reporting outside the Bank

An Employee may only report a suspected wrongdoing to parties external to the Bank, in cases which the Employee has reported the matter internally but the Bank has not provided the reporting Employee with a note on the state of investigation or on the conclusions of the investigation.

Protection against Retaliation, as provided for in this Policy, is extended to Employees reporting to authorised representatives of the Bank as set out in section 5. Such protection shall also be extended to an Employee who reports suspected wrongdoing to a national authority of member countries of the Bank provided that:

- (1) The Employee has a reasonable basis to believe that such reporting is necessary to avoid;
 - a significant threat to public health or safety; or
 - a serious violation of national or international law; and
- (2) The Bank's internal mechanisms are inadequate because;
 - The Employee has a reasonable basis to believe that such reporting would create likelihood that evidence relating to the suspected wrongdoing would be concealed or destroyed.

Protection against retaliation in cases mentioned in points 1 and 2 above are subject to the fact that the Employee does not accept payment or any other benefit from any party for such report;

and the reporting does not violate the Bank's obligations to protect the confidential information of third parties.

9 Periodic Assessment

ICO is responsible for this Policy, which shall be reviewed every five years or earlier if so requested by ICO, the President or the Board of Directors.