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NIB Climate and Nature Strategy

Adopted by the Board of Directors of the Nordic Investment Bank on 25 February 2026,
with entry into force as of 31 March 2026



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1 Introduction

Climate change and nature loss are urgent global issues, driven by greenhouse gas emissions and resource overexploitation associated with human economic activities. While climate challenges are global, nature-related impacts are often local and vary by ecosystem. Healthy ecosystems are at the heart of a well-functioning planet, sustain human activity, regulate the climate and provide protection from extreme weather, but are increasingly threatened, undermining their resilience.

We believe climate and nature are interconnected challenges and demand integrated solutions that protect ecosystems and advance climate goals. Climate action is measurable through standard benchmarks for greenhouse gas (GHG) emissions reduction, while nature targets are more diverse and evolving. Financial institutions can play a key role by redirecting investment to relevant sustainable activities aimed at clear targets. This strategy aims to set us in that direction.

At the Nordic Investment Bank (NIB), we recognise our responsibility and opportunity to support a fair green transition in the Nordic-Baltic region. Our new Climate and Nature Strategy outlines sectoral goals for decarbonisation, biodiversity conservation and ecosystem restoration, reflecting our commitment to a sustainable future through integrated holistic approaches.

Ultimately, our strategy is simple. We have looked at the most material areas where we can make a difference, set targets accordingly, and will use these targets to guide our business and engage actively with our clients. We will measure our progress and be transparent with our stakeholders. With our clients, we aim to make a difference.



2 NIB's climate and nature commitment—supporting our member countries

2.1 A bank on course to net-zero by 2050

NIB's member countries are committed to be aligned with the European Union (EU) climate neutrality target by 2050, with a medium-term target of a 55% reduction in greenhouse gas emissions by 2030 compared with 1990 levels. The climate targets set in this strategy will allow NIB to continue to support the decarbonisation goals of its Nordic and Baltic member countries.

For many entities in the financial industry, the transition to a low-carbon economy will require substantial reduction and phasing out of fossil fuels and related financing from their portfolios. NIB has long understood the need to transition from fossil fuel financing. Since 2021, we have stopped financing projects involving energy generation based on fossil fuels including any upstream mining or extraction activities or the processing of crude oil, thermal coal, peat or natural gas. This strategy further aligns our financing activities with the objectives of the Paris Climate Agreement and the pursuit of a net-zero economy by 2050 for our member countries.

In considering the green transition and Paris Climate Agreement, we acknowledge that in our member region we effectively have sectors of the economy already moving at pace, with clear solutions requiring steady deployment—we call this the “fast-lane” of the green transition. NIB has a strong track record in financing these sectors and supporting those of the green transition, and we will continue to support the financing of counterparties with recognised technologies and solutions for enabling emissions reductions. This includes the financing of projects within renewable energy, energy efficiency, sustainable transportation and other sectors that have made significant progress in decarbonisation.

However, we are also aware that the green transition has a “slow-lane” —sectors where solutions are not readily available or cost-effective, where emissions remain “hard-to-abate”. This includes sectors like cement, steel and aluminium, requiring innovation, transformative change and new tools to address their unique challenges. Operating in the slow lane will present greater difficulties, but it is the right path to take to achieve a sustainable future. While engaging in the sector for their transition, we must acknowledge that our absolute financed emissions could increase in the near term, as our overall exposure in the sector may expand.

NIB is committed to addressing the climate challenge in accordance with the Paris Climate Agreement and becoming a net-zero bank by 2050. As a sign of our commitment to and engagement in the net-zero goal, we have set mid-level climate targets until 2030 across our own operations and key lending sectors focusing on the most carbon-intensive sectors, and/or which are important for decarbonisation in limiting the global temperature rise to 1.5 ° Celsius (C) above pre-industrial levels. In this updated version of our strategy, we have also broadened the scope of our targets to include lending in Shipping and Treasury Corporate Bonds.

In 2025, our 2030 climate targets and methodologies were validated by the Science-Based Target initiative (SBTi) to ensure that they were based on the latest scientific evidence to limit global warming to 1.5 °C. By committing to science-based targets (SBT), we become a member of the global coalition of financial institutions that have pledged to drive collective action towards a sustainable future and aim to achieve a net-zero emissions economy by 2050 or sooner. NIB's SBTi validated targets can be found on the [SBTi webpage](#). In line with the SBTi requirements, we commit to reviewing and updating our climate targets at least every five years if necessary to ensure continued alignment with the latest climate science and SBTi standards.

Our 2030 climate targets and methodologies are described in [Section 2.3](#) and detailed in Annex I “NIB climate targets until 2030”.

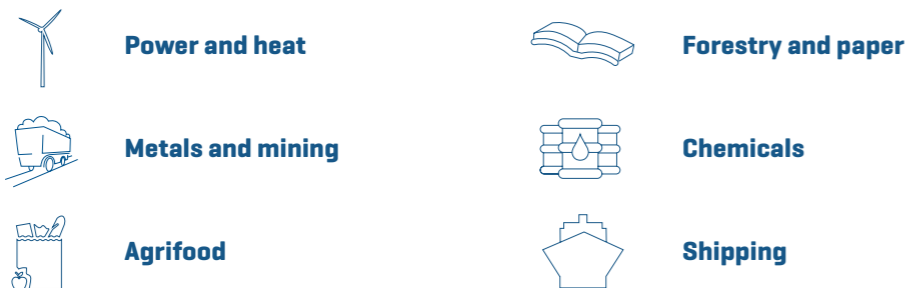
2.2 A bank in support of the Global Biodiversity Framework

NIB’s member countries are committed to advancing nature and biodiversity goals in line with their adoption of the Kunming–Montreal Global Biodiversity Framework (GBF) under the Convention on Biological Diversity. All eight of NIB’s member countries have endorsed the GBF’s global targets to halt biodiversity loss and restore ecosystems. This shared commitment provides a strong foundation for NIB to support investments with a positive impact on nature and contribute to the region’s environmental resilience.

NIB’s support for the GBF is stated in its [Sustainability Policy](#)¹, which guides the Bank’s approach to integrating nature-related considerations into its financing activities by enhancing nature and biodiversity and increasing the traceability and accountability of NIB’s actions. In 2024, we incorporated more detailed nature-related considerations into our project and counterparty exclusion list, along with the development of our extended supply chain due diligence processes.

Our impact on nature is primarily driven by the counterparties and projects we finance. To address this, we focus on our lending portfolio’s sectors that exert the greatest pressure on ecosystems. We assess impacts² and dependencies³ on, risks to, and opportunities for nature across the sectors in which we invest and engage with borrowers to promote nature-enhancing actions. By aligning with the GBF and the ambitions of our member countries, NIB is committed to supporting the transition required to halt biodiversity loss and safeguard ecosystems.

Following the [Taskforce on Nature-related Financial Disclosures \(TNFD\) LEAP](#)⁴ approach, we performed nature and biodiversity assessments in 2024 and 2025, including creating a heatmap of our lending portfolio⁵ and evaluating initial risks and opportunities. The assessment allowed us to identify the **most material sectors** in our portfolio, based on the sector’s impacts and dependencies taking direct operations and the upstream and downstream value chains into account. These sectors can be considered analogous to hard-to-abate climate sectors, where transition is particularly important, yet complex. The analysis identified six sector groups as most material for NIB:



We see a need to engage with these sectors first, prioritising collaborative dialogue and targeted initiatives that support nature transitions. This includes working closely with borrowers and stakeholders from these sectors and identifying financing solutions that mitigate nature-related impacts and ensure that dependencies on natural resources are managed responsibly, while unlocking new opportunities. By focusing on the most material sectors early, we aim to build resilience across value chains and accelerate progress towards global nature and climate goals.

Our key environmental impacts and dependencies are predominantly linked to water usage and pollution, shaped by our portfolio composition, the Nordic-Baltic region, and the ecological context of the Baltic Sea and Arctic region.

To strengthen our approach to nature and biodiversity, we are emphasising nature and biodiversity across our mandate and ESG processes, portfolio management, and engagement with borrowers. We will focus on refining risks and opportunities assessments and strengthening governance. Anchored in TNFD’s [“Nature in Transition Plan”](#), our strategy reflects its emphasis on ambition, action and accountability, and includes nature targets until 2030 across the identified most material sectors.

In addition, though less material, we have mapped and enhanced the Bank’s own actions regarding our owned assets and purchased goods and services.

Our 2030 nature targets and methodologies are described in [Section 2.3](#) and detailed in Annex II “NIB Nature and biodiversity targets until 2030”. As the nature baselines, benchmarks, and practices continue to evolve, we commit to reviewing and, if necessary, updating our nature targets.

¹ Policy adopted by the Board of Directors of the Nordic Investment Bank on 12 June 2025, with entry into force as of 12 July 2025 as amended or replaced from time to time.
² i.e. what effects the business’s activities have on nature, such as the degradation of ecosystems and biodiversity.
³ i.e. how an organisation depends on nature and its services to operate and generate value.
⁴ The TNFD LEAP approach (Locate, Evaluate, Assess, Prepare) is a structured four-phase methodology from the Taskforce on Nature-related Financial Disclosures (TNFD) that helps organisations understand, manage and report their impacts and dependencies on nature, guiding them through identifying where they interact with nature, assessing risks/opportunities and preparing for disclosure in line with the TNFD framework.
⁵ Read more in our [Annual Report 2025](#) or on our [webpage](#).

2.3 Climate and nature targets for 2030

NIB has set a business target to support the green transition through our 30-by-30 pledge. It means that between 2023 and the end of 2030, NIB aims to finance projects with a positive environmental impact totalling at least EUR 30 billion. This commitment is strongly linked to and directly reflects our strategic focus on addressing the key drivers of climate and nature.

Our climate and nature targets further define this 2030 commitment. They guide our financing operations and serve as a platform to engage actively with our clients.

Overview of our climate targets

Sector and target descriptions are available in Annex I.

Climate targets for 2030					
Climate sectors	2022 financed emissions [%]	Target methodology	2022 baseline	2030 target	Emission scopes included
Oil & gas	1%	Exclusion list	N/A	No exposure	N/A
Power & heat generation	53%	SBTi sectoral decarbonisation pathway [1.5 °C scenario]	64 gCO ₂ e/kWh	30 gCO ₂ e/kWh	Scope 1
Cement	0%	SBTi sectoral decarbonisation pathway [1.5 °C scenario]	No exposure	0.46 tCO ₂ e/tonne	Scope 1+2
Steel	2%	SBTi sectoral decarbonisation pathway [1.5 °C scenario]	0.71	0.55 tCO ₂ e/tonne	Scope 1+2
Aluminium	0%	SBTi sectoral decarbonisation pathway [2 °C scenario]	N/A	2.99 tCO ₂ e/tonne	Scope 1+2
Capital goods	3%	SBTi portfolio coverage approach	62% of on-balance lending exposure with SBTi targets	80% of on-balance lending exposure with SBTi targets	Scope 1+2+3 [if material]
Consumer retail	7%	SBTi portfolio coverage approach	69% of on-balance lending exposure with SBTi targets	83% of on-balance lending exposure with SBTi targets	Scope 1+2+3 [if material]
Commercial real estate	1%	SBTi sectoral decarbonisation pathway [1.5 °C scenario]	9.0 kgCO ₂ e/m ²	6.2 kgCO ₂ e/m ²	Scope 1+2
Shipping*	4%	Portfolio coverage approach	30% of on-balance portfolio exposure of zero-emission capable commercial vessel	67% of on-balance portfolio exposure of zero-emission capable commercial vessel	Scope 1+2
Corporate bonds	-	Portfolio coverage approach	20% of on-balance portfolio exposure with SBTi targets	56% of on-balance portfolio exposure with SBTi targets	Scope 1+2+3 [if material]
Own impact	-	Absolute reduction	46 tCO ₂ e	19.5 tCO ₂ e	Scope 1+2

* Sector target developed by NIB focusing on avoidance of fossil lock-in. Target is not validated by SBTi. More details are available in Annex I, shipping chapter.

Overview of our nature targets

Sector and target descriptions are available in Annex II.

Nature targets for 2030

Nature sectors	Counterparty target for 100% new transactions	Project target for 100% new transactions	Main dependencies	Main impacts
Power & Heat generation	Engagement on nature strategy <i>For SPVs, see the project target</i>	Located outside key biodiversity areas (KBA) and migratory routes SPVs have an action plan to reduce project-related impacts Engagement on voluntary actions to enhance nature	<ul style="list-style-type: none"> ▪ Biomass provisioning ▪ Water supply and purification ▪ Water flow regulation ▪ Flood mitigation 	<ul style="list-style-type: none"> ▪ Freshwater use ▪ Soil and water pollution ▪ GHG emissions ▪ Habitat disturbance ▪ Land use
Metals and Mining	Engagement on nature strategy	Mining sites are located outside KBAs Mining sites have a plan to improve on-site biodiversity, closure plan including biodiversity restoration, water resources protection measures and waste and pollution reduction measures	<ul style="list-style-type: none"> ▪ Water supply and purification ▪ Flood mitigation ▪ Climate regulation ▪ Water flow and rainfall regulation ▪ Soil and sediment loss prevention 	<ul style="list-style-type: none"> ▪ Biological alterations ▪ Land use ▪ Water use ▪ Air, soil and water pollution ▪ Solid waste
Agrifood	Engagement on the sourcing of high impact commodities	Projects are deforestation free, have water resources protection measures and waste and pollution reduction measures	<ul style="list-style-type: none"> ▪ Water supply, flow regulation, flood mitigation ▪ Waste management ▪ Biological resources 	<ul style="list-style-type: none"> ▪ Land-use change ▪ Water use and pollution ▪ Soil pollution ▪ Solid waste ▪ Deforestation
Forestry and paper	Engagement on nature strategy 90% of lending exposure to a certified sustainable initiative over 90%	Pulp and paper projects have water resources protection measures are in place Projects use materials sourced from certified sustainable initiatives	<ul style="list-style-type: none"> ▪ Solid waste remediation ▪ Storm and flood mitigation ▪ Water supply ▪ Biomass provisioning 	<ul style="list-style-type: none"> ▪ Water and soil pollutants ▪ Water use ▪ Habitat conversion and biodiversity loss
Chemicals	Engagement on nature strategy	Projects have water resources protection measures, and waste and pollution management measures Transactions have raw material sourcing policies respecting nature	<ul style="list-style-type: none"> ▪ Water supply and purification ▪ Waterflow regulation ▪ Storm mitigation ▪ Biological resources 	<ul style="list-style-type: none"> ▪ Air, water and soil pollution ▪ Solid waste
Shipping	Engagement on best practice on ballast water management with respect to avoiding invasive species	<i>Same as a climate target</i>	<ul style="list-style-type: none"> ▪ Water supply and purification ▪ Flood and storm mitigation ▪ Climate regulation 	<ul style="list-style-type: none"> ▪ Habitat disturbance ▪ Biological alterations ▪ Marine use ▪ Water and soil pollutants

3 Management of climate and nature risk at NIB

International standards expect climate and nature risks to be managed in the context of traditional banking sector risk categories such as credit, market, liquidity and operational risks. This has been our approach since the start—embedding sustainability in NIB’s existing risk management framework.

NIB has built a foundation to identify and manage climate and nature risks at project and counterparty level, and we are taking steps towards aggregating and managing these risks at the portfolio level.

We recognise the importance of adequate risk governance for both climate- and nature-related risks, and our Sustainability Policy represents the key document that describes how sustainability, including climate and nature risk, is integrated into our core governance structure.

In addition to risk governance, the core elements of the Bank’s risk management framework are the Risk Appetite Statement [RAS], risk management policies, and the capital and liquidity management and quantification framework [ICAAP/ILAAP]⁶. The climate risk statement is included in the RAS, which sets the general principles for risk taking, risk avoidance or mitigation. Furthermore, NIB has been developing analytical approaches in recent years, including stress testing and forward-looking scenario analysis, to support the materiality assessment and quantification of the risks arising from climate change. Alongside the credit risk quantification of the climate transition risk via stress testing, an analysis of climate risk as a driver of market risk has been provided in the ICAAP framework.

NIB is committed to disclosing how we identify, assess and manage climate-related risks by disclosing sustainability-related information in accordance with the IFRS Sustainability Development Standards, developed by the International Sustainability Standards Board [ISSB]. These standards set requirements for the disclosure of sustainability-related financial information, with IFRS S2 especially focusing on climate-related risks and opportunities. As climate-related risk management and disclosure standards continue to evolve, NIB closely monitors these developments and takes them into account to the extent relevant for its business model and complexity. NIB’s Annual Report describes how NIB manages climate-related risks and opportunities. In addition, risk-management-related information is provided as part of the IFRS Index table in the [Annual Report](#). Regarding nature-related risks, NIB follows best practices for nature-related reporting and disclosures, and considers further alignment with the TNFD and/or ISSB framework as disclosure standards evolve.

4 Implementation

4.1 NIB’s Sustainability Policy and exclusion list

NIB’s [Sustainability Policy](#) sets out the principles, commitments and framework for sustainability at NIB and is approved by the Board of Directors. Our Sustainability Policy is applicable Bank-wide, and it outlines how we incorporate sustainability in all our business conduct and credit and investment decisions. The policy also lays the foundation for our mandate assessment and supports the management of ESG-related risks and the assessment of their materiality. For example, to support the goals of the Paris Climate Agreement and global biodiversity framework, we have excluded financing for projects and counterparties that jeopardise the achievement of the global net-zero goal and/or contribute to nature loss. The full exclusion list of counterparties and projects is available in our Sustainability Policy.

The Sustainability Policy should be read in conjunction with NIB’s relevant policies and frameworks, available on our [website](#).

4.2 Products and services for our borrowers

NIB offers a range of products and services that support, accelerate and scale our societies’ net-zero and green transition.

We provide loans based on the Bank’s mandate and fund green loans by issuing NIB Environmental Bonds. NIB also offers sustainability-linked loans for financing companies’ green transition and their value chains to ambitious and credible climate targets. With sustainability-linked loans, we can direct capital where corporate transition may be more relevant for delivering impacts than financing specific assets—for example, to enable the borrowers’ transition, where the material impact lies in the value chain or for borrowers in hard-to-abate sectors. We monitor and report impacts on the capital allocated to borrowers in our Annual Report. NIB complements its financial and investment product offerings with sustainability expertise for its borrowers and investors. In connection with sustainability linked loans, we advise our borrowers in aligning their funding strategy with their sustainability strategy and targets. In 2025, NIB introduced a new funding product: the Sustainability-Linked Loan Financing Bond [SLLB]. The [NIB’s SLLB Framework](#)⁷ is centred around a single sustainability objective: “Reducing climate change impacts”. This ensures that all eligible SLLs are directly tied to climate change mitigation, thus not only supporting our borrowers in their transition but also NIB in aligning its lending portfolio with the Paris Agreement.

⁶ Risk Appetite Statement as adopted by the Board of Directors of the Nordic Investment Bank on 12 June 2025, as amended or replaced from time to time.

⁷ Framework adopted by the President of the Nordic Investment Bank in September 2025, with entry into force as of September 2025 as amended or replaced from time to time.

Looking ahead to 2030, we aim to achieve a reduction in negative nature impacts associated with financed activities, guided by sectoral targets and aligned with global biodiversity objectives. To complement this, we will aim to expand our role in financing such investment needs. This includes increasing supporting borrowers in their transition to nature-positive practices, capital allocation to projects that protect and restore biodiversity, and potentially, by designing financial products/propositions that promote nature-related solutions. We will also disclose the share of financing aligned with nature-positive objectives to demonstrate progress.

NIB is committed to further developing its value proposition, including a new climate- or nature-related product and service offerings for its borrowers, investors and owners, based on an active dialogue with our stakeholders and market needs.

4.3 Mandate assessment of projects and counterparty ESG assessment

Assessing an investment's impact on climate and nature has long been an integral part of NIB's sustainability due diligence. Within the scope of the assessment, NIB also reviews the extent to which projects are aligned with the EU Taxonomy for Sustainable Economic Activities (EU Taxonomy). We quantify and report on the expected change in GHG emissions resulting from a financed project where possible. As a result of our climate targets and net-zero commitment, borrowers' climate performance and climate targets are assessed against NIB's own sectoral target. By the end of 2026, we will have enhanced a further nature-related due diligence process and ESG assessment for all new transactions in high-risk sectors identified through our portfolio analysis.

All investments proposed for financing also undergo a sustainability review in accordance with NIB's [Sustainability Policy](#) and the [ESG Guidelines for Lending](#)⁸. NIB's focus is on facilitating a green transition that is also fair, inclusive and socially equitable. We recognise the importance of addressing social and economic implications, especially for communities and workers affected by the shift to a low-carbon and green economy. We will therefore also continue to integrate ESG considerations in our lending and prioritise projects that have a positive social value, promote job creation and enhance social wellbeing, while minimising any adverse social and economic consequences.

NIB has a [Responsible Investment Framework](#) and accompanying guidelines and processes to ensure that the companies in which NIB invests and with which it transacts meet its expectations of sound ESG performance. The framework has been fully implemented and strengthens NIB's dialogue with investors and Treasury counterparties on material ESG issues. The Treasury functions regularly with its investment portfolio counterparties. An important part of the engagement is to communicate how ESG scores and observed controversies affect NIB's willingness to make new investments and transactions. NIB is also a signatory of the United Nations Principles for Responsible Investment.

4.4 Data management

Collecting accurate climate and nature data and relevant supplementary information will be necessary to make progress in our strategy and achieve the desired impact. Data collection is a key challenge today, especially for smaller counterparties and financial institutions that need to seek data from their borrowers.

As EU regulations such as the Corporate Sustainability Reporting Directive (CSRD) continue to be implemented, many entities will have a legal obligation to report progress on their climate and nature performance, and we will maintain a priority of obtaining borrower-specific data instead of relying on proxies and modelled data whenever possible. In parallel, we will be advancing our data collection capabilities to capture borrower-level information about nature performance, disclosure practices and location-specific information within most material sectors (with high impact and dependencies). We will improve transparency by annually disclosing portfolio exposure to sectors with significant nature-related dependencies and impacts. These efforts will enable us to better manage nature-related risks and opportunities across our portfolio.

4.5 Collaboration and engagement

Achieving the climate and green transition is a joint effort, requiring active collaboration and engagement with the key stakeholders. At NIB, we will continue to accelerate our engagement with both internal and external stakeholders to ensure the transition is ambitious and inclusive and addresses social concerns.

Our climate targets across the sectors will drive engagement with our borrowers around the need for borrowers' own climate action in line with the Paris-aligned decarbonisation pathway, and we will equally continue to foster active dialogue with borrowers, industry peers and stakeholders, including those in the Baltic Sea and Arctic regions, to raise awareness, share best practices and collaborate on initiatives that also advance nature and biodiversity goals.

⁸ Environmental, Social and Governance Guidelines for Lending adopted by the President and CEO of the Nordic Investment Bank on 11 May 2022, with entry into force as of 7 June 2022 as amended or replaced from time to time.

We will seek to provide advisory services for borrowers' transition needs during our mandate review process. Internally, we will aim to further build competence and culture in climate- and nature-related topics across the Bank through employee training and engagement. Such training will increase awareness and enable our employees across different departments to take ownership of our targets and further engage with borrowers on the topics. We are committed to sharing and learning with our public and commercial peers, investors, and sustainable finance platforms to further develop the sustainable finance market. Our most notable engagements contributing to these topics are:

- Validating our targets with the Science Based Targets initiative
- Being an observer of the [Network for Greening the Financial System](#) (NGFS)
- Being a partner of the [Coalition of Finance Ministers for Climate Action](#) including nature work
- Joining the [Partnership for Carbon Accounting Financials](#) (PCAF) and PCAF Nordic
- Acting as a member of the Executive Committee of the [ICMA Green Bond Principles](#) and participating in working groups
- International financial institution working groups
- Attending events focusing on climate and nature, the EU Taxonomy and the EU Green Bond Standard, and monitoring their development.

4.6 Tracking our progress and reporting

We view transparency as the cornerstone of our climate and nature strategy. It is important for monitoring our efforts for the green transition to determine the effectiveness of our climate actions and ensuring our stakeholders can effectively track our progress.

To provide our stakeholders with a comprehensive view of our sustainability efforts, we have implemented a structured reporting framework in our [Annual Report](#) that is aligned with best practices and international standards [such as the ISSB].

We include progress against our targets and will continue to share our findings and best practices in the net-zero and green transition journey. As our Climate and Nature Strategy matures and supporting data advances, we will progressively enlarge the granularity and scope of disclosure. By ensuring open and transparent communication, we will aim to foster trust, accountability and constructive dialogue with all those invested in our climate and nature commitments.

5 Governance

Our Climate and Nature Strategy is approved by the Board of Directors. At NIB, ensuring effective oversight of climate and nature related opportunities, targets and risks is a key priority. To this end, NIB's Executive Committee ultimately plays a key role in guiding and monitoring the Strategy, aligning it with the best global practices and sustainability principles. The governance for the implementation of the Climate and Nature Strategy, follows the general governance described in our [Sustainability Policy](#) and further details can also be found in [NIB's Annual Report](#).

Annex I: NIB’s climate targets until 2030

In 2022, we calculated and disclosed our financed emissions for the lending¹ and Treasury corporate bond portfolios in our [Annual Report](#). This was the first step in identifying the most material sectors in our portfolio from a climate perspective. Our lending financed emissions for 2022 were 1.06 million tonnes, of which the majority was from the power and heat sector [56%], followed by industrials [13%], transport [12%] and consumer retail [7%]. Meanwhile, our Treasury corporate bonds financed emissions for 2022 accounted for 0.016 million tonnes. More detailed information about NIB’s annual financed emissions can be found in our annual reports.

As part of this strategy, we have set 2030 climate targets for our lending portfolio primarily focusing on the sectors that are most-carbon intensive, and/or which are important for decarbonisation in limiting the global temperature rise to 1.5 °C above pre-industrial levels. The availability of emissions data in these sectors for calculating the baseline and tracking progress is also a key consideration for target setting. NIB’s climate targets account for 71% of our total lending and investments by financed emissions (NIB’s Scope 3) in the baseline year 2022 and 100% of our own operations (Scopes 1 and 2). NIB also extended the scope of our target coverage by including our Treasury assets in the latest update of the strategy.

1 Lending and Treasury emissions

Where available, we have adopted a sector-specific decarbonisation pathway for target setting as required by the SBTi to limit the global temperature to the 1.5 °C scenario. To prioritise tangible decarbonisation in the real economy, most of our lending targets are intensity-based, allowing us to focus on achieving meaningful emissions reductions. For sectors where no recognised pathway exists, we have set engagement targets using a “portfolio coverage approach” in which a certain portion of the sector’s counterparties will set their own SBTi targets. The tables below refer to the counterparty’s emissions scope in NIB’s climate target. Lending and Treasury emissions are NIB’s Scope 3 emission.

1.1. Oil and gas

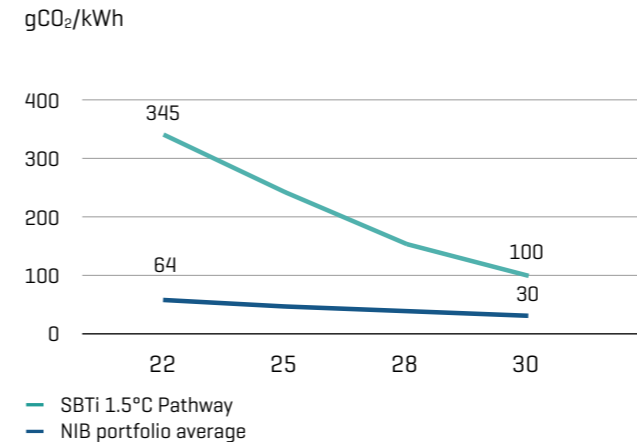
NIB does not have any new loans in the upstream oil and gas or coal exposure, as these sectors are in our Sustainability Policy’s exclusion list. To support the Paris Climate Agreement’s goals, we will continue to exclude financing for upstream activities, transport, storage or processing of fossil fuels, and fossil-fuel based energy generation.

Nor do we finance companies involved in the mining, extraction or processing of coal and peat, as well as upstream activities for oil and natural gas. The full exclusion list is available in our [Sustainability Policy](#).

1.2. Power and heat

Sector	Target metric	Emissions scope included	2022 target baseline	2030 target	2030 target change	Target-setting method
Power & heat generation	gCO ₂ /kWh	Scope 1	64	30	-53%	Sectoral decarbonisation

Decarbonisation pathway for power and heat generation



¹ Financed emissions were calculated for the sectors where the methodology and/or data were available.

In utilities, we have set targets for the power and heat generation sector, which has the highest financed emissions for NIB and is important for the decarbonisation of many other sectors such as industrials and real estate. The sector is also among the SBTi’s list of mandatory sectors for banks’ target setting.

The Nordic-Baltic region generally has a high supply of low-carbon electricity and district heating networks. In 2022, our weighted average intensity in the sector was 64 gCO₂/kWh, already 36% lower than the SBTi’s 2030 global intensity in a 1.5 °C scenario. We have therefore adopted a maintenance target for the sector with the SBTi. However, our own strategy is more ambitious. Because our exposure is exclusively in the Nordic-Baltic region, we have used the EU national policy scenario [NPS] pathway published by the International Energy Agency [IEA], combined with our portfolio’s current carbon intensity as a reference, to establish our target level. We have therefore committed to reducing the intensity of our portfolio by 53% to 30 g CO₂/kWh by 2030 from the 2022 baseline.

1.3 Carbon-intensive raw materials (steel, cement and aluminium)

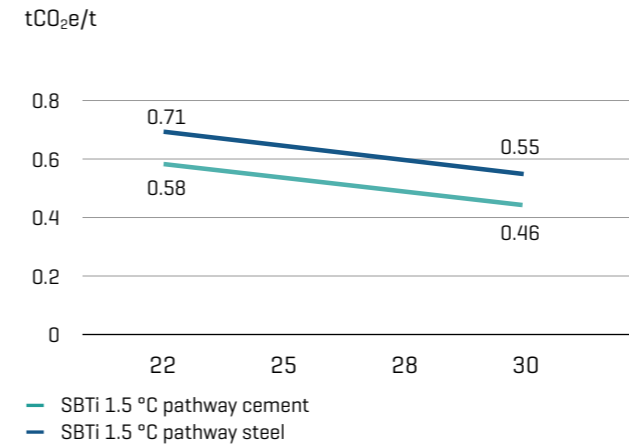
Sector	Target metric	Emissions scope included	2022 target baseline	2030 target	2030 target change	Target-setting method
Steel	tCO ₂ /t	Scopes 1+2	0.71	0.55	N/A	Sectoral decarbonisation
Cement	tCO ₂ /t	Scopes 1+2	N/A	0.46	N/A	Sectoral decarbonisation
Aluminium	tCO ₂ /t	Scopes 1+2	N/A	2.99	N/A	Sectoral decarbonisation

In our climate commitment, we have also targeted high-emitting sectors and have set specific decarbonisation goals for steel, cement and aluminium. Steel and cement belong to the hard-to-abate category, where finding low-carbon alternatives is challenging and costly. Aluminium is widely known for its carbon-intensive production process. Our exposure in the sector today is almost non-existent. At baseline, we have one steel manufacturer counterparty, and none for cement and aluminium.

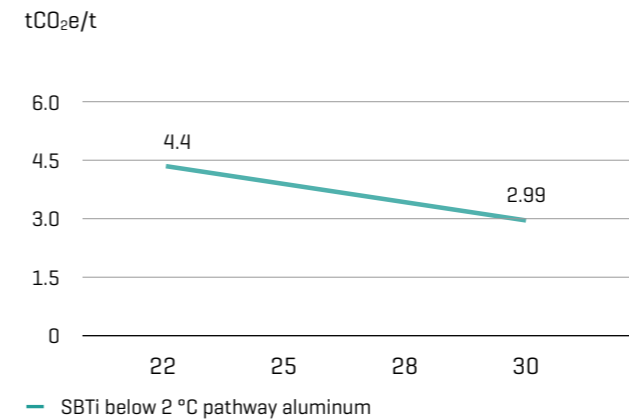
Although responsible for significant emissions, the sector makes products and technologies that are used across various industries and are also essential for fostering economic development after 2050. NIB believes the sector has significant overall potential to transition to low-carbon production by advancing technologies such as hydrogen-based production, utilising carbon capture and storage technologies, and/or implementing circularity. We will therefore seek opportunities to expand our exposure in the sector, though with the target of aligning the portfolio with the decarbonisation pathway based on the SBTi’s sectoral decarbonisation approach [SDA]. Currently, the SBTi has only updated the SDA pathways for cement and steel to 1.5 °C, while the pathway

for aluminium is well below 2 °C. Our weighted average intensity target for 2030 for steel, cement and aluminium is 0.55, 0.46 and 2.99 tonnes of CO₂ per tonne of material produced respectively. As NIB does not have exposure in the cement and aluminium sector, only targets for steel could be validated by the SBTi.

Decarbonisation pathway for cement and steel



Decarbonisation pathway for aluminium



NIB does not have a portfolio average for the sectors due to no material exposure in 2022

1.4 Capital goods and consumer retail

Sector	Target metric	Emissions scope included	2022 target baseline	2030 target	2030 target change	Target-setting method
Capital goods	% Portfolio exposure with SBTi target	Scopes 1+2+3*	62%	80%	+28 percentage points	Portfolio coverage approach
Consumer retail	% Portfolio exposure with SBTi target	Scopes 1+2+3*	69%	83%	+14 percentage points	Portfolio coverage approach

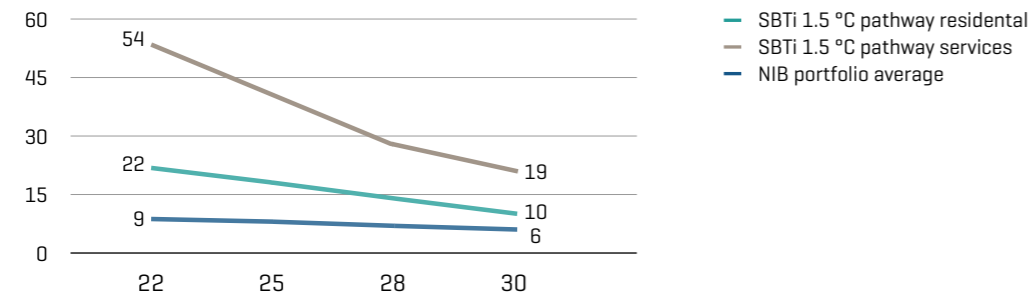
*Where Scope 3 is material (>40% of company's total emission), companies are required to include Scope 3 in their SBTi target setting.

The two sectors together represent 10% of NIB's 2022 financed emissions. As both sectors include heterogenous industry, no common sectoral decarbonisation pathway exists for either sector. Instead, SBTi recommends that the portfolio coverage approach be applied for such sectors. This method requires financial institutions to set engagement targets with borrowers and get a share of the borrowers in the portfolio to set their own SBTi approved science-based targets. The trajectory is such that SBTi targets are set for a 100% portfolio coverage by 2040.

At baseline, the share of on-balance exposure with SBTi approved targets for capital goods is at 62%, and consumer retail at 69%. With the linear trajectory of setting 100% coverage by 2040, our target for 2030 is to have 80% SBTi coverage for capital goods and 83% SBTi coverage for consumer retail.

Decarbonisation pathway for real estate

kgCO₂e/kWh



1.5 Commercial real estate

Sector	Target metric	Emissions scope included	2022 target baseline	2030 target	2030 target change	Target-setting method
Commercial real estate	kgCO ₂ /m ²	Scopes 1+2	9.0	6.20	-30%	Portfolio coverage approach

Commercial real estate represents 9% of NIB's lending exposure in 2022. NIB calculates the asset-specific carbon intensities [kgCO₂/m²] by combining the energy intensity [kWh/m²] of the properties with the building emission factors of the respective country [from the Partnership for Carbon Accounting Financials (PCAF) database]. For buildings for which NIB lacks energy intensity data, EPC labels or the average energy intensity of similar properties [building type] in the country are applied. The emission intensity of each member country portfolio is calculated by the 2022 exposure-weighted average of the building type emission intensity, and given that our exposure is exclusively in the Nordic-Baltic region, we have used the Carbon Risk Real Estate Monitor [CRREM] 1.5 °C scenario as a reference for target setting for 2030. CRREM has a 1.5 °C scenario pathway available for each country, which makes our target more representative of our portfolio. The country-specific emission intensities and targets are finally aggregated according to each country's 2022 exposure-weighted average in the total real estate portfolio exposure.

We estimated the 2022 baseline emission intensity at 9.0 kgCO₂/m² for our real estate portfolio, a figure already below the SBTi's 2030 target intensities. We have therefore adopted a maintenance target for the sector with the SBTi. However, our own strategy is more ambitious: we have set the target of a further 30% reduction to achieve emission intensity of 6.20 kgCO₂/m² by 2030. Even if our target is focused on reducing Scope 1 and Scope 2 emissions, we acknowledge Scope 3, i.e. embodied emissions make up a high share in the real estate sector. NIB favours financing refurbishment projects, and it is likely our portfolio will shift towards refurbished buildings. We will strive to achieve the 2030 target by financing the highest energy efficiency upgrade possible from the pre-refurbished level.

1.6 Shipping

Sector	Target metric	Emissions scope included	2025 target baseline	2030 target	2030 target change	Target-setting method
Shipping	%	Scopes 1+2	30% of on-balance portfolio exposure of zero-emission capable commercial vessel	67% of on-balance portfolio exposure of zero-emission capable commercial vessel	+37 percentage points	Portfolio coverage approach

*Sector target developed by NIB focusing on avoidance of fossil lock-in. Target is not validated by SBTi.

The shipping sector represents 4% of NIB’s 2022 financed emissions. Shipping is crucial for the Nordic-Baltic region due to the region’s reliance on sea transport for trade. Although shipping is one of the most energy-efficient modes of transport, the sector is on course to increase its 3% of global GHG emissions by more than fivefold by 2050. In its 2023 climate strategy, the International Maritime Organization (IMO), responsible for regulating global shipping, set the ambition of achieving net-zero GHG emissions by or around 2050, with the “indicative checkpoint” to reduce GHG -emissions from international shipping by at least 70%, striving for 80%, by 2040, compared with 2008 levels. In the EU, the EU’s Emissions Trading System (ETS) now includes maritime emissions and mandates the uptake of renewable and low-carbon fuels via the FuelEU Maritime Regulation.

To support the decarbonisation of the sector, NIB has set a target that by 2030 at least two thirds, i.e. 67%, of the commercial vessels* financed within NIB’s shipping portfolio will be capable of operating on zero tailpipe fossil emission fuels. To qualify for this, financed vessels must first meet the EU Taxonomy’s substantial contribution criteria for climate mitigation for the relevant activity and fulfil at least one of the following criteria on vessel technology:

1. Be 100% electric.
2. Have a technology to operate with at least one of the zero tailpipe fossil CO₂ emission fuels (Green Hydrogen/Green Ammonia/Green Methanol) as a drop in fuel.
3. Use biomethane for operation with the fuel supply secured.

As of the baseline, 30% of NIBs financed vessels [by loan amount] fulfil the climate targets criteria. Given that the adoption of zero tailpipe fossil CO₂ emission fuels is slowed by the limited supply of these fuels, and the sizable price gap between fossil and green fuels, we have decided to build our climate target for this sector around the technological readiness of vessels to operate on these fuels, thus avoiding fossil lock-ins. The fuel type used and emissions of financed vessels will be monitored separately and are not part of the climate target. A sectoral decarbonisation approach is not chosen, as vessel type-specific pathways are considered not to fit given NIB’s limited vessel portfolio.

1.7. Airports

Air transport remains one of the most carbon-intensive sectors in the transport industry and is also classified as hard-to-abate due to the lack of decarbonisation technologies at scale. The biggest potential to decarbonise the sector lies in the use of low-carbon fuels such as sustainable biofuels or green e-fuels, or through technologies such as battery electric and hydrogen airplanes. However, the widespread use of biofuels remains limited for now, and other alternative sustainable fuels may not be readily available in the near future.

Airports represent critical infrastructure for improving productivity and advancing our member countries’ economies. This is especially true for the Nordic-Baltic region, where the population density is lower than the world’s other regions, and the alternative to flying is less viable. NIB will therefore continue to facilitate financing for airports and its services, but prioritise infrastructure that minimises the climate impact, such as airports with green building certificates, improved energy efficiency or financing airport infrastructure for the use of sustainable aviation fuels (SAFs). No decarbonisation target is set for this sector, yet we will closely monitor the development and opportunities to participate as a stakeholder in suitable forums for accelerating the transition to sustainable net-zero and resilient airports.

1.8. Treasury corporate bonds

Sector	Target metric	Emissions scope included	2022 target baseline	2030 target	2030 target change	Target-setting method
Corporate bonds	% portfolio exposure with SBTi target	Scopes 1+2+3*	20%	56%	+36 percentage points	Portfolio coverage

*Where Scope 3 is material (>40% of company’s total emission,) companies are required to include Scope 3 in their SBTi target setting.

As NIB’s Treasury corporate bond investments comprise companies from various industries, no common sectoral decarbonisation pathway can be applied. In such cases, the SBTi recommends that the portfolio coverage approach be applied. This method requires financial institutions to set engagement targets with borrowers and get a share of the borrowers in the portfolio to set their own SBTi-approved science-based targets. The trajectory is such that SBTi targets are set for a 100% portfolio coverage by 2040.

As of the 2022 baseline year, 20% of NIB’s corporate bonds portfolio by invested amount had SBTi-approved targets. With the linear trajectory of setting 100% coverage by 2040, our target for 2030 is to increase this share to 56% by 2030. The target covers corporate bonds issuances by corporates and financial institutions [covered bonds issued by financial institutions are excluded].

*Commercial vessels are defined as ships that are designed, manufactured or operated for commercial marine activities, including those that facilitate such activities (e.g. supply vessels or service ships).This climate target excludes vessels financed for defence, law enforcement, search and rescue, or other civil protection functions, which fall outside the scope of commercial operations and are therefore excluded from climate target boundaries.

2 NIB's own emissions

Sector	Target metric	Emissions scope included	2022 target baseline	2030 target	2030 target change	Target-setting method
Own operations	tCO ₂	Scopes 1+2	46	19.5	-58%	Absolute reduction

In addition to the greenhouse gas emissions associated with our lending and Treasury assets (i.e. Scope 3), NIB's climate commitment covers the greenhouse gas emissions of its own operations (i.e. Scopes 1 and 2). We have taken various measures to reduce the climate impact of our internal operations and offset residual CO₂ emissions since 2018. Although NIB's own direct emissions are very limited compared with the financed emissions from our lending activities, we recognise the importance of minimising our impact, however small, to inspire our stakeholders in their own transition.

Given that we have already achieved a reduction of more than 25% in our own operations emissions by 2024 compared to the baseline year of 2022, we are further updating our target to reducing our Scopes 1 and 2 emissions by 58% by 2030 from the baseline year. Our updated target in our own operation is validated by the SBTi and is in line with the requirement of keeping the global temperature at the 1.5 °C scenario.



Annex II: NIB's nature and biodiversity targets until 2030

In 2024, we initiated the assessment of nature-related risks and dependencies across our lending portfolio using [ENCORE \[Exploring Natural Capital Opportunities, Risks and Exposure\]](#) data base, the [Science Based Targets Network \[SBTN\]](#) materiality screening tool, and [World Wildlife Fund's \[WWF\] Biodiversity Risk Filter](#). This approach allows us to cover approximately 98% of our lending portfolio. At this stage, the Treasury portfolio was not included in the assessment scope. This marked the first step towards identifying the sectors with the most significant impact and dependency on ecosystem services. In 2025, with a third party, we verified our heatmap approach and results. More details on our methodology and findings can be found on our website and in the [Annual Report 2025](#).

Our heatmap highlights the most material sectors with the highest potential for nature-related impacts and dependencies within our portfolio: these sectors are crucial for maintaining biodiversity and ensuring sustainable resource use.

The most material sectors account for 27% of our lending balance sheet in the 2024 baseline year. We have clustered these sectors into groups of similar characteristics—forestry and paper, power and heat, agrifood, mining, chemicals and shipping. When setting targets, we have adopted a pilot approach, learning from implementation and then transferring knowledge to other areas and/or strengthening targets over time as approaches and practices evolve.

Nature targets, however, differ from our climate target approach. Our climate part relies on strict sectoral targets and established pathways and available GHG emission data, while nature-related risks are more complex, being location- and context-dependent, and global metrics for nature are still evolving.

Our nature targets are inspired by emerging global frameworks, including the GBF and TNFD, [MDB Common Nature Finance Taxonomy](#), and will complement our climate commitments to ensure an integrated approach to sustainability.

Our targets are formulated through the lens of counterparty and project/asset levels. This hybrid approach is important because it allows us to act at multiple levels, starting with strategic commitments and continuing with tangible measures that halt nature loss and/or drive nature-enhancing outcomes at specific locations. Targets at the counterparty level help us drive systemic change at a global level. Targets at the project/asset level allow us to act at the local level, which is essential for nature-positive action. The targets will be applied based on the materiality of the specific counterparty and project for all new transactions.

In addition, the targets highlight nature-sensitive locations specific to each sector. When a project location is in proximity to these nature-sensitive locations, we will adopt a special focus and due diligence.

The strategy does not set targets for sovereigns and financial institutions. The heatmapping covered these sectors using the WWF Biodiversity Risk Filter, and the screening shows that the impacts and dependencies in these portfolios are relatively limited. However, because many financed activities ultimately take place at the municipal level, and given our close collaboration with banks and other financial institutions, we see these actors as key partners for sharing good practices and advancing nature considerations across our activities. We will maintain a strategy of active engagement and knowledge sharing with these clients.

We acknowledge that transparent disclosures on location-specific data, value chains and nature-related metrics remain limited. These gaps are key considerations for setting more precise baselines, creating benchmarks and tracking progress. The 2030 nature targets outlined in this strategy therefore focus on the identified most material sectors, aiming to reduce nature pressures through engagement with our lending portfolio.

Lending to the most material sectors

1.1 Power and heat generation

Sectors covered	Counterparty target	Project target	Nature-sensitive locations requiring special focus	Main impacts	Main dependencies
Biomass	All new transactions have an engagement with borrowers (except for special-purpose vehicles [SPV]) on the nature/biodiversity strategy, with at least an action plan addressing nature-related impact. ¹	All new transactions are located outside key biodiversity areas (KBA) and migratory routes unless explicitly permitted (by the respective authorities) and supported by sufficient mitigation measures.	Key biodiversity areas (KBA)	Biomass provisioning	Freshwater use
Geothermal		For all new transaction SPVs have an action plan to reduce project-related impacts on local species, habitats, natural resources and communities (e.g. on local species, habitats, natural resources, communities and similar).		Water supply and purification	Soil and water pollution
Hydropower	For SPVs, see the project target.	All new transactions have an engagement with borrowers in voluntary project-level actions that enhance nature and biodiversity.		Waterflow regulation	GHG emissions
Nuclear and thermal				Flood mitigation	Habitat disturbance
Solar					Land use
Wind					

The power and heat sector’s primary impacts relate to land use change and habitat fragmentation, and its critical dependencies include stable water flows, flood regulation, and biomass provisioning as well as soil and sediment retention. However, the main impacts and dependencies vary by technology. Solar projects can put

pressure on land and habitats, while wind projects may disrupt ecosystems and species movement. Hydropower can alter ecosystems through flooding and changes in water flow. Bio-energy can contribute to habitat loss, deforestation, and pollution depending on the feed-stock used.

Targets, actions and opportunities

■ At the **counterparty** level, where the borrower is not an SPV, NIB requires a nature/biodiversity strategy to be in place by 2030, with at least an action plan addressing the most material impacts and dependencies for direct operations and value chains (especially of high-risk commodities from sensitive locations).

NIB finances solar and wind plants mostly through project finance, where borrowers are SPVs. Because SPVs are created solely for individual projects, we emphasise project-level due diligence and an action plan for projects with such structuring.

■ At the **project** level, assets must be located outside KBAs and migratory routes, unless authorities explicitly permit the placement, and adequate mitigation is ensured. Projects are expected to minimise their nature impacts. Hydropower projects are limited to already exploited rivers and required to have assessments of ecological flows and fish pass feasibility. Bio-energy should rely on secondary feed-stocks, while solar projects may require deeper supply chain due diligence to ensure key components are sourced sustainably. Borrowers are encouraged to prioritise low biodiversity areas and consider dual-use solutions such as solar on degraded land or rooftops.

■ We see **opportunities** in expanding renewable energy and low-carbon heat solutions, which are central to the green transition and deliver major climate benefits while reducing fossil fuel dependency – a key driver of nature loss. Wind, solar, hydropower, and geothermal, together with electrification and district-heating upgrades can significantly cut emissions and strengthen regional energy security. Large energy utilities can, however, affect land use, water systems and biodiversity, but careful siting, innovative design and synergistic planning, such as combined land-use or habitat restoration and water-protection measures help to avoid trade-offs. Coupling renewables with green hydrogen and energy storage solutions reduce resource pressure while improving system resilience.

¹ i.e. addressing material impacts and dependencies for direct operations and value chains, high risk commodities, sensitive locations, etc.

1.2 Metals and Mining

Sectors covered	Counterparty target	Project target	Nature-sensitive locations requiring special focus	Main impacts	Main dependencies
Mining Steel	All new transactions have an engagement with borrowers on the nature/biodiversity strategy, with at least an action plan addressing nature-related impacts. ²	<p>For all new transactions, new mining sites are located outside KBAs unless explicitly permitted by the respective authorities and supported by sufficient mitigation measures.</p> <p>For all new transactions, mining sites have a closure plan including biodiversity restoration.</p> <p>All new transactions have water resource protection measures in place.</p> <p>All new transactions have waste and pollution reduction measures in place.</p> <p>Exclusion list: conflict minerals, sand and seabed mining, and other invasive methods.</p>	<p>Key biodiversity areas (KBA)</p> <p>Water stress areas</p>	<p>Water supply and purification</p> <p>Flood mitigation</p> <p>Climate regulation</p> <p>Waterflow and rainfall regulation</p> <p>Soil and sediment loss prevention</p>	<p>Biological alterations</p> <p>Land use</p> <p>Water use</p> <p>Air, soil and water pollution</p> <p>Solid waste</p>

In the Nordic-Baltic region and across Europe, mining plays an important role for the economy because it supports key industries like construction and manufacturing, and secures critical raw materials for the green transition. Mining depends heavily on clean water and soils in natural habitats, for example. The exact impacts vary by the type of ore and the technology used. The main nature impacts issues include land disturbance, greenhouse gas emissions, pollution and heavy freshwater use. For the mining sector, the location of mines,

along with company’s practices, matters most—mines near sensitive ecosystems require a sensitivity assessment of sites to avoid harming biodiversity. These checks help guide decisions and reduce risks. Companies should also plan for mine closure/decommissioning and land restoration to prevent long-term environmental damage. Mining projects must also respect human rights and cultural heritage.

Targets, actions and opportunities

■ At the **counterparty** level, NIB aims to engage all counterparties in new transactions to establish a nature or biodiversity strategy by 2030, with an action plan for managing material impacts and dependencies across operations and value chains. Due diligence evaluates biodiversity risk management, indigenous rights, resource use, and emissions to air, soil, and water, along with issues specific to the company’s profile. These steps help reduce harm and support a fair transition in resource intensive industries.

■ **Projects** should avoid high conservation value areas. Mining sector due diligence requires strong site-level risk screening, water and pollution control measures (including dust, noise, and safe tailings storage), sound water management (especially in water stress areas), decommissioning planning, and actions for biodiversity restoration or enhancement on site.

■ The sector offers **opportunities** through improved water and tailings management, biodiversity restoration, and circular economy approaches such as urban mining and enhanced metals recycling. Integrating nature positive practices into site planning strengthens resilience and stakeholder trust. NIB can also leverage sustainability-linked loans tied to nature targets - such as biodiversity action plans, water stewardship - to incentivize higher standards and drive progress toward nature positive outcomes.

² i.e. addressing material impacts and dependencies for direct operations and value chains, high risk commodities, sensitive locations, etc.

1.3 Agrifood sector

Sectors covered	Counterparty target	Project target	Nature-sensitive locations requiring special focus	Main impacts	Main dependencies
Food and beverage production Agriculture Food retail	All new transactions have an engagement with borrowers in certifications and policies around high impact commodities.	All new transactions are deforestation-free. All new transactions have water resource protection measures in place. All new transactions have waste and pollution reduction measures in place. Exclusion list: the production, processing and/or trading of palm oil, soy, cocoa, coffee, rubber and its derivatives unless from growers with sustainability certifications.	Deforestation sensitive areas Water stress areas Key biodiversity areas (KBA)	Water supply and purification Waterflow regulation and flood mitigation Solid waste treatment and management Biological resources	Land-use change Water use and pollution Soil pollution Solid waste Deforestation

Crop type, farming practices, and processing technologies shape nature-related risks such as land-use change, deforestation, soil degradation, water overuse, and pollution from fertilizers and pesticides — pressures that can lead to biodiversity loss and ecosystem disruption. Location is critical: sourcing from deforestation sensitive areas or water stressed regions requires rigorous screening and mitigation.

Companies using agrifood products should apply sustainable sourcing policies and certifications for high risk commodities like soy, palm oil, and cocoa, alongside circular practices that reduce food loss, waste, and packaging impacts. In NIB’s portfolio, exposure is concentrated in food processing, distribution, retail, and agrifood infrastructure; these actors shape upstream outcomes through sourcing requirements and project level safeguards, enabling NIB to influence nature related impacts even without direct engagement in primary agriculture.

Targets, actions and opportunities

- At the **counterparty** level, NIB will engage with all borrowers on policies and certifications for high impact commodities, as risks such as deforestation, biodiversity loss, and water stress typically originate upstream. For agrifood companies, due diligence focuses on deforestation-free sourcing, traceability, water stewardship, soil health, pollution prevention, and circular economy and biodiversity practices.
- At the **project** level, NIB emphasizes site-specific measures that reduce harm, including avoiding land conversion, ensuring deforestation-free operations, protecting water resources in stressed regions, and applying robust waste and pollution controls. Projects should avoid high-conservation-value areas and maintain strong management of water, soil, and contamination risks to safeguard ecosystems and support a fair transition.
- The agrifood sector offers **opportunities** through regenerative and precision agriculture, vertical farming, and circular solutions. Low-impact fertilizers, soil health monitoring, and water-efficient irrigation reduce pressures while improving productivity. Digital traceability and certification systems support deforestation-free supply chains, while plant-based proteins and alternative food systems ease land-use pressures. Opportunities also include improving fisheries via re-circulation technologies and advancing waste-to-resource models. By financing responsible sourcing, pressure reducing technologies, and innovative practices, NIB can accelerate the shift toward resilient, low impact food systems that support nature, climate, and food security.

1.4 Forestry and paper

Sectors covered	Counterparty target	Project target	Nature-sensitive locations requiring special focus	Main impacts	Main dependencies
Forestry Sawmills Pulp and paper	<p>All new transactions have an engagement with borrowers about nature/biodiversity strategy, with at least an action plan addressing nature-related impact.³</p> <p>90% of on-balance lending exposure is to borrowers with certified sustainable initiatives over 90% (FSC, PEFC, SFI or equivalent).</p>	<p>All new pulp and paper sector transactions have water resource protection measures in place.</p> <p>All new transactions use materials sourced from certified sustainable initiatives (FSC, PEFC, SFI or equivalent).</p> <p>Exclusion list: the degradation of primary forests and wetland.</p>	<p>Deforestation sensitive areas</p> <p>Key biodiversity areas (KBA)</p> <p>Water stress areas</p>	<p>Solid waste remediation</p> <p>Storm and flood mitigation</p> <p>Water supply</p> <p>Biomass provisioning</p>	<p>Water and soil pollutants</p> <p>Water use</p> <p>Habitat conversion and biodiversity loss</p>

Forestry and paper sectors are highly material due to their significant impacts and dependencies on nature. These industries rely on natural capital - forests, soil, and water - while also posing risks through land-use change, resource extraction, and biodiversity loss if not responsibly managed. Key dependencies include timber and fiber supply, freshwater availability, and ecosystem services such as carbon sequestration and soil fertility.

At the same time, impact drivers such as deforestation, habitat conversion, and intensive water use exert major pressures on biodiversity. In the Nordic-Baltic region, where forestry is a core economic sector, these dependencies and impacts are particularly pronounced, making nature-related risk management essential.

Targets, actions and opportunities

■ NIB’s **counterparty** level portfolio coverage target follows TNFD guidance for the Forestry and Paper sector and focuses on certified forest area [%] under globally recognized third-party systems such as FSC, PEFC, and SFI (excluding Controlled Wood, Controlled Sources, or SFI Fiber Sourcing). The target requires that at least 90% of on-balance-sheet lending exposure is to companies that have secured certified origin for at least 90% of their forestry assets or forestry-related supply. By 2030, we will also engage all new counterparties to define a nature strategy supported by an action plan addressing their most material impacts and dependencies, particularly in deforestation-sensitive and key biodiversity areas.

■ At the **project** level, NIB sets specific requirements for pulp and paper projects related to water resource protection, given the sector’s intensive water use and its potential to exacerbate scarcity and ecosystem stress, especially in water-stress areas. These measures mitigate physical and reputational risks while supporting long-term operational resilience. Across all forestry-related projects, NIB also evaluates the sourcing and sustainability certification of timber and fiber inputs.

■ **Opportunities** in the sector include improved forest and water management practices, investment in water stewardship and pollution reduction, development of controlled sourcing systems, innovation in low-impact materials, and participation in restoration and conservation projects. These measures strengthen nature outcomes while supporting sustainable value creation.

³ i.e. addressing material impacts and dependencies for direct operations and value chains, high risk commodities, sensitive locations, etc.

1.5 Chemicals

Sectors covered	Counterparty target	Project target	Nature-sensitive locations requiring special focus	Main impacts	Main dependencies
Chemicals	All new transactions have an engagement with borrowers about nature/biodiversity strategy, with at least an action plan addressing nature-related impact. ⁴	<p>All new transactions have water resource protection measures in place.</p> <p>All new transactions have waste and pollution management measures in place.</p> <p>All new transactions have raw material sourcing policies respecting nature.</p>	<p>Water stress areas</p> <p>Key biodiversity areas (KBA)</p>	<p>Water supply and purification</p> <p>Waterflow regulation</p> <p>Storm mitigation</p> <p>Biological resources</p>	<p>Air, water and soil pollution</p> <p>Solid waste</p>

The chemicals industry primarily affects nature through greenhouse gases and other air pollutants, as well as by discharging hazardous substances into water and soil. Across the value chain, from raw material extraction and processing to manufacturing and downstream product use, industry operations have significant ecosystem pressures such as water and soil contamination, nature degradation, and biodiversity loss.

Chemicals are reliant on nature for a consistent and regulated water supply, which is critical for processing, cooling and production activities. The industry also depends on the availability of natural resources, including biomass and minerals, making it highly vulnerable to changes in ecosystem services.

Targets, actions and opportunities

- At the **counterparty** level, we aim to engage with all new counterparties to have a nature/biodiversity strategy by 2030. This should include at least an action plan addressing the most material impacts and dependencies across both direct operations and the value chain. Monitoring and planning for water use, especially in water-stressed areas, should be a priority, alongside measures to reduce risks associated with raw material sourcing and waste management.
- At the **project** level, NIB requires all financed projects to implement pollution and waste management plans that specifically address the most significant impacts, depending on the project, such as plastic pollution (including microplastics), air pollution and hazardous waste. For projects utilising bio-based solutions, the supply chain must be deforestation-free or at least fully traceable to ensure responsible sourcing practices.
- We see that further **opportunities** in the sector are closely linked to impact reduction, research and development (R&D) for sustainable-by-design chemicals, low-toxicity substitutes and circular materials. Furthermore, promoting the use of recycled feedstock and biomass can help extend product lifespans and reduce dependency on non-renewable resources.

⁴ i.e. addressing material impacts and dependencies for direct operations and value chains, high risk commodities, sensitive locations, etc.

1.6 Shipping

Sectors covered	Counterparty target	Project target	Nature-sensitive locations requiring special focus	Main impacts	Main dependencies
Marine transport Marine ports Ship construction	All new transactions have an engagement with borrowers on best practice in ballast water management (International Maritime Organization (IMO) ballast water management convention) with respect to avoiding invasive species.	Same as a climate target	Marine environment	Water supply and purification Flood and storm mitigation Climate regulation	Habitat disturbance Biological alterations Marine use Water and soil pollutants

Shipping underpins trade and connectivity in the Nordic-Baltic region and Europe, enabling economic growth and supply chain resilience. The sector depends on healthy marine ecosystems and climate stability for safe navigation and port operations. However, shipping can affect nature through marine pollution, underwater noise, toxic antifouling paints or the spread of invasive species via ballast water. Fuel emissions also contribute to climate change and ocean acidification.

Impacts vary by vessel type, route and operational practices. Sensitive marine areas require careful planning to avoid harm to biodiversity. Compliance with international standards [such as the IMO Ballast Water Management Convention] is essential, alongside waste handling, oil spill prevention, and energy efficiency measures.

Targets, actions and opportunities

- At the **counterparty** level, NIB engages with borrowers on best practice for ballast water management to avoid invasive species. ESG assessments address ballast water systems, emissions control, waste handling, and biodiversity safeguards, supporting sustainable maritime transport and ocean protection.
- At the **asset** level, NIB aligns its nature and climate targets because climate change is a primary driver of nature loss. Requiring vessels to be capable of operating on zero tailpipe fossil emission fuels helps reduce climate-related pressures on marine ecosystems, including warming and acidification. This approach is consistent with TNFD’s guidance promoting integrated management of climate and nature risks. New vessels meeting EU Taxonomy criteria for climate mitigation often include technologies that reduce pollution, improve ballast water management, and mitigate risks to sensitive habitats - such as noise reduction and avoidance of toxic anti-fouling coatings. NIB also assesses EU Taxonomy Do-No-Significant-Harm criteria for biodiversity.
- The transition to zero-emission vessels creates **opportunities** for innovation and sustainability leadership. Green fuels - such as green hydrogen, ammonia, and methanol - alongside electrification and hybrid systems can significantly cut climate and nature impacts. Digital route optimization improves efficiency and reduces operational risks to marine ecosystems. Circular practices in shipbuilding and recycling further lower resource use and waste. By financing vessels that meet EU Taxonomy criteria and are ready for green fuels, NIB can accelerate maritime decarbonization, support biodiversity protection, and strengthen resilience in Nordic-Baltic maritime trade.



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