

Nordic Investment Bank – Supplier Code of Conduct

As part of its commitment to sustainability, NIB seeks sustainable solutions and assesses environmental, social and governance (ESG) aspects in the procurement of goods and services for its internal use. NIB's core sustainability principles and the expectations set forth in this Supplier Code of Conduct ("Code") are based on its [Sustainability Policy](#), and the international agreements, frameworks and conventions referred to in that Policy.

Supplier commitment

Suppliers shall commit to the ESG standards presented in this Code and are responsible for ensuring that their sub-contractors along the value chain adhere to these standards.

NIB expects its suppliers to align with the ambition of the United Nations Global Compact and to have adequate policies, processes and practices in place, including establishing sustainability targets, environmental policies, and environmental and social management systems. Suppliers shall strive to continuously enhance their ESG practices in consideration of the nature of their business operations.

Compliance with laws and responsible business

Suppliers shall comply with high ethical standards, applicable laws and regulations and international standards. NIB does not engage with sanctioned counterparties¹, suppliers whose beneficial owners cannot be identified, or suppliers engaged in any corrupt, fraudulent, coercive or collusive practices, theft, obstruction, money laundering or terrorist financing.

Human and labour rights

Suppliers shall comply with applicable employment and labour laws and international standards, including but not limited to those established by the International Labour Organisation (ILO). Such include freedom of association, right to collective bargaining, proper working conditions, fair wages, working time and benefits, and prevention of discrimination, harassment, abuse, and forced labour and forced child labour. Suppliers shall provide a safe, secure and hazard-free working environment to prevent accidents and injuries. Relevant human and labour rights risks shall be continuously assessed and addressed by the supplier.

Environmental responsibility

Suppliers shall commit to systematically and continuously limit the adverse impact on the environment (climate, nature, and biodiversity) arising from their operations and the provision of goods and/or services in accordance with applicable environmental laws and international agreements.

Excluded activities

In the procurement of goods and/or services, NIB takes into account whether the supplier is engaged in activities which are defined as excluded activities in NIB's [Sustainability Policy](#) as set forth on the last page of this Code.

Compliance with this Code

Suppliers shall provide NIB with information on their compliance with this Code upon request. NIB may monitor its supplier's compliance with this Code through supplier assessments and audits as set forth in the agreement with NIB. In case of failure to comply with this Code, NIB will initiate discussions with the supplier to ensure corrective actions are implemented and reserves the right to terminate the relevant agreement(s) with the supplier. NIB acknowledges that reaching the expectations and exclusions of this Code is an evolving process. Suppliers are expected to report deviations from this Code in relation to goods and/or services provided to NIB to supplieridd@nib.int.

¹ Sanctioned counterparties are those included on sanctions lists maintained by the UN Security Council, EU, USA, UK, Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway and Sweden, as well as entities debarred by NIB.

In accordance with NIB's [Sustainability Policy](#), NIB will not knowingly be involved with counterparties engaged in the following excluded activities:

- Activities or materials deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international phase-outs or bans¹
- Human and labour right violations², including forced labour³, child labour⁴ and violations of local and indigenous peoples' rights
- Cross-border trade in waste and waste products, unless compliant with the Basel Convention and the underlying regulations
- Destruction⁵ of High Conservation Value areas⁶
- Activities that fail to uphold the 'Five Freedoms' principles for animal welfare⁷
- Production and trading of radioactive materials⁸
- Unbonded asbestos fibres⁹
- Pornography and/or prostitution
- Racist and/or anti-democratic content
- In the event that any of the following activities form a significant¹⁰ part of a counterparty's business activities:
 - Alcoholic beverages (excluding beer and wine)
 - Tobacco
 - Weapons and ammunition¹¹
 - Gambling, casinos, and equivalent enterprises
 - Mining, extraction or processing of coal or peat
 - Energy generation based on coal or peat
 - Exploration, extraction, production of oil and natural gas (i.e. upstream activities)

¹ Such as: wildlife or products regulated under the Convention on International Trade in Endangered Species or Wild Fauna and Flora (CITES); ozone depleting substances, PCB's (Polychlorinated Biphenyls) and other specific, hazardous pharmaceuticals, pesticides/herbicides or chemicals; unsustainable fishing methods (e.g., blast fishing and drift net fishing in the marine environment using nets in excess of 2.5 km in length).

² According to UNEP FI mapping of Human Right issues

³ Forced labour means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty as defined by ILO conventions.

⁴ Persons may only be employed if they are at least 14 years old, as defined in the ILO Fundamental Human Rights Conventions (Minimum Age Convention C138, Art. 2), unless local legislation specifies compulsory school attendance or the minimum age for working. In such cases the higher age shall apply.

⁵ Destruction means the [1] elimination or severe diminution of the integrity of an area caused by a major, long-term change in land or water use or [2] modification of a habitat in such a way that the area's ability to maintain its role is lost.

⁶ High Conservation Value (HCV) areas are defined as natural habitats where these values are considered to be of outstanding significance or critical importance [See <http://www.hcvnetwork.org>].

⁷ As described in <https://www.woah.org/>

⁸ This does not apply to removal and final disposal, the purchase of medical equipment, quality control (measurement) equipment or any other equipment where the radioactive source is understood to be trivial and/or adequately shielded

⁹ This does not apply to removal and final disposal

¹⁰ For companies, "significant" means more than 10% of their turnover. For financial institutions and investment funds, "significant" means more than 10% of their underlying portfolio volume. The 10% threshold can be set higher for counterparties involved in carbon intensive activities at the discretion of NIB, after having assessed the counterparties' future climate strategies and transition pathways. Counterparties that can demonstrate a robust and credible decarbonisation strategy in line with carbon neutrality by 2050 might not be excluded.

¹¹ The Bank will pay due regard to relevant documents, lists and treaties the implementation of which is monitored by the United Nations, EU or other relevant international arrangements.

Date of acceptance: _____

Organisation: _____

Name: _____

Signature of authorised representative: _____