



NORDIC
INVESTMENT
BANK

FINANCING
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FUTURE



Investigation Policy

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Definitions

“Employee” means, for the purposes of this document, all staff categories set out in NIB’s Staff Regulations, and contractors as applicable. This includes former employees in relation to acts committed during their employment with NIB.

“External Party(ies)” means, any entity or individual external to NIB connected to any actual or intended NIB Operation or NIB Financed Activity.

“Investigator” means any employee(s) or external party appointed by the Chief Compliance Officer to conduct an investigation.

“Misconduct” means an intentional or reckless serious violation of the Staff Regulations, the Code of Conduct for Staff, or any other professional obligation laid-out in NIB’s Legal Framework.

“NIB Operation(s) or NIB Financed Activity(ies)” means any activity occurring i) as part of NIB’s internal operations, or ii) in relation to an activity financed in whole or in part, by NIB.

“Prohibited Practice” means:

- (i) a corrupt practice, which means the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
- (ii) a fraudulent practice, which means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;
- (iii) a coercive practice, which means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
- (iv) a collusive practice, which means an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
- (v) theft, which means the misappropriation of property belonging to another party;
- (vi) obstruction, which means deliberately destroying, falsifying, altering, or concealing evidence material to an investigation; making false statements to Investigators in order to materially impede an investigation; failing to comply with requests to provide information, documents, or records in connection with an investigation; threatening or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or materially impeding NIB’s contractual rights of audit or inspection or access to information;
- (vii) money laundering, which means intentional conversion or transfer of property derived from criminal activity to conceal or disguise its illicit origin; concealment or disguise of the true nature, source, location, disposition, movement or ownership of property known to have been derived from criminal activity; acquisition, possession or use of property known to have been derived from criminal activity; participation, or assistance, in the commission of any of the activities above; and/or
- (viii) terrorist financing, which means the provision or collection of funds, by any means, directly or indirectly, with the intention that they should be used or in the knowledge that they are to be used, in full or in part, in order to carry out terrorist activities.

“Reporter” means someone who reports a suspected act of Prohibited Practice or Misconduct covered by this Policy.

“Subject” means the individual or entity who has allegedly engaged in a Prohibited Practice or a Misconduct.

INVESTIGATION POLICY

1 INTRODUCTION

The Nordic Investment Bank (“**NIB**”) expects its employees, borrowers, counterparties and other stakeholders to maintain high ethical standards in their interactions with NIB.

NIB is committed to fight fraud, corruption, money laundering and other Prohibited Practices in all its operations and activities in line with NIB’s Integrity and Compliance Policy and the Uniform Framework on Preventing and Combating Fraud and Corruption issued by the International Financial Institutions¹.

In connection with these commitments, NIB conducts investigations of suspected Prohibited Practices and Misconduct. These investigations are administrative in nature.

2 SCOPE

This Investigation Policy (“**Policy**”) sets out the principles according to which NIB conducts investigations of reports of (i) Prohibited Practices allegedly committed by an External Party or an Employee in connection with an NIB Operation or NIB Financed Activity, and (ii) Misconduct allegedly committed by an Employee.

Investigations concerning the members of the Board of Directors and the President are conducted in accordance with Annex 1 to the Code of Conduct for the Board of Directors and President.

Investigations concerning the Chief Compliance Officer (“**CCO**”) and other Integrity & Compliance Office (“**ICO**”) employees shall be carried out by the Head of Internal Audit. In these cases, references to the CCO shall be replaced by the Head of Internal Audit.

3 PRINCIPLES

An investigation shall be conducted with objectivity, impartiality, and fairness throughout the process.

The Investigator and the CCO shall conduct their activities competently and with the highest levels of integrity. In particular, they shall perform their duties independently from NIB’s management, those responsible for or involved in operational activities, the Reporter and the Employees that may be a Subject of an investigation.

The Investigator and the CCO shall also be free from improper influence and fear of retaliation. For more information, see NIB’s Speaking up and Whistleblower Protection Policy.

3.1 Standard of proof

For NIB, and for the purposes of an investigation, the standard of proof means information that, as a whole, shows that something is more probable than not. The standard of proof applies throughout the investigation, including to the preliminary assessment of a report and to the assessment of evidence and information collected during the course of the investigation.

¹ The framework was signed on 17 September 2006 by the African Development Bank Group, Asian Development Bank, European Bank for Reconstruction and Development, European Investment Bank Group, International Monetary Fund, Inter-American Development Bank Group and the World Bank Group.

3.2 Conflicts of interest

Close personal relationships between the Reporter or the Subject of the investigation and the Investigator may compromise the outcome of an investigation. If the Investigator has an actual or perceived conflict of interest, she/he shall inform the CCO and recuse themselves from the investigation.

In case of a conflict of interest for the CCO, she/he shall inform the Head of Internal Audit and discuss how to proceed.

3.3 Access to information and documentation

The CCO and the Investigator(s) have unrestricted access to all relevant records which are produced in the course of NIB's operations, NIB's property, in NIB's custody, under NIB's control or obtained by means of NIB's right of inspection or audit as established in agreements with the involved parties for the purposes of an investigation pursuant to this Policy.

4 OBLIGATIONS

4.1 Confidentiality

The investigation, through all its stages, shall be carried out in a confidential and discreet manner. Information relating to the investigation shall only be shared with people who have a legitimate interest in the case and on a need-to-know basis as decided by the CCO. All case information shall be classified as strictly confidential.

An Investigator must take reasonable precautions to keep any information gathered as part of an investigation confidential, as well as to keep the identity of individuals under investigation and the Reporters and witnesses confidential.

Persons being part of an investigation in any function or capacity shall not disclose any information about an investigation.

4.2 Duty to Cooperate

During an investigation, Employees are obliged to cooperate with the Investigator and to provide relevant documents and information on the case. External Parties may be contractually required to cooperate with an investigation, audit or other inquiry, and are otherwise encouraged to support NIB's efforts towards integrity.

4.3 Obstructing an investigation

It is improper for anyone to destroy documents, tamper with information, mislead Investigators, interfere with someone who has provided information or violate the confidentiality of the investigative process. Such behaviour can constitute Obstruction as defined in the Prohibited Practices and be subject to an investigation.

4.4 Personal Data

Personal data obtained during the course of an investigation will be handled in accordance with NIB's rules on personal data.

Personal data may be transferred to external parties, including a consultant or consultancy company appointed by the CCO as an Investigator or a co-financing IFI in accordance with NIB's rules on personal data.

5 REPORTING PROHIBITED PRACTICES AND MISCONDUCT

An Employee shall, without delay, report suspicions of Prohibited Practices, and/or Misconduct to the CCO. For more information about the reporting channels, see the Speaking up and Whistle-blower Protection Policy.

External Parties are encouraged to report suspicions of Prohibited Practices and/or Misconduct to NIB in accordance with the Speaking up and Whistle-blower Protection Policy.

Reports can be in English or in the Nordic and Baltic languages. As far as possible, reports should contain sufficient information and be made in a timely manner to facilitate an investigation.

6 MALICIOUS REPORTS

Reports must be made in good faith. If during the preliminary assessment or the investigative process, the CCO determines that a report was made against a person or entity without foundation and is done without just cause or proper motive, the report is considered a malicious report.

The CCO may, on her/his own account, decide to conduct a preliminary assessment in relation to a malicious report.

7 PRELIMINARY ASSESSMENT

The CCO shall notify the Head of Internal Audit following the receipt of a report and they shall initiate a preliminary assessment to determine if there are reasonable grounds to suspect that a case of Prohibited Practices and/or Misconduct has occurred.

The CCO may also initiate a preliminary assessment of a suspicion of Prohibited Practices and/or Misconduct at her/his own discretion, as a result of a conviction or decision by a national authority, or at the request of the President or the Board of Directors.

As part of the preliminary assessment, the CCO may undertake inquiries and gather information, and seek assistance from other functions in NIB, as well as from external resources. The preliminary assessment will be completed as soon as practicable.

The preliminary assessment will consider whether:

- the report concerns a Prohibited Practice or Misconduct which occurred less than ten years prior to the date of the report, and
- there is likely to be sufficient evidence to support the allegation.

Following the preliminary assessment, the CCO will inform the Reporter about the decision on whether an investigation will be conducted.

If at a later time, credible new information is received pertaining to a report that was closed, a preliminary assessment may be reopened.

8 NOTIFICATION TO THE SUBJECT

Once it has been decided that an investigation is warranted, the CCO shall inform the Subject, unless there is a specific reason to believe that the notification would jeopardize the investigation, such as leading to tampering with witnesses or evidence.

The Subject shall be informed of the basis for the investigation and the alleged conduct that is under investigation.

9 INVESTIGATION

The main objective of an investigation is to gather evidence to establish the facts of the events that gave rise to the allegation while ensuring the integrity of the investigation and enforcement process.

To this end, the Investigator may review documentation, conduct on-site inspections, interview witnesses and the Subject, and consult other relevant parties or experts. The CCO may also seek assistance from other functions in NIB and/or external resources. The investigation shall be completed promptly taking into account the specifics of the case.

The CCO may decide to broaden the scope of the investigation to include other acts of suspected Prohibited Practices and/or Misconduct identified during the investigation.

As part of the investigation, if there is sufficient evidence to support the allegation, the Subject shall be given reasonable opportunity to explain or justify her/his position with respect to the alleged Prohibited Practice and/or Misconduct and to present her/his own evidence, including the names of witnesses who might corroborate her/his statements.

10 TEMPORARY MEASURES

During the course of an investigation, if the CCO believes that there is reasonable evidence to support a finding of a Prohibited Practice or Misconduct against an Employee, and it is necessary to protect NIB's interests or reputation, she/he may submit a request for temporary measures or suspension to NIB's President.

Temporary measures may include (i) reassignment, (ii) changes to access rights to systems and/or premises, (iii) temporary suspension. Temporary suspension from work shall be conducted in accordance with the Staff Regulations.

In cases of investigations of Prohibited Practices against External Parties, refer to Section 5 of the Enforcement Policy.

11 STATEMENT OF CASE FOR EMPLOYEES

Prior to the conclusion of the investigation concerning an Employee, in which a case of Prohibited Practice or Misconduct is reasonably proven to the Standard of Proof, the Subject will be provided with a Statement of Case which includes: (i) the alleged Prohibited Practice(s) or Misconduct; and (ii) the evidence in support of the allegations, together with any exculpatory or mitigating evidence. The Statement of Case will also include any response received from the Subject during the course of the investigation.

12 REPORT OF THE INVESTIGATION

The Investigator and the CCO shall compile, consider and assess all evidence and information gathered during the course of the investigation to determine if there is sufficient evidence to support a finding of Prohibited Practices and/or Misconduct.

12.1 Unsubstantiated allegations

If the CCO concludes there is insufficient evidence to support a finding of Prohibited Practices and/or Misconduct, the CCO shall submit the report of the investigation to the Head of Internal Audit.

The Head of Internal Audit shall review the report and conclude whether she/he agrees with the conclusion and any recommendations reached by the CCO and the Investigator. If the Head of Internal Audit does not agree, the matter shall be returned to the CCO for reconsideration.

13 SANCTIONS OR DISCIPLINARY PROCEEDINGS

If the CCO concludes that there is sufficient evidence to support a finding of one or more Prohibited Practices and/or Misconduct, the CCO shall initiate sanctions or disciplinary proceedings by submitting the case to:

- NIB's Sanctions Panel in case of a substantiated Prohibited Practice against an External Party. Further information can be found in the Enforcement Policy; or
- NIB's President in case of a substantiated Prohibited Practice and/or Misconduct against an Employee. Further information can be found in the Staff Regulations.

When a Prohibited Practice is substantiated against both an External Party and an Employee under the same investigation, the case is submitted to the Sanctions Panel for determination of the case. Thereafter, the disciplinary proceeding established in the Staff Regulations is applicable to the Employee.

14 REFERRAL TO NATIONAL AND SUPRANATIONAL ENFORCEMENT AUTHORITIES

At any time during the investigative process, the CCO may recommend the President of NIB to refer a report of Prohibited Practice or Misconduct to national or supranational enforcement authorities. Examples of situations that may lead to a recommendation for referral include, but are not limited to, suspicion of violation of the laws of a country, unwillingness of the Subject to cooperate with the investigation and limitations in NIB's capacity to investigate.

The President, after consultation with the General Counsel and the head of any other relevant department, shall present the recommendation to the Board of Directors for decision. The recommendation shall include the specific information, including any personal data, that will be disclosed to the authorities and the General Counsel's view on the referral with regards to NIB's privileges and immunities.

The Board of Directors shall decide on the referral. If the decision is to refer the case, the decision shall identify the information that may be disclosed to the authorities and shall direct the CCO to liaise with the relevant authorities as and when appropriate.

Any such referral shall be without prejudice to any action available to NIB under this Policy or contractually.

15 NO WAIVER OF PRIVILEGES AND IMMUNITIES

Nothing in this Policy shall be considered as a waiver of NIB's privileges and immunities as set forth in the Constituent Documents² or in applicable national or international law.

16 RECORD-KEEPING AND REPORTING

The CCO is responsible for safe-keeping and storing the information, files and evidence obtained during the course of a preliminary assessment or an investigation.

In addition, the CCO shall keep a register of all reports, including malicious reports and reports that have not been referred for investigation.

The number of reports received, preliminary assessed, investigated and subject to determination by the relevant body are reported in NIB's annual Integrity Report.

All documentation that relates to a preliminary assessment or an investigation shall be stored for ten years.

² 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 the related Statutes, as amended from time to time, and the Host Country Agreement between the Government of Finland and the Nordic Investment Bank of 20 October 2010. These documents are available on NIB's website, www.nib.int.