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NIB Climate Strategy

Adopted by the Board of Directors of the Nordic Investment Bank on 31 October 2023 with entry into force as of 27 November 2023

Contents

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1 Introduction

Climate change is one of the biggest global challenges facing humanity, and its impacts are already being felt across the globe. Rising temperatures, extreme weather events and the loss of biodiversity are just some of the consequences of unchecked and extensive greenhouse gas (GHG) emissions. The urgency of climate action has never been more evident—this decade will need to be one of transition, in which societies will collectively need to reinvent economies piece by piece, transitioning each sector and value chain to more sustainable path. We need to introduce resilience and sustainability in how we produce and consume energy, raw materials and goods, and at the core of the businesses and financial systems that finance economic activities.

Financial institutions have a unique opportunity to drive positive change by redirecting capital flows to sustainable resilient investment. At the Nordic Investment Bank (NIB), we recognise the critical role we play in shaping a sustainable future to enable a green transition and net-zero society.

Our ability to mobilise resources, channel investment and provide innovative financial solutions places us at the vanguard of the fight against climate change and its consequences. We are aware that this transition will not be easy for everyone: it comes with a deep responsibility to achieve it with fairness, building better, resilient and sustainable societies overall. The green transition is a deep responsibility, but it also presents a great opportunity in which new businesses can create new value, new ideas can flourish, and new jobs can be added. NIB is committed to play our part in contributing to a fair green transition. By aligning our strategies, vision and targets with ambitious sustainability goals, we can catalyse the transition to a net-zero economy and foster resilience to climate-related risks.

NIB's vision is to create a prosperous and sustainable Nordic-Baltic region by financing projects that improve productivity and benefit the environment of member countries, and the driver of our environmental mandate has long comprised climate change mitigation and preventive measures (including climate change adaptation), the circular economy and pollution reduction. In this document, we outline NIB's strengthened commitment to climate action for decarbonisation and transitioning to net-zero through our climate targets and strategy.

2 NIB's climate commitment – supporting our member countries to a net-zero

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 to 1990 levels. In fact, Finland and Iceland are targeting climate neutrality ahead of the EU target by 2035 and 2040, respectively, and Sweden aims for net-zero emissions by 2045. By setting its own climate targets, NIB will be better placed in supporting 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. We are now further aligning 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.

When thinking about 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 needing steady deployment – we call this the "fast-lane" of green transition. But we are also aware that there is a "slow-lane" of the green transition – sectors where solutions are not readily available or cost effective, where emissions remain "hard-to-abate".

NIB has a strong track record of financing low-carbon sectors and supporting the sectors in the "fast-lane" of the green transition. We will continue to support the financing of counterparties with recognised technologies and solutions for enabling emissions reductions. This includes the financing of projects in renewable energy, energy efficiency, sustainable transportation, and other sectors that have made significant progress in decarbonisation. We acknowledge, however, the importance of also focusing on the "slow-lane" or the so-called "hard-to-abate" sectors to achieve a comprehensive transition to a net-zero society. These sectors require 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.

In NIB's 2021 business strategy, we highlighted our mission to focus on financing high-impact transitions in hard-to-abate sectors and today we are also reconfirming our commitment tothe sector as part of our climate strategy. We will engage with these sectors, fostering innovation, supporting research and development, and exploring financing mechanisms to drive their transition to achieving a low-carbon economy. 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.

2.1 A bank on course to net-zero by 2050

NIB is committed to addressing the climate challenge in accordance with the Paris Climate Agreement and become a net-zero bank by 2050. As a sign of our commitment to and engagement in the net-zero goal, we are now setting mid-level climate targets to 2030 across our key lending sectors and for our own operations. Our targets and methodologies will be validated by Science-Based Target initiative (SBTi) to ensure they are based on the latest scientific evidence to limit the global warming to 1.5°Celsius (C). We plan to broaden the scope of our target coverage to additional sectors in the following year including for our treasury assets as we progress towards validating our SBTi commitment. 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.

2.2 NIB climate targets to 2030

In 2022, we calculated and disclosed our financed emissions for the lending[1] 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%), transportation (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 our climate strategy, we have set 2030 targets for our lending portfolio primarily, focusing on sectors that are most-carbon intensive, and/or hold significant importance for decarbonisation in limiting the global temperature rise to below 1.5°C 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 67% of our financed emissions (scope 3) in the baseline year 2022 and 100% of our own operations (scope 1 and 2). NIB plans to extend the scope of our target coverage to additional sectors in the following year, including our treasury assets as we progress towards the validation of our SBTi commitment.

2.2.1 Lending operations

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 figure below presents a summary. Our targets will be submitted to SBTi for validation.

[1] Financed emissions was calculated for the sectors where the methodology and/or data was available.

Overview of our lending targets

Sectors	2022 financed emissions (%)	Target methodology	2022 baseline	2030 target	Emission scope included
Oil & gas	1%	Exclusion list	N/A	No exposure	N/A
Power & Heat generation	53%	IEA EU NPS	64 gCO_2e/kWh	30 gCO_2e/kWh	Scope 1
Cement	0%	SBTi sectoral decarbonisation pathway (1.5°C scenario)	No exposure	0.46 tCO_2e/ton	Scope 1+2
Steel	2%	SBTi sectoral decarbonisation pathway (2°C scenario)	N/A	0.87 tCO_2e/ton	Scope 1+2
Aluminium	0%	SBTi sectoral decarbonisation pathway (2°C scenario)	N/A	2.99 tCO_2e/ton	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	As required by SBTi
Consumer retail	7%	SBTi portfolio coverage approach	57% of on balance lending exposure with SBTi targets	76% of on balance lending exposure with SBTi targets	As required by SBTi
Real estate	1%	CRREM sectoral decarbonisation pathway (1.5°C scenario)	8.67 $kgCO_2e/m^2$	6.0 $kgCO_2e/m^2$	Scope 1+2

The targets and methodology for each sector are detailed in the following sections. "Emissions scope included" in the tables below refers to the counterparty's emissions scope in NIB's climate target. Lending related emission is NIB's scope 3 emission.

2.2.2 Oil and gas

NIB does not have any 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 extraction, processing or transport of coal, peat or unconventional or arctic oil and gas. The full exclusion list is available in our Sustainability Policy.

2.2.3 Power and heat generation

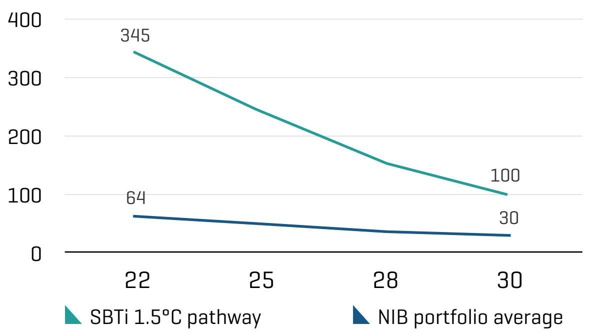
Sector	Target metric	Emissions scope included	2022 target baseline	2030 target	2030 target % change	Target setting method
Power & Heat generation	gCO_2/kWh	Scope1	64	30	- 53%	Sectoral decarbonisation

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 target setting for banks.

The Nordic-Baltic region generally has high supply of low-carbon electricity and district heating network. In 2022, our weighted average intensity in the sector was 64 gCO_2/kWh, already 36% lower than the SBTi's 2030 global intensity of 1.5°C scenario. However, we are dedicated to continuing the decarbonisation of the sector and further reducing our portfolio's emissions intensity. 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 gCO_2/kWh by 2030 from the 2022 baseline.

Decarbonisation pathway for power & heat generation

gCO_2/kWh



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

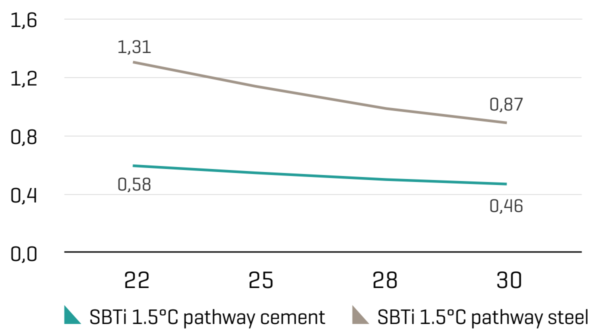
Sector	Target metric	Emissions scope included	2022 target baseline	2030 target	2030 target % change	Target setting method
Steel	tCO_2/t	Scope 1+2	N/A	0.87	N/A	Sectoral decarbonisation
Cement	tCO_2/t	Scope 1+2	N/A	0.46	N/A	Sectoral decarbonisation
Aluminium	tCO_2/t	Scope 1+2	N/A	2.99	N/A	Sectoral decarbonisation

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. 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 is essential for fostering economic development. NIB believes the sector overall has significant 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 SBTi's sectoral decarbonisation approach (SDA). Currently, the SBTi has only updated the SDA pathway for cement to 1.5°C, while the pathways for steel and aluminium are well-below 2°C. Our weighted average intensity target for 2030 for steel, cement and aluminium is 0.87, 0.46 and 2.99 tonnes of CO_2 per tonne of material produced respectively.

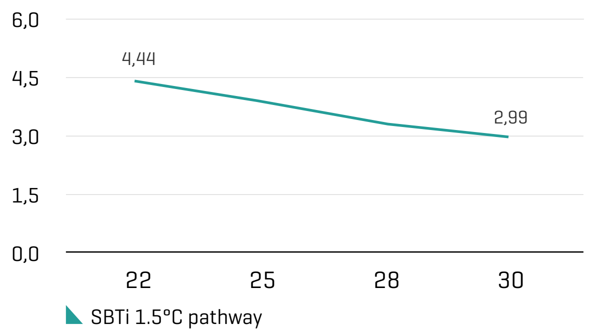
Decarbonisation pathway for cement and steel

tCO_2e/t



Decarbonisation pathway for aluminum

tCO_2e/t



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

2.2.5 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	Scope 1+2+3*	62%	79%	+27%	Portfolio coverage approach
Consumer retail	% portfolio exposure with SBTi target	Scope 1+2+3*	57%	76%	+33%	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 applying the portfolio coverage approach for such sectors. This method requires financial institutions to set engagement targets with clients and get a share of the clients in the portfolio to set their own SBTi approved science-based targets. The trajectory is such that SBTi targets are set for 100% portfolio coverage by 2040.

NIB has its current share of on-balance exposure, with SBTi approved targets for capital goods at 62% and consumer retail at 57%. With the linear trajectory of setting 100% coverage by 2040, our target for 2030 is to have 80% SBTi coverage for capital goods and 76% SBTi coverage for consumer retail.

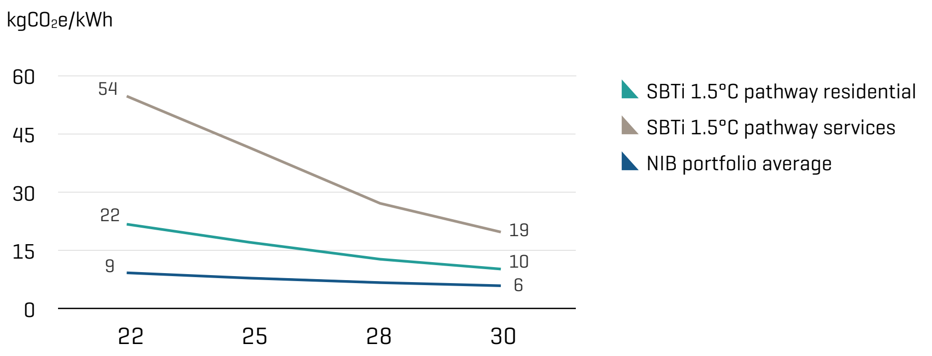
2.2.6 Commercial real estate

Sector	Target metric	Emissions scope included	2022 target baseline	2030 target	2030 target % change	Target setting method
Commercial real estate	$kgCO_2/m^2$	Scope1+2	8.67	6.0	- 30%	Sectoral decarbonisation

Our real estate portfolio consists mainly of certified green buildings. Commercial real estate represents 9% of our lending exposure in 2022. Although our 2022 financed emissions for real estate are estimated at counterparty level and calculated using corporate loans methodology, for the purpose of climate target setting, the intensity baseline and target are calculated at the asset level. The properties' energy intensity (kWh/m^2) in the portfolio is derived from the building's Energy Performance Certificate (EPC) labels and combined with the building emission factors of the respective country from the Partnership for Carbon Accounting Financials (PCAF) database to obtain property emission intensity ($kgCO_2/m^2$). Where buildings lacked EPC labels, the average energy intensity of similar properties (building type) in the country was applied.

We estimate the 2022 baseline emission intensity at 8.67 $kgCO_2/m^2$ for our real estate portfolio and have set the target of a 30% reduction to achieve emission intensity of 6.0 $kgCO_2/m^2$ by 2030. 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 portfolio emission intensity and target are finally incorporated into the whole real estate portfolio according to each country's 2022 exposure-weighted average in the total real estate portfolio exposure.

Decarbonisation pathway for real estate



2.2.7 Airports

Air transport remains one of the most carbon intensive sectors in the transport industry and is also classified as a 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 economy. 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 the 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 transition to sustainable net-zero and resilient airports.

2.3 NIB's own operations

Sector	Target metric	Emissions scope included	2022 target baseline	2030 target	2030 target % change	Target setting method
Own operations	tCO_2	Scope1+2	46	30	- 35%	Absolute reduction

In addition to the greenhouse gas emissions associated with our lending and treasury assets (i.e. scope 3), NIB's climate commitment also 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 the residual CO_2 emissions since 2018. Although NIB's own direct emissions are very limited compared to 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.

We are committed to reducing our scopes 1 and 2 emissions by 35% by 2030 from the 2022 base year. Our target in our own operation is in line with the SBTi requirement of keeping global temperature at 1.5°C scenario.

3 Management of climate risk at NIB

NIB is committed to disclosing how we identify, assess and manage climate-related risks through our commitment to the recommendations of the Taskforce for Climate-Related Financial Disclosures (TCFD), for example. These standards require banks to disclose how they identify, assess and manage climate-related risks in the context of traditional banking sector risk categories such as credit, market, liquidity and operational risks. Risk management and disclosure standards continue to evolve, and we closely follow developments in best practice.

Progress on the integration of climate risk into our risk management framework is reported in our Annual Report, for example. To date, climate risk management has focused mostly on identifying and managing risks at the project and counterparty levels but is gradually moving towards portfolio-level thinking and covering a wider set of risk categories and processes, including risk governance. For example, our Sustainability Policy describes how sustainability, including climate risk, is integrated into our core governance structure.

Climate risk is also included in the NIB Risk Appetite Statement, which sets the general principles for risk taking, risk avoidance or mitigation. NIB has been developing analytical approaches, 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, some initial climate-related analyses have been provided in the ICAAP framework.

We will continue to develop and report on our approach to climate risk integration into our risk management framework, including testing the resilience of our business strategy to climate risk.

4 Implementation – how to get to net-zero

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. To support the goals of the Paris Climate Agreement, we want to restrict the financing of all upstream, transportation, storage or processing of fossil fuels, and fossil-fuel based energy generation and have therefore included such activities in our exclusion list. A full list of the exclusion list is also available in our sustainability policy.

The Sustainability Policy should be read together with NIB's Mission, Strategy and Values, as well as NIB's other relevant policies and frameworks available on our website.

4.2 Products and services for our clients

Solutions and development of the innovative climate solutions required to accelerate the transition. NIB offers a range of products and services that are aligned to support, accelerate and scale our societies' net-zero transition.

We provide environmental and productivity loans based on the Bank's mandate and fund the 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 impact 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 the impacts of the capital allocated to borrowers in our Annual Report. NIB complements its financial and investment product offering with sustainability expertise for its clients and investors. In connection with sustainability linked loans, we advise our clients in aligning their funding strategy with their sustainability strategy and targets.

NIB is also one of the implementation partners under the InvestEU programme, which provides an EU budgetary guarantee to implementing partners to increase their risk-taking capacity and thus contributes to mobilising public and private investment for the EU's policy priorities. NIB will use this guarantee to mobilise investment in e.g. clean energy, the modernisation and decarbonisation of industry, critical raw materials supply, and sustainable transport.

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

4.3 Mandate assessment of projects and counterparty ESG assessment

The Bank works towards its vision by providing long-term lending to projects that improve productivity and benefit the environment of the Nordic and Baltic countries. For this purpose, NIB assesses whether the project or activity considered for financing fulfils the requirements of our Mandate Rating Framework. Assessing an investment's impact on climate has long been an integral part of NIB's sustainability due diligence, and 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, the project's impact assessment will begin in its very early phase, and financing clients will have to demonstrate decarbonisation results or climate targets that are of a similar or greater ambition than NIB's own climate targets.

All investments proposed for financing also undergo a sustainability review in accordance with NIB's Sustainability Policy and ESG Guidelines for Lending. 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 economy. We will therefore also continue to integrate ESG considerations in our lending and prioritise projects that will 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 function regularly engages with its investment portfolio counterparties. An important part of the engagement is to communicate how the 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 Banking and the United Nations Principles for Responsible Investment.

4.4 Data management

Collecting accurate climate 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 the data from their clients.

As EU regulations such as the corporate sustainability reporting directive (CSRD) take effect, many entities will have a legal obligation to report the progress on their climate performance, and we will maintain a priority of obtaining client-specific data instead of relying on proxies and modelled data whenever possible. We have established a climate project team with a dedicated workstream to enhance the collection and management of our climate data. With the IT and other relevant departments, the climate project team will continue the development of our internal systems. This will help us integrate climate data collected from counterparties, not just for reporting and compliance, but also to better manage our portfolio and make our climate actions more effective.

4.5 Collaboration and engagement

Achieving the climate transition is a joint effort and requires 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 and those of consensus.

Our climate targets across the sectors will drive engagement with our clients around the need for clients' own climate action in line with the Paris aligned decarbonisation pathway. We will seek to provide advisory services on their transition needs during our mandate review process. Internally, we will aim to further build the competence and culture in climate-related topics across the Bank through employee training and engagement. Such training will grow awareness and enable our employees across different departments to take ownership of our targets and further engage with clientson climate 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 the climate in the sector are:

- Being an observer at the Network for Greening the Financial System (NGFS)
- Being an institutional partner of the Coalition of Finance Ministers for Climate Action
- 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
- Participating in the UNEP FI TCFD programme for banks
- Attending events focusing on the EU Taxonomy for Sustainable Economic Activities and the EU Green Bond Standard and monitoring their development

5 Tracking our progress and reporting

We view transparency as the cornerstone of our climate strategy. It is important to monitor our efforts for the green transition to determine the effectiveness of our climate actions and ensure 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 the best practices, international standards, and recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We explain our progress in integrating climate risk and impact considerations into our financial decision making and the status of different sustainable finance initiatives in our Annual Report.

We will continue to enhance our reporting and include progress against our emissions reduction targets and share our findings and best practices in the net-zero transition journey in our Annual Report. As our climate 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 commitments.

6 Governance

Our climate strategy is approved by the Board of Directors. At NIB, ensuring effective oversight of climate-related risks, opportunities and targets is a key priority. To this end, the NIB has appointed the Executive Committee and the Asset, Liability and Risk Committee with specific responsibilities in this regard. Both committees are composed of NIB senior management, appointed by the president, and play a key role in guiding and monitoring NIB's climate strategy, aligning it with global best practices and sustainability principles. More details about the committees' composition, roles and other responsibilities can be found in NIB's Annual Report.

In addition, a climate project team has been formed that includes members from the sustainability, risk, lending and treasury units. The project consists of several workstreams, each dedicated to ensuring at a day-to day level that NIB is making good progress in its climate strategy, embedding climate related risks and opportunities in our operations, and identifying and mitigating any potential shortcomings in strategy implementation. The climate project team meets regularly to discuss the status of different workstreams and reports its findings to the Asset, Liability and Risk Committee.

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