



# NIB

**Sustainability-Linked Loans financing Bond (SLLB)**

Sept 2025

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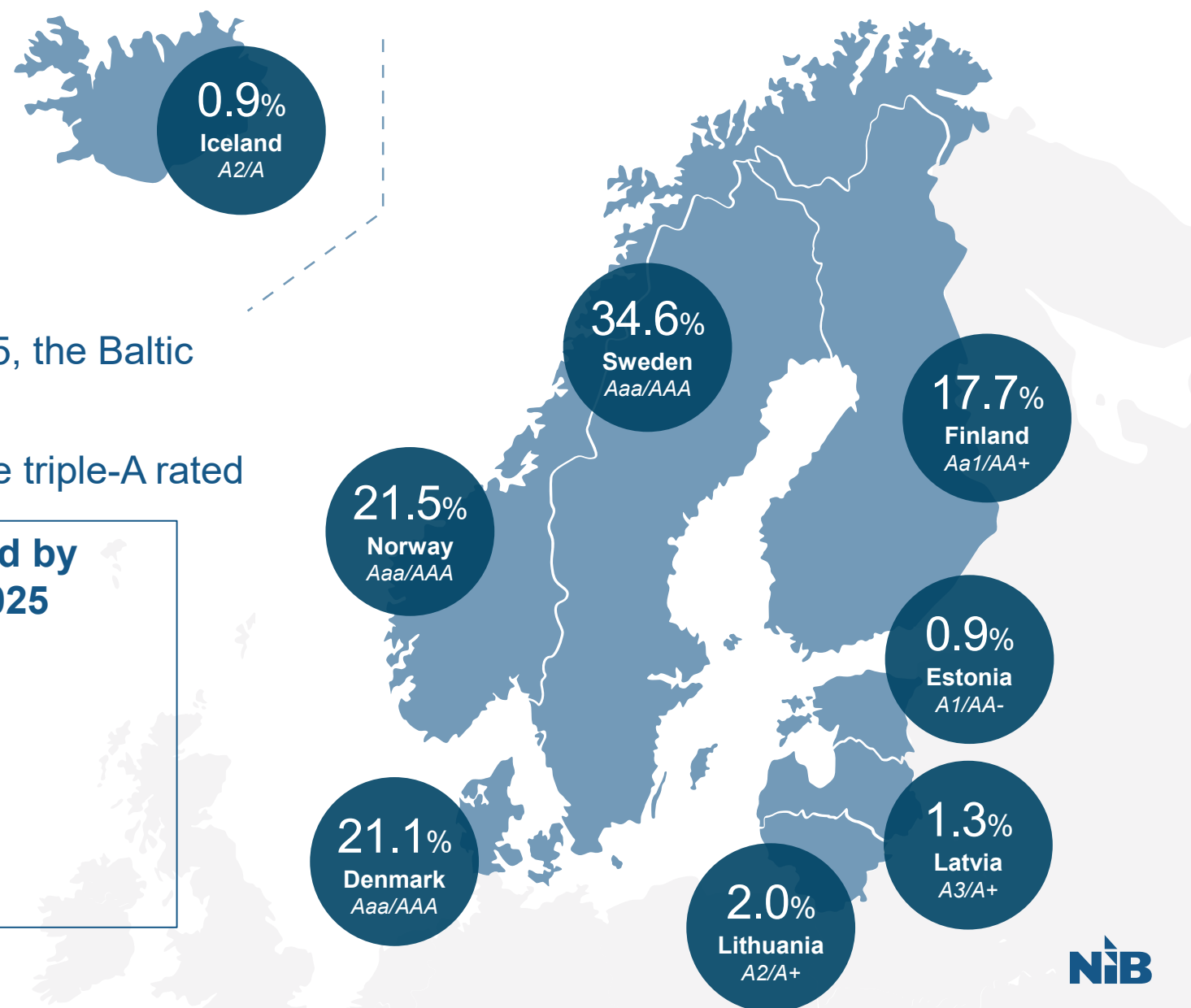
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# This is NIB

- AAA/Aaa rated supranational institution
- Based in Helsinki
- 261 employees
- Founded by the Nordic countries in 1975, the Baltic countries joined in 2005
- 77% of the Bank's member countries are triple-A rated

## NIB's triple-A rating has been reaffirmed by Standard and Poor's and Moody's in 2025

Very strong ownership  
Access to diverse funding  
Strong capital position  
High asset quality and solid liquidity  
Robust Risk management







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THE  
FUTURE

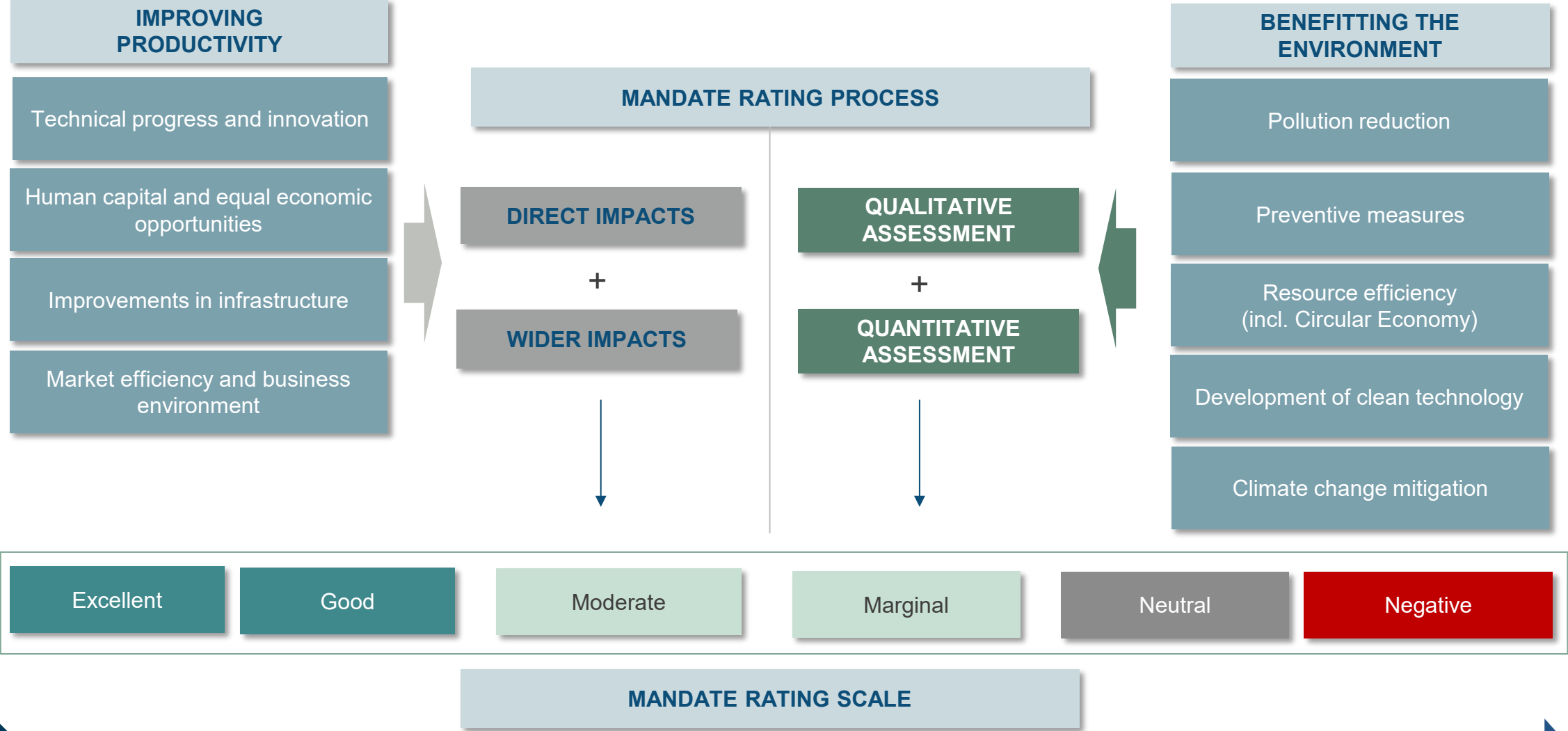
# Vision & mandate

Image: Å Energi

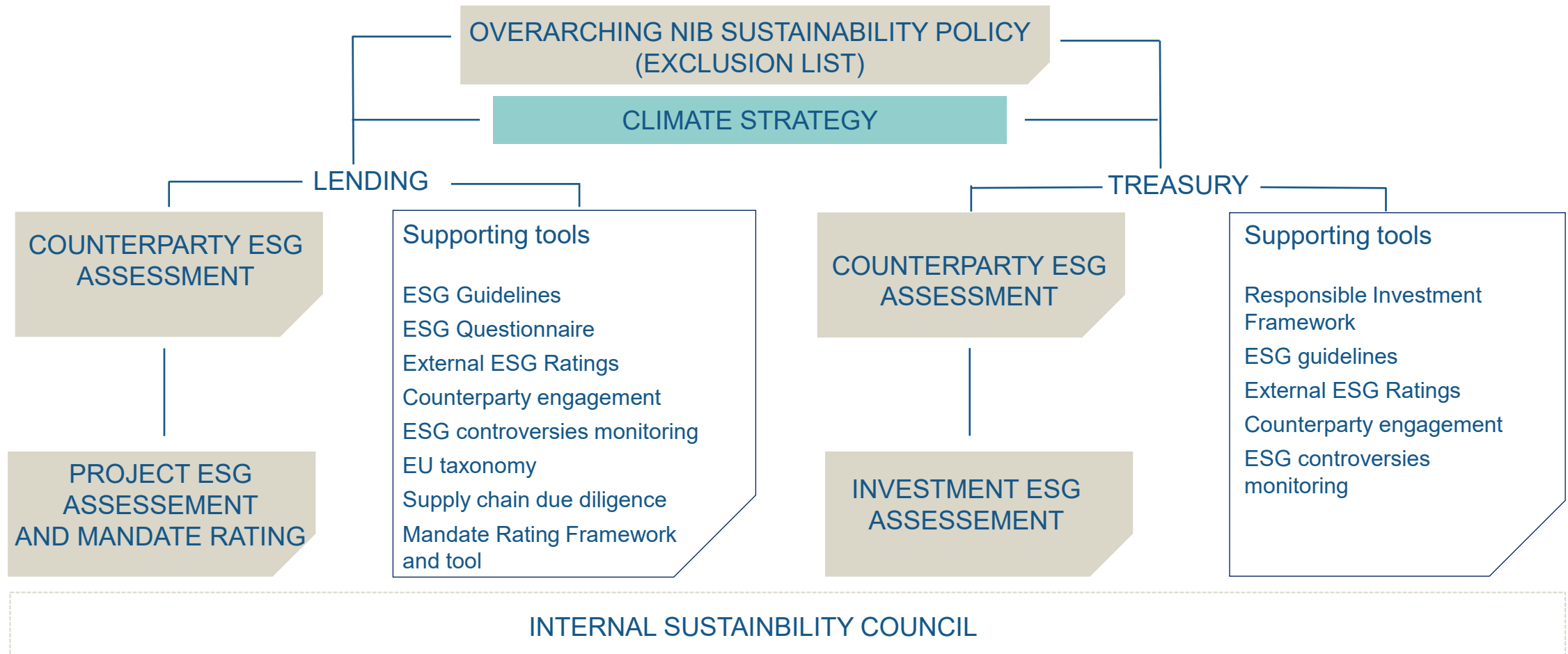
# Vision & mandate



# We measure mandate fulfilment



# Sustainability at NIB







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# Lending

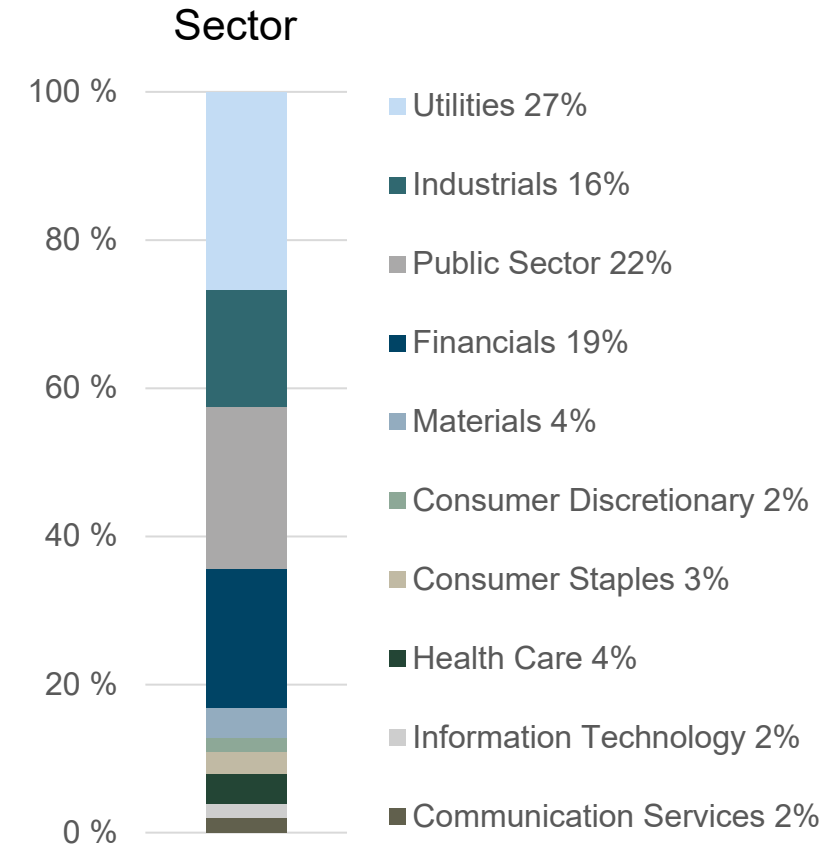
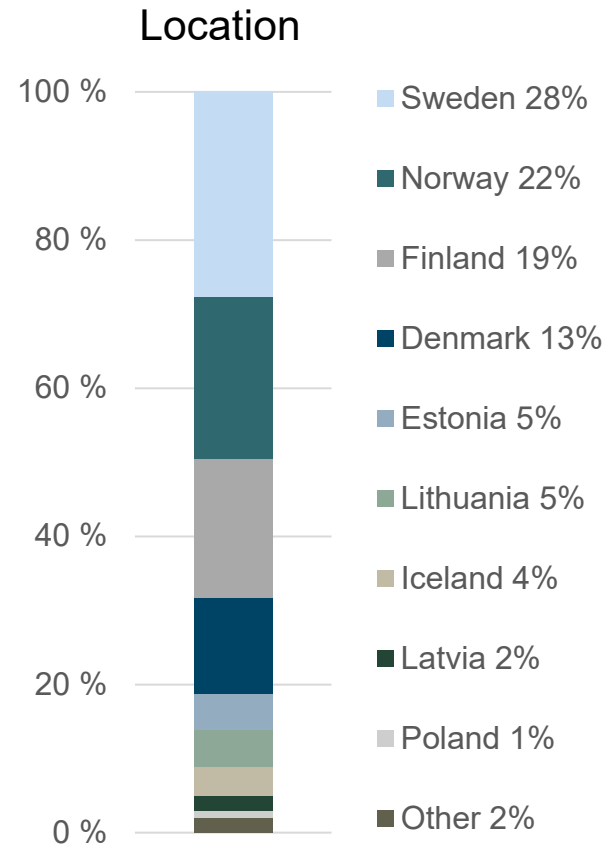
Image: Fingrid



# We provide long-term sustainable financing

## Financing outstanding EUR 24.4bn

- Our input complements commercial lending
- Funds are acquired on international capital markets
- Long maturities: 5–25 years, up to 5 years grace period
- We finance large investments made by both corporate and public sectors
- We also lend to small projects via partnering financial intermediaries



# Lending products

## Loans

### Project loans

In a project (use-of-proceeds) loan, the borrower uses the funds for a specific purpose, as agreed between the client and NIB. Project loans constitute the majority of NIB's lending operations.

### Sustainability-linked loans

Sustainability-linked loans (SLL) are connected to key performance indicators and targets set in close dialogue with our customers between NIB and the customer. SLLs are aligned with a corporate strategy and create financial incentives for companies to step up their climate efforts. For instance, our borrowers may enjoy lower margins if the set sustainability targets are met.

### Uncommitted credit facilities

Uncommitted credit facilities (or framework agreements) provide our public sector customers with the flexibility to request loan offers at short notice. We agree with the customer on the scope of the financed investments and the key credit terms in the Framework agreement. Based on a signed Framework agreement, NIB can make tailored loan offers to meet customer's needs.

All loans undergo NIB's project assessment, sustainability and ESG review before financing is granted. We follow up after the project completion and report on the set indicators for impact on productivity and environment. We monitor the customer's sustainability performance against the pre-defined key performance indicators.

# Sustainability-linked loans (SLLs) at NIB

## Rationale and approach:

- We provide sustainability-linked loans (SLLs) since 2021 to accelerate corporate sustainability transitions.
- Compliments the use of proceed loans. Asset-light and/or hard-to-abate sector companies
- Supports NIB's own Climate strategy
- NIB's experienced transaction teams and in-house sustainability advisors help companies identify sustainability objectives and set ambitious climate targets. Achieving these objectives results in better financing conditions for our customers (carrot and stick).
- We follow the progress during the lifetime of the loan, require third-party verification that the targets have been achieved and report annually on progress.



# Sustainability-linked loans



Sustainability linked loan to Finnish grocery chain Kesko Oyj with three KPIs covering CO<sub>2</sub> emissions (Scope 1 and 2), supply chain SBTi alignment (Scope 3, 67% of suppliers and service providers by spend have science-based targets by the end of 2026) and food waste. EUR 150mn 7Y

NIB offers tailor-made SLLs to companies in various sectors:

**Targets:** *credible, ambitious and material*

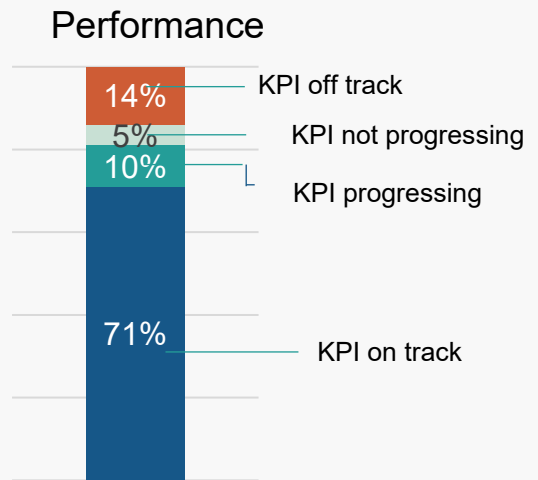
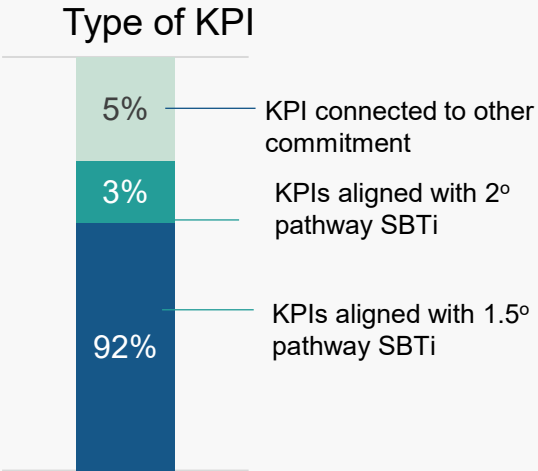
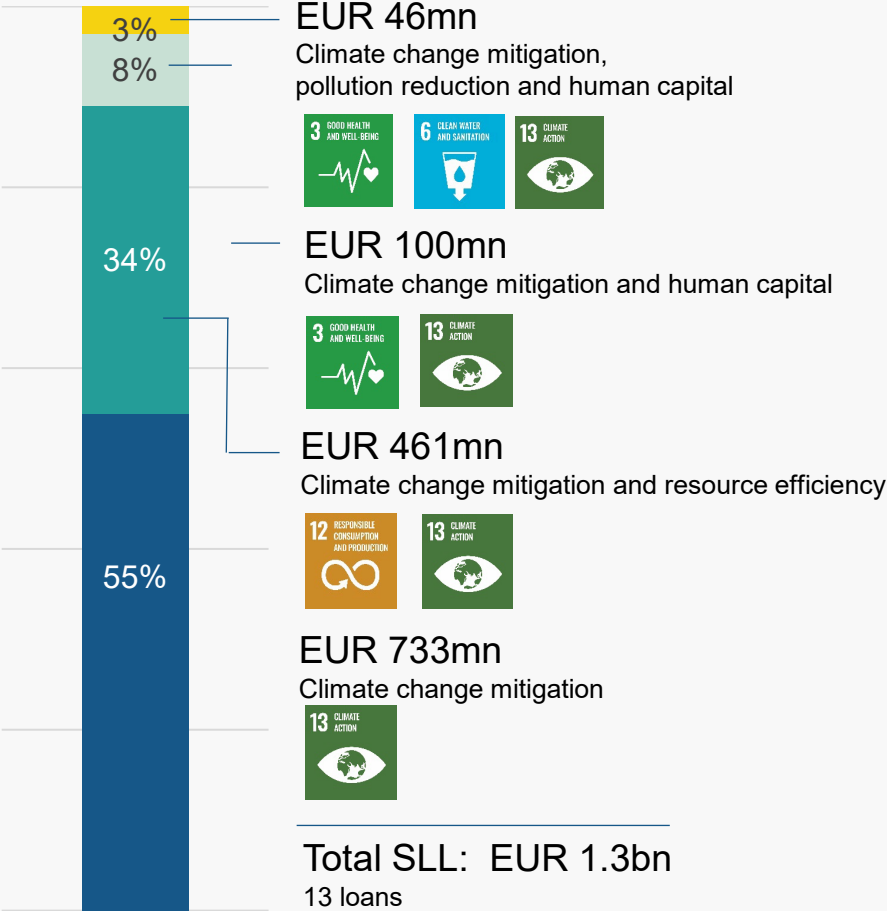
**KPI:** *linked to SBTi or non-climate based*

**Reporting:** *regular performance reporting*

**Verification:** *third party*

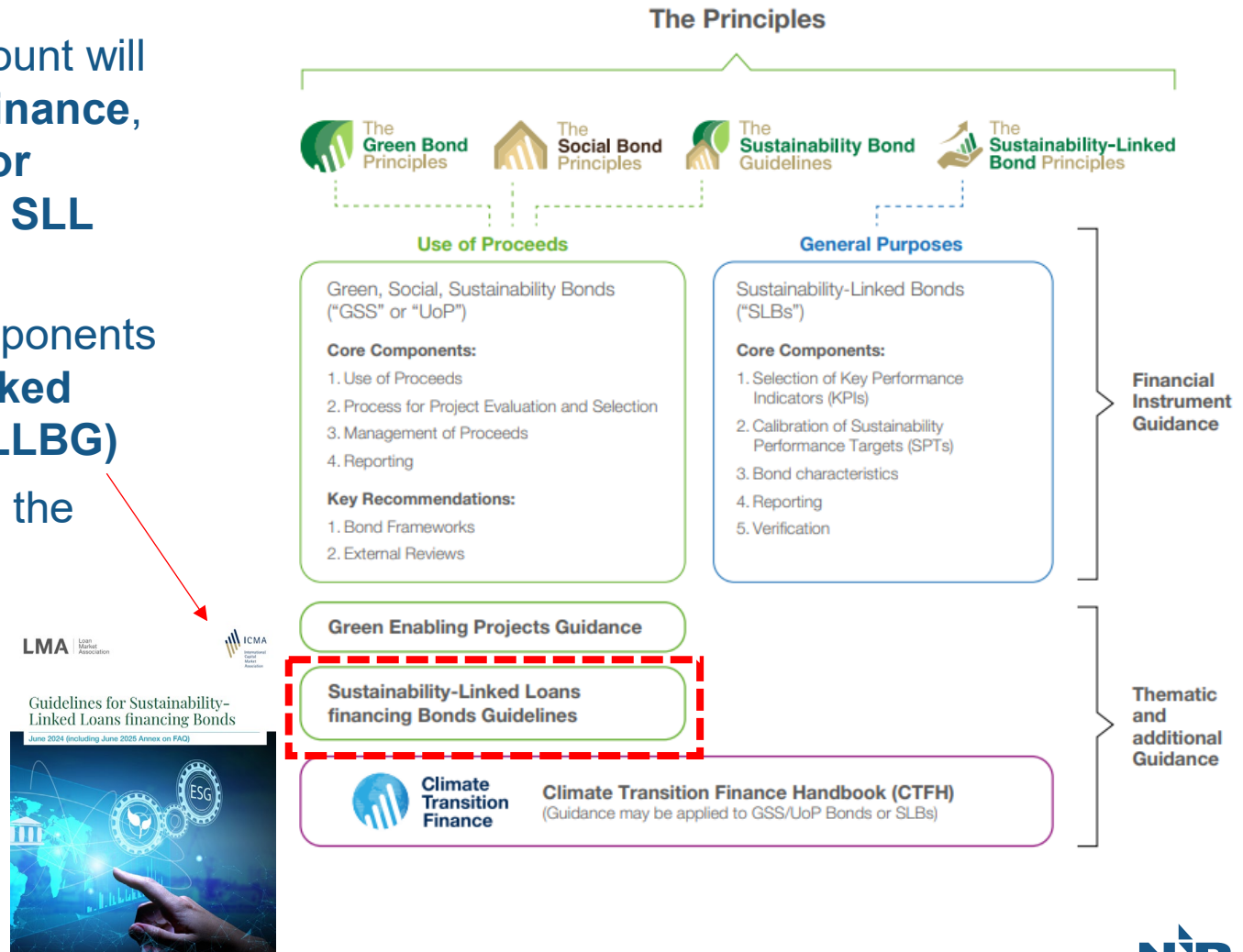


Source: NIB Annual Report 2024, Impact & Sustainability



# Sustainability-linked Loans financing Bonds (SLLBs)

- SLLBs are any type of bond instrument
  - (i) where the proceeds or an equivalent amount will be exclusively applied **to finance or re-finance**, in part or in full, **a portfolio of new and/or existing eligible SLLs aligned with the SLL Principles**
  - (ii) and which are **aligned with** the four components further detailed in the **Sustainability-Linked Loans financing Bonds Guidelines (SLLBG)**  
 NIB was co-coordinating the work within the Principles with members and the LMA
- Plain vanilla fixed coupon
- Bondholder direct risk on NIB



# Sustainability-linked Loans financing Bond (SLLB)

## Rationale for NIB

- Complementing our UoP Environmental Bonds (NEBs), issued since 2011
- Offering investors the opportunity to support NIBs commitment to financing sustainability transition in the Nordic-Baltic region through SLLs
- NIB Sustainability-linked Loans financing Bond Framework, Sep 2025
- Second Opinion from S&P Global Ratings, Sep 2025
- All related documents [ESG Library](#)

### S&P Global Ratings

An S&P Global Second Party Opinion (SPO) includes S&P Global Ratings' opinion on whether the documentation of a sustainable finance instrument, framework, or program, or a financing transaction aligns with certain third-party published sustainable finance principles. Certain SPOs may also provide our opinion on how the issuer's most material sustainability factors are addressed by the financing. An SPO provides a point-in-time opinion, reflecting the information provided to us at the time the SPO was created and published, and is not surveilled. We assume no obligation to update or supplement the SPO to reflect any facts or circumstances that may come to our attention in the future. An SPO is not a credit rating, and does not consider credit quality or factor into our credit ratings. See [Analyst's Approach](#), [Second Party Opinions](#).

#### Second Party Opinion

#### Nordic Investment Bank's Sustainability-Linked Loans financing Bond Framework

Sept. 10, 2025

Location: Finland Sector: Financial services

#### Alignment Summary

Aligned ☒ Conceptually aligned ☐ Not aligned ☒


✓ Sustainability-Linked Loans financing Bonds Guidelines, ICMA/LMA, 2024 (with June 2025 Annex)

○ Green Bond Principles, ICMA, 2025

See [Alignment Assessment](#) for more detail.

Nordic Investment Bank (NIB)'s Sustainability-Linked Loans financing Bond Framework adheres to ICMA's Sustainability-Linked Loans financing Bonds Guidelines (SLLBG) and is conceptually aligned with the Green & P Global Rating's view. For sustainability-linked loans financing bonds (SLLBs), we align against ICMA's Green Bond Principles. Our assessment of "aligned" is not a type of bond instrument for which the proceeds or an equivalent amount will be used to finance or re-finance, in part or in full, a portfolio of new and/or existing eligible loans (SLLs).

Weaknesses	Areas to watch
<p><b>is aligned with explicit environmental and climate transition efforts to support the transition.</b> SLLs are used for financing the transition in hard-to-abate sectors and for borrowers whose transition does not rely heavily on fossil assets.</p> <p><b>Robust assessment process for linked loans.</b> NIB's SLLBG is the materiality of the key sustainability factors (KSFs) and the robustness of the sustainability assessment process. NIB's approach to financing linked loans includes assessing supply chain risks, financing, and analyzing the strategies of its borrowers. These processes complement public transparency on the SLLs.</p>	<p><b>Transparency on the eligible SLLs is somewhat hindered by the option to follow approach 1 of the SLLBG.</b> Under approach 1, information on the underlying loans and borrowers is more limited, and we do not provide an independent external review for each eligible SLL in the eligible portfolio. Transparency risks we associate with approach 1 are partially mitigated by the fact that NIB discloses the list of its existing SLLs publicly, and has a robust assessment process for new SLLs.</p>



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## NIB Sustainability-linked Loans financing Bond Framework

Framework for the issuance of NIB Sustainability-linked Loans financing Bonds – the underlying rationale and methodology for loan selection, and the governance of bond issuance, proceeds management and reporting



Sep 2025



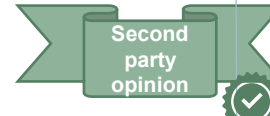

# SLLB mirroring NEB approach

Sustainability Policy/Climate Strategy/ESG assessment

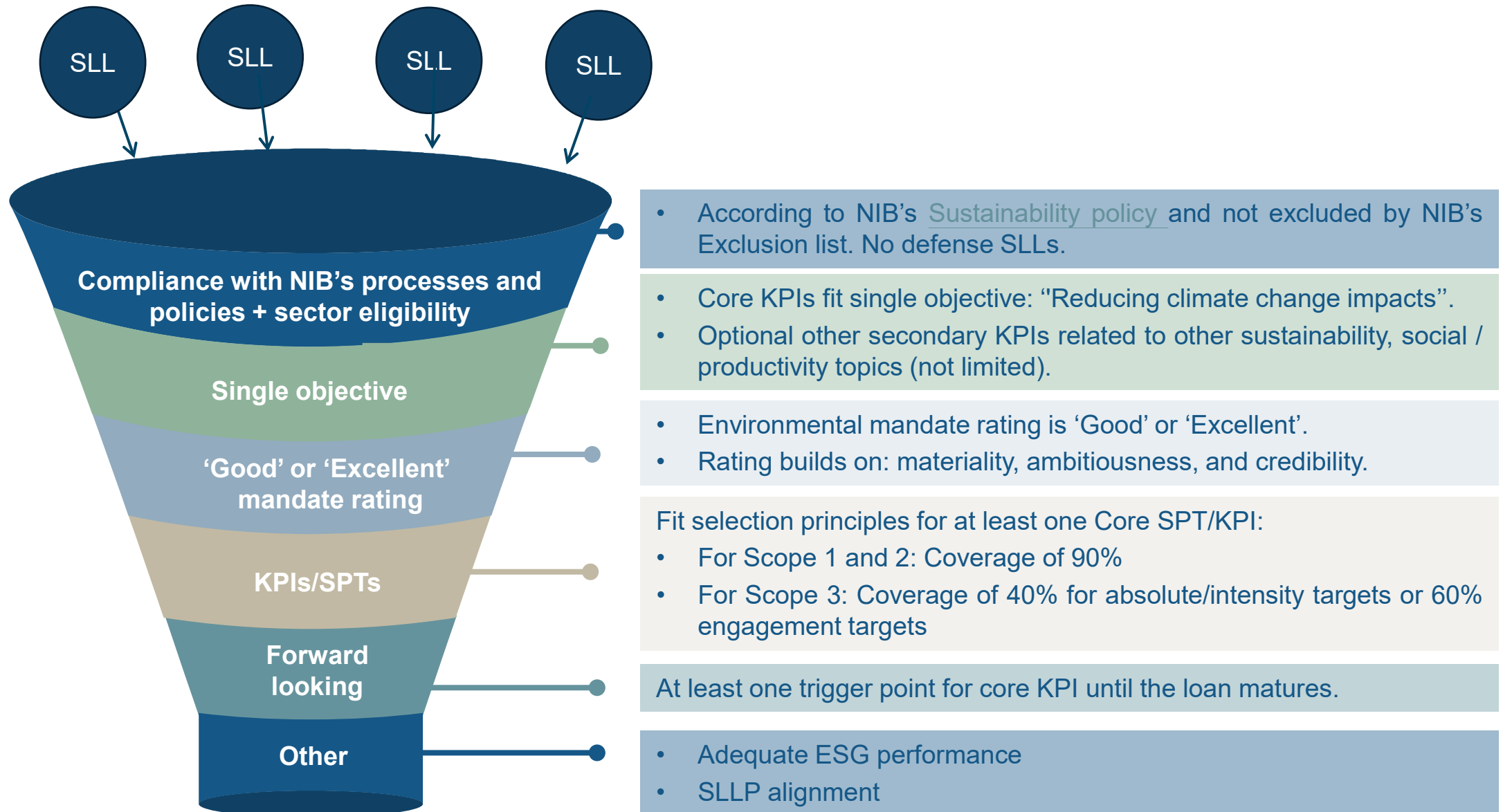
Green UoP financing  
(NEB)

UoP loan application	Mandate rating framework (Annex II)	Rating	NIB Environmental bond framework	NEB pool	Reporting
Loan A Loan B Loan C ..	→ The assessment of project's environmental and climate benefits	→ <div>Excellent Good Moderate Marginal Neutral Negative</div>	→ Projects' eligibility against a set of criteria within several categories (based on Green bond principles) 	Loan A Loan B	→ Annual NEB financed projects' Impact Report  Limited assurance 










Transition pathway  
financing (SLLB)

SLL loan application	Mandate rating framework (Annex VI)	Rating	SLL bond framework	SLLB pool	Reporting
Loan A Loan B Loan C ..	→ Assessment of SLL KPIs and SPTs through criteria: • <b>Materiality</b> (incl., materiality impact & coverage) • <b>Ambitiousness</b> (incl. benchmarking, measurability & NIB's climate target alignment) • <b>Credibility</b> (incl. verification, data & integration into borrower's business)	→ <div>Excellent Good Moderate Marginal Neutral Negative</div>	→ SLL eligibility against <b>framework criteria</b> (based on SLLBG, Approach 1). 	Loan A Loan B	→ Annual SLLB financed loans performance report  Limited assurance 

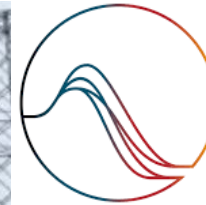
# SLLB Framework selection criteria



# Where applicable, alignment with NIB's Climate Strategy, (SBTi validated targets)

Climate target progress					
Sectors	2022 Financed emissions for NIB's lending portfolio (%)	2022 [baseline]	2024	2030 [target]	Progress comment
 <b>Oil &amp; Gas</b>	1%	N/A	N/A	No exposure	<b>On track.</b> As per NIB's climate strategy and exclusion policy NIB did not sign a new loan in the sector. However, NIB disbursed a loan to KN Energies based on an agreement signed in 2020 and the Sustainability Policy in effect at that time. More details is available on our <a href="#">website</a> .
 <b>Power &amp; Heat generation</b>	53%	64gCO <sub>2</sub> /KWh	33.7 gCO <sub>2</sub> /Kwh	30gCO <sub>2</sub> /KWh	<b>On track.</b> NIB's largest clients have reported steep progress in their transition combined with added renewable projects financed in the year.
 <b>Cement</b>	0%	No exposure	N/A	0.46 tCO <sub>2</sub> /t	<b>On track.</b> No sectoral intensity to report as NIB does not have lending exposure in the sector.
 <b>Steel</b>	2%	N/A	N/A		<b>On track.</b> No sectoral intensity to report as the only exposure in the sector is to setup green steel production from 2026.
 <b>Aluminium</b>	0%	No exposure	N/A	2.99tCO <sub>2</sub> /t	<b>On track.</b> No sectoral intensity to report as NIB does not have lending exposure in the sector.
 <b>Capital Goods</b>	3%	62% of on-balance lending with SBTi targets	86%	80% of on-balance lending with SBTi targets	<b>On track.</b> New SLL exposure where validated SBTi targets are a requirement combined with general trend of clients in the sector adopting SBTi for their target setting approach.
 <b>Consumer retail<sup>1</sup></b>	7%	69% of on-balance lending with SBTi targets	82%	83% of on-balance lending with SBTi targets	<b>On track.</b> New SLL exposure where validated SBTi targets are a requirement combined with general trend of clients in the sector adopting SBTi for their target setting approach.
 <b>Real Estate</b>	1%	9.0 kgCO <sub>2</sub> /m <sup>2</sup>	8.5kgCO <sub>2</sub> /m <sup>2</sup>	6.2kgCO <sub>2</sub> /m <sup>2</sup>	<b>Delayed.</b> NIB financed more refurbishment projects in the year where achieving same level of energy efficiency as the new building has proven to be challenging.
 <b>Fixed Income Treasury corporate bonds</b>	-	20%	14%	56%	<b>Delayed.</b> Substantial share of exposures in the bank bond where SBTi target setting uptake is rather slow.

<sup>1</sup> Baseline and target restated due to recalculation.



SCIENCE  
BASED  
TARGETS



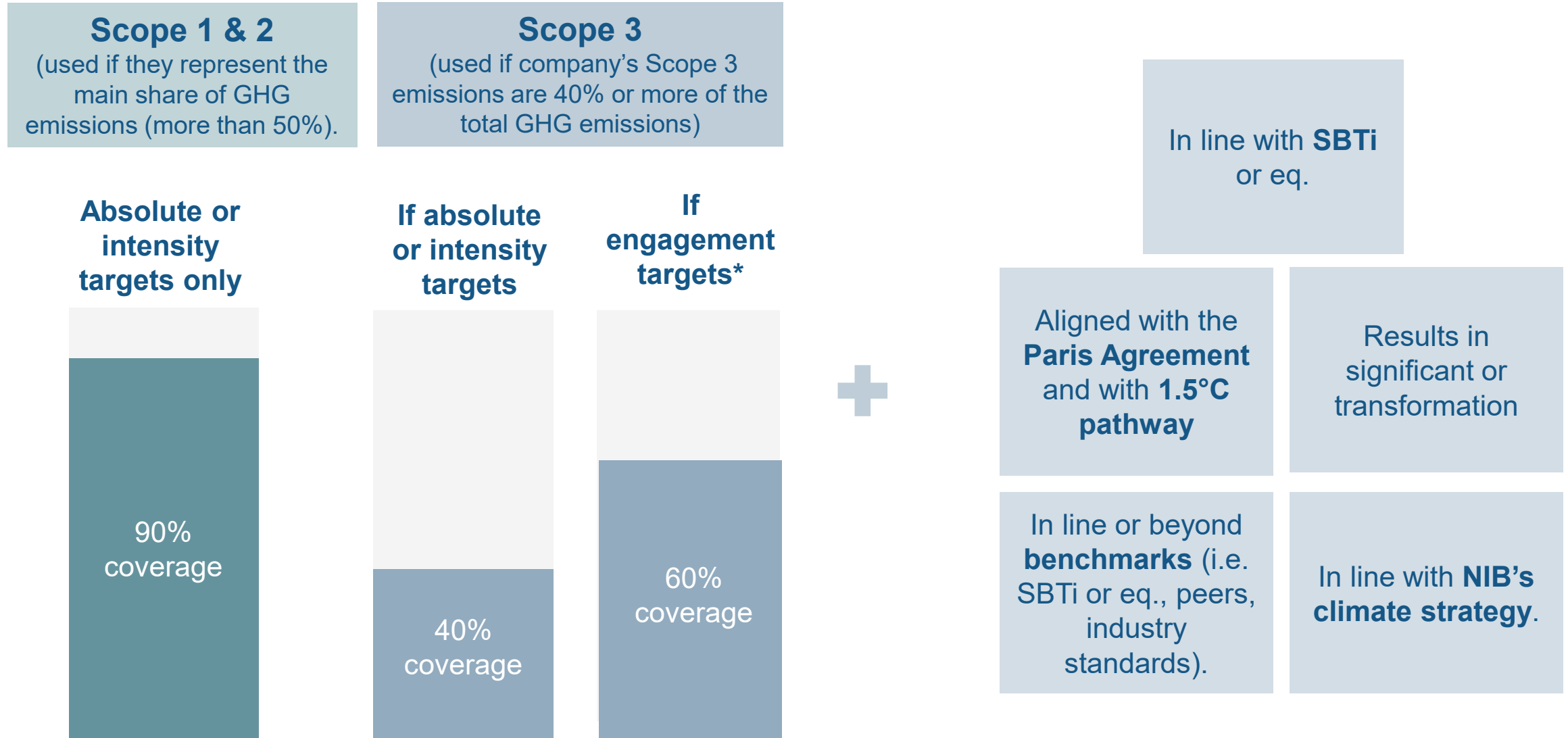
# Mandate rating

- The rating builds on three crucial SLL dimensions: materiality, ambitiousness and credibility
- The Mandate rating framework specifies necessary qualifications to receive the rating ('Negative' to 'Excellent') per each of these 3 dimensions
- The analyst assesses all three dimensions and aggregates the rating of them to a single rating.
- Only SLLs with Mandate rating 'Good' and 'Excellent' to be included' in the pool.

Dimensions and sub-dimensions		Key criteria	Rating range
Materiality	Materiality	Identification and assessment of the most material and relevant topics to the borrower.	Negative → Excellent From no relevance or coverage to full alignment with core sustainability issues and transformational impact.
	Impacts	Key impacts (e.g. emissions and scopes) that SLL would result in.	
	Coverage	Coverage across business areas (e.g. operations, products, geographies).	
Ambition	Benchmark	Comparison of KPIs and SPTs against relevant benchmarks (e.g. scientific pathways, industry standards, and peers).	Negative → Excellent From business-as-usual or minimal ambition to targets that exceed benchmarks and drive sectoral transformation.
	Measurability	Measurability / type of targets (e.g. intensity, absolute, engagement, monetary, etc.).	
	NIB's climate targets	Alignment with NIB's climate strategy (where applicable).	
Credibility	Verification of targets	Verification of targets with science-based target initiatives or third parties.	Negative → Excellent From lack of data or verification to robust, externally validated targets fully integrated into strategic planning.
	Data	Baseline data and target projection availability and verification. Past performance indicates confidence in proposed actions and realization risk.	
	Integration into the borrower's business	KPIs and SPTs link to the borrower's strategy, actions, and investment plans.	

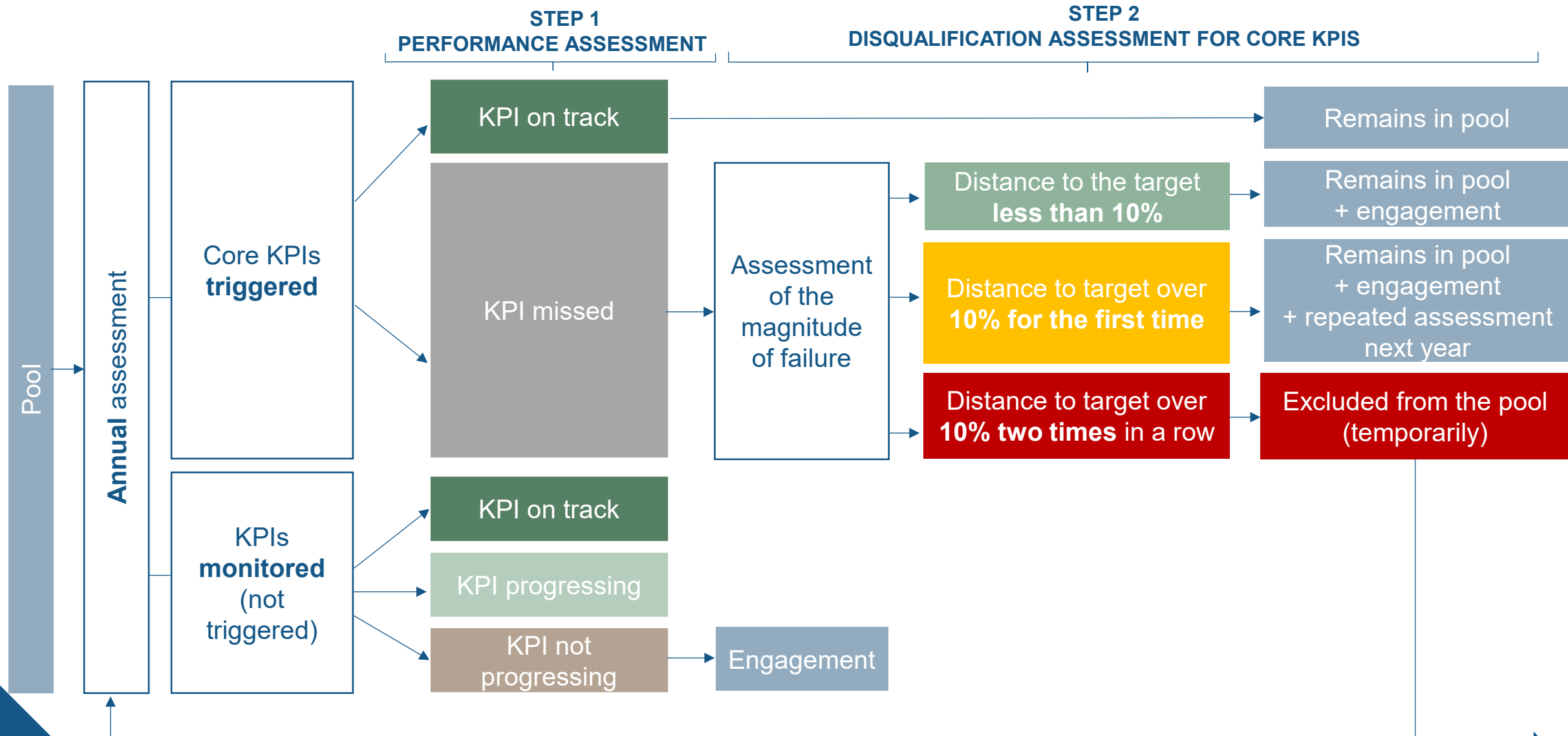
# Core KPIs and SPTs

Coverage, measurement & ambition level



*\*Engagement targets allowed depending on the client's business and ability to influence its value chain*

# Performance & disqualification





# SLLB financed loans outcome reporting

Outcome / performance reporting mirroring existing SLL performance annual reporting, with additional disclosures



2024  
Annual Report



2023  
Annual Report

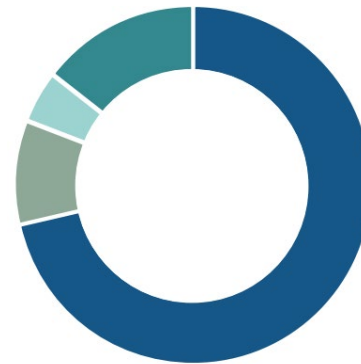


## 1. Loan-level information about SLLs included in the pool

Year	Counterparty	Country	Disbursed share of the agreed amount	Disbursed amount mEUR <sup>1</sup>	KPIs and targets		CO2 emissions tackled (scopes)	External Reference framework	Sector
					KPI	SPT final			
xx	xx	x	100%	xx	1. xx 2. xx 3. xx	1. xx 2. xx 3. xx	1, 2, 3	SBTI (1.5°C)	xx

## 2. Aggregated Performance monitoring information

(core & secondary KPI separately)



**KPI on track**  
71% (15 KPIs)

Target is reached at the trigger date, or the annual progress of the target is advancing as expected

**KPI progressing**  
10% (2 KPIs)

Annual progress of the target is progressing, but at a slower pace than anticipated

**KPI not progressing**  
5% (1 KPI)

No positive annual progress of target performance

**KPI off track**  
14% (3 KPIs)

Target not reached at the trigger date

## 3. Other disclosures

- The total amount of SLLBs issued by NIB and the total amount of the SLLs in the SLL Eligible Portfolio.
- Information about the KPI categories represented in the SLL Eligible Portfolio.
- Information about the engagement and disqualifications

# SLLB Eligible Loans – Total approx. EUR 900mn

Customer	GICS	Loan Signed	Summary
Epiroc	Construction Machinery & Heavy Trucks	EUR 136 million	Reducing absolute carbon emissions from own production and the use of sold products and achieving emission-free product range
Kesko	Food Distributors	EUR 150 million	Reducing GHG emissions and food waste
AB Electrolux	Household Appliances	EUR 140 million	Reducing GHG emissions
Elisa Corporation	Integrated Telecommunication Services	EUR 100 million	Reducing GHG emissions and developing highspeed connection
Skanska Financial Services	Construction & Engineering	EUR 68.9 million	Reducing the absolute GHG emissions from own operations and value chain
Helen	Electric Utilities	EUR 150 million	Reducing carbon intensity and the absolute GHG emissions from own operations
Pandora	Apparel, Accessories & Luxury Goods	EUR 100 million	Reducing GHG emission and circular materials
Metso	Construction Machinery & Heavy Trucks	EUR 100 million	Reducing GHG emissions in own operations and supply chain

Aim is for the size of the SLL Eligible Portfolio always to exceed the total amount of outstanding SLLBs by at least 10%



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# Funding

NASDAQ WELCOMES  
NORDIC INVESTMENT BANK  
TO THE SUSTAINABLE  
BOND MARKET

**NIB**

 Nasdaq



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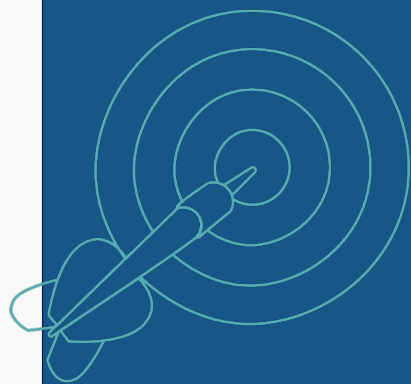
deliver

YOUR NEIGHBO



# Funding – Our strategy

## Objectives



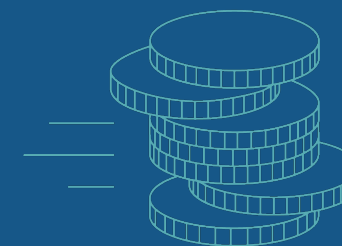
Diversified funding sources

Benchmark issuance

360 days minimum liquidity requirement

0% risk weight, LCR Level 1, Solvency II 0%

Eligibility: ECB, BoE, US Fed



EUR 8-10bn

### Benchmark

USD global benchmark

EUR benchmark

NIB Environmental Bond

~ 35-45%

### Other public markets

Nordic currency markets

Major local markets: GBP, AUD, NZD

~25-35%

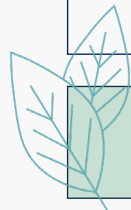
### Private placements

Flexible: amount, maturity, currency, structure, documentation format

Wide variety of pay offs

~25-35%

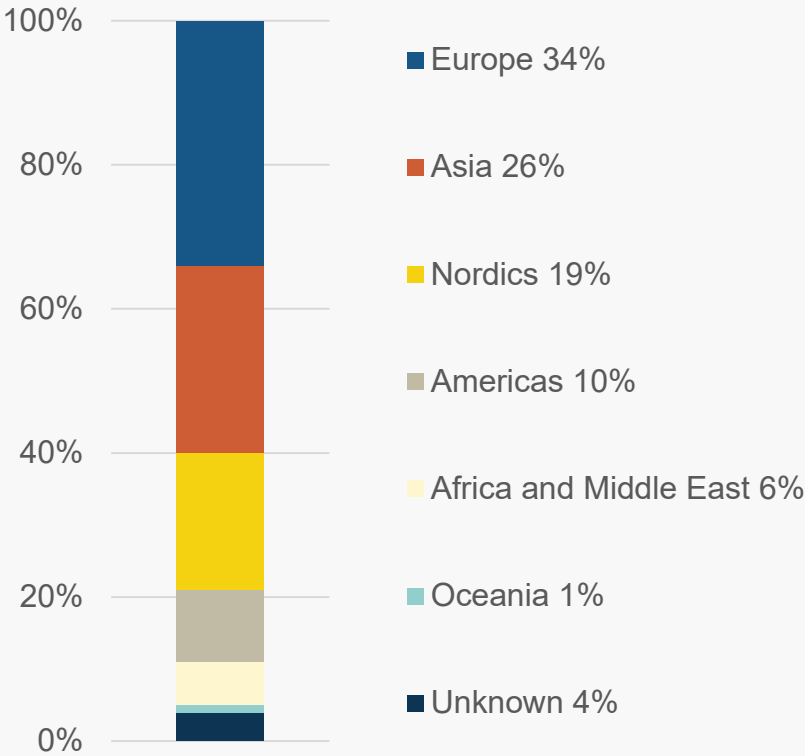
NIB Environmental Bond ~10-20%





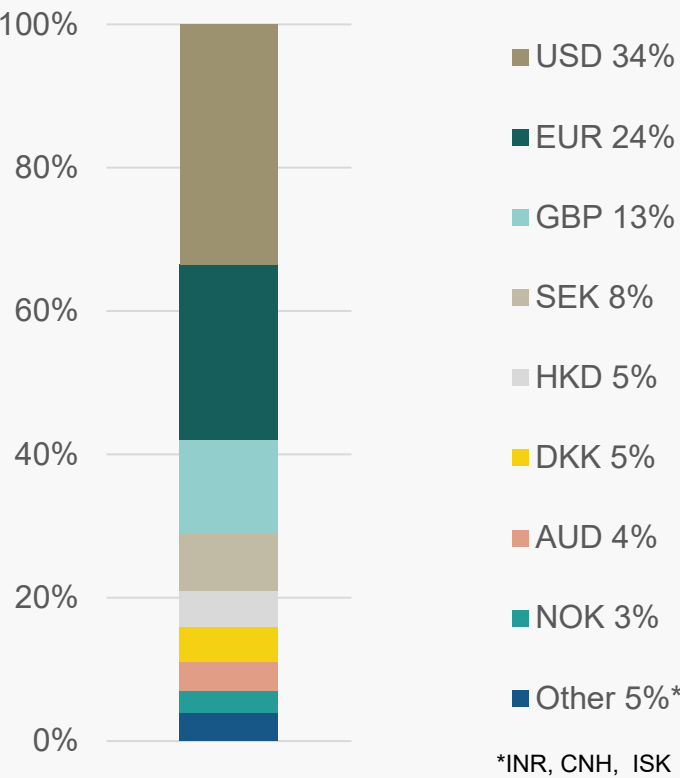
# Funding in 2025

Investor geographical distribution



Source: NIB, September 2025

Currency distribution



Funding plan  
**EUR 8.5-9.5bn**

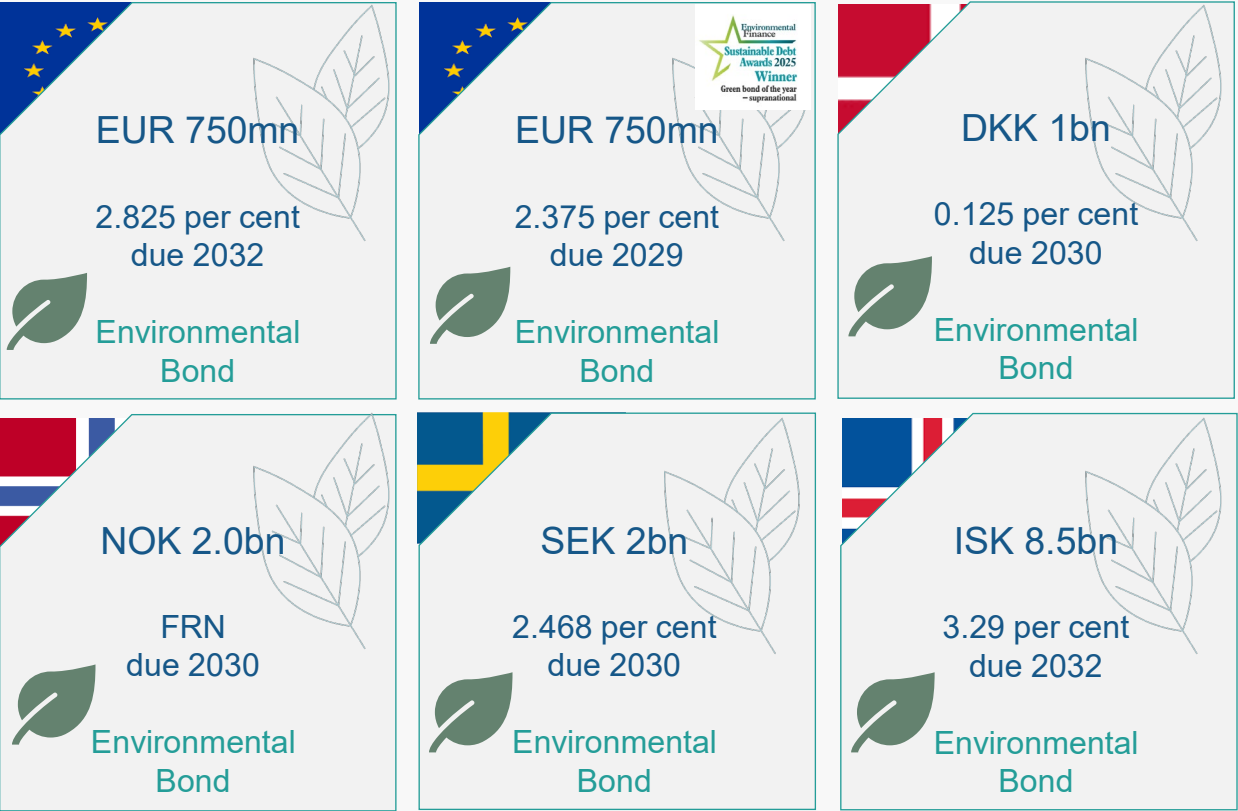
Funding raised  
**EUR 8.3bn**

Number of trades  
**75**

Average maturity of  
new funding  
**4.15 years**

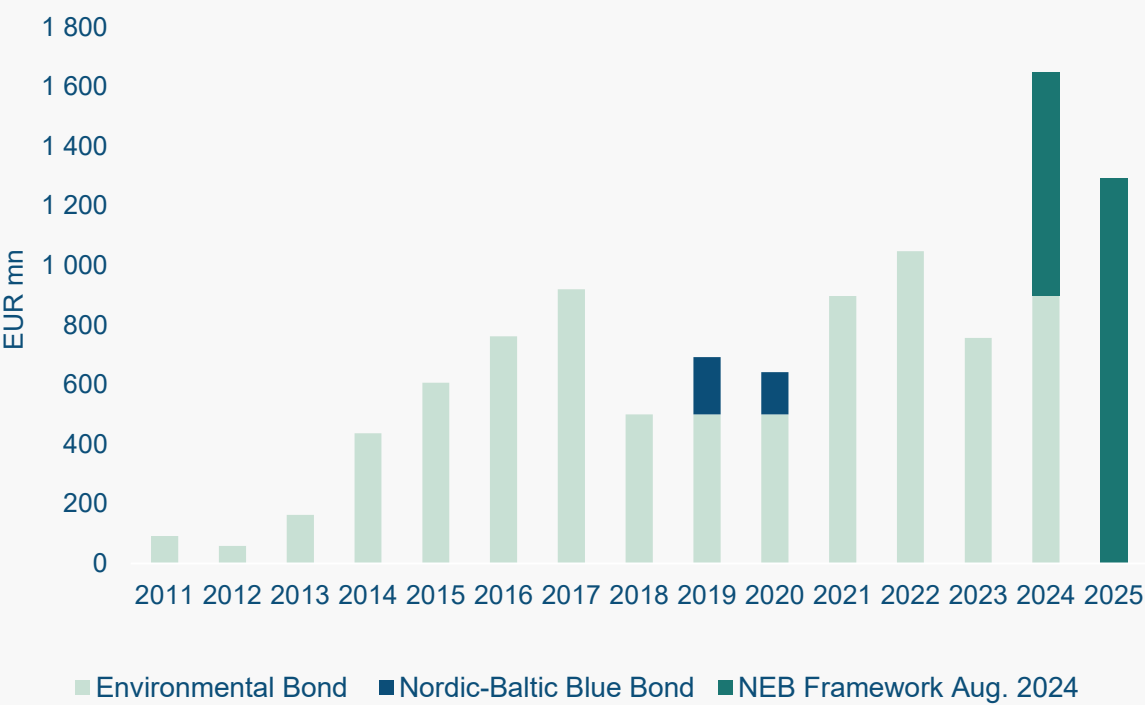
# NIB Environmental Bonds

## Selected NIB Environmental Bond issues 2024-2025



NEB issued under new framework

## Total issuance 2011- 2025: EUR 10.6bn



[For more on NIB Environmental Bonds](#)

