



NORDIC ENVIRONMENT FINANCE CORPORATION

DISCLOSURE POLICY

13 December 2007

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1. **PURPOSE**

This document sets out the policy of Nordic Environment Finance Corporation ("NEFCO") on the disclosure of information held by NEFCO and describes the materials available to the public. This document is subject to regular review.

2. **NEFCO'S MANDATE AND MISSION**

NEFCO is an international financial institution ("IFI") with five contracting states: Denmark, Finland, Iceland, Norway and Sweden. NEFCO operates in accordance with sound banking principles offering its clients equity, loans and guarantees on competitive market terms. NEFCO finances projects that are of mutual interest for the contracting states and the countries of operation. NEFCO enjoys, through its constituent documents and where applicable individual framework agreements with countries where NEFCO operates, certain privileges and immunities, including among other things inviolability of its documents and archives.

In its capacity as an IFI, NEFCO's operations are carried out following the priorities and goals that its contracting states have defined for NEFCO.

NEFCO's *mission* is to promote cost effective solutions to reduce the environmental load from regions adjacent to the Nordic countries.

3. **POLICY**

General Principles for Good Governance and Best Practices

As an IFI with sovereign countries as contracting states, NEFCO promotes openness and transparency in its operations.

General principles enhancing and further developing good governance and best practices at NEFCO, and thereby also guiding the Disclosure Policy, are defined by NEFCO as:

Openness NEFCO strives to make information concerning its strategies, policies and activities available to the public in the absence of a compelling reason for confidentiality in line with the legal provisions of NEFCO and the guiding principles of this policy.

Transparency By being transparent in its activities NEFCO supports stability on the international markets and in the contracting states' economies. Transparency also increases the general public's trust in NEFCO.

Accountability NEFCO shall be publicly accountable, as NEFCO is entrusted with public monies and is thus responsible for the proper management of the monies and other resources put at its disposal.

Objectivity The information provided by NEFCO shall not be biased. NEFCO is committed, as further set out in this policy, not to omit or otherwise withhold information solely because it may at times reflect negatively on NEFCO. In relation to information on financial activities NEFCO applies principles of non-discrimination and simultaneous disclosure through appropriate regulatory channels.

Responsibility towards the contracting states NEFCO has an obligation to provide information and respond to questions and concerns of its contracting states. The opinions of NEFCO's contracting states are taken into account in policy and other decision-making, so as to ensure NEFCO's compliance with its mandate and accountability towards the contracting states.

Interaction with third parties and the general public While NEFCO maintains an ongoing information exchange with its contracting states and clients, NEFCO further aims to release information to the general public and specific interest groups, whenever possible and as early as feasible. NEFCO is also willing to enter into constructive dialogues with identifiable third parties regarding NEFCO's strategies, policies, practices and activities.

Safeguarding client interests Albeit NEFCO is committed to openness and transparency in its dealings, NEFCO is, at the same time, a financial institution and as such it has to take careful account not only of the demands that confidentiality places on NEFCO generally, but also of the individual client's confidentiality needs in carrying out a specific project. NEFCO's information dissemination activities are therefore based on procedures that have been adopted to guarantee that the client's justified need for confidential treatment of information is respected.

4. **INFORMATION CHANNELS**

Publicly available information about NEFCO's activities is available on its website and may also be obtained through NEFCO's Communications Manager. It should be noted that NEFCO will generally only reply to reasonably specified and detailed requests, *i.e.* not to blanket requests for information. The Communications Manager may direct inquiries to other people within NEFCO or to other sources of information.

4.1 **Electronic and printed publications**

Information about NEFCO is available through the following media:

- (a) **Website** NEFCO's website (www.nefco.org) on the Internet is the main source of information. The website contains news and information about NEFCO, policies, guidelines and procedures. Presentations and public speeches delivered on behalf of NEFCO may also be posted on the website.
- (b) **Annual Report** The report of the Board of Directors and the annual accounts are published on the website as part of the Annual Report.

(c) **Other printed publications:**

- **Newsletter** NEFCO's newsletter is published at regular intervals and circulated to customers and other stakeholders.
- **Brochures, marketing material** From time to time NEFCO publishes brochures, marketing material and other printed products.

4.2 **Press and other media**

NEFCO seeks an active and open relationship with the media. The Communications Manager coordinates interviews and other contacts with the media.

Press releases Press releases issued on behalf of NEFCO deal with news about NEFCO and its activities. They are posted on the website.

Press conferences, interviews Press conferences, interviews and other media events may be arranged in contracting states and non-contracting states.

5. **ADMINISTRATION AND INTERNAL PROCESSES**

The information referred to in this Section 5 is posted on the website (save as where herein explicitly otherwise stated).

5.1 **Legal Framework**

(a) **Constituent documents** The constituent documents include;

- the 1998 Agreement
- the Statutes
- the Headquarters Agreement

(b) **General framework** General framework of Staff Regulations and Rules, applicable to NEFCO to the extent appropriate, are available as links to sister organisation Nordic Investment Bank's (NIB) website (www.nib.int) including;

- Staff Policy
- Staff Regulations
- Code of Conduct for the Staff
- Rules for the Ombudsman
- Arbitration Rules for Settlement of Employment related Disputes
- Statutes for the Cooperation Council

5.2 **Procurement**

NEFCO's Procurement Guidelines applicable to procurement in investment activities are publicly available.

5.3 **Anti Corruption and Money Laundering**

NEFCO is fighting corruption in both its external and internal activities. Corrupt and fraudulent behaviour is defined in line with the policies of other international financial institutions. The definition also includes money laundering and financing of international terrorism. NEFCO's anti-corruption activities include a committee on fighting corruption and guidelines for combating corruption. NEFCO's Resolution on Fighting Corruption and the Rules of procedure for the committee on fighting corruption are publicly available.

6. **OPERATIONAL INFORMATION**

Information about contracting states and NEFCO-financed projects are available (i) on the website, (ii) in the newsletter and (iii) in NEFCO's Annual Report. The information includes examples of project cases related to different NEFCO facilities. Information on the geographical and sector wise distribution of loans and equity investments is published in the Annual Report and on the website.

Furthermore, NEFCO makes press announcements to publicise its involvement in projects that are of particular interest to the outside world.

6.1 **Disclosure during project cycle**

The phases of NEFCO's project cycle are;

- (i) project identification;
- (ii) project appraisal;
- (iii) project approval (by Investment Committee and Board of Directors);
- (iv) negotiations;
- (v) signing of agreements;
- (vi) disbursement of loan/payment of equity; and
- (vii) project monitoring.

As a general rule, NEFCO does not publish information about projects which are in the pre-signing phase (items i-iv above).

Albeit the above information is generally made public after signing, NEFCO may refrain from particular disclosure, e.g. due to confidentiality agreements or similar undertakings. As a general rule, any disclosure of individual project information is made in co-operation with the client.

6.2 **Environment-related documents**

NEFCO's Environmental Criteria and Environmental Guidelines are available on the website.

Furthermore, NEFCO has, together with other IFIs signed the European Principles for the Environment. These principles are available on the website.

6.3 **Financial information**

Detailed financial statements of NEFCO are published in the Annual Report. Audited financial statements appear in the Annual Report which is available on the website during the second quarter each year.

7. **CONSTRAINTS**

While every effort is made to keep constraints to a minimum, the following constraints apply to all information referred to in this policy:

7.1 **Reproduction of public documents, use of NEFCO's logotype or name**

The public documents of NEFCO can be freely reproduced, given that the source is clearly mentioned and the information concerned is not modified. However, using material for commercial purposes always requires NEFCO's prior written approval in each case, whether in marketing, promotion activities or else. Thus, any use of NEFCO's logotype or name as a commercial reference requires NEFCO's prior written approval.

7.2 **Confidentiality and secrecy commitments**

Some documents and information are provided to NEFCO on the explicit or implied understanding that they will not be disclosed outside NEFCO, or that they may not be disclosed without the consent of the source; or even, occasionally, that access within NEFCO will be limited. NEFCO must treat such information accordingly. NEFCO does not make publicly available documents that contain proprietary information, such as trade secrets, business tools and methodologies or pricing information, without the express permission of the owner of such information.

7.3 **Deliberative- and decision-making processes**

To facilitate and safeguard the free and candid exchange of ideas between NEFCO and its governing bodies, NEFCO seeks to preserve the integrity of the deliberative process. NEFCO also cooperates with various international organisations, as well as private commercial banks and institutions in the context of its operations. In this regard, documents exchanged with such entities on matters of common interest that are related to the decision-making processes of NEFCO and such entities are not publicly available.

The above-mentioned principle also applies to NEFCO's own decision-making processes. Minutes of meeting with the Board of Directors as well as internal documents and memoranda written by Board members and their alternates, by the Managing Director of NEFCO, and by NEFCO staff to their colleagues, supervisors, or subordinates are considered confidential and not publicly available.

7.4 **Staff and third parties**

NEFCO's principles of staff policy require NEFCO to maintain appropriate safeguards to respect the personal privacy of staff members and protect the confidentiality of personal information about them. Personal data on NEFCO staff may be disclosed only to the

extent permitted by the Staff Regulations and the Staff Rules. Proceedings of internal appeal mechanisms and investigations are not disclosed outside NEFCO. NEFCO may also prevent disclosure of information in order to protect and safeguard personal information on third parties where applicable. NEFCO documents and records that for any reason would become subject to attorney-client privilege, or whose disclosure might prejudice an investigation, are not publicly available.

7.5 **Miscellaneous**

Guidelines, instructions and other material related to NEFCO's legal framework and organisation, as well as a number of other administratively related documents, are subject to continuous review and development. Changes and amendments to documents, material and procedures may lead to that information cannot be disclosed as otherwise set out in this policy.

Albeit NEFCO is committed to providing unbiased information to the general public and other specific interest groups, public availability of some information may be precluded on an ad hoc basis when its content, wording, or timing would prompt further review due to the interests of NEFCO, a contracting state, NEFCO staff or clients or other contracting parties of NEFCO.

8. **ENTRY INTO FORCE AND PUBLICATION**

This Disclosure Policy has been adopted by NEFCO's Board of Directors and enters into force 13 December 2007 after which it will be published on NEFCO's website.

NEFCO maintains its website and provides printed documents, as set out in this policy, for information purposes only. NEFCO is committed to providing a high standard regarding any and all information made public, whether on NEFCO's website or in printed form. NEFCO makes no warranty as to the accuracy, completeness, reliability or timeliness of any of the material provided under this policy. In particular, NEFCO shall not be responsible for any errors, omissions or inadvertent alterations that may occur in the disclosure of content on its website or as a consequence of its use. Furthermore, NEFCO's website contains links to third-party websites. Since these links are not under control of NEFCO, it shall not be responsible for the relevance or contents of the said sites.