



NLB Group Sustainability and ESG Implementation 2022 results and roadmap

25th April 2023

Sustainability, Strategy and Business Development

Agenda

- 1. ESG landscape, expected trends in the next 5 years and importance for the NLB Group** (Blaž Brodnjak, CEO)
- 2. NLB Group sustainability strategy & journey towards net-zero** (Ivan Tomić, General Manager Strategy and Business Development)
- 3. NLB Group 2022 key sustainability highlights & 2023 roadmap** (Alenka Recelj Mercina, Head of Sustainability)

1. ESG landscape, expected trends in the next 5 years and importance for the NLB Group

(Blaž Brodnjak, CEO)





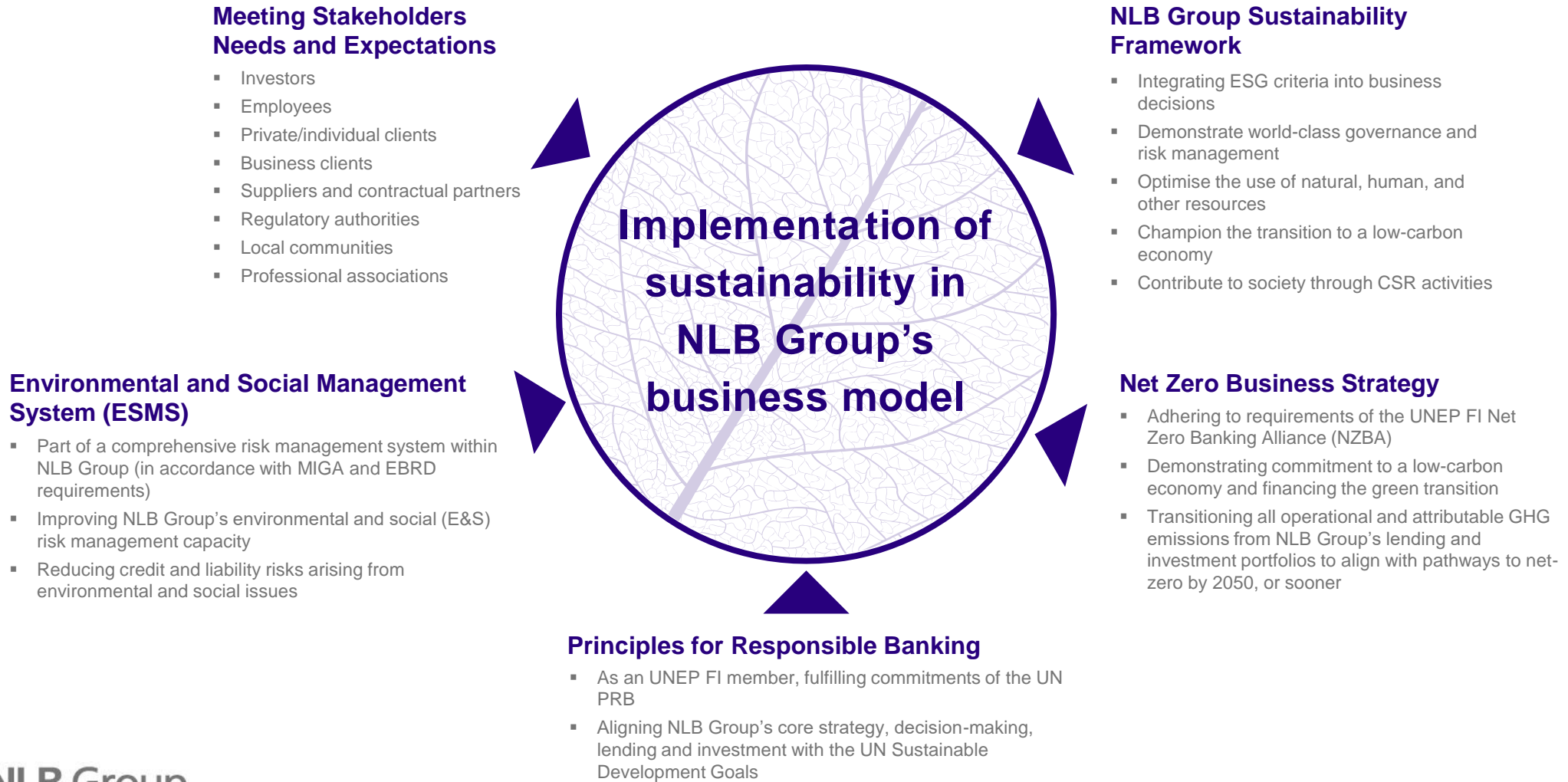
2. NLB Group sustainability strategy & journey towards net-zero

(Ivan Tomić, General Manager Strategy and Business Development)



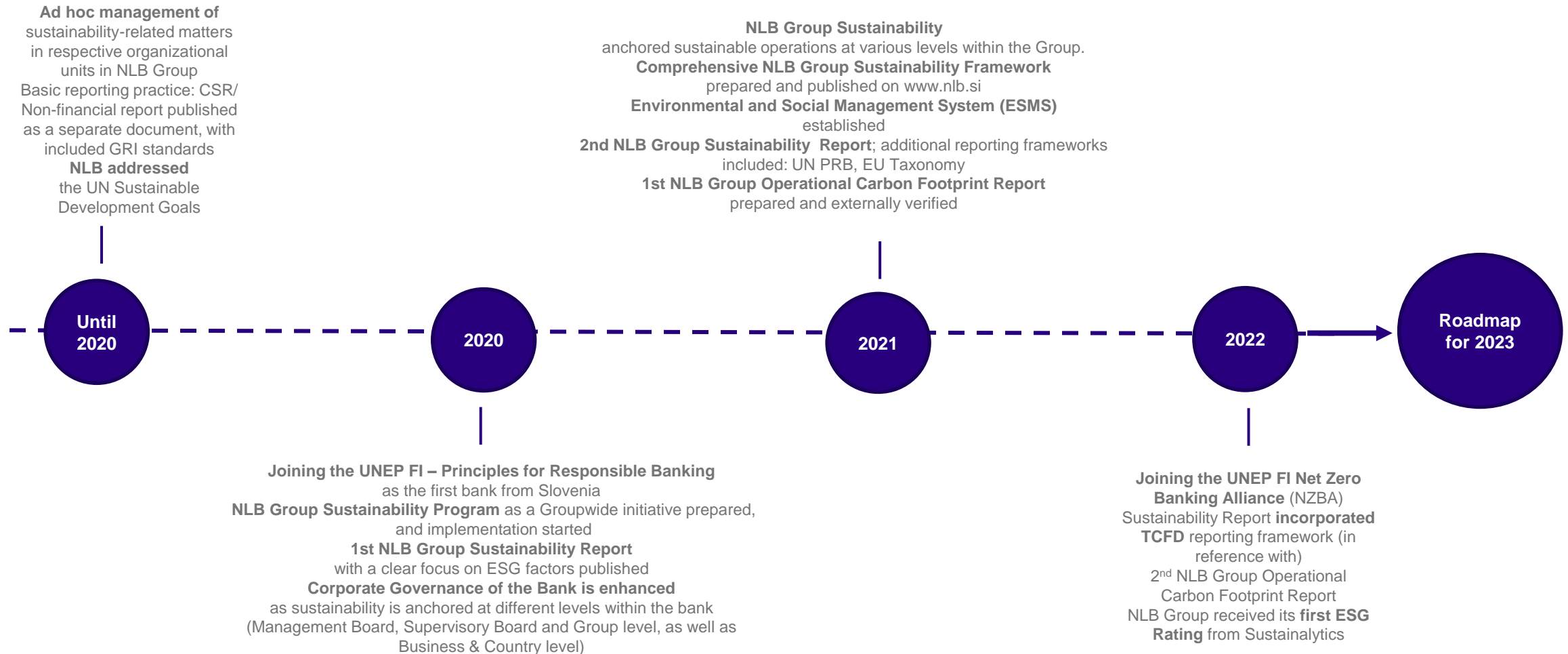
Overview of NLB Group Sustainability Strategy

- NLB Group actively contributes to a more balanced and inclusive economic and social system. Our sustainability roadmap encompasses decisive approach, strategic pillars and comprehensive sustainability framework, supported with clear actions.



NLB Group Sustainability Journey

- Our sustainability journey focuses on tackling environmental, social and governance considerations, aiming to one goal – empower all stakeholders for successful transition to low carbon, inclusive, just and sustainable future.



Three Pillars of NLB Group Sustainability

- Within the Sustainability Framework three main pillars of sustainable development are defined which set the broader strategic agenda for implementing sustainable elements in the business model and operations group-wide.



Sustainable Operations

- Managing our direct environmental and social impacts while ensuring ethical and efficient operations.
- Measuring, managing and reporting our direct ESG impact in line with recognized international standards and initiatives.
- Implementing measures to reduce our environmental footprint.
- Ensuring inclusion of the ESG elements at all stages of the procurement life cycle.
- Responsibility to employees: capabilities development, talent retention and development, diversity & inclusion, health and safety.
- Responsibility to clients: responsible marketing, customer experience.



Sustainable Finance

- NLB Group net zero business strategy
- Integrating the ESG regulatory framework, relevant standards, and criteria into our business and investment decisions.
- Supporting UN Sustainable Development Goals through financing and investing activities, new products and services.
- Managing climate-related and environmental risks as well as searching for business opportunities emerging from transition to a low-carbon, more inclusive, and circular economy.
- Supporting clients in their own low-carbon business transformation and reorienting capital flows in direction of green transition.
- Treasury operations
- Green bond framework development
- ESG score & rating



Contribution to Society

- Active contribution towards wider socio-economic development with a focus on the local communities where we operate.
- CSR activities (aligned with UN SDGs) in key areas:
 - Financial literacy and Inclusion
 - Humanitarian
 - Cultural heritage
 - Sports
 - Entrepreneurship
 - Environmental protection etc.

NLB Group Commitment to the UN Principles for Responsible Banking

- NLB Group is committed to align its business with the UN Principles for Responsible Banking and to transparently review and report on progress annually.
- Results of UN PRB implementation are listed below:



Principle 1: Alignment

- Joined the UN-convened **Net Zero Banking Alliance**
- Offered customers **products with a sustainability financing component**
- **Strengthened sustainability governance** with nominated ESG Coordinators, ESMS Officers and established the ESMS system



Principle 2: Impact & Target Setting

- Based on the **NLB Group Impact analysis**, first performed in 2021, impact areas along business lines were identified
- This was followed by analysis of NLB Group portfolio, materiality analysis and country needs. Based on this, **NLB prioritized 3 key impact areas and announced 4 key targets**



Principle 3: Clients & Customers

- Offered customers **loans with a sustainable financing component at a lower interest rate** than the bank's regular offer
- **Active in providing sustainability financing to large infrastructure projects**, such as wind farms, solar farms, biomass projects, and energy-efficient buildings



Principle 4: Stakeholders

- The NLB Group **members regularly engage with all stakeholders** to best meet the interests of both sides on a daily, monthly, and yearly basis
- We are **committed to open and transparent communication** with all key stakeholders on all relevant topics and we want to **provide them with accurate information on actual data without delay**



Principle 5: Governance & Culture

- NLB Group has a **comprehensive governance structure in place that incorporates sustainable development**
- The NLB Supervisory Board is responsible for overseeing sustainable operations
- Different collective decision-making and advisory bodies include sustainability issues in their decision making



Principle 6: Transparency & Accountability

- NLB Group continues to **regularly disclose sustainability information based on the GRI, IFRS Sustainability Disclosure Standards and TCFD**
- On an annual basis, the Bank publishes **its NLB Group Sustainability Report** on public platforms, at the same time as the NLB Group Annual Report

NLB Group Commitment to the UN Principles for Responsible Banking

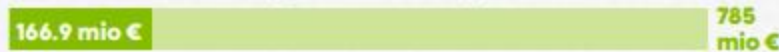
- NLB Group prioritized 3 key impact areas and announced 4 key targets.

Impact areas, publicly announced targets, and target achievements

Impact area **Climate**

Publicly announced target by 2030

By the year 2030, the volume of new sustainable corporate financing in the NLB Group will be at least 785 mio EUR.



Target achievements in 2022

By year 2022 the NLB Group has implemented 166.9 million of new sustainable corporate financing.

Publicly announced target by 2030

By the year 2030, 75% of all electric energy used in the NLB Group will come from zero-carbon sources.



Target achievements in 2022

At the end of 2022 we are currently already approaching 70% of all electricity used by NLB Group purchased from zero carbon energy source, 100% in Slovenia and Serbia respectively.

Impact area **Resource efficiency / security**

Publicly announced target by 2030

By the year 2025, the NLB Group will decrease the number of paper prints in its operations by 50% compared to the year 2019.



Target achievements in 2022

By the year 2022 the NLG Group decreased the number of paper prints by 43% compared to 2019

Impact area **Inclusive & healthy economies**

Publicly announced target by 2030

By the year 2025, the share of active digital retail users in the NLB Group will be 55%.



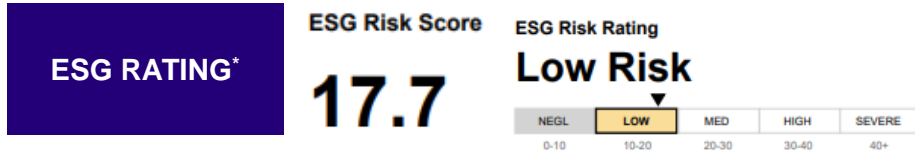
Target achievements in 2022

Share of active digital retail users in NLB Group in 2022 is 40.1%⁴

⁴ The target and progress data do not include NLB Komercijalna Banka Beograd and N banka as the target was set in 2021 before the merger of NLB Banka Beograd with Komercijalna banka Beograd in April 2022, now operated under NLB Komercijalna banka Beograd, and the acquisition of N banka in March 2022, which is planned to be merged with NLB d.d. in 2023. Consequently, target and progress data will be adjusted to include a comprehensive view on NLB Group.

ESG Rating

- We are proud that our efforts and our progress in the field of sustainability were confirmed by our first ESG rating. Sustainalytics rated NLB with an ESG Risk Rating of 17.7 and a low risk of experiencing material financial impacts from ESG factors, which places NLB among the best 15 % banks assessed by the company



NLB's STRONGEST INDICATORS

Areas	Indicators
Product Governance	Responsible Marketing Policy
Corporate Governance	Remuneration
	Board/Management Quality & Integrity
Data Privacy and Security	Data Privacy Program
Human Capital	Diversity Programmes
	Employee Training
ESG Integration - Financials	Responsible Asset Management
	Responsible Investment Programme
	Sustainable Financial Initiatives
Business Ethics	Whistleblower Programmes
	Business Ethics Programme

KEY INDICATORS TO IMPROVE FOR NEXT RATING

Areas	Indicators
Product Governance	Responsible Product Offering
Corporate Governance	Board Structure
	Audit & Financial Reporting
Data Privacy and Security	Data Privacy and Security Policy
Human Capital	Gender Pay Equality Programme
	Human Capital Development
ESG Integration - Financials	Corporate Finance - ESG Integration
	Credit & Loan Standards
	Responsible Investment Policy
Business Ethics	Bribery & Corruption Policy and Programmes
	Compliance Programme

Journey Towards Net Zero

- In June 2022, NLB officially joined the Net-Zero Banking alliance, an industry-led, UN-convened alliance of banks worldwide, committed to aligning their lending and investment portfolio with net-zero emissions by 2050 or sooner, as set by the most ambitious targets of the Paris Climate Agreement.



As a signatory of the **UN Net-Zero Banking Alliance**, NLB and NLB Group are committed to:

- Transitioning operational and attributable GHG emissions from their lending and investment portfolios to align with pathways to **net-zero by 2050, or sooner**
- **Within 18 months of joining, setting 2030 targets** (or sooner) and a 2050 target, with intermediary targets to be set every five years from 2030 onwards
- Setting the first 2030 targets, which will focus on **priority sectors where the Bank can have the most significant impact**, i.e. the most GHG-intensive sectors within their portfolios, with further sector targets to be set within 36 months
- **Annually publishing absolute emissions and emissions intensity** in line with best practice and, within a year of setting targets, disclosing progress against a board-level reviewed transition strategy setting out proposed actions and climate-related sectoral policies
- Taking a robust approach to the role of offsets in transition plans



3. NLB Group 2022 key sustainability highlights & 2023 roadmap

(Alenka Recelj Mercina,
Head of Sustainability)



NLB Group 2022 key sustainability highlights



Sustainable Operations

- Additional commitment to **UNEP FI – Net Zero Banking Alliance**; and start of development of comprehensive NLB Group **Net Zero Business Strategy by the end of 2023**
- Carbon Footprint Measurement 2022**: Scope 1 and Scope 2 all categories; Scope 3 partially (to be fully implemented for 2023 measurement) - **46 % reduction** of operational carbon footprint
- 100%** of all electricity from zero carbon energy source (in NLB and NLB Komercijalna banka), and **70%** at NLB Group level
- Improved Employee Engagement**; Top Employer award (8th year in the row)
- NLB Group **Human Rights Policy**
- 1st NLB Group **Sustainability Day**
- NLB Group Sustainability Committee** (5 sessions)
- Designated ESG Coordinators in each NLB Group entity
- Reporting: **UNEP FI-PRB, EBRD, GRI**; new in 2022: **TCFD**
- Share of women** in management positions: **56%**.



Sustainable Finance

- 166.9 million EUR** of sustainable corporate financing, **53 million EUR** of green loans to private individuals
- New sustainability-related products** were offered to clients for green transition: loan to increase energy efficiency of business buildings & loan for reducing carbon footprint; green partner loan for retail and legal entities
- EBRD program **Women in Business** in Montenegro
- Enhanced **Climate/ESG Risk Management** and continuation of implementation of ESG factors in lending process
- ESMS** - Environmental and Social Management System in place to tackle ESG risk management challenges



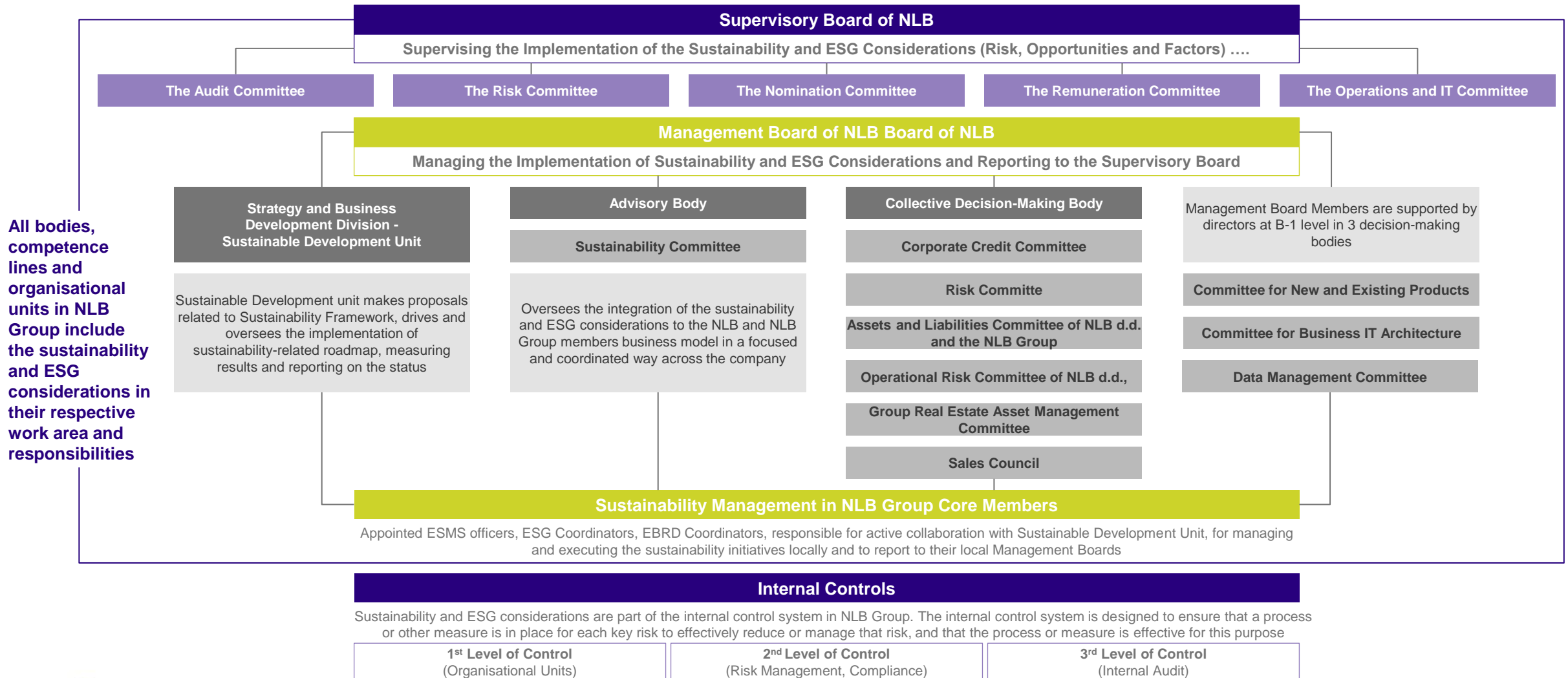
Contribution to Society

- +40%** of all CSR activities were aligned with at least one of the **UN SDG goals**.
- Several initiatives to improve **digital and financial education** of clients, young and seniors.
- 2nd Regional Sustainability Project **Frame of Help**.



Overview of NLB Group's Sustainability Related Governance

- The NLB Group has implemented a comprehensive sustainability-related governance framework (top-down and bottom-up)



Remuneration and Integration of ESG Goals

- As part of the performance evaluation process, NLB Group places special attention on the achievement of climate-related and other ESG goals.

Key ESG areas

Members of the Management Board receive remuneration consisting of a fixed and a variable part of the salary. The annual performance evaluation process for NLB Management Board members is based on financial and nonfinancial goals; the latter include also ESG goals.

In 2022, part of the variable part of the salary of NLB Group's Management Boards' members was subject to performance assessment against goals in five key ESG areas:

- Sustainability corporate governance
- ESG risk management
- Transition & Sustainability Financing opportunities
- Operational environmental impact
- Contribution to society

KPI weights

In 2022, ESG goals were considered as part of annual performance evaluation, as follows:

NLB Management Board	Weights
NLB's CEO	10 %
Other members of NLB's Management Board	5-20%

Operational Carbon Footprint - GHG Emissions Reduction

Operational carbon footprint calculation for NLB Group, 2019–2022

NLB Group	Baseline 2019	2020	2021	2022	2022/2021	2022/2019
Scope 1 [t CO2]	3,736	3,408	3,831	3,404	89%	91%
Scope 2 [t CO2]	29,340	32,000	29,741	12,611	42%	43%
Scope 3 [t CO2]	4,632	3,761	3,093	3,891	126%	84%
Scope 1-2 [t CO2]	33,077	35,408	33,572	16,015	48%	48%
Scope 1-2/emp. [t CO2/emp.]	3,761	4,082	3,983	1,899	48%	50%
Scope 1-3 [t CO2]	37,708	39,169	36,665	19,906	54%	53%
Scope 1-3/emp. [t CO2/emp.]	4,288	4,515	4,350	2,360	54%	55%
No. of employees	8,794	8,675	8,428	8,433	100%	96%

In 2022, total Scope 1, 2 and 3 emissions of NLB Group accounted for 19,906 t CO2, which is 46% reduction compared to 2021.

- **NLB Group followed the commitment to increase its positive operational environmental impact, and reducing the adverse ones.**
- **Included in the measurement:** Scope 1, Scope 2, and Scope 3 (limited inclusion: paper and water use, waste, business travel, employee commuting, and without Category 15 – financed emissions)
 - Emissions from **Scope 1 and 2** amounted to 16,015t CO2, **52% reduction from 2021.**
 - Main reason for significant reduction of CO2 emissions in 2022 was due to the fact that **100% electricity was purchased from zero-carbon sources in two largest and most material entities in NLB Group** (parent bank NLB and NLB Komercijalna banka Beograd).
 - Thus, the Group has increased the percentage of renewable electricity sourced for our operations to almost **70% at the Group level**, and it is approaching the target to reach 75% by 2030.

Notes:

- (1) In 2022, accuracy adjustments were made due to revised energy consumption in one of the entities for 2019-2022, hence minor deviations in total Scope 1 to Scope 3 (2% for 2019 and 2020, and 0,1% for 2021) from the prior report.
- (2) In 2022 NLB acquired N Banka, whereas merger of both entities is planned in 2023. N Banka’s carbon footprint has only been calculated for 2022 and not for prior years to provide baseline 2019 data. The reasons for this decision are data scarcity, and low impact of N Banka (due to size, employee number and facilities) to total carbon footprint emissions, which is estimated to less than 2% of data in baseline year.
- (3) Note that Komercijalna Banka Beograd was included in reporting of GHG emissions also for 2019 and 2020, despite becoming part of NLB Group in 2021. However, GHG Protocol suggests recalculating baseline year in case of structural changes, therefore, data for Komercijalna Banka was included in this report.



Key Energy Efficiency Measures

- To further optimize and reduce its operational environmental impact, NLB Group continues to implemented measures, which are subject to regular monitoring to follow their realization as well as with purpose of detecting new or adjusted measures to be imposed.

Implemented in 2022

- **Investments in branch renovation** are governed by energy efficiency principles including technical solutions/materials which are being applied (such as LED lighting, modern HAVC, thermal pumps, new windows, etc.).
- Where technically possible, empty spaces are heated solely to anti-freeze level.
- In office buildings **ventilation / heating schedules were reduced** and where technically possible accompanied by **increase of waste air recovery percentage** and reductions of air exchanges.
- **The night lighting** of branches and illuminated signs are being **turned off** (or are in progress) between 10 p.m. and 6 a.m., where technical possibilities allow such approach.
- **Raising employee awareness** on means and effects of proper ventilation and cooling/heating of premises.
- **Heating in** winter season **and cooling** during summer **reduced** to lower/higher temperatures accordingly.

Plan for 2023

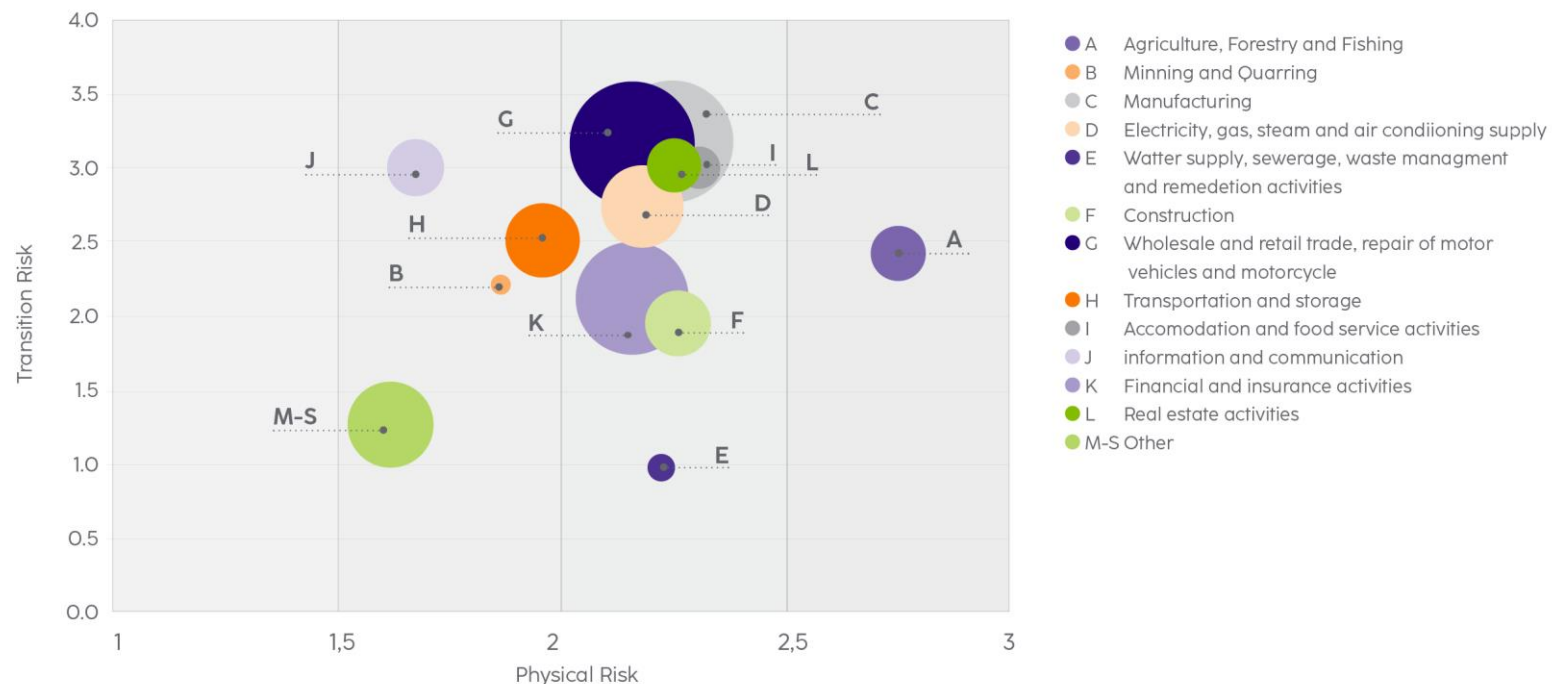
- Continuation of activities related to successful **installation of solar power plants** on buildings (obtaining approvals are in progress).
- Increased activities for **divestment of owned areas** not required for regular operations (through sale and/or lease).
- Continuation of monitoring and further implementation of individual measures to **reduce heating, ventilation and cooling** of buildings.
- Space management activities related to implemented **»work-from-home«** .
- Reconstruction and refurbishment of main office buildings with aim of **increasing their energy efficiency**.



Risk management framework in the area of ESG

- ESG risks do not represent a new risk category, but rather one of **risk drivers** of the existing types of risks. NLB Group integrates and manages them within the established risk management framework in the area of **credit, liquidity, market and operational risk**.
- The management of ESG risks follows **ECB and EBA guidelines** with tendency of their comprehensive integration into all relevant processes.
- The Group conducts **materiality assessment**, as part of its overall risk identification process, to determine the level of transitional and physical risk to which the Group's is exposed. The Group's exposure towards these risk is rather low.
- Transition risk is assessed as more material than physical risk. With implementation of **Net zero strategy** of NLB Group in 2023, it is expected that its impacts will gradually diminish.

- Based on industry segmentation of portfolio and corresponding emissions the Group has a relatively low exposure to emission-intensive sectors.
- In 2022, NLB Group was included into the **ECB Climate Stress test exercise**. The Group's overall results were within the range of average peer results. Results of internal climate stress tests showed no material impacts on the Group's capital and liquidity position.



Environmental and Social Management System (ESMS)

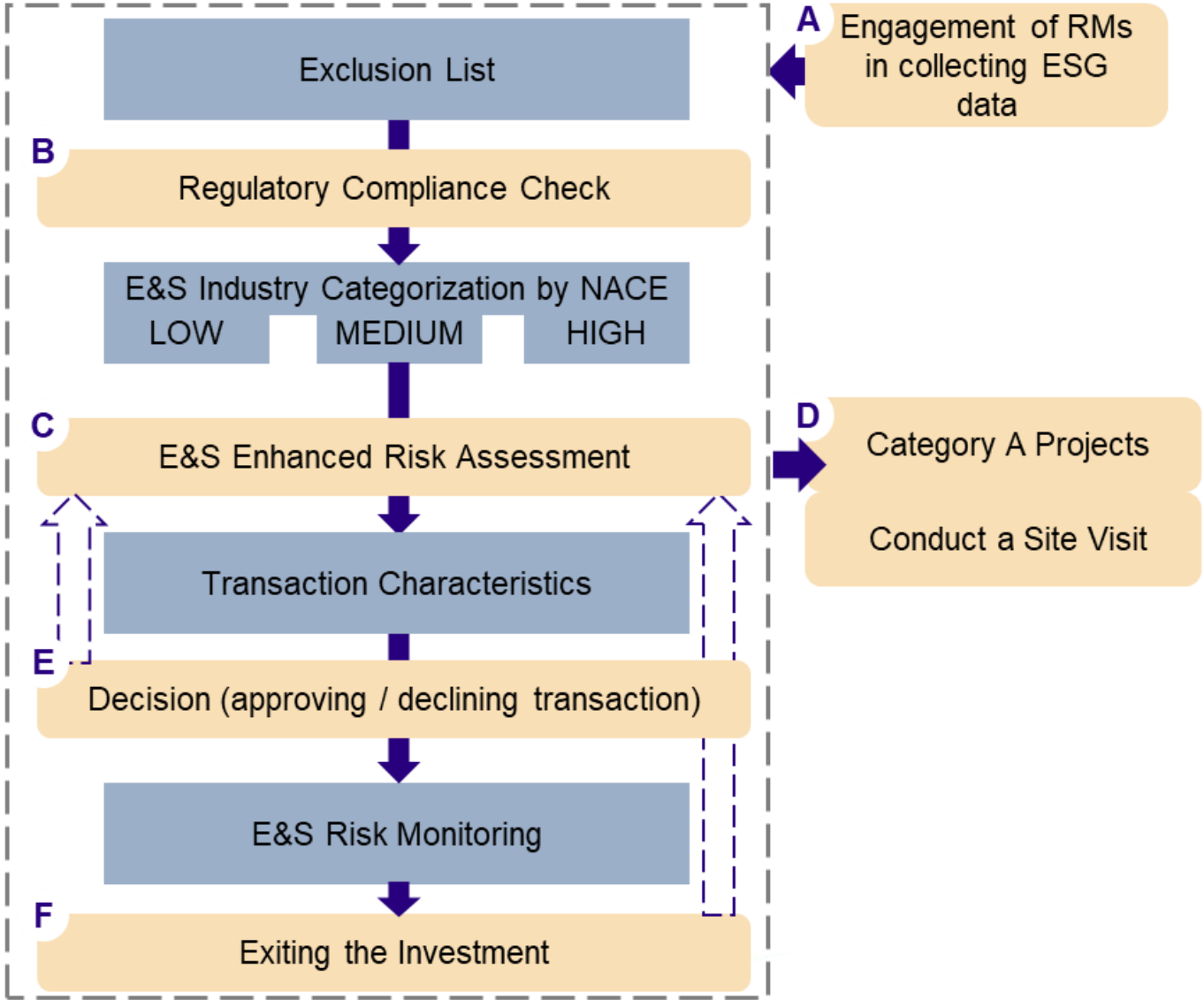
NLB Group put in place a clearly defined Environmental and Social Management System (ESMS) including an E&S Policy and E&S Methodology

- Primary ESMS Process
- Main Process Control Points / Gates



ESMS SYSTEM IS EMBEDDED IN LOAN ORIGINATION AND MONITORING

NLB Group-wide Environmental & Social Management System



NLB Group Financing Exclusion List

Regulatory Framework (Signed Commitments)



European Bank
for Reconstruction and Development

NLB signed several Framework Agreements with EBRD. NLB Group implemented Exclusion List from EBRD Environmental and Social Policy 2019.



NLB signed guarantees with MIGA for insurance against expropriation of obligatory reserves of certain NLB Group banking members held with their central banks with a 7-year tenor. Guarantee defines E&S Requirements that NLB Group members undertook.

ACTIVITY	MIGA	EBRD
The production of or trade in any product or activity deemed illegal under host country (i.e. national) laws or regulations, or international conventions and agreements, or subject to international phase out or bans, such as:	X	X
- Production of or trade in products containing PCBs.	X	X
- Production of or trade in pharmaceuticals, pesticides/herbicides and other hazardous substances subject to international phase-outs or bans	X	X
- Production of or trade in ozone depleting substances.	X	X
- Production or use of or trade in persistent organic pollutants.		X
- Trade in wildlife or production of or trade in wildlife products regulated under CITES.	X	X
- Transboundary movements of waste prohibited under public international law.		X
Production or trade in weapons and munitions.		
NLB d.d. will not be involved in financing development, manufacture, trade or distribution of nuclear, biological, and chemical weapons, anti-personnel mines and cluster munitions, ammunition containing depleted uranium.	X	
Production or trade in alcoholic beverages (excluding beer and wine). (Within MIGA defined thresholds)	X	
Production or trade in tobacco. (Within MIGA defined thresholds)	X	
Gambling, casinos and equivalent enterprises. (Within MIGA defined thresholds)	X	
Forced evictions.		X
Thermal coal mining or coal-fired electricity generation capacity.		
NLB Group will not provide any new financing to thermal coal mining or coal-fired electricity generation capacity in any way, including eventual transitional enhancements.		X
Activities in the nuclear fuel production cycle (uranium mining, production, enrichment, storage or transport of nuclear fuels) and production of or trade in radioactive materials *.	X	
*MIGA: This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where MIGA considers the radioactive source to be trivial and/or adequately shielded.		
Upstream oil exploration.		X
Upstream oil development projects.*		X
*Except in rare and exceptional circumstances where the proceeds of the project exclusively target the reduction of GHG emissions or flaring from existing producing fields.		
Activities involving force-feeding of ducks and geese.		X
The keeping of animals for the primary purpose of fur production or any activities involving fur production.		X
The manufacture, placing on the market and use of asbestos fibres, and of articles and mixtures containing these fibres added intentionally.	X	X
MIGA: This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20 percent.		
The export of mercury and mercury compounds, and the manufacture, export and import of a large range of mercury-added products.		X
Activities prohibited by host country legislation or international conventions relating to the protection of biodiversity resources or cultural heritage.		X
Drift net fishing in the marine environment using nets in excess of 2.5 km in length.	X	X
Shipment of oil or other hazardous substances in vessels which do not comply with IMO requirements.		X
Trade in goods without required export or import licenses or other evidence of authorization of transit from the relevant countries of export, import and, if applicable, transit.		X

Sustainable Finance

- Since the introduction of the first green financing offer (NLB Green Housing Loan) in 2020, the Group continues to strengthen its sustainable finance proposition with sustainability-related financing for private individuals, micro, SME and large corporate clients

Corporate clients (Large, SME, Micro, crossborder)

- NLB Group generated **new green loan volume** in the amount of **€166,9m** in 2022
- NLB Group has supported clients with green loans for the purpose of financing **wind farms, solar projects, biomass projects and energy efficient buildings, environmental friendly, sustainable agriculture, circular economy solutions**
- Our efforts have resulted in **several larger project financings**, including residential real estate in Bosnia and Herzegovina and a large renewables projects in Serbia
- **Several regional clients events** were executed, aiming to increase knowledge and strengthen the awareness, as well as empowerment, of corporate clients

Private individuals

- NLB Group generated **new green loan volume of over €53m** in 2022
- NLB continued to support clients in green transition with already established green finance products and introduced:
 - NLB Green **Housing Loan**; and
 - NLB Green Partner Loan to finance the **construction of turnkey solar power plants, power storage, environmentally friendly transport and heat pumps**

New products for legal entities

NLB introduced in 2022 three new green loan offers for legal entities (Micro and SME):

- NLB Green partner loan to finance the construction of turnkey solar power plants
- NLB Green Loan for investments in the energy efficiency of business buildings
- NLB Green Loan for reducing the carbon footprint, that cover the area of energy efficiency, circular economy and sustainable agriculture

Asset management (funds)

NLB Funds, asset management (hereinafter: NLB Skladi) as a member of NLB Group, **offers two sub-funds** which promote environmental and social characteristics and adhere to Article 8 of Regulation SFDR ((EU) 2019/20881)):

- **Sub-fund NLB Funds – Equity Socially Responsible Global Advanced Markets** promotes a combination of environmental and social characteristics provided that companies adhere to good governance practices. At the end of 2022, the fund managed a Net Asset Value in amount of **€42.191.704**
- **Sub-fund NLB Funds – Equity Environmental** promotes a combination of environmental characteristics provided that companies adhere to good governance practices. At the end of 2022, the fund managed a Net Asset Value in amount of **€6.957.077**



Our people - Key Highlights



Labor practices

- **Initiatives to improve the Organisational Culture** towards constructive behavioural styles: the values that are our indicators for the future are **Growing people, Encourage entrepreneurship and Encouraging people**. A leadership 360 feedback measurement and assessment, and individual development planning aimed towards improving organizational culture were implemented.
- In 2022 the Bank was once again recognised as a **'Top Employer'** by the Dutch Top Employer Institute, demonstrating a high level of expertise and contribution in the areas from people strategy, leadership, digitalization, talent acquisition and development, performance management, sustainability, and a lot more.
- **Complying with ILO standards, local legislation, collective agreements and policies**, with a minimum of grievances and no lawsuits.
- To attract top talent throughout the region, the Group has identified the need to **develop the Employer Brand** actively. The Group has done internal and external surveys, interviews with stakeholders and multiple focus groups to identify the relevant employer value proposition.

Employee health and safety

- To **promote healthy habits**, the Group organised Health trainings focused on stress management, healthy habits, mental health, mindfulness, personal energy, and communication.
- We provide safe and healthy jobs to employees through joint measures like regular training, with the risk assessment for individual groups of workplaces and measures to reduce the dangers that may occur in the workplace.
- All employees are covered by an occupational health and safety management system that has been audited/certified by an external party.
- **In 2022, 36% of employees worked from home.** For better work-life balance, the Group continuously enables employees, whose presence on the Group's premises is not essential to the business process, to work from home.



Diversity and inclusion, Gender Pay Gap

- In 2022, **The Policy on the Provision of Diversity** of the Management Body and Senior Management of NLB d.d. was adopted by the General Meeting of shareholders.
- The Diversity Policy sets the framework for the Bank's commitments to diversity in relation to representation on the Management Body, and senior management on certain aspects where specific goals and implementation of these goals related to gender structure, age structure, professional competencies, skills and experience, continuity of composition of the management body and senior management, international experience, personal integrity, and geographical provenance are defined.
- **Most of the 2022 targets were met**, except gender structure in Supervisory Board. Due to the resignation of two members the representation of women was lower than expected.
- **Unadjusted gender pay gap** has been identified in all group members. The main reason for the gender pay gap is in higher proportion of men on better paid positions and in higher proportion of women in lower paid position, compared to the overall gender structure in the bank. Initiatives to close the gap will go in the direction of raising awareness among employees to reduce the presence of unconscious bias.

Employee engagement

- **Employee engagement** in NLB Group has been measured since 2012. In 2022, the survey was completed by **73% of all employees**, which is estimated to be **above average** in the current socio-economic climate of the Slovenian business environment.
- In 2022, we **maintained a high level of employee engagement.**
- Employee engagement enhancement is one of the key priorities of management board.

Employee engagement in 2022



NLB Group Sustainability Roadmap for 2023

- Our sustainability roadmap 2023 sets next milestones & targets for tackling environmental, social and governance considerations, and focuses on steps to achieving one most important goal – to empower all stakeholders for successful transition to low carbon, inclusive, just and sustainable future.



Sustainable Operations in 2023

- NLB Group will disclose all relevant ESG data.
- The focus will be on the analysis and implementation of the **EU Corporate Sustainability Reporting Directive**, as well as the upcoming **EU Corporate Sustainability Due Diligence Directive**.
- NLB Group will implement **Human Rights Management System**.
- All relevant internal acts will be upgraded for the inclusion of **ESG criteria in the supply/value chain**.
- Continuous reduction of operational **carbon footprint**.
- Maintaining high standards related to **employee well-being**.
- To raise the level of sustainability awareness among employees, the Bank will organize its 2nd NLB Group Sustainability Day



Sustainable Finance in 2023

- NLB Group will develop and implement the **Net Zero Business Strategy** in line with **UN PRB & NZBA** with the aim to set its lending and investment decarbonization targets.
- First targets related to **reducing its footprint in carbon-intensive industries** will be published.
- The NLB Group will finalize implementation of **EBRD environmental and social performance requirements** in its business model.
- The NLB Group will continue to support its clients in their green transition – **fine tuning & expanding its sustainability-related products portfolio**.



Contribution to Society in 2023

- Sponsorship and donations** will continue to be based on supporting and following the **UN Sustainable Development Goals**.
- NLB Group will continue with its contributions to local communities**.



Q & A

For any further questions please refer to Investor Relations.

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**Creating better
footprints.
For today.**

NLB Group Annual Report 2022