

## NLB Group Significantly Improves its ESG Risk Rating

Pursuant to the Rules of the Ljubljana Stock Exchange and Article 158 of the Market in Financial Instruments Act, relating to the Article 17 of the Regulation (EU) No 596/2014, NLB d.d., Trg republike 2, 1000 Ljubljana announces:

**A year that is running out, has been an amazing year indeed. A year in which NLB Group had no shortage of opportunities to show its knowledge and expertise; to prove itself with innovative, responsible operations, and, last but not least, with actions that created better footprints. We are proud that our efforts and our progress in creating better footprints have been recognized once again and are also reflected in the improved ESG Risk rating by one of the leading independent ESG research, ratings, and data firms in the world - Morningstar Sustainalytics.**

NLB's new, improved **ESG rating of 10.5 reflecting a low risk** of material financial impacts from ESG factors **places NLB in the top 5<sup>th</sup> percentile** of all banks assessed by the Morningstar Sustainalytics. It represents more than 34% improvement from the rating NLB received a year ago, both due to NLB's improved performance by 26%, and also due to a change in the Sustainalytics' rating methodology, which contributed 8% to improved rating. Morningstar Sustainalytics namely recently updated its Corporate Governance baseline, creating two standalone Material ESG Issues for Corporate Governance and Stakeholder Governance. Additionally, the content of the existing Data Privacy and Cybersecurity Material ESG Issues has been expanded.

We improved our sustainable operations the most in Data Privacy, Cybersecurity, Responsible Marketing Policy, and Responsible Asset Management. You may find the detailed report [here](#).

### Improved rating for the third time in a row

ESG risk rating, similarly to credit rating, is a measurement of evaluation of a company, fund, or security's performance, except that it focuses on fulfilment of environmental (E), social (S) and governance (G) standards, instead of credit ability.

This is the third ESG risk rating from Sustainalytics NLB has received in so many years, with each marking an improvement. In 2022, NLB received a risk rating of 17.7, being at the same time the first bank with headquarters and an exclusive strategic interest in Southeast Europe which has obtained this rating, as well as the first among the companies, listed on the Ljubljana Stock Exchange; while a year ago it received a rating of 16.0.

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