

ESG Report 2023

of Nova KBM Group and
Nova KBM d.d.

CONTENTS

1	MESSAGE FROM THE PRESIDENT OF NOVA KBM'S MANAGEMENT BOARD	4
2	ABOUT THIS REPORT	6
3	ABOUT NOVA KBM GROUP	7
4	ESG GOVERNANCE AND STRATEGY	10
4.1	ESG GOVERNANCE	10
4.2	ESG STRATEGY	12
4.3	METRICS AND TARGETS	16
4.4	MATERIAL SUSTAINABILITY TOPICS	18
4.5	SUSTAINABLE DEVELOPMENT GOALS	20
5	ESG RISK MANAGEMENT	21
5.1	CREDIT RISK	21
5.2	INVESTMENT STRATEGY	22
5.3	OPERATIONAL RISK	23
6	MANAGING ENVIRONMENTAL IMPACTS	24
6.1	SUSTAINABLE AND RESPONSIBLE BANKING SERVICES	24
6.1.1.	GREEN PRODUCT OFFERING	24
6.1.2.	CARBON FOOTPRINT OF OUR FINANCED PORTFOLIO	25
6.1.3.	SUSTAINABLE INVESTMENT PRODUCTS	25
6.1.4.	DIGITAL BANKING	25
6.2	SUSTAINABLE OWN OPERATIONS	26
6.2.1.	ENERGY EFFICIENCY	26
6.2.2.	CARBON FOOTPRINT OF OUR OWN OPERATIONS	27
6.2.3.	VEHICLE FLEET AND SUSTAINABLE MOBILITY	28
6.2.4.	WASTE MANAGEMENT	29
7	MANAGING SOCIAL IMPACTS	30
7.1	RESPONSIBILITY TO EMPLOYEES	30
7.2	ENSURING DIVERSITY AND EQUAL OPPORTUNITIES	35
7.3	RESPONSIBILITY TO CUSTOMERS	37
7.3.1.	FASTER SERVICES IN THE AREA OF OPERATIONAL SUPPORT	38
7.3.2.	UPDATING OF CLIENT SERVICES IN THE CONTACT CENTRE	39
7.3.3.	RESPONSIBLE COMMUNICATION	39
7.4	OUR CORPORATE SOCIAL RESPONSIBILITY	40
7.4.1.	SPONSORSHIP AND DONATIONS	40
7.4.2.	AWARENESS-RAISING PROGRAMMES	41
8	CORPORATE GOVERNANCE	44
8.1	COMPLIANCE	44
8.1.1.	FIGHT AGAINST CORRUPTION AND BRIBERY	45
8.1.2.	CONFLICTS OF INTEREST	45
8.1.3.	DATA SECURITY	45
8.1.4.	KNOWLEDGE AND EXPERIENCE OF THE GOVERNANCE BODY IN THE AREA OF ESG	46
8.1.5.	SUPPLIER ESG DUE DILIGENCE	46

8.2	SECURITY OF OPERATIONS	46
8.2.1.	INFORMATION SECURITY	46
8.2.2.	FRAUD PREVENTION	47
8.2.3.	INCIDENT AND CRISIS MANAGEMENT	48
9	PERSONS RESPONSIBLE FOR REPORTING	49
10	APPENDICES	50
10.1	LIST OF ESG RELEVANT INTERNAL DOCUMENTS	50
10.2	GRI CONTENT INDEX	52
10.3	TCFD CONTENT INDEX	62
10.4	EU TAXONOMY DISCLOSURES	63

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1 MESSAGE FROM THE PRESIDENT OF NOVA KBM'S MANAGEMENT BOARD

The year 2023 has been one of transformative changes for Nova KBM, marked by a new strategic owner in OTP Bank and joining the OTP Group. At Nova KBM, we are aware of our social and environmental responsibility as one of the country's most important banking institutions. We conduct our business activities acknowledging our role in the green transition and our responsibility towards society, the environment and most importantly, to future generations.

We are proud of the fact that as a result of the work we started in 2021 with regard to our ESG transformation, sustainability-related discussions in the Board and broader leadership are now part of our day-to-day routine and are taken into account in the decisions we make, while acknowledging the huge amount of work that still lies ahead.

Our ESG transformation

The ESG transformation of the Bank is one of our most important objectives. This is why we further strengthened our ESG governance and in 2023 established a dedicated organisational unit, the ESG Sector. As coordinated by the newly established sector and together with our sister bank, SKB Bank, we have defined a joint ESG strategy formulating even more ambitious targets, and are happy to report on that progress was made in 2023 with regard to all our ESG KPIs, as will be outlined in this publication.

Recognising the evolving regulatory landscape, we remain committed to meeting regulatory expectations and dedicating significant resources to compliance efforts. We have systematically integrated material ESG considerations into our risk management framework, key processes and internal policies. We have upgraded our data infrastructure to be able to systematically collect and record the relevant ESG data of our clients, although the availability of such data remains a challenge.

Responding to environmental and climate related challenges

The data show that 2023 was the hottest year in recorded human history, with the temperature exceeding pre-industrial levels by 1.5°C. Globally we witnessed many natural disasters such as draughts, heatwaves, wildfires and storms. Climate change is no longer a theoretical concept but a phenomenon that we all are experiencing in our everyday lives. Taking action to slow down climate change is not just necessary, but essential for ensuring a sustainable future.

We experienced extreme weather events here in Slovenia as well, namely the floods in August, which were the most devastating natural disaster in the history of the country. As an immediate response, the OTP Group with Nova KBM and SKB Bank donated funds in the amount of 2.2 million euros to the Firefighters Association, the Mountain Rescue Association, and the Slovenian Red Cross, to help people in towns and municipalities whose homes had been damaged or rendered uninhabitable.

The floods also underlined the importance of all the efforts we have been making to fully embed climate-related and environmental considerations in our risk management processes, as well as proving the Bank's resilience, as our credit portfolio was not materially impacted by this disaster. Nevertheless, further continuous upgrading of our risk management methods based on ESG factors is expected to remain on our agenda in the years to come.

Financial institutions will undoubtedly play a key role in financing the transition to a low-carbon and more sustainable economy, and we are committed to supporting the transition of our clients in this regard. In line with this commitment Nova KBM has embraced OTP's Green Loan Framework, ensuring a prudent and unified approach to green corporate lending. Moreover, in addition to the



products offered to our retail clients since 2022 for green mobility (bicycles, e-bikes and e-cars), energy efficiency investments (energy-efficient appliances and renewable energy usage) and housing loans for financing the purchase or construction of energy-efficient properties, last year we developed and have now launched (in the first weeks of 2024) our range of green and transition-enabling products for the corporate segment. Financing for our corporate clients is now available for the purposes of e-mobility, energy production from renewable sources, renovation for energy efficiency and the financing of their green transition, all under favourable interest rates.

In 2023, we provided over EUR 80 million financing to our clients to support a sustainable transition, mostly in the manufacturing and real estate development sectors. This we consider a small but important first step on a long journey to support our clients with their efforts in this context.

Our responsibility towards the environment is also reflected in our efforts to minimise our own impact on the natural environment. We thus continued to source electricity only from renewable sources, further electrified our vehicle fleet, and continued investing in the energy efficiency of our own office premises, equipping them with energy-saving lighting and a new energy-monitoring system.

We also recognise that to maximise our impact we must mobilise all our employees, which is why we invest efforts in initiatives that may have a relatively small direct positive impact on the environment, but we believe can make a significant contribution towards building awareness and increasing motivation to do better. Examples of such initiatives include the beehives on our HQ building – and this year we harvested honey from our bees for the first time – or our employees planting more than 250 trees in the area of the Karst that was affected by wildfires in 2022.

Our social responsibility

We remain committed to the social and governance pillars of our ESG strategy, and are maintaining sustainable, open and proactive relationships with all stakeholders: employees, clients, business partners, regulators and others.

As the Bank started aligning its vision with that of the OTP Group – something we will continue doing in 2024 – and gearing up for the merger with SKB Bank, a concerted effort is underway to define a cohesive organisational culture that emphasises inclusivity, sustainability, and philanthropy. In 2023 we focused much of our efforts in leading our employees through this change process, held several change management workshops and started defining our common values. We focused on clear communication with the help of internal newsletters, townhall meetings, and cross-bank team building events.

We are also an active contributor to the communities that we are part of. In 2023, the Group supported more than 50 national, regional and local communities as partner, sponsor or donor. We continued with awareness programmes on the subject of financial literacy, including providing knowledge about banking products and services, responsible investing and borrowing, digital literacy, safe banking, fraud prevention and security in online commerce.

Recognition and awards for sustainable practices

The Bank also received awards and certificates for its commitment to the sustainable transition in 2023. For example, it obtained the Green Star Certificate for the second year in a row, awarded by the CER Partnership for a Sustainable Economy, and the Corporate Responsibility Award (HORUS) given by the IRDO institute for the fourth year in a row.

We would like to thank all the Group's employees, clients and business partners for their trust, cooperation, and open communication, all of which paved the way for our achievements. We are excited to further support our clients with their ambitious ESG transformation. We are also grateful to our regulators for the continuous push forward on the path of our own transformation. We are committed to remaining fully compliant with the evolving regulatory landscape, not only because it's the right thing to do, but also because we truly believe these requirements are in the best interests of our company, ourselves and our stakeholders.

Sincerely,

John Denhof,
President of Nova KBM's Management Board



2 ABOUT THIS REPORT

In accordance with the provisions of Article 70c of the Companies Act, we disclose non-financial data regarding operations in 2023 to our stakeholders in the **ESG report of the Nova KBM Group and Nova KBM**. As a standalone publication, the report is published every year at the same time as the Annual Report of the Nova KBM Group (hereinafter also referred to as the Group). Non-financial data for the 2017–2020 financial years were presented in the Report on Sustainable Development and Social Responsibility. We renamed the aforementioned report the ESG Report during the 2021 financial year. We included in the ESG Report for the 2023 financial year relevant aspects of reporting on environmental, social and governance activities, and information regarding the implementation of Nova KBM's ESG strategy, which was most recently updated in 2023.

The report focuses on Nova KBM, which is the controlling company in the Nova KBM Group. The Bank's policies and guidelines in connection with the management of ESG are gradually being introduced at the subsidiary of the Bank, ALEJA Finance (with 17 employees).

The figures presented in the report have been prepared in accordance with the following **regulatory requirements**:

- Article 70c of the Companies Act (ZGD-1),
- Regulation (EU) No 2020/852 on the establishment of a framework to facilitate sustainable investment, and amending Regulation 2019/2088 (EU Environmental Taxonomy) and Commission Delegated Regulation (EU) 2021/2178, Commission Delegated Regulation (EU) 2023/2486 and Commission Delegated Regulation (EU) 2022/1214 (disclosures are presented in Chapter 10),
- The ECB guide on climate-related and environmental risks.

In accordance with the relevant guidelines, the report discloses information in a fair, balanced and comprehensible manner, comprehensively yet concisely, in a strategic and forward-looking approach, with a focus on stakeholders. The Group takes into account the European Commission's guidelines regarding non-financial reporting. The report includes **quantitative and qualitative indicators** in accordance with the reporting model of the GRI (Global Reporting Initiative), recommendations of the Task Force on Climate Related Disclosures (TCFD) reporting framework (on a voluntary basis), and the relevant ESG disclosures framework/recommendations.

No restatement to the previous reporting period (2022) has been performed. Nova KBM's ESG report is not subject to external assurance.

For additional information with regard to the report, interested parties may contact us via the email address esg@nkbm.si.

3 ABOUT NOVA KBM GROUP

Nova KBM d.d. is a systemically important and universal bank with a more than 160-year banking tradition. In accordance with Slovenian legislation the Group has a two-tier management system under which the relations between individual bodies are based on the mutual segregation of rights and responsibilities. As of 31 December 2023, Nova KBM's governing bodies included the Bank's Management Board (four members), Supervisory Board (seven members) and General Meeting of Shareholders.

At the end of 2023, the Bank's client base comprised more than 1,700 large enterprises, over 6,500 MSE and 643,037 retail clients. The Nova KBM Group had 1,575 employees, with 1,558 of them at Nova KBM, which ranks the Bank as one of the largest employers among banks and one of the most important employers overall in Slovenia.

On 6 February 2023, OTP Bank officially became the owner of Nova KBM d.d. and ALEJA Finance d.o.o. The Bank thus gained a strong strategic owner, which will further strengthen the position of the OTP Group on the Slovenian banking market.


The change in ownership also resulted in a change in the Bank's logo and external corporate identity. At the same time, Nova KBM's 100% stake in Summit Leasing Slovenija d.o.o. has been divested from the Nova KBM Group.

The OTP Group is one of the leading financial groups in Central and Eastern Europe, with a history of outstanding growth, superior profitability, and a sound capital and liquidity position. OTP Group provides universal financial services for 17 million clients and has more than 41,000 employees in 12 countries. It offers the most advanced digital services and has a business network with more than 1,400 branch offices.

The OTP Group is headquartered in Hungary, has a varied and transparent ownership structure, and has been listed on the Budapest Stock Exchange since 1995. OTP Group's operations are fully compliant with the EU standards and legislation that govern corporate governance, compliance and transparency.

The change in ownership of Nova KBM brought the first benefits for clients in March when Nova KBM and SKB Bank established a joint network of ATMs. Nova KBM also made it possible for its clients to make free cash withdrawals using their debit cards at the ATMs of OTP Croatia, which is one of the first synergistic effects of the OTP Group outside of Slovenia. Moreover, from the beginning of 2024, we are offering Nova KBM and SKB Bank customers free cash withdrawals at more than 4,700 OTP ATMs in ten countries: members of the OTP Group in Hungary, Croatia, Serbia, Montenegro, Romania, Bulgaria, Ukraine, Albania and Moldova.

Since the change in ownership, Nova KBM has been intensively preparing for the merger with SKB Bank, which is planned for 2024. The future merged bank will be named OTP banka. With the future merged bank's leading position in terms of its share of loans and deposits, the new name will further strengthen awareness of the OTP brand in Slovenia and the wider region.

 Detailed information regarding the Nova KBM Group's business model and strategy, governance and financial results are presented in the 2023 Annual Report.

Nova KBM's mission is successful operations in **five key pillars or strategic areas: growth and profitability, client excellence, strong risk management and compliance, operational efficiency, and organisational culture and talent development.**



Implementation of the strategy is based on common values, which have been co-created by employees in the Nova KBM Group. We are building and strengthening corporate culture through positive values that determine our actions, decisions and good practices.

Nova KBM received five awards and certificates in 2023. Among these, for its commitment to sustainable and responsible operations it obtained the Green Star Certificate for the second year in a row, awarded by the CER Partnership for a Sustainable Economy, and the Corporate Responsibility Award (HORUS) given by the IRDO institute for the fourth year in a row.

Awards and certificates received in 2023:



Nova KBM employees are actively involved in a number of professional associations and initiatives. Highlights are presented in the table below.

Major collaborations and Nova KBM's membership in professional associations

- Chamber of Commerce and Industry of Slovenia and regional chambers
- Bank Association of Slovenia
- Managers' Association of Slovenia
- Association of Employers of Slovenia
- Slovenian Directors' Association
- American Chamber of Commerce
- British-Slovenian Chamber of Commerce
- CER Partnership for a Sustainable Economy
- Mainstreaming Climate and Financial Institutions
- IRDO – Institute for the Development of Social Responsibility
- Zeleno omrežje Slovenije (Green Network of Slovenia)
- European Institute of Compliance and Ethics
- Commercial Law Institute
- Purchasing Association of Slovenia
- Institute of Internal Auditors (IAA Slovenia)
- Slovenian Advertising Chamber
- Public Relations Society of Slovenia
- European Institute for Compliance and Ethics (EICE)

4 ESG GOVERNANCE AND STRATEGY

Social responsibility and sustainable operations have been important elements of the Bank's identity since it first began operating, while our approach to managing these areas has become more comprehensive and strategic over time. Since 2022 the Bank has had a comprehensive ESG programme with streams across the whole organisation, in which the members of the project team are tasked with implementing the ESG strategy in the Bank's operations.

In 2023 we marked an important step by establishing a standing organisational unit for ESG management in the Bank, reporting directly to the President of the Management Board. The unit now coordinates all ESG-related activities and is the operative responsible for the preparation and implementation of the ESG strategy – while specific ESG initiatives remain embedded in the tasks of the divisions throughout the Bank.

At the end of 2023 – and also as part of the preparation for the upcoming merger with our sister bank, SKB Bank – we refreshed our ESG strategy, confirming our forward-looking ESG principles and again setting more ambitious goals in connection with environmental, social and governance factors. One of our most important priorities for 2024 will be the definition of the sectoral decarbonisation targets as part of a group-wide project led by OTP Bank's Green Programme Directorate.

The Bank includes strategic ESG goals in its internal policies, methodologies, procedures, and instructions. These documents are regularly updated, and their content included in annual training programmes. As part of the training programme, all of the Bank's employees were included in ESG-related online training again in 2023, and more than 96% of all employees completed training on the general acts that set out Nova KBM's ESG path as well as global ESG challenges, goals, commitments and regulatory framework. The key pillars of the ESG culture and activities that the Bank carries out with the aim of reducing our carbon footprint and raising the awareness of employees were summarised in the training programmes, with a focus on activities related to the establishment of the related organisational unit, and the implementation of OTP Group's Green Loan Framework.

4.1 ESG GOVERNANCE

Nova KBM's Management Board is aware of the ever-increasing number of challenges in connection with climate change and its likely impacts on the business environment and business model of the Nova KBM Group.

Nova KBM d.d. established the **Climate Change and Sustainability Committee** in 2021. The committee is a delegated body that includes all members of the Bank's Management Board. It is responsible for the comprehensive and effective implementation of the Group's ESG strategy, so that the Group can more easily assess, manage and monitor the associated risks and potential business opportunities.

The mission of the Climate Change and Sustainability Committee is to ensure the comprehensive implementation of the ESG strategy across the organisation, to define, assess, manage and mitigate climate-related risks, and to exploit to the greatest extent possible the business opportunities brought about by the ESG transformation. It supervises the work of internal working groups established in all of the Bank's business and control functions, and reviews and approves reports on the work of organisational units included in the implementation of the strategy. It also confirms the Bank's annual ESG report.

The Climate Change and Sustainability Committee is chaired by the member of the Management Board responsible for risk management (the President of the Management Board serves as Deputy Chair). Committee members include all of the members of the Bank's Management Board, each of which is responsible for an area that is relevant to their function. The committee is responsible for the comprehensive and effective implementation of the ESG strategy within the Nova KBM Group. All committee members strive to raise awareness about ESG among employees.

ESG-related discussions go far beyond the meetings of the Climate Change and Sustainability Committee, and are part of our day to day activities and discussions within the leadership, and ESG considerations play an important role in the decisions we make.

Overview of the responsibilities of Management Board members on the Climate Change and Sustainability Committee

Voting members of the Climate Change and Sustainability Committee	Area of responsibility
Member of the Management Board responsible for risk management	Management of climate-related and environmental risks in the risk management process (with an emphasis on the management of credit risks), and in the scope of the ICAAP and ILAAP – Chair of the Committee.
President of the Management Board	Sustainability, and awareness and commitment of employees; ensuring that the Remuneration Policy and associated practices promote employee conduct that is in line with the Group's ESG strategy – Deputy Chair of the Committee.
Member of the Management Board responsible for finance and financial markets	Standards in connection with climate and environmental reporting, responsible for sustainable investing – member of the Committee.
Member of the Management Board responsible for corporate transactions	Development of sustainable financing, and associated products and services – member of the Committee.

Other committee members include directors and advisors to the Management Board responsible for ESG-related areas

Other members of the Climate Change and Sustainability Committee	Area of responsibility
Director of the ESG Department	Drafting of the ESG strategy and coordination of the implementation thereof – member of the Committee.
Director of the Compliance Office	Overseeing and coordinating the Bank's activities aimed at ensuring compliance with relevant and applicable ESG requirements and regulations and overseeing the implementation of the ESG strategy – member of the Committee.
Director of the Strategic Risk Management Department	Inclusion of climate-related and environmental risks in the risk appetite framework (RAF), formulation of the relevant key risk indicators and the definition of the appropriate limits for the successful management of those risks – member of the Committee.
Director of the Credit Management Sector	Inclusion and consideration of climate-related and environmental risks in the credit management process – member of the Committee.
Director of Credit Risk Management Department	Establishment of a comprehensive framework for the effective management of ESG risks in the Bank's credit processes – member of the Committee.
Advisor to the Management Board	Serves as an ESG advisor who promotes the implementation and coordination of the entire ESG strategy across the Group – member of the Committee.

Only committee members who are members of the Management Board have voting rights, but all committee members are responsible for promoting the ESG agenda within their functional organisational units. Also invited to meetings of the Climate Change and Sustainability Committee as permanent members are the Bank's procurators and the directors of other areas who are heavily involved in the implementation of the ESG strategy, including the Director of Product Development, Director of Asset and Liability Management, Director of Real Estate Management and Central Purchasing, Director of Marketing and Communication, Director of Internal Auditing and the Compliance Officer from the Compliance Department, which is responsible for ESG-related matters.

At its sessions the committee discussed, *inter alia*, key milestones and activities by individual areas where aspects of ESG are being implemented. It monitored key ESG-related performance indicators for 2023 and approved the ones proposed for 2024, as well as medium-term goals, and the expectations and recommendations of the regulator (ECB) that relate to the management of climate-related and environmental risks. The committee also monitored and discussed the updating of processes and methodologies being

implemented at the Bank, including the introduction of internal ESG reports and a methodology for assessing the greenhouse gas emissions generated by the Bank's customers. In 2023, the committee met at four regular sessions.

All Level 1 and 2 bylaws (strategies, policies and rules), including bylaws that are relevant in terms of ESG, are approved by the Bank's Management Board. The appendix to the report includes a list of ESG-related bylaws that are confirmed by the Bank's Management Board, similar to other bylaws.

In accordance with their powers, all employees are responsible for the professional, high-quality, prudent and timely performance of the tasks set out in the relevant rules. Taking into account their competences, all divisions, departments and other organisational units at the Bank and within the Group are responsible for verifying the appropriateness, reliability and above all effectiveness of the performance of the internal processes and procedures of the Bank and Group, including potential changes, amendments and updates proposed by individual organisational units for the purpose of managing ESG risks, and for general compliance with external and internal regulations from all stakeholders at the Bank and within the Group.

The Bank's Management Board monitors and regularly assesses the effectiveness of internal governance arrangements and ensures the appropriate measures to eliminate identified deficiencies. The Bank's Management Board takes climate-related and environmental risks into account in the development of the overall business strategy, business objectives and risk management framework, effectively controls climate-related and environmental risks, and ensures that the ESG project and management of ESG risks are given the necessary powers and influence to perform that function, as well as sufficient human and financial resources for the effective identification of risks.

The ultimate body responsible for approving the ESG strategy of the Bank is the Supervisory Board.

In 2023, we invested significant human and financial resources in the ESG transformation of the Bank. We hired a director (B-1) to lead the newly established ESG Sector of the Bank. From a financial perspective, our costs directly associated with the transformation included among other items investments in the energy efficiency of our own premises and zero emission vehicles, the purchase of ESG data from external providers, and implementation of data points into our core and other IT systems, amounting to over EUR 0.5 million. On top of this, we donated over EUR 1 million, mostly related to the devastating floods that happened in August.

4.2 ESG STRATEGY

The Bank's ESG strategy defines objectives and priorities that support the achievement of the vision, mission and business strategy of the Bank, as well as those of the OTP Group. It reflects our ESG ambitions to support and enable the Bank's business and financial plans and defines the KPIs to track our success.

The Bank first defined its ESG strategy in 2021, and since then this has been revised, fine-tuned and updated on a yearly basis building on the experience and knowledge accumulated in the Bank, the evolving supervisory expectations, and most recently – after the acquisition of Nova KBM in 2023 – in line with the expectations of the OTP Group. At the end of 2023 – also as part of the preparation for the upcoming merger with our sister bank, SKB Bank – we have refreshed our ESG strategy. This confirms the forward-looking ESG principles that have been defined, and sets more ambitious goals in connection with environmental, social and governance factors.

Strategic pillars of the Nova KBM Group



The purpose of the strategy is to ensure the inclusion of environmental, social and governance factors in the Group's business strategy, and in its relevant operations and processes. To that end, we included the following, forward-looking ESG principles in the Nova KBM Group's business strategy.

ENVIRONMENTAL PRINCIPLES

- The Group recognises that its business environment is and will be impacted by **climate change**. This will also have impacts on the physical and macro-economic environment in which the Group operates. Moreover, the **transition to a low-carbon or carbon-neutral economy** brings with it risks and opportunities for the Bank (as for other financial institutions). The Bank recognises both **physical climate change and transition risk as relevant drivers** of its overall risk profile.
- The Group operates in a Member State of the EU, which has committed to reducing its GHG emissions by 55% from the levels recorded in 1990 by 2030. The **European Green Deal** has committed to making Europe a **climate-neutral continent by 2050**. In these contexts, Slovenia has made its own commitments in support of the EU's binding commitments (last refreshed in 2023).
- The European authorities, including the ECB, expect that the **financial sector plays a key role** in this process, and the European Commission has set this out in its action plan for **financing sustainable growth**.
- The Group has familiarised¹⁴ itself with these plans and utilises them within the development of its commercial objectives.
- The Group is taking actions in the short and medium term to **adapt its current investment and loan portfolio** to one which is aligned with the EU's Nationally Determined Contributions (NDCs) to decarbonise the economy, and such that its exposure to climate and transition risk is reduced over time.
- The Group is taking actions in the short and medium term to increase its commitments to **financing the economic transition towards a low-carbon or carbon-neutral economy**.
- The Group is taking actions in the short and medium term to **reduce further its own Scope 1 and Scope 2 emissions**, recognising the progress already made in this respect.

 Additional information about environmental impacts is presented in Chapter 6.

SOCIAL PRINCIPLES


- The Group will remain **socially responsible institution**, and continue to build **sustainable, open and proactive relations with all our stakeholders**: employees, customers, business partners and others. Our aim is to contribute to the **development of the broader social and economic environment** in which we operate.
- We will keep supporting national, regional and local communities as a **partner, sponsor or donor** with regard to events, projects and initiatives. We will continue with **awareness programmes** in the areas of financial literacy, which includes providing knowledge about banking products and services, responsible investing and borrowing, digital literacy, safe banking, fraud prevention and security in online commerce.
- We will continue to build an **inclusive work environment** that promotes **equality and diversity** and that prioritises **employee well-being**.

 Additional information about social impacts is presented in Chapter 7.

GOVERNANCE PRINCIPLES

- The Group will remain committed to meeting the **highest corporate governance and compliance standards**. We have codified our shared values, the foundation of ethical standards and rules of conduct, in our **Code of Conduct** that is the primary building block of our corporate culture.
- We will keep acting with full **transparency** and the highest level of **integrity** as well as continue to have a zero-tolerance policy toward any kind of corruption in all our business relationships and transactions.

¹ ETS sector: under Directive (EU) 2023/959 the EU Emissions Trading System. Non-ETS: Regulation (EU) 2023/857 on the EU level. EU Member State targets are to be found at the following link: [Microsoft Word - ES-2023-10-17 EU submission NDC update.docx \(unfccc.int\)](#)

 Additional information about corporate governance is presented in Chapter 8.

With the upgrading of the ESG strategy we defined our goals for 2024 and onwards, building on the lessons learned from previous years and considering supervisory expectations and those of the OTP Group, as well as our ambition to contribute to the sustainable development of Slovenia. We kept the structure of the initiatives covered by the ESG strategy but slightly updated it, and it now covers eight focal areas now, with the addition of corporate culture, employee well-being and diversity as a separate initiative under the Social pillar.

E  Environmentally Sustainable Growth Enable net-zero transition of own and financed activities	S  Social Sustainability Develop our environment by spreading social initiatives & engaging with all stakeholders	G  Robust ESG Governance Ensure transparent governance and secure functional ESG data
Sustainable Portfolio 1.1. Paris Agreement aligned corporate portfolio <ul style="list-style-type: none"> Align Corporate portfolio with the Paris agreement 1.2. Paris Agreement aligned retail portfolio <ul style="list-style-type: none"> Shift product portfolio to be more sustainable Align the retail portfolio with the Paris Agreement 1.3. Paris Agreement aligned treasury portfolio & sustainable financing <ul style="list-style-type: none"> Align the treasury portfolio with the Paris Agreement Secure sources of sustainable financing 	Social Responsibility & Alliances <ul style="list-style-type: none"> Support ESG topics through partnerships, donations, sponsorships & charities Boost the financial literacy of our clients and the wider society through developing and delivering various educational content Engage with and take an active role in various associations that push forward the ESG transformation Align ESG communication and messages across all channels 	ESG Data Governance <ul style="list-style-type: none"> Upgrade data models with all required ESG data points from all sources Secure accessible and reliable use of the ESG data and its incorporation in relevant data models and reports
Climate, Environmental & Social Risk Framework 2.1. CES risk framework & control <ul style="list-style-type: none"> Continuously improve CES (ESG) risk management framework & processes Assess and monitor CES risks, their impact on our business environment and integrate them in our business strategy 2.2. CES risk in credit risk <ul style="list-style-type: none"> Enhance CES (ESG) risk management in credit risk management & portfolio analysis 	Corporate Culture, Employee Well-being and Diversity <ul style="list-style-type: none"> Strive for greater employee commitment and improvements to the organisational culture Promote inclusion & equal opportunity across the organisation by providing equal opportunities in remuneration, promotion, and benefits for our employees Provide for employee well-being 	Governance & Organisation <ul style="list-style-type: none"> Ensure effective governance structure for dealing with ESG topics, also incorporating the right incentives through clear metrics and targets Incorporate ESCininternal policies & procedures Build up ESG culture & competence across the organisation, including in the Management Board
Sustainable Operations <ul style="list-style-type: none"> Reduce our impact: decrease Scope 1,2, and 3 emissions from own operations (decarbonization of own operations) Source only from ESG compliant vendors 		Regulatory Compliance & Reporting <ul style="list-style-type: none"> Continuously improve ESG governance, risk management framework and methodologies to comply with EB's requirements on climate-related and environmental risk management Apply green lending standards as defined by the EU taxonomy and other regulations/standards Compliance with all disclosure requirements (Pillar 3 disclosures, EU taxonomy reporting, CSRD)

4.3 METRICS AND TARGETS

The Bank has had an ESG KPI dashboard in place since 2022. More recently, the KPIs for 2024 have been defined as part of the updated ESG strategy. These KPIs are being monitored and reported to and discussed by the Climate Change and Sustainability Committee, ensuring that the appropriate measures can be implemented in case the indicators do not meet the required levels. Most ESG KPIs are revised on a yearly basis, but certain targets are by nature forward looking and thus some KPIs are long-term ones (e.g. green and transition-enabling loans and decarbonisation targets).

We are happy to report on the progress made in 2023 with regard to our ESG KPIs. For the first time, we have set and achieved targets in financing the sustainable transition of our clients. While green lending volumes are still to catch up in line with the transition of the whole economy and client demand, our main achievement in 2023 has been the development of our green lending framework – in line with the OTP Group's – and the development of green and transition-enabling products for our corporate clients, following the retail products which have been available since late 2022. We also put and will continue putting great emphasis on exploring ways to engage with and best support our clients in their transition.

We also made progress with the decarbonisation of our portfolio in 2023, and put great efforts into the development of the data quality used for our calculation – acknowledging that the lack of data remains a challenge. For the first time, in the 2024 strategy update we have defined long term (2030) portfolio decarbonisation KPIs, while one of our most important priorities for 2024 will be the definition of sectoral decarbonisation targets as part of a group-wide project led by OTP Bank's Green Programme Directorate.

We significantly increased the number of clients which are assessed (on an individual level) based on ESG criteria and in line with our commitment, assumed no new exposure towards industries which we consider harmful based on environmental or social considerations (among others certain fishing activities, mining of hard coal or lignite, growing of tobacco or manufacturing of tobacco products). We also continued the transformation of our investment portfolio to a more sustainable one by increasing the share of green bonds in it.

Since 2017, the Bank has been monitoring and disclosing its Scope 1 and Scope 2 emissions (emissions from its own operations), aiming to reduce the use of energy used for the Bank's operations. In 2023 we further reduced emissions from our own operations, which was achieved by optimising the use of real estate, investing in real estate (introducing energy management systems, replacing lights with LED technology, replacing heating, ventilation and air conditioning systems, etc.), electrifying the vehicle fleet and purchasing electricity from renewable sources.

We also delivered on our targets related to employee satisfaction and diversity, as well training of the employees on ESG topics.

ESG targets in performance management

Nova KBM's remuneration policy is consistent with the objectives of the Group's business and risk management strategy, including those related to environmental, social and governance risk, corporate culture and values, the long-term interests of the Group, and the measures used to avoid conflicts of interest. The pay-out process for variable remuneration is based on the Performance Assessment Criteria for the relevant year. The criteria are based on the Group's strategic pillars, which incorporate the ESG strategy. This in practice means that selected ESG KPIs are included in the performance scorecards for all employees in the Bank, including members of the Management Board. Realisation of these KPIs impacts the variable pay of the employees. A subset of all ESG KPIs included in scorecards is on the level of "shared objectives" – meaning they are the same for all employees. Other ESG KPIs are included in the scorecards of dedicated units / sectors or individual employees either as team or individual goals – depending on the units / employees who are responsible for delivering these KPIs.

Overview of key ESG KPIs in Nova KBM: realisation for 2023 and targets for 2024 and onwards

ESG KPI	Future target (2024 and onwards)	Performance assessment (2023)
Growth and profitability		
Green and transition-enabling loans (green loans are defined in accordance with the OTP Group's green definitions as described by the Green Lending and Sustainable Finance Frameworks of the OTP Group. Transition-enabling loans are purposed loans clearly linked with transition commitments by the clients (reductions in emissions, energy usage, water usage, etc.) and defined by clearly defined product criteria, but are not meeting all the technical screening criteria of green loans.)	Green and transition-enabling loans for retail and corporate clients: 2024 target: EUR 89 million (of which green loans: EUR 54 million) 2025 target*: EUR 251 million (of which green loans: EUR 164 million)	Green loans to household clients have been offered by the Bank since November 2022, but we have seen limited demand for these in 2023. Regarding corporate green and transition-enabling loans, as a result of integration with the OTP Group the Green Loan Framework of the Group has been adopted. Green corporate products have been developed in line with the framework, and the concept of transition-enabling loans has also been defined. By the end of 2023 green and transition-enabling products were defined for four purposes, and were made available for our clients in January 2024. In 2023, we provided EUR 81 million financing to our clients to support the sustainable transition, mostly in the manufacturing and real estate development sectors.
Share of green bonds in the investment portfolio ²	2024: >= 5%	The Bank has set a goal to keep its share of investment in green bonds at over 5% in 2023, a level which has been exceeded (8.5%).
Risk management and compliance		
GHG emission intensity of the financed portfolio (Scope 1 and Scope 2 financed emissions)	2024: Reduce the emission intensity of the financed portfolio – targets set for 2025 and 2030, which will be aligned with the OTP Group's decarbonisation plans in 2024 and disclosed subsequently.	The Bank started to regularly monitor the GHG intensity of its (business loans) portfolio in 2023, and has already made progress with the reduction of the intensity. In 2023 the financed GHG emission calculation was refined, and for the first time is disclosed in the current report (see Chapter 6.1.2).
Assessment of the Bank's exposure according to ESG underwriting criteria	2024: >=60% (excluding the retail and micro-enterprise segments)	In 2023 an ESG assessment was conducted for 67% of the portfolio, and thus the target of 45% was exceeded.
Excluded industries	2024: No new exposure to excluded industries	No new exposure was assumed with regard to excluded industries in 2023.
Operational efficiency		
Optimisation of the Bank's own carbon footprint	2024: Own GHG emissions (Scope 1+2): reduced by at least 11% (on a 2022 baseline)	In 2023, a reduction of 4% on Scope 1 and 2 emissions YoY vs 2022 was achieved due to the energy efficiency measures that were implemented. For the first time, the Bank's own emissions were calculated by an external party, Bureau Veritas, in line with the GHG Protocol 2004 standard, for 2022 and 2023.
Electricity purchased from renewable sources**	2024: 100% of electricity purchased from renewable sources	Since 2022, electricity for commercial buildings has been obtained exclusively from renewable sources.
Culture and talent development		
ESG training for all employees	2024: >95% of employees must complete online training	In 2023 dedicated training was delivered to the Management of the Bank, covering all aspects of ESG in the OTP Group. In addition, ESG training has been made available in e-learning form for all employees, which has been successfully completed by 96% of them.
Gender diversity rate (B-1 directors & Identified Staff excl. Supervisory Board & Management Board ¹)	2024: 45-55%	The gender diversity rate reached 55% at the end of 2023 – measured for B-1 directors and Identified Staff. At the beginning of the period 46% of the B-1 directors and Identified Staff were female.

² Green bonds which are issued in line with the Green Bond Principles from the International Capital Market Association (ICMA).

Employee satisfaction index	2024: >75%	The employee satisfaction index in 2023 was measured at 75%.
Employee engagement index	2024: >70%	The employee engagement index in 2023 was measured at 73%
Employee Net Promoter Score	2024: +33pts	The employee Net Promoter Score in 2023 was +66pts. For 2024 we set a more conservative target, taking into account the fact that major changes, such as the merger of the two banks, typically have a negative impact on employee satisfaction from a psychological perspective.

*The 2025 target is defined taking into account the planned merger with SKB.

**Applies to the buildings owned by the Bank. In a minority of cases (less than 8%) the bank rents the real estate, and cannot impact the electricity purchase process.

In addition to the KPIs presented in the table above, in Nova KBM there are additional, more detailed ESG KPIs that are defined which are used for efficient measurement, monitoring and managing of ESG risks, as well as monitoring the progress of the ESG transformation throughout the Bank.

4.4 MATERIAL SUSTAINABILITY TOPICS

Materiality assessment approach

The materiality analysis is a guiding part of our activities promoting sustainable development and the preparation of the ESG report. The analysis is based on compliance with the Global Reporting Initiative (GRI) sustainability reporting standards. The purpose of our materiality analysis is to highlight the most significant topics and elaborate on them in our report.

In its materiality analysis, Nova KBM is now aligned with OTP Group's practice and builds on the findings of OTP Group's analysis of material topics. From a methodological perspective, this means that two types of materiality were considered in the assessment:

- **Impact materiality** (as defined by GRI, also referred to as "inside out impacts"): significant topics are those which have the most significant impacts on the company's environment (i.e. impact of the Bank's activities on the environment it operates in), including the physical environment, society and people.
- **Financial materiality** (also referred to as "outside in impacts"): factors that may have a significant, positive or negative impact on the Bank's value, competitive position, long-term shareholder value creation and business performance.

Both perspectives (impact and financial) were considered in the analysis, prioritising the GRI expectations on impact materiality. This already reflects the so-called "double materiality" approach required by the soon to be applied CSRD (Corporate Sustainability Reporting Directive).

Materiality assessment process

Nova KBM performed its materiality analysis based on the following process steps:

- Confirmation of the **list of shareholders**, identification of the shareholder groups that actively take part in identification and assessment of material topics. Stakeholder groups participating in the process included employees, trade unions, clients, and suppliers as well as representatives of civil and professional organisations.
- To **determine significant topics**, Nova KBM's Marketing and ESG departments together defined an initial list of candidates for the list, using:
 - The list of material topics identified by the OTP Group;
 - The list of material topics reported in Nova KBM's ESG reports in recent years;
 - Nova KBM's ESG risk inventory;
 - Other research reflecting the opinions of specific stakeholder groups (customers and employees), including customers satisfaction and employee engagement surveys.
- We conducted **stakeholder research**, with a twofold aim:
 - To confirm the list of material topics and gather additional ones that specific stakeholder groups deem important;
 - To assess the impact of the topics from an impact materiality perspective.

- **The financial materiality** was assessed by the Bank.
- **The impact materiality** of the identified significant topics was assessed by first determining the direction of impact (whether positive or negative) and then the magnitude was assessed on a 7-point scale (-3 to 3, where 3 is the most significant positive and -3 is the most significant negative impact).
- As a final step, the **list of material topics to be reported** was identified as those that were considered to have the most significant impact from either the impact or the financial materiality perspective. Besides the assessed impacts, we also took into account which topics were mentioned most often by the stakeholder groups participating in the analysis.

The results of the analysis have been extensively **discussed and confirmed by the Bank's Management Board**.

List of most material topics in 2023:

- Customer experience and satisfaction (see Chapter 7.3).
- Responsible employment (see Chapter 7.1).
- Compliance awareness, AML and business ethics (see Chapter 8.1).
- Data and customer privacy (see Chapters 8.1 and 8.2).
- Impact on local communities through sponsorships and donations (see Chapter 7.4.1).
- Environmental and social awareness building (see Chapter 7.4.2).
- Social and environmental impact of the financial products and services offered by the Bank (see Chapter 6.1).

Based on the perceived relevance by stakeholder groups the list of most relevant topics included: (i) responsible employment, (ii) impact on local communities through sponsorships and donations, (iii) data and customer privacy, and (iv) compliance awareness, AML and business ethics. Based on the sustainability impacts that were assessed, the topics with the largest impacts were: (i) social and environmental impact of financial products and services offered by the bank, (ii) compliance awareness, AML and business ethics, (iv) responsible employment, and (v) data and customer privacy. From a financial materiality perspective, the topics with the highest impact were: (i) customer experience and satisfaction and (ii) responsible employment.

Since the assessment methodology was changed substantially this year the results are not comparable with previous years', although all of the topics listed above were also identified as relevant in previous years' reports, enabling a comparison of the progress that has been made.

4.5 SUSTAINABLE DEVELOPMENT GOALS

Nova KBM understands and carries out activities in the scope of its ESG strategy in light of the United Nations' Sustainable Development Goals (SDG).


Sustainability goals	Impacts and creation of added value?	Management of impact
 3 GOOD HEALTH AND WELL-BEING	3 Health and well-being <ul style="list-style-type: none"> We focus on improving the quality of life through the development of contemporary banking services. Among employees we promote the active maintenance of physical and mental health, and the reduction of stress. 	Details are presented in the section: Managing social impacts
 4 QUALITY EDUCATION	4 Quality education <ul style="list-style-type: none"> We invest in the development and knowledge of employees, and endeavour to ensure a high level of competence. We promote the financial literacy of our customers. We liaise with schools and universities for high-quality and practical training and education, through the participation of the Bank's management staff and other representatives in training and education programmes. 	Details are presented in the section: Managing social impacts
 5 GENDER EQUALITY	5 Gender equality <ul style="list-style-type: none"> We support diversity, inclusion and equal opportunities in the workplace regardless of gender, ethnicity, age, religion, sexual orientation or marital status. 	Details are presented in the section: Ensuring diversity and equal opportunities
 7 AFFORDABLE AND CLEAN ENERGY	7 Affordable and clean energy <ul style="list-style-type: none"> We support access to clean and affordable energy by offering green transitional loans. 	Details are presented in the section: Sustainable and responsible banking services
 8 DECENT WORK AND ECONOMIC GROWTH	8 Decent work and economic growth <ul style="list-style-type: none"> We support entrepreneurship and the creation of new jobs that contribute to sustainable growth. We support equal opportunities and meritocratic values, where achieving a reward is the result of effort, commitment and ability. 	Details are presented in the section: Managing social impacts
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12 Responsible production and consumption <ul style="list-style-type: none"> We help make borrowers and investors to become more aware of their needs and financial capabilities, as well as their risk profiles. We strive to mitigate negative impacts on the environment through sustainable management of energy consumption and natural resources and by reducing our carbon footprint (Scope 1 and Scope 2). 	Details are presented in the sections: Managing environmental impacts, Managing social impacts
 13 CLIMATE ACTION	13 Climate action <ul style="list-style-type: none"> We help fund energy-efficient and green projects aimed at achieving better energy efficiency and the transition to a low-carbon economy. We are successfully reducing our carbon footprint (Scope 1 and Scope 2) in our operations, and are efficient in our use of energy resources. All the electricity we use is provided from renewable sources. We encourage our clients to strive for the same goals in their operations. 	Details are presented in the section: Managing environmental impacts

5 ESG RISK MANAGEMENT

The management, measurement, mitigation and monitoring of ESG risks represent a continuous process that changes relatively quickly. The Group has identified ESG risks and ESG factors as material to its business environment and business model. The assessment of ESG risks is a continuous process. For this reason, the Group will continue to define ESG risk factors and include them in existing risk types and not as separate ESG risks. The Group continues to focus on the introduction of ESG factors in internal processes in order to meet the associated regulatory requirements and improve the availability of data. The availability and quality of the data required to accurately measure and monitor ESG risks remains a challenge. For this reason, the Group pays special attention to the collection of factual data from its clients and to developing evaluation methodologies where data is not available.

The Group continuously monitors key ESG risks and assesses their impact on various business areas and risk areas in the scope of the regular assessment of the risk profile and the ICAAP/ILAAP. Focus is placed on the introduction of ESG risk factors in the relevant risk types. The Group takes the approach of the progressive integration of ESG into the risk management framework:

- short-term: focus on the introduction of acute physical risk and transition risk, including policy changes needed for decarbonisation;
- mid-term: focus on the introduction of chronic physical and transition risk in technology, including policy changes focused mainly on water consumption and waste and energy consumption;
- long-term: focus on the introduction of the transition risk represented by behavioural changes and social and governance risks.

 *More information on Nova KBM's risk management activities in general, as well as those activities specifically related to ESG risk management, are to be found in the Nova KBM Group's Pillar 3 disclosures.*

5.1 CREDIT RISK

The Bank is continuously updating its credit process, and collects, monitors and assesses the ESG risks of its clients. We have defined the appropriate procedures for collecting and analysing data, and for monitoring ESG risks, and have defined decision-making powers based on assessed ESG risks in connection with activities and clients. ESG risks – on an individual client level – are currently assessed for large, medium-sized and small enterprises on the domestic and foreign markets, depending on the level of exposure.

The Bank closely monitors and assesses the ESG risks of its clients by collecting data: (i) from publicly available sources (e.g. annual reports, sustainability reports, clients' websites, and information published on Bloomberg and other public media), (ii) from external ESG data providers (Vigeo Eiris and MSCI), (iii) from national and international agencies and ministries, and (iv) by collecting data directly from clients (based on an internally developed questionnaire). In 2023 the Bank classified the activities of borrowers into low, medium, and high ESG risk categories, and also classified borrowers into low, low-medium, high-medium and high ESG risk categories. From 2024 onwards the activities and borrowers are classified into low, medium, medium-high and high ESG risk categories. In its lending policy the Bank has more precisely defined ESG criteria in the approval process for medium-high and high ESG risk clients active in carbon-intensive industries. As a general rule, investments are approved for clients with low, medium and medium-high ESG risk, and selectively for clients with an assessed high ESG risk, mainly for the purpose of transition financing. The Bank has also defined industries that it does not as a rule finance (i.e. excluded industries) or that it finances only exceptionally.

The Group has initiated several activities to identify a broader range of ESG risks that it faces, in particular climate-related and environmental risks that derive from its ordinary investments and lending, and has improved its methodologies for managing these. The Group will continue to focus on the implementation of its risk management methodologies, acknowledging that this area is evolving continuously.

The Bank collects data regarding the energy efficiency of the buildings in its real estate portfolio. Clients provide energy efficiency certificates, while the Bank independently collects data available in the register at the relevant ministry. For real estate without a certificate, the Bank obtains the relevant data and performs an energy efficiency assessment on that basis.

At the end of 2023, the Bank defined granular ESG risk portfolio indicators taking into account several different factors, including the clients' ESG risk, credit rating as well as exposure to transition and physical risk in the case of real estate portfolios (both residential and commercial).

These risk portfolio indicators, early warning thresholds and the defined mitigation activities have been implemented in the Bank's Credit Policy and are monitored regularly.

5.2 INVESTMENT STRATEGY

The Bank has integrated ESG-related considerations and goals into its investment strategy, and actively manages the social and environmental risks associated with investments. ESG factors are included in our investment decisions through the basic investment process. The strategy of the Bank's ESG portfolio includes four approaches:

- the exclusion method,
 - the best-in-class inclusion method,
 - the reduction of greenhouse gas emissions, and
 - social-impact investing.
- The exclusion method encompasses the exclusion of specific sectors that are not compatible with the Bank's values, ESG strategy and established objectives. As part of its ESG strategy, the Bank excludes or limits sectors that might cause harm to the environment or people. Excluded sectors are listed in Nova KBM Group's lending policy for corporate clients and financial markets. In line with its commitment, the Bank assumed no new exposure to excluded industries in 2023.
 - The best-in-class inclusion method involves the prioritisation of companies whose performance in terms of ESG is better or improving compared with similar companies in a sector. The Bank will focus on the best-in-class inclusion method for issuers in high-risk sectors. This method prioritises the best practices of companies, regardless of their sector. The Bank distinguishes companies that are best equipped to tackle the main challenges of sustainable development, i.e. climate change, the excessive consumption of natural resources, demographic changes, health and well-being. The aim of the best-in-class inclusion method is to promote positive changes and encourage companies to improve their behaviour and act more responsibly, so that they become attractive to investors who are increasingly focusing on ESG. Investment portfolios will give priority to sustainable companies in high-risk sectors, and to companies that demonstrate efforts and initiatives for more sustainable practices. The Bank combines external sources and internal analyses when selecting bonds.
 - Another of the Bank's ESG-related objectives is to reduce its carbon footprint in the areas of international lending (IL) and ALM investments. The Bank assumes responsibility for its investment decisions and takes their climate-related impact into account. It also strives to prevent and reduce greenhouse gas emissions. The carbon footprint is an important metric for identifying the element of climate-related risk to which the Bank is exposed in its role as investor. The Bank first began measuring greenhouse gas emissions in the portfolio of ALM and IL bonds using available data for the emissions of individual companies based on Bloomberg data or industry benchmarks to calculate emissions related to its investments. The Bank's objective remains the improvement of data and the acquisition of a more reliable baseline that serves as sufficient input data for decision-making. The Bank's focus in 2023 was on improving accuracy and underlying data quality and including other external sources for emissions and general ESG assessments. Its aim is to monitor the carbon footprint of the investment portfolios over a longer time period, and to gradually reduce the carbon footprint associated with loans and investments.
 - The objective of social-impact investing is to create a positive impact on the environment. The Bank will focus on companies that actively strive to limit their negative social impact or work to deliver social benefits. Another element of the Bank's ESG strategy is increasing the proportion of the ALM bond portfolio invested in green bonds. Green bonds allow companies and governments to raise capital to finance projects that promote environmental sustainability and a low-carbon economy.

Examples of green projects include the infrastructure for renewable energy sources, energy efficient buildings, clean transport, waste management and recycling.

In 2023, we managed to increase the share of green bonds in our investment portfolio to 8.5%.

5.3 OPERATIONAL RISK

Nova KBM continued to upgrade the operational risk and outsourcing risk management frameworks in 2023. Special attention was given to data quality, the upgrading of reports and the automation of operational risk management processes, and outsourcing risk. Operational risk assessment approaches were upgraded and the operational risk register was updated to include threats and controls related to ESG risks (physical and transition risks of climate-related and environmental events; impact on business continuity, and reputational and liability risks; inadequate risk assessment and assessment of the compliance of external service providers). The Bank assesses threats linked to environmental risks through 11 operational risk sub-categories. The Bank's risk indicators represent one way to obtain data regarding factors that reflect the business environment and internal control system and warn of changes. The Bank has thus included ESG components in the process of setting indicators for the purpose of managing ESG risks. In 2023, it monitored 21 indicators with ESG components in all relevant Basel categories. We will continue to focus on acute and chronic physical risks in the scope of operational management.

Nova KBM continued to upgrade its operational risk appetite. The Bank organised several training courses on operational risk and outsourcing, while activities were implemented to improve the risk management culture.

6 MANAGING ENVIRONMENTAL IMPACTS

6.1 SUSTAINABLE AND RESPONSIBLE BANKING SERVICES

The Bank is committed to supporting the **transition to a low-carbon or carbon-neutral economy** and contributing to developing Europe into a climate-neutral continent by 2050, as well as acting in line with the OTP Group's strategic objective to be the most important financial partner in financing the green transformation in the region where it operates, including Slovenia. We believe that as a Bank providing financial solutions to its clients our most valuable contribution in this respect is financing the transition of our clients – supporting their investments in energy efficiency, green energy and sustainable mobility, and other initiatives.

6.1.1. GREEN PRODUCT OFFERING

In 2023, after becoming part of the OTP Group, the Bank adopted the OTP Group's **Green Loan Framework**. The framework's aim is to identify projects enhancing positive environmental impacts and reducing negative ones as well as helping businesses and societies adapt to the impacts of climate change. The framework describes a number of categories making it possible to identify the green lending activities pursued within the Group. The criteria are based on the EU Taxonomy Regulation and the Taxonomy of the Climate Bond Initiative. The framework has undergone external review and is available at: [Green Loan Framework_ENG.pdf \(otpbank.hu\)](#). The green loan products offered by Nova KBM have been developed in compliance with this framework. In the summer of 2023, **all corporate business colleagues participated in an extensive training series** on the Green Loan Framework and especially the Green Alignment Assessment Tool (that supports the technical screening against green lending criteria). The training was partly delivered by OTP Bank's green experts and partly by external consultants who participated in the localisation of the framework for Slovenia.

Besides the Green Loan Framework, the other guiding document of the OTP Group in this regard is its **Sustainable Finance Framework**, which extends the definition of eligible green lending activities in three financing categories: (i) green buildings, (ii) renewable energy, and (iii) clean transportation. The framework – also supported by a second party opinion – is available at: [Sustainable Finance Framework_ENG_20220524.pdf \(otpbank.hu\)](#).

For households, the Bank has been offering green and transition-enabling loans since 2022, providing financing for green mobility (bicycles, e-bikes and e-cars) and energy efficiency (energy-efficient appliances and renewable energy usage). Both housing and consumer loans are available to our customers. Housing loans are available for financing the purchase or construction of energy-efficient properties secured by a mortgage or with Zavarovalnica Triglav Insurance Company. Further details on the products offered are available on the Bank's website: [Green loans|NKBM](#)

As a result of a thorough product development process and alignment with the OTP Group in 2023, the Bank introduced **new corporate credit facilities** in early 2024 to support customers in their transition to sustainable activities. The financing purposes are aligned with the relevant EU and other legislation in this area and with the OTP Group's Green Loan Framework. The products supported include investment loans, project finance and syndicated loans. Financing is provided for the purposes of:

- E-mobility,
- Energy production from renewable sources,
- Renovation for energy efficiency,
- Financing of the green transition.

In 2023, we provided EUR 81 million of financing to our clients to support the sustainable transition, mostly in the manufacturing and real estate development sectors. This we consider a small but important first step on a long journey to support our clients with their transition. Taking into account the evolving legislation around green lending, Nova KBM has chosen to take a very prudent approach with the classification of loans as green. Nevertheless, we are continuously seeking ways to promote the importance of the sustainable transition among our clients and provide financial solutions to support them on this path.

6.1.2. CARBON FOOTPRINT OF OUR FINANCED PORTFOLIO

While defining the sectoral decarbonisation strategies is still ahead of us – Nova KBM, together with the rest of the OTP Group, with the guidance of OTP Bank will define its sectoral decarbonisation targets in 2024 – we have already made steps towards the decarbonisation of the portfolio in 2023, and developed our methodology to estimate the financed emissions associated with our lending and investment portfolio.

The methodology for estimating financed emissions follows the principles outlined in the “Global GHG Standard” published by the Partnership for Carbon Accounting Financials (PCAF) for the category “Business loans and unlisted equity”. Financed emissions are calculated by multiplying an attribution factor (i.e. Nova KBM’s share) by the GHG emissions of a borrower. If a client’s actual GHG emissions are not available, the GHG emissions are estimated using the internal top-down approach, using industry emission intensity factors. Currently, 39% of the exposures included in the financed emissions calculations are covered by actual data on the clients’ emissions. The Bank started monitoring PCAF score of data quality starting 2024 and on 31 January 2024 PCAF score of the business loan portfolio stood at 3.2. For more details on the financed GHG emissions methodology, please refer to the Pillar 3 Disclosures.

	Total exposure in EUR million	GHG financing ratio (tCO ₂ e/EUR million) Scope 1	GHG financing ratio (tCO ₂ e/EUR million) Scope 2	GHG financing ratio (tCO ₂ e/EUR million) Scope 3
Nova KBM business loan and investment portfolio (31.12.2023)	2,351	112	39	337

The figures and the methodology presented above currently cover 22% of the Nova KBM Group’s total gross assets. At this stage the out of scope portfolios are sovereign exposures, natural persons, banks and financial institutions, holding companies, project finance and inactive companies.

Financed emission figures are estimated according to the Partnership for Carbon Accounting Financials (PCAF) standards on best effort basis. This implies that data availability and quality vary both in terms of regional and asset class coverage, that can result in inconsistent and/or uncertain estimations. We partly used information from third-party sources that we believe to be reliable, but which has not been independently verified by us. We do not represent that the information is accurate or complete. Therefore estimated financed emission data are not comparable across banks, neither between years or asset classes. The financed emission information contained in this report should not be construed as a characterization regarding the materiality or financial impact of that information.

6.1.3. SUSTAINABLE INVESTMENT PRODUCTS

The Bank offers to its clients sustainable investment opportunities from Raiffeisen Capital Investment, Sava Infond and Triglav Skladi. These investment opportunities promote environmental or social objectives, as defined by Article 8 of the Sustainable finance disclosure regulation (SFDR). Compliance with Article 8 is confirmed by the responsible national authorities. All together we offer our clients 29 funds promoting environmental and social objectives:

- 16 funds by Raiffeisen Capital Management
- 1 fund by Sava Infond
- 12 funds by Triglav Skladi.

6.1.4. DIGITAL BANKING

The digital transformation of the Bank continued in 2023. The use of digital services is increasing, and with it customer satisfaction, and we are continuing to focus on digitalisation and raising awareness about the advantages of using digital channels. We are thus reducing the use of plastic and paper, while clients no longer need to drive to branch offices, which in turn means fewer emissions.

The proportion of digital transactions had already reached 98.3% by the end of 2023.

- Through the Bank's award-winning online and mobile banking applications, we make it easy for clients to use numerous banking services remotely (the opening of accounts 24/7, payments, applying for new products such as consumer loans, payment cards and overdraft facilities, making investments, etc.).
- The Net Promoter Score (NPS) for Bank@Net was 78 points in the final quarter of 2023 (the annual average was 78).
- In 2023, Bank@Net and mBank@Net received the prestigious title of best online and mobile banking applications in Slovenia for the fourth year in a row (independent research performed by E-laborat).
- The use of the mDenarnic@ mobile wallet rose by a further 20% in 2023.
- The active use of digital services increased by 5.6% in 2023.

Nova KBM began its digital transformation in 2017. The number of users of digital channels for banking services more than doubled from that time until the end of 2023. The majority of our clients, both retail and corporate, now use digital channels for banking services on a daily basis, which is also evidenced by the millions of digital transactions executed each month.

From 2017, when the digital transformation of the Bank began, until the end of 2023, the number of users of digital channels for banking services more than doubled.

The number of transactions executed via digital channels has risen sharply in the last three years. In particular, we are seeing a major movement of clients to the mobile banking platform. Our clients are using the mobile banking application more frequently, largely due to its ease of use.

6.2 SUSTAINABLE OWN OPERATIONS

6.2.1. ENERGY EFFICIENCY

We continued investments in energy efficiency in 2023 and carried out the following key activities:

- Comprehensive replacement of existing lighting with LED lights in a total of 10 buildings with the aim of increasing the energy efficiency of those buildings,
- At the Nova Gorica Branch, we completely replaced the existing heating, ventilation and cooling system with a more environmentally friendly system, while we physically segregated the heating of that branch from the heating of the rest of the building;
- At the Slovenska Bistrica Branch we completely replaced the worn-out roof and replaced the existing cooling unit with a new unit for the purpose of cooling that branch,
- Installation of a new heat pump at the Poljčane Branch for heating and cooling purposes;
- Replacement of the existing gas boiler at the central building in Maribor with a more efficient boiler with the aim of optimising consumption and improving efficiency;
- We introduced an energy consumption monitoring system at five locations with the highest estimated energy consumption.
- We replaced the cooling unit in the annex to the RCA Tezno facility in Maribor.

Total energy consumption (in MJ)	2022	2023
Electricity consumption	21,374,739	18,658,464
Thermal energy consumption	n/a	n/a
Fuel consumption (heating), including natural gas	9,283,509	8,173,222
Fuel consumption (transportation)	3,403,200	3,608,400
Consumption of energy for cooling	n/a	n/a
Steam consumption	7,032,092	6,945,151
Total energy consumption	41,093,540	37,385,237
Consumption of electricity and thermal energy per employee (in MJ/FTE)	26,701	23,996
No. of employees as of 31 December	1,539	1,558

Data sources: Nova KBM.

The conversion factors used in the preparation of data were obtained from various online sources:

- 1 kWh = 3.6 MJ
- The conversion factor for liquefied petroleum gas is 0.56 kg/litre;
- The conversion factor used for extra-light heating oil is 9.7 kWh/litre;
- The conversion factor for gas oil is 10 kWh/litre;
- The conversion factor for gas oil is 32 MJ/litre;

We reduced our energy consumption by an additional 9% in 2023 relative to the previous year, as the result of the rationalisation of business premises, primarily through the consolidation of data centres, and investments to improve the energy efficiency of our commercial real estate, and efficient energy consumption.

The Bank continued to transition to electric vehicles in 2023 when it purchased nine additional electric vehicles (of which eight were ordered in 2022). We are planning additional investments in 2024 to further increase the energy efficiency of our buildings. In addition to other activities, we will complete the implementation of energy monitoring for the active control of energy consumption in our commercial buildings (the investment was initiated in 2023), renovate the Laško Branch, replace the UPS system in the central commercial building with an optimised and more energy efficient system, and replace the existing gas boiler at the Dobrovo Branch with a more efficient unit and thus optimise consumption and improve efficiency. The electrification of the vehicle fleet will continue in 2024.

The Bank in 2023 consumed 5.2 GWh of electricity, with 4.9 GWh of that amount coming from renewable sources (guarantee of origin) and 0.3 GWh from sources for which a guarantee of origin cannot be obtained.

For this latter part the Bank uses energy consumed indirectly, through managers, premises rented by the Bank, common areas, etc. This consumption is measured in lump sums per unit and the Bank has no influence over the electricity purchasing process.

6.2.2. CARBON FOOTPRINT OF OUR OWN OPERATIONS

The Bank is committed to careful environmental management and the control of greenhouse gas emissions with the aim of achieving carbon neutrality. To this end, it has been calculating its own operation's carbon footprint since 2019.

The carbon footprint is a way to determine emissions of carbon dioxide and other greenhouse gases, which the Bank measures using the GHG Protocol. In 2022, we established procedures and a general framework for measuring indirect emissions that arise from travel to and from work, the use of company cars and other Scope 3 emissions.

The Bank used different methods in previous years to calculate its carbon footprint. Bureau Veritas calculated the carbon footprint for the Bank for 2022 and 2023. These reports are published on Nova KBM website ([ESG reports | NKBM](#)). Bureau Veritas based the calculation of the carbon footprint for 2023 (and 2022) on the requirements of the GHG Protocol Corporate Standard (2004), drafted by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

Data are not comparable with previous periods due to the aforementioned change in the methodology used to calculate the carbon footprint.

The baseline year for the GHG emissions report is 2022.

Activities to achieve improved energy efficiency at the Bank led to a reduction in Scope 1 and 2 emissions. The drop in emissions generated is primarily the result of past investments in energy efficiency.

GHG emissions (tCO ₂ e)	2022	2023	2023 vs. 2022 (in %)
Scope 1 (direct emissions)	752	711 ^[1]	-6%
Scope 2 (indirect emissions) – location-based	2,526	2,245	-11%
Scope 2 (indirect emissions) – market-based	750	748	0%
Total Scope 1 and Scope 2 – location-based^[2]	3,278	2,942	-10%
Total Scope 1 and Scope 2 – market-based^{[3],[4]}	1,502	1,445	-4%
Scope 3 (indirect upstream emissions)	9,309	10,065	8%
Total – location-based^[2]	12,587	13,007	3%
Total – market-based^[3]	10,811	11,510	6%

Source: reports by Bureau Veritas: Carbon footprint of NKBM d.d. for 2022, no. SUST/61-033.2/23 and Carbon footprint of NKBM d.d. for 2023, no. SUST/61-033.2/23

¹ The national grid emission factor is taken into account for "location-based".

² The emission factor for selected suppliers is taken into account for "market-based".

³ The sum does not include fugitive GHG emissions from anthropogenic sources. The Bank has only been monitoring such emissions since 2022, and they account for less than 1% of total Scope 1 and 2 emissions. Year-on-year differences in fugitive emissions are not a reflection of the Bank's activities to reduce Scope 1 and 2 emissions.

The overview of total emissions has been prepared in accordance with ESRS E1-6 (European Sustainability Reporting Standard).

The direct and indirect emissions, which are reported in accordance with the requirements of the reference standard, are calculated. They include: CO₂, CH₄, N₂O, HFC, PFC, SF₆ and NF₃, where relevant, and as CO₂e.

The total carbon footprint at the Bank level was reduced by 10%, calculated using emission factors set on the basis of national grid emissions (location-based) and by 4%, calculated using emission factors set on the basis of the emissions of selected suppliers (market-based).

6.2.3. VEHICLE FLEET AND SUSTAINABLE MOBILITY

We continued the electrification of the vehicle fleet in 2023 with the aim of lowering the Bank's carbon footprint in this area. In 2022, we set the target of replacing 20% of the vehicle fleet with electric vehicles. Accordingly, we ordered 14 electric vehicles in 2022 (six of which were delivered in 2022 and eight in 2023) and purchased an additional electric vehicle, such that there are currently 15 electric vehicles in NKBM's vehicle fleet (out of a total of 75 vehicles), which represented 20% of the vehicle fleet as of 31 December 2023.

Despite the increase in the proportion of electric vehicles in NKBM's fleet, the consumption of fossil fuels was higher than previous years, which can be attributed to the increased need for a physical presence at central locations on account of the integration needs of the Bank.

In 2023, we pursued our established objective of gradually replacing existing vehicles driven by internal combustion engines with electric vehicles, while continuing to promote sustainable mobility amongst employees with solutions such as car-sharing, the use of public transport and alternative, environmentally friendly vehicles.

Fuel consumption by the vehicle fleet	2022	2023
Fuel consumption (in litres)	96,170	101,941

The number of employees as of 31 December is taken into account.

6.2.4. WASTE MANAGEMENT

The separation of waste raw materials at the source is of crucial importance in achieving circular economy goals. The Bank has been carrying out the separate collection of waste for a number of years, as required by the ordinances of individual municipalities and their waste management licensees. The Bank monitors the quantity and costs of hazardous waste, which includes monitors, printers, batteries and cartridges. It also monitors non-hazardous waste, 100% of which is separately collected and removed for recycling. Since bins of specific sizes are allocated to individual locations and emptied according to a fixed timetable, regardless of how full they are, it is not currently possible to trace quantities of municipal waste or establish actual quantities of waste. Waste costs are paid according to the size of the bin or container and are not tied to the quantity of waste in the bin. Waste management costs were up by 1.4% in 2023 relative to the previous year, while waste management costs per employee were unchanged.

Waste management costs	2022	2023
Waste management costs (in €)	76,612	77,703
Waste management costs/employee (in €)	49.78	49.78

The number of employees as of 31 December is taken into account.

Waste type	Volume of waste (1,000 kg) for 2022	Volume of waste (1,000 kg) for 2023	Delta (%) 2023/2022
Paper and cardboard packaging, and packaging from pasteboard	2.8	2.58	-8%
Mixed packaging (excluding candles)	23.62	19.240	-19%
Ferrous metal filings and turnings	0.74	4.020	443%
Bulky waste	12.42	14.2	14%
Electrical and electronic equipment – Screens	1.695	0.431	-75%
Electrical and electronic equipment – MGA	17.006	7.893	-54%
Electrical and electronic equipment – MGA	1.869		-100%
Mixed municipal waste	no available data	no available data	no available data
Total	60.150	48.364	-20%

Data sources: Records of concession holders

7 MANAGING SOCIAL IMPACTS

Through our ESG approach, we strive to manage social or societal factors including:

- diversity and gender equality,
- human rights,
- standards of work,
- employee involvement,
- community relations including donations and sponsorships,
- client services,
- raising awareness with regard to financial literacy.

We maintain sustainable, open and proactive relationships with all stakeholders: employees, clients, business partners, regulators, local communities and others. A high level of client and employee satisfaction is of utmost importance to us. We continue to create an inclusive work environment that is based on equality. In 2023, the Group supported more than 50 national, regional and local communities as partner, sponsor or donor. We continued with awareness-raising programmes in the area of financial literacy, including providing knowledge about banking products and services, responsible investing and borrowing, digital literacy, safe banking, fraud prevention and security in online commerce.

7.1 RESPONSIBILITY TO EMPLOYEES

In implementing its ESG strategy and labour standards, the Bank pays particular attention to the development of a positive organisational culture and employee performance in accordance with its values, and to ensuring a high-quality work environment and equal opportunities, without discrimination.

Human resource management – vision, mission and key areas

Vision	<ul style="list-style-type: none"> • We aspire to develop engaged employees, organization, and culture to lead Nova KBM to excellence.
Mission	<ul style="list-style-type: none"> • To serve as the value-adding, strategic business partner that helps the organization execute its strategy and achieve its vision. • Dedication to attracting, developing, rewarding, and retaining talented and diverse employees. • Integration of HR and talent management practices, processes, systems, and information that contribute to employee satisfaction, organizational culture and ensures the Bank has the right people in the right place, at the right time and at the right cost.
Key areas	<ul style="list-style-type: none"> • Key processes that promote efficiency, integration and the clarity of roles. • Flexible job descriptions and job competencies that support all talent management processes. • A powerful, integrated technological platform that contributes to the improved implementation of talent management activities. • Relevant analytics to support decision-making across the bank. • Governance of all the above.

As part of its vision and mission, the Bank has developed a comprehensive People Strategy that defines strategic areas, key opportunities and risks, and criteria for measuring progress.

The Bank supports the personal and professional development of employees and occupational health and safety, and values the diversity of employees. We encourage positive interpersonal relations, teamwork and cooperation, and work-life balance. We strive for solidarity and corporate volunteering. We ensure the sustainable transfer of knowledge and experience between different generations of employees, and the upgrading of skills and competences for social responsibility and sustainable development.

In 2023, key areas of focus have been:

- Leading employees with regard to the change management process, with the main focus of this now being the envisaged merger with our sister bank, SKB Bank, and the main activities being change management workshops, clear communication with newsletters, townhall meetings, cross-banking team building, and joint sports activities (Bankatlon);
- Activities to promote the health and overall well-being of employees;
- We implemented a unified company collective agreement that enables better conditions for employees of both Nova KBM³ and SKB Bank (which entered into force in January 2024);
- Non-monetary employee recognition that promotes and rewards the efforts and contributions of individuals.

Realisation of our key HR KPIs in 2023

KPI	2021	2022	Delta (%) 2021/2022	2023	Delta (%) 2022/2023
Level of employee engagement	60%	60%	0%	73%	+13%
Level of employee satisfaction	67%	67%	0%	75%	+8%
E-NPS	50	51	+1 point	66	+15 points
Hours of training/employee	41 h	34.8 h	-18%	29.1 h	-17%
Number of different online training programmes	42	50	+19%	65	+30%
Voluntary turnover	5.6%	5.0%	-0.6%point	3.9%	-1.1%point
Absenteeism rate	4,8%	5.4%	-0.6%point	4.4%	-1.0%point
Number of days lost due to workplace injuries	271	116	-57%	101	-13%

Employee engagement and satisfaction

In 2023, we carried out commitment and satisfaction research for the first time under the auspices of the OTP Group. The content of the research was aligned among all members of the OTP Group, which enabled the comparison of the results between countries and the necessary planning of further steps.. Employees responded in large numbers, with a 71% participation rate, while the results indicated a high level of employee engagement and satisfaction within the Nova KBM Group.

The results of the survey reflect the Bank's continuous efforts to connect people and improve the shared culture, as well as continuous investments in the personal and professional development of all employees.

In 2023 all employees received regular performance and career development reviews.

Employee recognition

In addition to the regular financial remuneration of employees, Nova KBM has in place employee recognition program that is based on non-monetary rewards for successful employees. The primary purpose of the programme is to further motivate the most committed employees who achieve particularly good results through their dedication to work. The programme has been in place since 2021, while the uniqueness of the programme is that employees can choose their own reward from a broad selection of options.

⁴For Policy description please see Appendix 10.

⁵ All Nova KBM employees are covered by the collective agreement.

A total of 85 non-monetary rewards were given in 2023, with relaxation packages for two once again being the most frequent choice of the recipients.

Pre-boarding activities

Nova KBM continues to implement activities to ensure that every new employee has a pleasant experience when they integrate into their new work environment. From the moment a job offer is accepted until their first day of work at the Bank, we strive to make the transition to their new position as smooth as possible for new employees.

The welcome package for new employees, which includes a welcome letter and video, provides insights into the culture and operations of the Bank in a positive and relaxed way. Practical office materials, important information, an inspiring book and personal contact being maintained throughout the onboarding process all help to reduce potential stress and allow new employees to feel involved and at least a little familiar with their new environment before their first day at work.

Positive feedback from new employees confirms the success of this initiative and strengthens our commitment to creating an employee-friendly work environment, where every individual feels valued and supported.

Promotion of employee innovation

As an important step in promoting employee innovation, the Bank introduced application support back in 2021 for the collection of ideas from employees, with the choice of Idejomat for this application being made by the employees themselves. The aim of the Idejomat is to promote the values of innovation and effectiveness, and include in the idea management process all employees who wish to improve the operations, efficiency and performance of the Bank with their suggestions. A total of 56 different ideas were submitted to the Idejomat by 42 employees in 2023.

The Bank organised an ESG Idea Challenge in 2023, in the scope of which 22 ideas were submitted. Each of these were studied, and an assessment of their feasibility and the impact of their deployment on the Bank's operations were prepared together with the proposers. The ideas approved by the process owners are now in the process of implementation.

Employment and staff turnover

A total of 77 employment contracts were terminated in 2023, while 96 new employees were recruited. We recorded voluntary employee turnover of 3.9% (regular termination by employees and termination of employment by mutual agreement), which was 1.1 percentage points lower than in 2022. Where possible, the Bank has used soft methods to reduce the number of employees and made every effort to ensure conditions that are more favourable than the statutorily prescribed conditions. Throughout the process of reducing the workforce, we cooperated and communicated transparently with trade unions. Recruitment largely took place in areas where new competences were needed that were not present internally at the Bank.

Parental leave

Parental leave is available for our employees with children under the age of one, including male employees. In 2023 a total of 69 employees took parental leave, of whom 51 were female and 18 male. In the reporting period a total of 44 employees returned to work after parental leave, of whom 27 were female and 17 male. The number of returned employees, who were still employed 12 months after their return was 25 (out of 31, i.e. 82%) in case of female employees and 22 (out of 24, i.e. 92%) in the case of male employees.

Training and education

Our employees participated in 289 different training programmes in 2023 for a total of 45,944 hours, which translates to an average of 29.10 hours per employee at a total cost of EUR 411 thousand. Internal and external training programmes were organised live in lecture rooms and via digital channels in 2023. Training is organised for both employees and students who perform work at the Bank via student services. Students participated in 15 different programmes covering a total of 150 hours.

Out of the total hours of training, senior managers participated in 196 hours and middle management in 8.855 hours.

Development of managers

We expanded the Leadership Skills Programme in 2023 to the area of change management. The aim of the programme is to equip leaders at all levels of leadership with the competences needed to successfully navigate major organisational changes. Topics cover the broad area of change management, including communication, time management, the prevention of stress and burnout, psychological security, and the emotional intelligence of leaders. To achieve this we work with the best-known experts in Slovenia with the aim of empowering our leaders and employees for the period of change that awaits us in 2024 with the merger of the two banks.

Internal coaching

The internal coaching programme is just one of many approaches to the personal and professional development of employees in Nova KBM. Numerous satisfied employees represent proof of the progress the programme has made since it was introduced in 2020, thanks to a dedicated team of coaches who ensure that the programme enjoys a good reputation. The most frequently addressed topics in the scope of business coaching are time management, objective setting, communication, assertiveness, motivation, personal effectiveness and work-life balance.

Connecting with young people and mentoring

We try to reach out to new generations of young people entering the labour market in different ways. We provided 15 pupils and students the opportunity to perform their mandatory internships in 2023 in the Bank. In accordance with our employee development strategy and the needs of different organisational units, we facilitate occasional student work. We also cooperate systematically with various educational institutions on a wide range of projects. In cooperation with the School of Economics and Business at the University of Ljubljana, in 2023 and for the fourth year in a row we organised a multi-day educational event for students, known as the Banking School, which around 20 economics students attended. In practice, we are already seeing such links develop into long-term cooperation with both educational institutions and young people entering the labour market. In 2023, we again attended several career fairs intended for different target groups.

Family-Friendly Company certificate

As part of the of the Family-Friendly Company certificate, we offer employees 16 measures through which the Bank attempts to address various target groups. Those measures are designed to facilitate a better work-life balance.

The most popular measures in the scope of the Family-Friendly Company certificate in 2023 were flexible working hours and work from home. Other popular measures include a financial bonus for the birth of a child, gifts for employees' children, additional hours off work for doctors' visits for employees over the age of 50 and free psychological counselling.



Occupational health and safety and health promotion

Concern for maintaining and improving employee health is crucial. Healthy and happy employees who work in a safe and supportive work environment are more productive and creative, are less likely to fall ill and take fewer sick days. They are also more loyal to the organisation. For these reasons, the Bank encourages all efforts that value, support and facilitate good health and well-being, and that are carried out under equal conditions for all employees.

In addition to activities required by the law (referral for preventive and periodic health checks, provision of ergonomically designed workplaces, training, etc.), the Bank pays particular attention to health promotion. We thus continued in 2023 with the previously established practice of active breaks, and internal e-training and the Nova KBM Runs programme. We once again invited employees to vaccinate against tick-borne encephalitis. We were particularly proud of the new title of "Heart-Friendly Bank" that we received in 2023. The efforts to achieve the title included a Safety and Resuscitation workshop that was very well received by our employees.

Absenteeism and workplace injuries

The annual absenteeism rate was 4.35% in 2023, a decrease of 1 percentage point relative to the previous year. As in 2022, we recorded three workplace injuries in 2023. However, the number of work days lost due to workplace injuries was 101, a decrease of 15 relative to 2022.

Free psychosocial support for employees and their families

Free psychosocial support is available to Nova KBM employees and their immediate family members 24 hours a day, every day of the year, in the form of telephone, online or face-to-face counselling. Counsellors are psychologists and psychotherapists with many years of experience offering psychosocial support in the work environment. Such counselling has proven effective for managing and mitigating psychosocial risks in the workplace and for strengthening the psychophysical health of employees. Data for 2023 indicate that, as in 2022, most employees sought help due to problems in their personal life and emotional stress. Face-to-face counselling remains the most popular form of counselling. Counselling for employees and their immediate family members is anonymous and completely free.

Solidarity assistance

The Bank demonstrates its solidarity in the event of death, and awards scholarships to the children of the deceased. It thus helps them and other family members overcome the hardships of such changes in circumstances. We provided three such scholarships in 2023. We are continuing with this type of support during the 2023/2024 academic year.

The Bank demonstrates its solidarity in the event of death, and awards scholarships to the children of the deceased. It thus helps them and their family members overcome the hardships of such life circumstances.

Connecting, cooperating and strengthening team spirit

In an ever-changing business environment, connecting, cooperating and strengthening team spirit are crucial for a company's success. Building strong relationships between employees fosters a positive working environment, while it also improves efficiency and contributes to the long-term success of the organisation. Teambuilding is one of the most popular activities for strengthening team spirit and enhancing the satisfaction of employees, who once again participated in such activities in 2023. In this way we are building a culture of integration and cooperation within and between sectors and with our sister bank, SKB Bank. Another popular, interesting and dynamic sporting event is the Bankathlon, which promotes a healthy lifestyle among employees and strengthens team spirit and bonds, as it helps employees connect and build relationships outside the work environment through sporting competitions. We also organise SKIP meetings in our efforts to connect, improve communication among and inform employees. These are events intended to bring together the employees of specific sectors with the members of the Management Board responsible for those sectors.

Promoting the flow of information and communication

In 2023, a great deal of emphasis was again placed on promoting the flow of information among employees, in the scope of which we continued implementing the Brown Bag Lunch, Weekly Takeaway and internal career interviews. During the year the Brown Bag Lunch activity was intended for online presentations of the work of individual sectors and the main responsibilities of employees. Through the implementation of internal career interviews we also present employees with the interesting career paths of their co-workers in the context of monthly newsletters.

Mechanisms for seeking advice and raising concerns

If an employee believes that their rights were violated then they can report this through the whistleblower application or via email, or can report it directly to HR.

7.2 ENSURING DIVERSITY AND EQUAL OPPORTUNITIES

Ensuring diversity and equal opportunities is part of the corporate culture of the Nova KBM Group and is enshrined in its bylaws, in documents such as the **Code of Conduct**, **Nova KBM's Group Policy on the Selection of Suitable Candidates for the Management Body** and the **Rulebook on Prohibition of Discrimination, Mobbing and Prevention of Other Forms of Psychosocial Risk in the Workplace**. We do not differentiate between employees on the basis of political orientation, ethnicity, citizenship, religion, age, marital status, sex, sexual orientation, gender identity, disability or any other characteristic.

With the aim of defining the aforementioned area in more detail and continuing with the implementation of measures, in December 2022 the Bank adopted the new **Diversity, Equality, Inclusion and Commitment Policy**,⁴ which entered into force on 1 January 2023. That policy was subject to periodic review in December 2023.

Diversity in terms of gender represents a key component of all levels of the organisation. The Employee Development Strategy defines, *inter alia*, objectives relating to the representation of the under-represented gender, which promotes diversity in the Bank's two-tier system of governance. The Bank strives to ensure that governing bodies are diverse in terms of age, gender, geographic origin, education and profession, that they represent various views and experiences, and that they facilitate independent opinions and critical thinking.

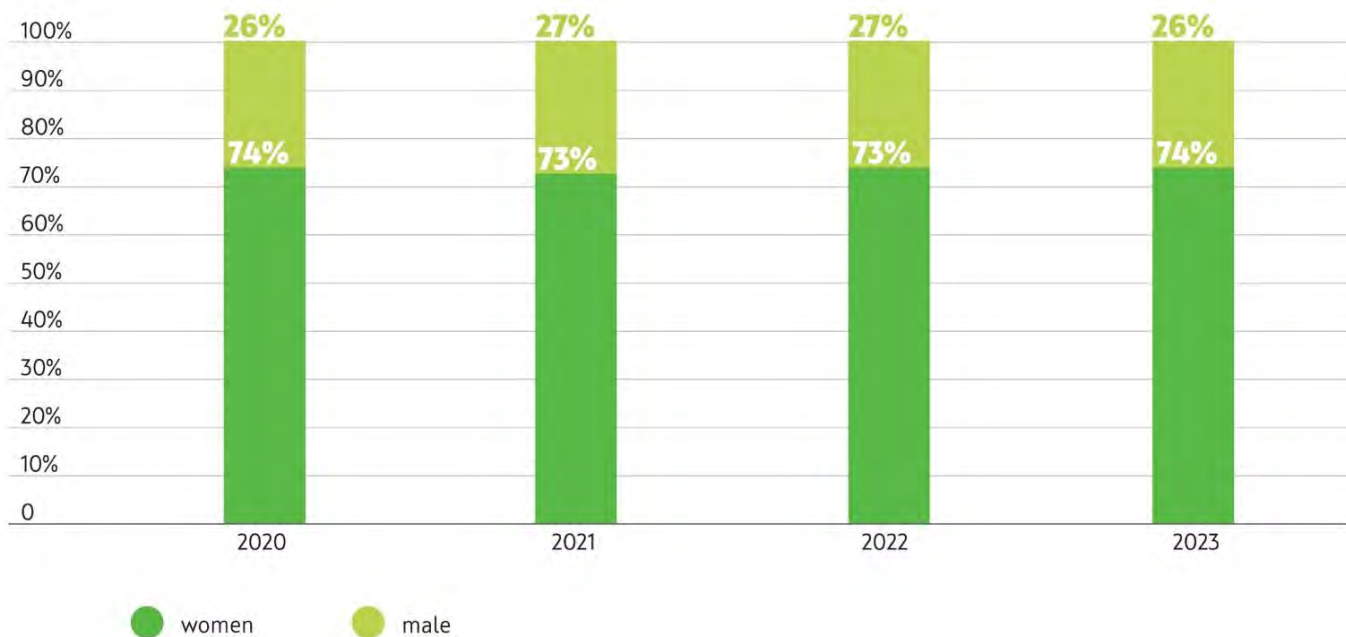
In order to ensure a diverse and inclusive environment, Nova KBM implements a number of programmes and practices to promote diversity, equality, inclusion and commitment. The Bank implements the above-mentioned policy not only in gender balance, but also in the following areas: the recruitment and selection of employees, the remuneration policy, career development and performance management, key personnel and succession planning, training, employee engagement and satisfaction surveys, internal communication, non-discrimination, a sense of security and belonging, etc.

We are committed to promoting equal opportunities for everyone, and to ensuring that no individual or group is discriminated against in the process of planning or implementing the Bank's activities. We believe that a culture which embraces equality and the diversity of values will ensure that each individual feels equally included and has the opportunity to participate in our plans, programmes and activities.

Breakdown of employees by gender

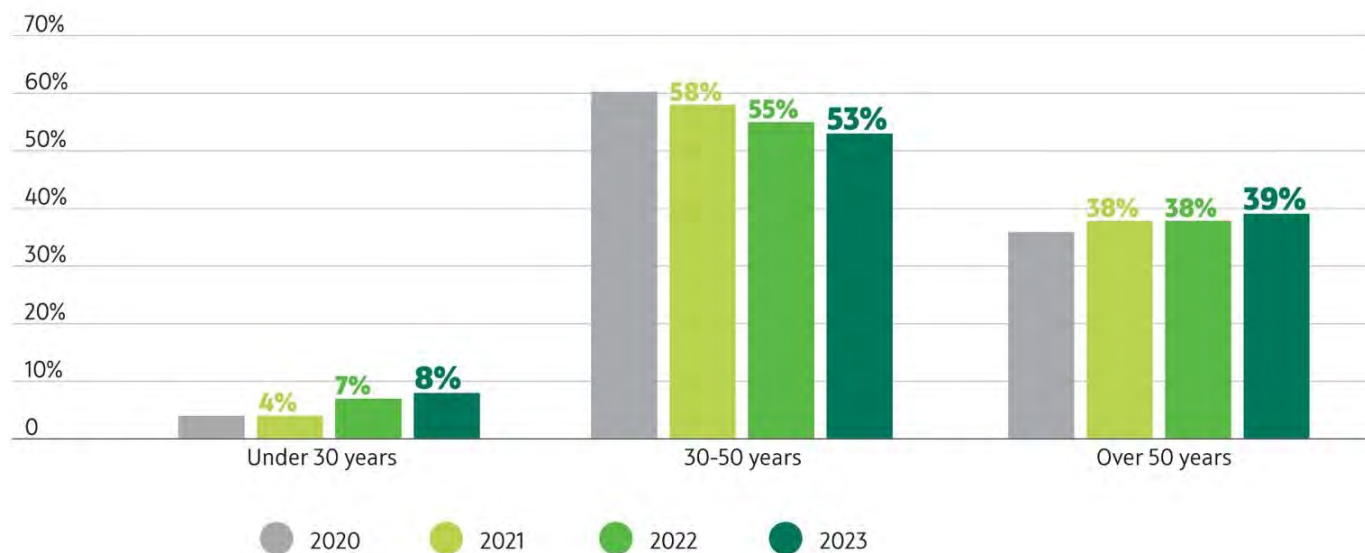
The Bank had 1,558 employees at the end of 2023, with women and men accounting for 74% and 26% of employees, respectively, very similar to 2022. A total of 52% of level B-1 directors are women, while 48% are men. The proportion of women was up sharply relative to 2022. There were 30 employees on fixed-term contracts at the Bank, representing 1.93% of employees.

⁴ For the description of the Policy please see appendix 10.1.



Breakdown of employees by age group

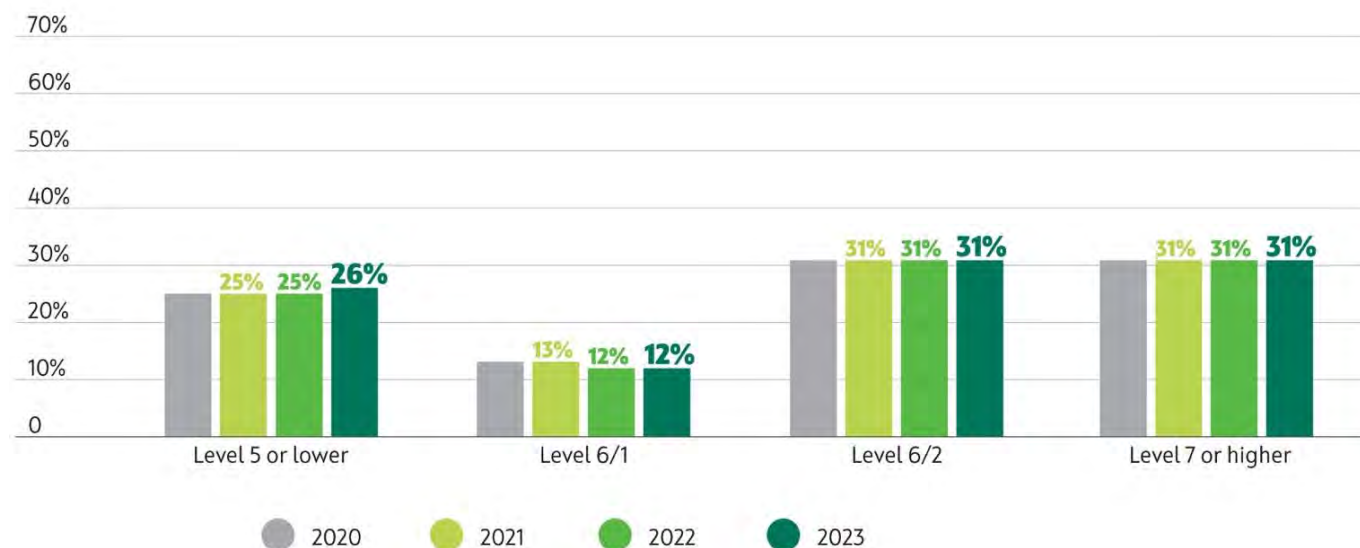
The average age of employees at the end of 2023 was 46, an increase of 0.3 years relative to the end of 2022. The under-30 age group accounted for 8% of employees, an increase of 1 percentage point relative to 2022, while 53% of employees were in the 30–50 age group, which is 2 percentage points lower than the previous year. The over-50 age group accounted for 39% of all employees, an increase of 1 percentage point relative to 2022.



Overview of educational structure of employees

At the end of 2023, 26% of Nova KBM employees had a Level 5 educational qualification or lower, 12% had a Level 6/1 qualification, 31% had a Level 6/2 qualification and 31% had a Level 7 qualification or higher. The percentage of employees with a Level 5 qualification or lower was up by 1 percentage point relative to 2022, while the percentage of employees with a Level 6/1 and Level 7 qualification or higher was unchanged and the percentage of employees with a Level 6/2 qualification was down by 1 percentage point.

Reported data refers to the end of reporting period.



Diversity of the members of the governance bodies Diversity is ensured in practice through procedures used to nominate and appoint members of the management and supervisory bodies. According to available data, diversity criteria (gender, professional experience, age, education and expertise) were met.

The Bank's Management Board consists of 4 persons, all of them being locals (100%), and one female (25%). The Supervisory Board consists of 7 members, 2 of them being locals (28%) and 2 female (28%).

In the case of the Bank's four-member Management Board, the representation of women is 25% and all members are locals (100%). In the case of the seven-member Supervisory Board, representation of both women and locals is 29% (two members out of seven in both cases).

7.3 RESPONSIBILITY TO CUSTOMERS

Client excellence is an important strategic pillar in the operations of Nova KBM. In 2023, the focus of the **excellence** programme was on strengthening our clients' positive user experience and satisfaction, ensuring dialogue and obtaining client feedback with the help of market research. We carried out several activities in 2023 with the aim of achieving excellence in operations.

- We maintained a high level of transparency and responsiveness, and acted in line with our internal standards: customer care, professionalism, efficient sales and services, and the nurturing of client relationships.
- We dedicated special attention to strengthening customer centricity, the establishment of long-term relations with clients, and ensuring friendly and professional service. We regularly monitored our success in this regard via surveys.
- At regular meetings on the subject of quality, we closely monitored numerous quality indicators, including the trend in the number of complaints and customer satisfaction with our solutions. We studied complaints and the associated reasons, and on that basis introduced a number of improvements to both services and processes, which contributed to improved customer satisfaction.
- We made use of various market surveys to listen to clients' experiences, needs and expectations with regard to the Bank. We carried out different customer satisfaction surveys by key customer segments, and monitored satisfaction with individual services (Net Promoter Score and other surveys), banking staff and channels used to access the Bank. We collected and analysed scores and the associated reasons, as well as customer suggestions, and made several improvements on that basis, which likewise contributed positively to customer satisfaction, as reflected in NPS scores (see table).

Net Promoter Score	2021	Delta 2021/2020	2022	Delta 2022/2021	2023	Delta 2023/2022
Retail (overall NPS)	14-Group 5- NKBM solo	-3 points -9 points	26-Group 17-NKBM solo	+12 points +12 points	19	+ 2-NKBM solo
Komplet bundle	31	-1 point	33	+2 points	37	+4 points
Bank@Net	59	-10 points	78	+19 points	78	=
Branch offices	77	+4 points	85	+8 points	91	+6 points
Premium Banking	64	+3 points	68	+4 points	68	=

- We successfully organised the fifth Champions Forum. The Champions Forum is a friendly competition among teams from branches, large corporate and SME banking teams, Inbound and Outbound Contact Centres. One of the important goals of Champions Forum programme in Nova KBM is education and the exchange of good practices. In the programme itself we encourage the use of various sales techniques and product skills that employees in the branch network acquire through various training programmes. By the conscious application of the knowledge gathered on such training, the achievement of other goals will follow, such as increased NPS.
- We strengthened employee commitment and thus improved their relations with clients through the **Adopt a Branch** programme, where management staff take a selected branch under their wing and help the team realise their initiatives and improve their excellence in client handling.

At Nova KBM, we attach particular importance to resolving and analysing complaints as quickly as possible and to preventing them. The Bank has a clearly defined complaints procedure. The relevant departments (Complaints Handling Team and Client Excellence) continuously monitor and analyse the most common causes of complaints and propose remedial measures and suggestions for improvement based on the results. The most important data on complaints, root causes and suggestions for improvement are regularly reported to the Bank's Management Board. At regular Quality Council meetings we closely monitored numerous quality indicators, including the trend in the number of complaints and customer satisfaction with our solutions. We carefully tracked all complaints, analysed and fixed them systematically under direct supervision of the Quality Council, which includes among others the board members and managers responsible for commercial activities, products, channels and processes. On that basis we introduced a number of improvements to both products and processes, which contributed to increasing customer satisfaction.

Our focus was also maintaining a fast, easy and smooth complaint resolution process for customers. Regular problem resolution satisfaction surveys were thus conducted, and we were able to communicate with customers who had an issue, checked how satisfied were they with the resolution, and helped to resolve any additional issues that remained, if any.

7.3.1. FASTER SERVICES IN THE AREA OF OPERATIONAL SUPPORT

Nova KBM is aware that the Bank's responsiveness to requests, inquiries and complaints is very important to clients. Attention was given in 2023 to the further optimisation and simplification of client services.

In the area of card operations, we introduced the Soft POS solution, which makes it possible for clients to use a POS terminal on existing mobile phones and other devices, such as tablet computers. We implemented a project in conjunction with Visa in the area of fraud and abuse prevention with the aim of establishing new and more detailed rules to prevent unauthorised transactions, which has resulted in a significant reduction in risk for our payment card users. We continue to send renewed and newly ordered payment cards by ordinary post, through which we make it easier for clients to access those cards, as they no longer have to retrieve them from the post office. At the same time, the appropriate level of security of all security elements of payment cards is ensured. The use of virtual cards allows clients to transact even faster, as the cards are available in the virtual wallet the day after they are renewed or ordered. At the end of 2023, the Bank also made it possible for clients to use the new virtual Google Wallet, which can be used for all NKBM cards.

An important milestone was reached in payment transactions in 2023 with the migration to TARGET, the single European interbank settlement system, through which we sped up the processing of foreign payment orders, which is particularly important for companies and entrepreneurs who do a great deal of business with foreign business partners. We upgraded support for the allocation

of inflows and further sped up the execution thereof, which contributed to the higher throughput and faster execution of payment transactions, and increased customer satisfaction. The Bank also introduced upgraded support in 2023 for monitoring fraud and abuse in the area of payments, which significantly enhances the security of our clients' business.

7.3.2. UPDATING OF CLIENT SERVICES IN THE CONTACT CENTRE

Similar to 2022, clients communicated with Nova KBM's Contact Centre in 2023 through various channels, with close to one million contacts recorded. We further developed and improved our communication channels in 2023.

Through the chatbot Niko, who is available through three access points – the website and the online and mobile banks – we offer clients support and answers to questions regarding banking services. One third of all clients who contacted the Bank chatted with Niko in 2023. Close to one third of client contacts were made by advisers in the Contact Centre, 29% of clients used the automated response system at the toll-free number 080 1770, and slightly less than one tenth of clients contacted the Bank by email. Clients also contacted the Bank in small numbers via video call, most frequently for the purpose of making changes to their personal data or telephone number, or to arrange data regarding the authorised persons of our business clients who do not have a personal account with Nova KBM.

The chatbot Niko and automated response system took care of one-third of all client questions in 2023.

The number of client contacts with the Contact Centre was down by 8% in 2023, primarily due to the simplified use of new versions of the online and mobile banks, meaning clients required less help from our advisers. By expanding the range of questions our chatbot Niko can answer and upgrading the automated response system, we successfully reduced the number of repeat calls and chats, so clients now get the answers they seek even faster during their first contact. The chatbot Niko independently and successfully responded to 99% of all chats in 2023, with a Contact Centre adviser joining a chat for just 1% of clients.

We used robotisation to automate additional processes in the Contact Centre that were previously carried out manually, and thus sped up processes and saved time for advisers, who can now focus on improving their skills and resolving more complex client queries.

The Nova KBM's Contact Centre has a centralised team to handle client complaints for all areas of the Bank. We improved certain procedures in 2023, especially in the handling of attempted payment card fraud. We introduced important improvements in the internal monitoring of the time and results of complaint resolution procedures and automated internal reporting. Despite an increase in the number of complaints, we maintained a response time for complaint resolution of less than four working days.

The number of complaints was up by 12% in 2023 relative to 2022, but we maintained the same resolution time as the previous year through improvements to support and the reporting system.

7.3.3. RESPONSIBLE COMMUNICATION

When marketing its products and services, the Bank uses both its own advertising channels (branches, website, email, etc.) and public media channels (television, internet, radio, social networks, outdoor advertising, etc.). It also uses promotional methods (prize competitions and programmes) appropriate for the targeted segment of consumers in order to market its products and services. Advertisements for the Bank's products and services are one of the key sources of information for consumers, so it is important that the Bank always advertises in a clear, honest, accurate and non-misleading manner, in other words in accordance with the fundamental principles of advertising and the requirements both of general legislation and of specific consumer legislation.

■ The Bank ensures that advertising is clear, fair, precise and not misleading.

The Bank's advertising is in line both with the Bank's strategy and with the actual characteristics of the products being advertised, since this allows consumers to be as free and confident as possible in their choice of product. The information contained in the Bank's advertising materials is balanced, meaning that it does not only present the advantages of a given product but also the associated risks and costs. This area is regulated in more detail by Nova KBM's Fair Treatment of Consumers Policy.

In an increasingly digital environment, we are devoting even more attention to the use of a wide range of communication channels, with the help of which we are able to provide comprehensive, timely and accurate information to the public. Notification via the Bank's own communication channels and social media platforms (profiles on Facebook, LinkedIn and Instagram) remained as important in 2023 as it was the previous year. We provide regular briefings to journalists and maintain good relationships with them, supporting the media in their role as objective providers of information to the public. Nova KBM is keen to maintain a positive and professional presence among the public, providing assistance in helping people to understand banking topics and proactively communicating about corporate, social responsibility, sustainability and broader ESG topics.

With the impact of social media continuing to grow, we believe that the commitment to use these platforms responsibly is one of the most important commitments that the Bank and its employees can make. That is why our Code of Conduct lays down guidelines for the use of social media that are observed by all our employees. We use social media, online chat rooms and public forums in a responsible manner and clearly distinguish private messages from business communications, since we are well aware that interested parties will connect our messages and actions to our values and corporate culture, even if we undertake them in our free time. For this reason, we always communicate with the aim not only of avoiding damaging the Bank's reputation, but of protecting and strengthening it.

7.4 OUR CORPORATE SOCIAL RESPONSIBILITY

Nova KBM strives to inform, educate and empower its stakeholders and contribute to the wider development of society and its well-being. Our activities to this end include:

- Nova KBM takes part in major national, regional and local events, projects and initiatives as a **partner, sponsor or donor**.
- We organise special **awareness programmes** in the areas of financial literacy, responsible investing and borrowing, fraud prevention and security in online commerce. We ensure a positive organisational culture, and encourage employees to perform volunteer and charity work and to be active in ESG-related areas.
- **We support the development of knowledge and the activities of professional associations.** Many Bank employees are actively involved in a range of professional organisations and have ties with educational institutions as lecturers and as mentors for students preparing seminar papers and bachelor's or master's theses.

7.4.1 SPONSORSHIP AND DONATIONS

Nova KBM is aware of the social and environmental responsibility that it assumes as one of the most important banking institutions in the country. Responsibility to society and the environment are closely intertwined with the Bank's commercial activities. For several years now, we have been supporting organisations that promote a more sustainable relationship with the environment. **We recorded a significant increase in sponsorship and donation funds in 2023.** Collaborations in the area of sponsorships and donations are an important pillar of the Bank's social responsibility strategy. **Nova KBM actively supports and contributes to a higher quality of life, and the development of the local and national environment.** In the context of sponsorships, donations and other partnerships, the Bank strives to include to the greatest extent possible activities that focus on ESG goals, such as protecting the environment, corporate volunteering and charity.

Through its strategic partnership with Primož Roglič, one of the best cyclists in the world, and his wife, the businesswoman Lora Roglič Klinc, the Bank continued its collaboration in marketing-communication activities at the corporate and product levels in 2023. We thus strengthened Nova KBM's position as one of the strongest brands on the Slovenian market.

Area	Major collaborations
Sports ambassadors	Primož Roglič (Olympic champion) – Nova KBM brand ambassador, Helena Javornik (athlete, Olympian) and Eva Terčelj (canoe slalom champion)
Sport	Basketball Federation of Slovenia, Slovenian Ski Association, Ljubljana Marathon, Maribor Football Club, Bravo Football Club, Nova KBM Branik Volleyball Club, Celje Handball Club and women's Mlinotest Handball Club
Culture	Ljubljana Festival, Lent Festival, Slovene National Theatre Maribor, Museum of Contemporary History in Celje
Professional associations and training	British-Slovenian Chamber of Commerce, American Chamber of Commerce, and Chamber of Commerce and Industry of Slovenia (coastal region)
Financial literacy	Banking School at the School of Economics and Business
Modern technologies and digitalisation	Venture Factory (Podim conference)
Promotion of a healthy lifestyle	The Bank continued with the Nova KBM Runs programme, in which employees participated in several runs. In the scope of European Mobility Week, we encouraged people to cycle and rewarded the best cyclists.
Promotion of corporate volunteering	Employees collected school supplies at the beginning of the school year in the #give a notebook campaign. We planted trees in an area of the Karst that had been burned in the wildfires of 2022. We encouraged employees to volunteer their time following the floods that hit much of the country in 2023.
Donations	The Bank supported associations and organisations that provide for the socially disadvantaged. Following August's floods, we joined forces with SKB Bank and our Hungarian parent OTP Bank and donated a record €2.2 million to the Firefighters Association of Slovenia, the Mountain Rescue Association of Slovenia and the Slovenian Red Cross in 2023.

7.4.2. AWARENESS-RAISING PROGRAMMES

Financial literacy

After Nova KBM became a member of the OTP Group, Nova KBM and SKB Bank joined forces in 2023 and prepared several activities aimed at improving financial literacy. This is crucial for making effective and prudent financial decisions.

Managing your or your family's budget according to the 50:30:20 principle (i.e. 50% of your income on necessities and the most urgent costs, 30% on enjoyment and leisure time, and 20% on savings) makes it easier to achieve your financial goals. We used six video animations starring the "Bogatja family" to explain these and other topics in simple terms. Family members must make

important decisions in different periods of life and situations with the aim of ensuring their financial well-being and as carefree a



future as possible, and they succeed by following several important steps! What the members of the Bogataj family have in common is that they are all aware of the importance of prudent money management and savings.

We collected videos and a wide range of useful information to raise awareness about the importance of savings on special landing pages ([Everyone can be a Bogataj | NKBM](#)). We presented the Bogataj family to the employees of both banks and to clients, and kept them abreast of their stories on our websites, through social media and other digital channels. Every step, however small, towards improved financial literacy can contribute to the greater financial empowerment of individuals, which has positive effects on economic and social development.

Financial literacy for children

Again in 2023, we made it possible for children who took part in workshops and other activities under the auspices of the Maribor Chapter of the Friends of Youth Association and the Brainobrain programme to visit our largest branch – Centrala Maribor – during their summer holidays. Some visited us for the first time, while others had already been to the Bank before. We provided our young guests with insights into what goes on at a bank branch, what services clients can use and what devices are available to them. They also got a peek into corners of the bank branch to which clients do not normally have access. Such visits allow youngsters to gain knowledge that will be beneficial to them when they take their first steps into the world of money and financial literacy.

Useful advice and information for vulnerable groups

We redesigned leaflets intended primarily for older people. In terms of digital literacy, many older people have less knowledge and information at their disposal, so carrying out transactions remotely can be challenging. Nova KBM is aware of this and therefore strives to bring modern banking channels as close to them as possible.

We redesigned the leaflet ([Financial Literacy | NKBM](#)), in which we show older people how they can become online or mobile banking users in just a few simple steps. Useful in this respect is the wide range of information and video advice available on the Bank's website (<https://www.nkbm.si/digital>), as well as support every step of the way from employees in our state-of-the-art Contact Centre.

Although Nova KBM's extensive network of branch offices and ATMs and the ability to carry out transactions at post offices make Nova KBM the most accessible bank in Slovenia, we know that there are clients who are unable to visit us in person due to illness or other problems, but still need help arranging their personal finances. In order to make it easier for these people and their families to access our services, we prepared a special leaflet ([Financial Literacy | NKBM](#)) with a wide range of useful information. We are also available 24 hours a day, seven days a week through our award-winning online and mobile banks, mDenarnic@ and Contact Centre for those who do not wish to or are unable to visit our branches or post offices.

Our responsible lending practices

Nova KBM is committed to responsible lending and ensuring that our borrowers understand every detail of the loan conditions, interest rates and risks associated with taking out a loan. The Bank has adopted the following five commitments in this regard:

- transparency of information and full disclosure,
- professionalism,
- guidance in the choice of a suitable loan and understandable price list,
- creditworthiness assessment, and
- clear advertising.

In order to help borrowers better understand their needs and financial capacity, we have created a special responsible lending website (<https://www.nkbm.si/odgovorno-kreditiranje>) containing all the information that potential borrowers need to know before deciding to take out a loan or during the repayment period. The website also includes a creditworthiness calculator which customers can use to calculate maximum loan amounts and familiarise themselves with the variables that affect the creditworthiness calculation.

Environmental footprint calculator for our retail clients

With the aim of raising awareness among our retail clients, we made available on our website an “Ecological Footprint Calculator” provided by the Global Footprint Network, which enables users to calculate their ecological footprint and come up with ideas on how to reduce it: [Vaš ekološki odtis | NKBM](#).

Raising awareness about online security and fraud

Together with other members of the Bank Association of Slovenia, we designed a campaign to raise public awareness about the risks of various types of online fraud. The objective of the campaign was to enhance awareness about cyber risks and online fraud, with the aim of helping the users of banking services identify and prevent attempted fraud in a timely manner, as it is the individuals themselves who can do the most to keep their online banking secure. That campaign began in June 2023 and was repeated in the autumn months.

Promoting volunteer work and concern for the environment among employees

In the scope of corporate volunteer work, which is an important element of our ESG strategy, Nova KBM's employees participated in a reforestation campaign in the areas of the Karst forest that were burned in the 2022 wildfires, organised by the Serene Kras Institute and the Slovenia Forest Service. We planted around 250 black oak seedlings.

In 2023, we took part in a reforestation campaign in the areas of the Karst forest that were burned in the 2022 wildfires, used electric vehicles and bicycles extensively for business travel, and produced the first honey in our urban beehive on the roof of the commercial building in Maribor.

After building the first urban beehive on the roof of the commercial building in Maribor in 2022, with five bee colonies and nectar-bearing plants, we produced the first batch of honey in 2023. Our bees produced a total of around 40 kg of honey. The experienced beekeepers of the Štajerska Beekeepers Association were once again responsible for the care of the bees in 2023.

We organised a **sustainable kilometre contest** in the scope of European Mobility Week. During that week, we called on the Bank's employees to select a more environmentally friendly alternative than a car for transport to and from work, with bicycles being the favourite choice. Those who accumulated the most cycling kilometres were rewarded. At the end of 2023, we also provided winter gloves for company bicycles to promote cycling even during colder months.

8 CORPORATE GOVERNANCE

8.1 COMPLIANCE

Nova KBM is committed to meeting the highest corporate governance and compliance standards. We have codified our shared values, the foundation of ethical standards and rules of conduct, in our Code of Conduct, which serves as the primary building block of our corporate culture. We will continue to build an inclusive work environment, and promote equality and diversity. We will continue to operate with full transparency and the highest level of integrity, and will apply a policy of zero-tolerance to all forms of corruption in all business relationships and transactions.

The Bank employs a model of three lines of defence, which facilitates the comprehensive and effective management of risks, and clearly defines the responsibilities of individual levels and organisational units at the Bank in connection with risk management and internal controls. The Bank has internal controls in place at all organisational levels, including business, control and support functions, and at the level of individual products and services, with a clear and documented decision-making process, the clear segregation of responsibilities and powers, and a clear work process, defined by internal rules.

Within the Group, the mission of the **Compliance Department** is to work with other business areas to achieve the Group's strategic, corporate and financial objectives, while protecting the Group through the development and nurturing of an organisational culture that encourages ethical conduct and a commitment to operations that are in line with the law, and to strengthen the values that are an important elements of our Code of Conduct.

The **Code of Conduct** is the most important internal document of Nova KBM and the Nova KBM Group, and is the core document that describes our corporate culture and values. It provides guidance on how employees should act in certain circumstances and on different occasions that may arise in our business practices. It is linked to the vision and mission of Nova KBM and the Nova KBM Group, and is an essential part of their governance, development and risk management processes.

In 2023, we continued to ensure the highest standards of compliance, which we believe provides the Bank a competitive advantage in its operations::

- through the timely identification of compliance risks, the appropriate measures, the management of regulatory changes, the strengthening of institutional compliance through effective education and training programmes, and preservation of the Bank's reputation;
- by encouraging anyone who believes that a law, regulation, the Code of Conduct or any of the Bank's policies or procedures have been breached to immediately report what they see or suspect, without fear of retaliatory measures; and
- through a culture of compliance across the entire Bank to prevent the leakage of information.

As a result of the high standards applied no legal actions have been filed against the Bank for anti-competitive or anti-trust behaviour, or for monopoly practices.

A total of 97% of the Bank's employees completed online training on the topics of compliance and the Code of Conduct.

Compliance Department in the area of ESG

The Compliance Department controls and coordinates the Bank's activities aimed at ensuring compliance through the relevant and applicable ESG-related requirements and regulations, and oversees the implementation of the ESG strategy, by integrating ESG due diligence into the compliance due diligence of external contractors and suppliers. The Compliance Department advises the Bank by identifying compliance risks and regulatory solutions, enhances institutional compliance through effective education and training programmes, preserves the Bank's reputation and helps prevent the leakage of information, which gives Nova KBM a competitive

advantage. It is responsible for drawing up a list of relevant ESG-related documents (primarily levels 1 and 2) and regularly monitoring the implementation thereof.

8.1.1. FIGHT AGAINST CORRUPTION AND BRIBERY

Nova KBM and the Group expect transparency and the highest degree of integrity in all business relationships and transactions, and do not permit any real or perceived undue benefit as the result of harmful conduct. They also expect employees and third parties that transact with the Bank to conduct themselves with the same degree of integrity as the Group itself.

The Group has zero tolerance for all forms of corruption, and the giving or receiving of bribes: employees and third parties with whom employees do business are prohibited from offering, promising, giving or approving any assurance or agreement to provide or accept any benefit that constitutes or could constitute any form of bribe or corruption.

The Compliance Department performs due diligence in connection with external contractors and suppliers in accordance with the Anti-Corruption Policy, as well as due diligence in terms of ESG risks.

Anti-corruption Policy is part of Compliance Policy and it is publicly available on <https://www.nkbm.si/compliance>

Rules relating to the fight against corruption and bribery are part of the annual training regarding the Code of Conduct for employees. In 2023, 97% of all employees concluded this training.

No corruption incidents were detected in 2023.

8.1.2. CONFLICTS OF INTEREST

In order to protect its reputation, ensure fairness and transparency of operations, prevent, both in fact and appearance, the private interests of employees influencing their impartial and objective performance of their duties and tasks, and to avoid damage to the Bank or its stakeholders, the Bank has defined roles and responsibilities and introduced an effective system for the management and prevention of any conflicts of interest and similar influences in accordance with the Companies Act and the Banking Act. The Bank ensures appropriate delineation of responsibilities, duties and tasks so that no employee is able to perform mutually incompatible tasks which may give rise to a conflict of interest.

Conflict of interest prevention is defined in detail in the following standalone documents: the Rules on Managing Conflicts of Interest and Corruption Risk, and the Rules on Managing Conflicts of Interest for Supervisory Board members.

The Rules on Managing Conflicts of Interest for Supervisory Board Members stipulate that in fulfilling their functions and taking decisions, members of the Supervisory Board must avoid any circumstances or actions that constitute or may result in a conflict between the interests of the Bank and the personal interests of a member and/or a person who shares the same economic, political, or other interests with this member, and which are reflected in joint actions or operations of this member and this person.

Supervisory Board members are obligated to adhere to and observe these rules on the management of conflicts of interest at all times.

8.1.3. DATA SECURITY

Employees of the Nova KBM Group regularly encounter data of a confidential nature in their work. Data, regardless of its form, is of a confidential nature when it is defined as such by internal rules and when, even if it is not defined as confidential, it is not publicly available and it is clear that significant harm would be incurred if it were disclosed or if an unauthorised person were to find out about it. Employees protect all data they acquire knowledge of in their work in accordance with applicable legislation. Even after the

termination of employment, employees are obliged to protect the data they acquired knowledge of during their employment. Nova KBM continued with the implementation of technical and organisational measures, and improved the level of data security.

8.1.4. KNOWLEDGE AND EXPERIENCE OF THE GOVERNANCE BODY IN THE AREA OF ESG

In accordance with the relevant legislation and regulatory recommendations, candidates for members of the management body must fulfil the condition regarding knowledge and experience in the areas of sustainable financing and associated ESG risks, IT risks, cyber risks, sustainable business models and digitalisation, both individually and at the level of the entire body, and they need to have knowledge of all relevant risks, including those in connection with the prevention of money laundering and terrorist financing, ESG, information security, and so on as a condition for the fulfilment of the criteria of knowledge, skills and experience. We also organised ESG-related training prepared by OTP Bank for members of Nova KBM's Management Board in 2023.

In 2023, our Management Board and the mostly involved directors participated in training delivered by OTP Bank on ESG topics, consisting of five modules covering ESG principles, legal background, business opportunities, risk management, employer responsibility and ESG governance.

8.1.5. SUPPLIER ESG DUE DILIGENCE

The Compliance Department conducts due diligence in connection with external contractors and suppliers⁵. Part of this process involves assessing a supplier's compliance with anti-corruption rules and the compliance of their operations. A special ESG questionnaire is incorporated in the procurement process, facilitating the monitoring of the ESG practices of the Bank's suppliers. This questionnaire has been in use since the beginning of 2022.

In 2023 new suppliers were screened using environmental, social and governance criteria as part of the compliance due diligence, and we have not identified any significant actual or potential negative impact related to the screened suppliers.

Every supplier is required to sign declarations and confirm that it is familiar with the Bank's Code of Conduct. The Code of Conduct stipulates that Nova KBM has the expectation that our business partners, service providers, vendors, advisors, and anyone cooperating with the Bank in any way will act in accordance with the provisions of this Code and the relevant laws. We also expect these organisations and individuals to do business in an ethical manner, protect human rights, and consider regulations governing sustainable development. In dealing with external stakeholders, we need to avoid situations that cause or may cause a conflict of interest.

The Bank also has strict rules and policies on preventing corruption and bribery in procurement.

8.2 SECURITY OF OPERATIONS

8.2.1. INFORMATION SECURITY

We made a number of minor improvements to information security in 2023, while we also increased the scope of cooperation with other relevant institutions in this area. We continued with the implementation of an information security management system with

⁵ At present, 77% of our suppliers are companies operating in Slovenia

the aim of ensuring the appropriate security measures for the Bank's information sources against both external and internal and deliberate or accidental threats. The objectives of activities in this regard are:

- to achieve an acceptable level of information security, regardless of the communication channel, media or form;
- to manage and implement legal requirements in the area of information security;
- to protect information against unauthorised access;
- to maintain the confidentiality of information;
- to ensure that confidential data and information are not accessible by unauthorised persons;
- to preserve the integrity of information and prevent unauthorised changes to it;
- to facilitate access to information by authorised users;
- to inform and educate all employees about the importance of information security;
- to record and report all incidents and take the appropriate action; and
- to regularly review and update the Information Security Policy.

Employees from the area of information security actively participated in several professional events, where they learned about the latest guidelines and examples of best practice. They were also active on the Bank Association of Slovenia's Information Security Committee, where they were involved in the introduction of innovations in the area of information security.

Together with Nova KBM's Corporate Communications Department, we carried out several activities with the aim of informing and raising awareness of information security risks among the Bank's clients and employees.



Card operations are presented in more detail in the Annual Report for 2023.

8.2.2. FRAUD PREVENTION

The Bank's representatives participated as speakers at several conferences on fraud prevention in 2023, and thus reinforced our reputation as a responsible bank.

The number of cases of online fraud has grown sharply around the world in recent years. The number of phishing attacks, in particular, rose in 2023, with those attacks targeting the users of banking and payment channels. We are also recording many cases of investment fraud, where individuals looking to make a rapid financial gain using cryptocurrencies fall prey to fraud. Nova KBM dedicates a great deal of attention to informing and raising the awareness of clients and employees about the prevention of fraud, and a fraud reporting and warning system is also in place. Clients who fall victim to fraud despite such awareness-raising activities are advised to report all such crimes to the prosecuting authorities.

The Bank holds annual compulsory online training sessions on fraud for all employees. Various internal channels are used to provide regular information and raise the awareness of, in particular, those employees who have direct contact with clients. In this way we ensure that employees handle cases of fraud correctly when they occur, and advise the injured client accordingly.

We constantly ensure that clients are well-informed about cases of attempted fraud that they could be exposed to in online operations. We inform clients about the importance of security in online transactions with the help of websites (in particular the special webpage [Secure operations | NKBK](#)) and via the Bank's other channels, the media, social networks and in-person conversations. We strengthened the awareness of the general public about online fraud and continued our good cooperation with the media. Representatives of the Bank participated as speakers at several conferences on the subject of fraud prevention, and appeared in the media in connection with the same. Under the auspices of the Bank Association of Slovenia, we also actively participated in the preparation and execution of the national *Pazi.se* campaign, aimed at raising awareness about online fraud.

8.2.3. INCIDENT AND CRISIS MANAGEMENT

The Bank has bylaws in place that define how to respond to and be prepared to handle incidents and crises. The purpose of the plan is to ensure a rapid and effective response to all types of crisis or incident. The plan defines, *inter alia*, management, information, escalation and reporting. If a crisis is declared, management of it is taken over by the Crisis Committee and action is taken in accordance with bylaws and the rules of procedure of Crisis Committee.

The Nova KBM Group defines crisis management at the highest level in the scope of its Business Continuity Policy, which is based on the ISO 22301 standard. In accordance with this policy, the Bank has set up a response structure (Crisis Committee) with a notification system, a crisis response plan and specific response plan that the Bank regularly maintains and tests in accordance with a predefined testing programme.

We once again organised several internal training courses in 2023 with the aim of ensuring preparedness and raising awareness. The Bank conducts regular drills of the Crisis Committee which also include external stakeholders, such as the Security Operations Centre.

9 PERSONS RESPONSIBLE FOR REPORTING

Jure Bračko, the director of the Marketing and Communication Department, is responsible for the preparation of the ESG report.

Responsible employees by individual work areas:

ESG	Dóra Balog, director
Compliance Office	Simon Tanteget, director
Employee Development, Process and Organisation	Jana Jereb, director
Marketing and Communications Department	Jure Bračko, director
Product and Segment Development	Silvia Gabriela Birla, director
Digital Marketing	Tatjana Draksler, director
Sales Support	Branka Vujanovič, director
Banking Operations	Aleksandra Brdar Turk, director
Strategic Risk Management	Darja Hota Mesarič, director
Credit Management Sector	Franci Hočevan, director
Fraud Prevention	Aleš Ritonja, manager
Physical and Information Security Management	Božidar Dajčman, director
Operational Risk Management	Nataša Tkalec Goršek, manager
Centralised Purchasing and Cost Management	Sonja Šrubar Lovšin, director
Asset and Liability Management	Marko Stolica, director
Controlling and Reporting	Denis Mulalić, director

The esg@nkbm.si email was established for all ESG-related questions.

10 APPENDICES

10.1 LIST OF ESG RELEVANT INTERNAL DOCUMENTS

Title	Description
Code of Conduct	Outlines the principal ethical standards, values and rules of conduct that employees of Nova KBM and the Nova KBM Group have to follow daily in their line of work and which have to be pursued in creating the corporate culture.
ESG Policy	Describes the Group's approach to the implementation of the ESG strategy and regulatory requirements for managing ESG risk into its policies and procedures. It represents a framework to understand and manage our environmental risks, impacts, and opportunities.
Rules of Procedure of the Climate Change & Sustainability Committee	Describes the composition, mode of operation and decision-making, powers and competences, manner of preparing documents for Climate Change & Sustainability Committee meetings, and the manner of signing decisions of the Bank Climate Change & Sustainability Committee.
Nova KBM d.d. and Nova KBM Group Governance Policy	Outlines the corporate governance system and commitment to ensure effective and prudent governance of Nova KBM d.d. and Nova KBM Group within the realm of applicable laws and regulations, bylaws, standards and corporate governance best practice recommendations.
Group Policy on the Selection of Suitable Candidates for the Management Body	The purpose of this Policy, including any other corporate governance strategies of the Bank, is to ensure a prudent and continuous management structure in the Bank as a systemically integrated whole, thereby strengthening risk management.
Policy on the Assessment of the Suitability of Members of the Management Bodies and Key Function Holders (Fit & Proper Policy)	Sets out detailed selection strategy and procedure for the assessment of the suitability of members of the Management Board, Supervisory Board, and key function holders of the Bank
Nova KBM and Nova KBM Group Compliance Policy	The Compliance Policy defines the relevant compliance and integrity requirements which the Bank and Group have to consider when taking and managing risks, and sets the bases for achieving its objectives.
Remuneration Policy of Nova KBM d.d.	Sets out the requirements regarding remuneration applicable to all staff of the Bank, and specific requirements that the Bank has to apply to the remuneration policies and variable elements of the remuneration of the staff whose professional activities have a material impact on the Bank's risk profile. The Remuneration Policy principles apply to all documents that govern the rewarding of the performance of Nova KBM employees.
Diversity, Equity, Inclusion and Belonging Policy (DEIB)	Sets out Nova KBM's commitment to Diversity, Inclusion, Equity and Belonging. A Diverse workforce, Inclusive culture, Equitable treatment of employees and creating a work environment with a sense of Belonging help us to fulfil our purpose to achieve the strategic objectives and follow the strategic pillars of the Bank's Business Strategy and People Strategy.
People Strategy	The People Strategy sets out the Bank's strategic approach to our people. It sets out the interventions that are required to ensure we develop as a bank that is continuously fit for purpose, lives its values, and delivers its objectives. It seeks to enable and equip people within the organisation with the necessary knowledge, skills experience, and attitudes to deliver outstanding services.
Risk Appetite Framework of Nova KBM Group	Provides the definitions, objectives and procedures of conscious risk-taking, including governance and control environment processes.
Investment Strategy of the Nova KBM Group	The investment policy is an umbrella document that defines the investment classes, appetite, and rules for investing for the Bank's account, covering all aspects of investing.
Asset and Liability Management Strategy	Outlines the main considerations for setting up the ALM function and defines the principles to be followed by ALM Department and other organisational units with regard to ALM activities.
Policy on Financial Instrument Trading at Nova KBM d.d.	The Bank's financial instruments trading activities include all positions held for trading or for the hedging of other trading book positions that are unencumbered and can be freely traded or used for hedging purposes.
Risk-Adjusted Pricing Policy	This policy defines the risk-adjusted approach to loan pricing in the Nova KBM Group, and in this context uses the risk-adjusted return on capital as a risk-adjusted measure that indicates the efficiency in value creation as a function of risk.

Nova KBM Group Corporate and Financial Markets Lending Policy	Outlines rules and guidelines for the prudent and responsible approval of loans to clients.
Credit Risk Management Policy of Nova KBM Group	Describes the approach of the Nova KBM Group to credit risk management. The approach defines a set of principles and procedures for the identification, measurement and active management of credit risk.
ESG Risk Assessment Methodology for Nova KBM Group's Loan Origination Process	Provides a comprehensive framework for the effective management of ESG risks (identification, assessment/measurement, monitoring and control) in the Bank's credit process, which could have a significant impact on the performance of clients and, consequently, the Bank.
Rules on Powers and Authorities, Procedures, and Manner of Loan Approval in Nova KBM d.d. for Corporate and Financial Market Clients in Nova KBM d.d.	It governs the powers and authorities, procedures, and manner of decision-making regarding the loan approval process in Nova KBM d.d., including ESG criteria in the approval process.
Collateral Policy of the Nova KBM Group	Describes the types of collateral the Bank considers acceptable and the Bank's approach to collateral management.
Financed Greenhouse Gas Emissions Assessment Methodology of Nova KBM Group	The purpose of this document is to describe the approach of the Group to assessing financed GHG emissions and the emission intensity of its portfolio.
ICAAP Policy of Nova KBM Group	This is the key risk management instrument which allows Nova KBM to assess the risks the Group is exposed to in a structured manner, and which is important for improving the Group's resilience to negative impacts from the internal or external environment.
Stress Testing Policy of Nova KBM Group	Stress testing forms an integral part of the overall governance and risk management of Nova KBM d.d., and it aims to impact the decision-making process and strategic decisions based on the results of stress testing analyses.
ILAAP Policy of Nova KBM Group	The purpose of policy is to manage and continuously identify, assess, measure and mitigate liquidity risks to which the Group is exposed to in its business activities.
Market Risk Management Policy of Nova KBM Group	Establishes procedures for monitoring the market risks of the banking and trading book, and for determining the acceptable level of exposure to market risks.
Interest Rate Risk Management Policy of Nova KBM Group	Describes the Nova KBM Group's approach to managing interest rate and credit spread risk risks arising from the banking book.
Operational Risk Framework Policy	Describes the individual components of the Operational Risk Framework, the implementation thereof and associated roles and responsibilities with regards to the management of operational risks at the Nova KBM Group, and therefore sets out the Group's approach to effective management of operational risks within the Bank's risk appetite.
Operational Risk Event Management and Reporting Rule Book	Defines the governance, roles and responsibilities and framework to identify, assess, mitigate, monitor, report, and respond to Operational Risk losses, revenues, and other events.
Operational Risk Indicators Management Rulebook	Describes individual components of the framework for managing operational risk indicators, its implementation and the related roles and responsibilities concerning indicator management in the Group.
Outsourcing Policy	Outlines the components of the Outsourcing Framework, in line with the overall management of operational risks within the Bank's risk appetite. It sets out the requirements, governance, roles and responsibilities and framework components to define, monitor, manage and mitigate the risks associated with the outsourcing of services to service providers.
Central Procurement Rulebook for Nova KBM	Outlines the basic principles and responsibilities for the execution of central procurement in the Bank in accordance with the applicable laws and the OTP Group's IT and non-IT procurement policies.
Nova KBM Rulebook on the Management of its Vehicle Fleet and the Use of its Vehicles	Sets out the rules, terms and conditions, obligations, rights and liabilities applicable to the use of Nova KBM vehicles for business and private purposes, as well as the management of the Bank's vehicle fleet.
Reputational Risk Management Policy	Outlines Nova KBM's approach to ensuring, strengthening and maintaining its own reputation and that of the Nova KBM Group as a whole.
Rules on Managing Conflicts of Interest and Corruption Risk	Defines conflict of interest and corruption risk situations, and mitigation, prevention, and control measures to manage these risks.
Disclosure Policy of the Nova KBM Group	Presents the approach for the disclosure of information in annual and interim reports, and disclosure of other information intended for the interested public.

Policy on Strategy, Plan and Forecast Process in the Nova KBM Group	Presents key activities around which market and business opportunities and internal and external constraints are balanced and combined into a coherent set of targets, resources and limits.
Work-Life Balance Policy of Nova KBM	This is an integral part of the documentation outlining the measures that help Nova KBM staff to balance their professional and private obligations.
Nova KBM Training Rulebook	Regulates in detail the rights, obligations and responsibilities of employees and the employer with regard to training, development, and functional training in Nova KBM.
Rules Governing Project Management in Nova KBM d.d.	Describes the rules governing project management in the Bank with the aim of implementing the projects within the given deadlines, within the given budget and using own resources, with high-quality solutions and anticipated commercial effects, whereby ESG aspects are also relevant, as derived from internal acts.
Rules on Documents Retention	Defines procedures for managing documents in physical and electronic form.
Rules for Implementing, Changing/ Cancelling products (PA Rulebook)	Describes a standard procedure related to the launching and marketing of a new product, significantly or non-critically changing an existing one, or cancelling an existing product.
Rulebook on Tariffs for Nova KBM d.d. Services	Defines the implementation of procedures and activities at the Bank level that have to be followed for specific amendments and proposed supplements to the Tariffs of Nova KBM d.d. Services.

10.2 GRI CONTENT INDEX

GRI content index	
Statement of use	Nova KBM Group has reported in accordance with the GRI Standards for the period 1.1.2023-31.12.2023
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	There is no GRI Sector standard for financial/banking sector at the time of the preparation of this sustainability report.

GRI standard / other source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
General disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	ESG Report Chapter 3 About Nova KBM Group Annual report Chapter 8 Presentation of Nova KBM and Nova KBM Group https://www.nkbm.si/about-us			
	2-2 Entities included in the organization's sustainability reporting	ESG Report Chapter 2 About this report and Chapter 3 About Nova KBM Group			
	2-3 Reporting period, frequency and contact point	ESG Report Chapter 2 About this report			
	2-4 Restatements of information	ESG Report Chapter 2 About this report			
	2-5 External assurance	ESG Report Chapter 2 About this report			
	2-6 Activities, value chain and other business relationships	ESG Report Chapter 3 About Nova KBM Group Annual report Chapter 15 Development of the Bank and Chapter 14 Business segments			
	2-7 Employees	ESG Report Chapter 7 Social impacts and Annual report Chapter 16 Human resource management			
	2-8 Workers who are not employees	not material			
	2-9 Governance structure and composition	ESG Report Chapter 3 About Nova KBM Group ESG Report Chapter 4.1 ESG Governance and Chapter 8 Corporate Governance Annual report Chapter 9.3 Governance of the Nova KBM Group and Nova KBM			
	2-10 Nomination and selection of the highest governance body	ESG Report Chapter 7.2 Ensuring diversity and equal opportunities Annual report Chapter 9.3. Governance of the Nova KBM Group and Nova KBM			
	2-11 Chair of the highest governance body	Annual report Chapter 9.3. Governance of the Nova KBM Group and Nova KBM			
	2-12 Role of the highest governance body in overseeing the management of impacts	ESG Report Chapter 4.1 ESG Governance, Chapter 4.4. Material sustainability topics and Chapter 8 Corporate Governance Annual report Chapter 9.3 Governance of the Nova KBM Group and Nova KBM			
	2-13 Delegation of responsibility for managing impacts	ESG Report Chapter 4.1 ESG Governance			
	2-14 Role of the highest governance body in sustainability reporting	ESG Report Chapter 4.1 ESG Governance			
	2-15 Conflicts of interest	ESG Report Chapter 8.1. Compliance			
	2-16 Communication of critical concerns	ESG Report Chapter 7.3. Responsibility to customers			
	2-17 Collective knowledge of the highest governance body	ESG Report Chapter 8. Corporate Governance and Chapter 8.1. Compliance			
	2-18 Evaluation of the performance of the highest governance body	ESG report Chapter 4.3 Metrics and Tagets Annual report Chapter 16 Human resource management and			
	2-19 Remuneration policies	ESG report Chapter 4.3 Metrics and Tagets Annual report Chapter 16 Human resource management			
	2-20 Process to determine remuneration	ESG report Chapter 4.3 Metrics and Tagets			
	2-21 Annual total compensation ratio	n/a			This information presents business secret and it is not reported. However it is assessed and

			monitored internally
	2-22 Statement on sustainable development strategy	ESG Report Message from thePresident of Nova KBMs Management Board	
	2-23 Policy commitments	ESG report Chapter 4.1. ESG Governance, Chapter 4.2. ESG Strategy, 8.1 Compliance and Chapter 10.1. List of esg relevant internal documents	
	2-24 Embedding policy commitments	ESG Report Chapter 4.2. ESG Strategy, Chapter 7.2 Ensuring diversity and equal opportunities Chapter 8.1 Compliance and 10.1. List of ESG relevant internal documents https://www.nkbm.si/compliance	
	2-25 Processes to remediate negative impacts	ESG report chapter 4.2 ESG Strategy ESG report chapter 7 Managing Social impacts,	
	2-26 Mechanisms for seeking advice and raising concerns	ESG Report Chapter 7.1 Responsibility to employees	
	2-27 Compliance with laws and regulations	ESG Report Chapter 8.Compliance	
	2-28 Membership associations	ESG Report Chapter 3 About Nova KBM Group	
	2-29 Approach to stakeholder engagement	ESG Report Chapter 2. About this report and Chapter 4.4. Material sustainability topics	
	2-30 Collective bargaining agreements	ESG Report Chapter 7.1 Responsibilities toward employees	
Material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	ESG report chapter 4,4 Material topics	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.
	3-2 List of material topics	ESG report chapter 4,4 Material topics	
Economic performance			
GRI 3: Material Topics 2021	3-3 Management of material topics	Annual report	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Annual report	
	201-2 Financial implications and other risks and opportunities due to climate change	ESG Report chapter 4.2. ESG Strategy, 4.4. Material Sustainability topics and Chapter 6 Managing environmental impacts and NKBM Pillar 3 Disclosures	
	201-3 Defined benefit plan obligations and other retirement plans	Financial report Chapter 34 Income tax assests and liabilities	
	201-4 Financial assistance received from government	Financial report Chapter 23.1 Reconciliation of effective tax rate	
Market presence			
GRI 3: Material Topics 2021	3-3 Management of material topics	Annual report	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	n/a	Employees in NKBM are not subject to minimum wage rules
	202-2 Proportion of senior management hired from the local community	ESG Report chapter 7.2 Ensuring diversity and equal opportunities	
Indirect economic impact			
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report Chapter 4.2 ESG Strategy and 4.4. Material Sustainability topics	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Annual report Chapter 14	
	203-2 Significant indirect economic impacts	ESG Report Chapter 4.2 ESG Strategy and 4.4. Material Sustainability topics	
Procurement practices			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	ESG Report Chapter 8.1.5 Suplier ESG Due diligence	
Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report Chapter 8. 1.1 Fight against corruption and bribery	
	205-1 Operations assessed for risks related to corruption	ESG Report Chapter 8. 1.1 Fight against corruption and bribery	

GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	ESG Report Chapter 8. 1.1 Fight against corruption and bribery		
	205-3 Confirmed incidents of corruption and actions taken	ESG Report Chapter 8. 1.1 Fight against corruption and bribery		
Anti-competitive behavior				
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report Chapter 8. 1 Compliance		
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	ESG Report Chapter 8. 1 Compliance		
Tax				
GRI 3: Material Topics 2021	3-3 Management of material topics	Annual report Chapter 8.10 Taxes		
GRI 207: Tax 2019	207-1 Approach to tax	Annual report Chapter 8.10 Taxes		
	207-2 Tax governance, control, and risk management	Annual report Chapter 8.10 Taxes		
	207-3 Stakeholder engagement and management of concerns related to tax	Annual report Chapter 8.10 Taxes		
	207-4 Country-by-country reporting	n/a	Not applicable	NKBM report includes subsidiary in Slovenia
Materials				
GRI 3: Material Topics 2021	3-3 Management of material topics	n/a	Not applicable	this topic is not material
GRI 301: Materials 2016	301-1 Materials used by weight or volume	n/a	Not applicable	
	301-2 Recycled input materials used	n/a	Not applicable	
	301-3 Reclaimed products and their packaging materials	n/a	Not applicable	
Energy				
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report Chapter 6.2. Sustainable own operations		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	ESG Report Chapter 6.2. Sustainable own operations		
	302-2 Energy consumption outside of the organization	ESG Report Chapter 6. 2Sustainable own operations		
	302-3 Energy intensity	ESG Report Chapter 6. 2Sustainable own operations		
	302-4 Reduction of energy consumption	ESG Report Chapter 6. 2Sustainable own operations		
	302-5 Reductions in energy requirements of products and services	ESG Report Chapter 6. 2Sustainable own operations		
Water and effluents				
GRI 3: Material Topics 2021	3-3 Management of material topics	n/a	Not applicable	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	n/a	Not applicable	this topic is not material
	303-2 Management of water discharge-related impacts	n/a	Not applicable	this topic is not material
	303-3 Water withdrawal	n/a	Not applicable	this topic is not material
	303-4 Water discharge	n/a	Not applicable	this topic is not material
	303-5 Water consumption	n/a	Not applicable	this topic is not material
Biodiversity				
GRI 3: Material Topics 2021	3-3 Management of material topics	n/a		
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	n/a	Not applicable	this topic is not material
	304-2 Significant impacts of activities, products and services on biodiversity	n/a	Not applicable	this topic is not material
	304-3 Habitats protected or restored	n/a	Not applicable	this topic is not material

	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	n/a	Not applicable	this topic is not material
Emissions				
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report chapter 6.2.2 carbon footprint of our own operations		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	ESG Report chapter 6.2.2 carbon footprint of our own operations		
	305-2 Energy indirect (Scope 2) GHG emissions	ESG Report chapter 6.2.2 carbon footprint of our own operations		
	305-3 Other indirect (Scope 3) GHG emissions	ESG Report Chapter 6. Managing Environmental impacts and chapter 6.2.2 carbon footprint of our own operations		
	305-4 GHG emissions intensity	ESG Report Chapter chapter 6.2.1 energy efficiency and 6.2.2 carbon footprint of our own operations		
	305-5 Reduction of GHG emissions	ESG Report Chapter 6. Managing Environmental impacts and chapter 6.2.2 carbon footprint of our own operations, 4.4. Metrics and targets		
	305-6 Emissions of ozone-depleting substances (ODS)	n/a		Information unavailable/incomplete These emissions were not calculated due to data unavailability
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	n/a		Information unavailable/incomplete
Waste				
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report Chapter 6.2.4 waste management		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	ESG Report Chapter 6.2.4 waste management		
	306-2 Management of significant waste-related impacts	ESG Report Chapter 6.2.4 waste management		
	306-3 Waste generated	ESG Report Chapter 6.2.4 waste management		
	306-4 Waste diverted from disposal	ESG Report Chapter 6.2.4 waste management		
	306-5 Waste directed to disposal	ESG Report Chapter 6.2.4 waste management		
Supplier environmental assessment				
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report Chapter 4 ESG Governance and Strategy		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	ESG Report Chapter 4 ESG Governance and Strategy and chapter 8.1.5 Supplier esg due diligence		
	308-2 Negative environmental impacts in the supply chain and actions taken	ESG Report Chapter 4 ESG Governance and Strategy and chapter 8.1.5 Supplier esg due diligence		
Employment				
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report Chapter 7.1 Responsibility to employees		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	ESG Report Chapter 7.1 Responsibility to employees		
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	not material		
	401-3 Parental leave	ESG Report Chapter 7.1. Responsibility to employees		All employees with children under 1 are entitled as per local legislation.
Labor/management relations				
GRI 3: Material Topics 2021	3-3 Management of material topics			
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes			
Occupational health and safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report Chapter 7.1. Responsibility to employees		

GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	ESG Report Chapter 7.1. Responsibility to employees		
	403-2 Hazard identification, risk assessment, and incident investigation	ESG Report Chapter 7.1. Responsibility to employees		
	403-3 Occupational health services	ESG Report Chapter 7.1. Responsibility to employees		
	403-4 Worker participation, consultation, and communication on occupational health and safety	ESG Report Chapter 7.1. Responsibility to employees		
	403-5 Worker training on occupational health and safety	ESG Report Chapter 7.1. Responsibility to employees		
	403-6 Promotion of worker health	ESG Report Chapter 7.1. Responsibility to employees		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	ESG Report Chapter 7.1. Responsibility to employees		
	403-8 Workers covered by an occupational health and safety management system	ESG Report Chapter 7.1. Responsibility to employees		
	403-9 Work-related injuries	ESG Report Chapter 7.1. Responsibility to employees		
	403-10 Work-related ill health	ESG Report Chapter 7.1. Responsibility to employees		
Training and education				
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report Chapter 7.1. Responsibility to employees		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	ESG Report Chapter 7.1. Responsibility to employees		
	404-2 Programs for upgrading employee skills and transition assistance programs	ESG Report Chapter 7.1. Responsibility to employees		
	404-3 Percentage of employees receiving regular performance and career development reviews	ESG Report Chapter 7.1. Responsibility to employees		
Diversity and equal opportunity				
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report chapter 7.2.Ensuring diversity and equal opportunities		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	ESG Report Chapter 7.1 Responsibility to employees, 7.2.Ensuring diversity and equal opportunities, Annual report Chapter 17 Corporate Governance Statement of Nova KBM		
	405-2 Ratio of basic salary and remuneration of women to men		Confidentiality constraints	This information presents business secret and it is not reported. However it is assessed and monitored internally
Non-discrimination				
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report Chapter 7.1 Responsibility to employee		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	ESG Report Chapter 7.1 Responsibility to employee		no such cases
Freedom of association and collective bargaining				
GRI 3: Material Topics 2021	3-3 Management of material topics			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	See NKBM Code of conduct www.nkbm.si/compliance		
Child labor				
GRI 3: Material Topics 2021	3-3 Management of material topics	not material		
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	n/a		
Forced or compulsory labor				

GRI 3: Material Topics 2021	3-3 Management of material topics	Code of conduct	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	See NKBM Code of conduct www.nkbm.si/compliance	
Security practices			
GRI 3: Material Topics 2021	3-3 Management of material topics	not material	
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures		
Rights of indigenous peoples			
GRI 3: Material Topics 2021	3-3 Management of material topics	not material	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples		no indigenous people in slovenija
Local communities			
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report Chapter 7.4 Our Corporate social responsibility	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	ESG Report Chapter 7.4 Our Corporate social responsibility and Chapter 4.4 Material Sustainability topics	
	413-2 Operations with significant actual and potential negative impacts on local communities	n/a	
Supplier social assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report Chapter 8.1.5 Supplier esg due diligence ^{5,4}	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	ESG Report Chapter 8.1.5 Supplier esg due diligence ^{5,5}	
	414-2 Negative social impacts in the supply chain and actions taken	ESG Report Chapter 8.1.5 Supplier esg due diligence ^{5,6}	
Public policy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Code of conduct	
GRI 415: Public Policy 2016	415-1 Political contributions	See NKBM Code of conduct www.nkbm.si/compliance	Nova KBM is a politically neutral company
Customer health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	not material	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	n/a	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	n/a	
Marketing and labeling			
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report Chapter 7.3.3 Responsible communication	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	ESG Report Chapter 7.3.3 Responsible communication	
	417-2 Incidents of non-compliance concerning product and service information and labeling	ESG Report Chapter 7.3.3 Responsible communication	
	417-3 Incidents of non-compliance concerning marketing communications	ESG Report Chapter 7.3.3 Responsible communication	
Customer privacy			
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Report Chapter 8.2 Security of operations	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	ESG Report Chapter 8.2 Security of operations	

GRI content index

Statement of use	[Name of organization] has reported the information cited in this GRI content index for the period [reporting period start and end dates] with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI standards	Disclosure
GRI 2: General Disclosures 2021	2-1 Organizational details 2-2 Entities included in the organization's sustainability reporting 2-3 Reporting period, frequency and contact point 2-4 Restatements of information 2-5 External assurance 2-6 Activities, value chain and other business relationships 2-7 Employees 2-8 Workers who are not employees 2-9 Governance structure and composition 2-10 Nomination and selection of the highest governance body 2-11 Chair of the highest governance body 2-12 Role of the highest governance body in overseeing the management of impacts 2-13 Delegation of responsibility for managing impacts 2-14 Role of the highest governance body in sustainability reporting 2-15 Conflicts of interest 2-16 Communication of critical concerns 2-17 Collective knowledge of the highest governance body 2-18 Evaluation of the performance of the highest governance body 2-19 Remuneration policies 2-20 Process to determine remuneration 2-21 Annual total compensation ratio 2-22 Statement on sustainable development strategy 2-23 Policy commitments 2-24 Embedding policy commitments 2-25 Processes to remediate negative impacts 2-26 Mechanisms for seeking advice and raising concerns 2-27 Compliance with laws and regulations 2-28 Membership associations 2-29 Approach to stakeholder engagement 2-30 Collective bargaining agreements
GRI 3: Material Topics 2021	3-1 Process to determine material topics 3-2 List of material topics 3-3 Management of material topics
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed 201-2 Financial implications and other risks and opportunities due to climate change 201-3 Defined benefit plan obligations and other retirement plans 201-4 Financial assistance received from government
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage 202-2 Proportion of senior management hired from the local community
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported 203-2 Significant indirect economic impacts
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption 205-2 Communication and training about anti-corruption policies and procedures 205-3 Confirmed incidents of corruption and actions taken
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices
GRI 207: Tax 2019	207-1 Approach to tax 207-2 Tax governance, control, and risk management 207-3 Stakeholder engagement and management of concerns related to tax 207-4 Country-by-country reporting
GRI 301: Materials 2016	301-1 Materials used by weight or volume 301-2 Recycled input materials used 301-3 Reclaimed products and their packaging materials 302-1 Energy consumption within the organization

GRI 302: Energy 2016	302-2 Energy consumption outside of the organization
	302-3 Energy intensity
	302-4 Reduction of energy consumption
	302-5 Reductions in energy requirements of products and services
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource
	303-2 Management of water discharge-related impacts
	303-3 Water withdrawal
	303-4 Water discharge
	303-5 Water consumption
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas
	304-2 Significant impacts of activities, products and services on biodiversity
	304-3 Habitats protected or restored
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions
	305-2 Energy indirect (Scope 2) GHG emissions
	305-3 Other indirect (Scope 3) GHG emissions
	305-4 GHG emissions intensity
	305-5 Reduction of GHG emissions
	305-6 Emissions of ozone-depleting substances (ODS)
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts
	306-2 Management of significant waste-related impacts
	306-3 Waste generated
	306-4 Waste diverted from disposal
	306-5 Waste directed to disposal
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria
	308-2 Negative environmental impacts in the supply chain and actions taken
GRI 401: Employment 2016	401-1 New employee hires and employee turnover
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees
	401-3 Parental leave
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system
	403-2 Hazard identification, risk assessment, and incident investigation
	403-3 Occupational health services
	403-4 Worker participation, consultation, and communication on occupational health and safety
	403-5 Worker training on occupational health and safety
	403-6 Promotion of worker health
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
	403-8 Workers covered by an occupational health and safety management system
	403-9 Work-related injuries
	403-10 Work-related ill health
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee
	404-2 Programs for upgrading employee skills and transition assistance programs
	404-3 Percentage of employees receiving regular performance and career development reviews
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees
	405-2 Ratio of basic salary and remuneration of women to men
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs
	413-2 Operations with significant actual and potential negative impacts on local communities
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria
	414-2 Negative social impacts in the supply chain and actions taken
GRI 415: Public Policy 2016	415-1 Political contributions
	416-1 Assessment of the health and safety impacts of product and service categories

GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling
	417-2 Incidents of non-compliance concerning product and service information and labeling
	417-3 Incidents of non-compliance concerning marketing communications
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

10.3 TCFD CONTENT INDEX

Recommendation	Content/expectation	Chapter Location	Comments
1. Governance	Disclose the organization's governance around climate-related risks and opportunities.	a. Describe the board's oversight of climate-related risks and opportunities. b. Describe management's role in assessing and managing climate-related risks and opportunities.	4. ESG Governance and strategy 4.1 ESG Governance
2. Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	4. ESG Governance and strategy 4.2. ESG Strategy
3. Risk management	Disclose how the organization identifies, assesses, and manages climate-related risks.	a. Describe the organization's processes for identifying and assessing climate-related risks. b. Describe the organization's processes for managing climate-related risks. c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	5. ESG Risk management More information on the NKBM's risk management activities and general, and specifically related to ESG risk management are to be found in the NKBM Group's Pillar 3 disclosures.
4. Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks. c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	4. ESG Governance and Strategy 4.3. Metrics and targets

10.4 EU TAXONOMY DISCLOSURES

The EU Taxonomy is a classification system for environmentally sustainable economic activities. An economic activity to be defined as environmentally sustainable under the EU taxonomy, must meet the criteria specified in the taxonomy regulation and its delegated acts.

The Taxonomy Regulation was published in the Official Journal of the European Union on 22 June 2020 and entered into force on 12 July 2020. The EU Taxonomy requires credit institutions to report taxonomy key performance indicators (KPIs), i.e., to what extent the credit institutions assets and services relate to sustainable economic activities.

The Bank has followed guidance provided in the frequently asked questions (FAQs) on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation on the reporting of Taxonomy-eligible and Taxonomy-aligned economic activities and assets published on 21 December 2023 by the European Commission. Taxonomy-eligibility- and Taxonomy-alignment-related disclosures of financial undertakings shall be based on actual information, provided by the financial or non-financial undertaking, per Article 8(4) of the Disclosures Delegated Act. For 2023 the Bank considers actual information on Taxonomy-eligibility- and Taxonomy-alignment-related disclosures published in Annual Reports and Sustainability Reports by clients subject to the Non-Financial Reporting Directive (NFRD) based in Slovenia. For foreign clients the Bank considers information published on Bloomberg. Since there is no international register of foreign clients subject to the NFRD, the Bank only considers listed companies with more than 500 employees as clients subject to this directive. The Bank only shows exposures with the environmental objective of climate change mitigation. Financial undertakings subject to the NFRD are obliged to publish information on Taxonomy alignment starting from the reporting year of 2023, therefore the Bank mostly could not include Green Asset Ratio (GAR) data for financial undertakings.

The Bank reported the GAR of loans granted to households for the acquisition and ownership of the residential real estate, collateralised by residential real estate or for the renovation of real estate, aligned with the EU Taxonomy according to the technical screening criteria of buildings, namely for renovation or acquisition and ownership under points 7.2, 7.3, 7.4, 7.5, 7.6 and 7.7 respectively of Annex I to the Climate Delegated Act.

In template 1, the row "of which loans collateralised by residential immovable property", the Bank considers all loans granted to households for acquisition and ownership, collateralised by residential immovable property in accordance with point 7.7 respectively, of Annex I to the Climate Delegated Act as Taxonomy-eligible. With regard to Taxonomy-aligned loans, the Bank only considers those loans granted to households for property with an energy class A1 or A2, construction year of the building before 31.12.2020 and low flood risk. The Bank reported loans granted to households for which the use of the proceeds is known and aligned with the EU Taxonomy 7.7 (Acquisition and ownership of buildings) of Annex I to the Climate Delegated Act.

In template 1, the row "of which building renovation loans", the Bank considers all-purpose loans granted to households for renovation that are not collateralised by residential immovable property, including loans for solar power plants. As Taxonomy-eligible the Bank considers all-purpose loans granted to households for renovation that are not collateralised by residential immovable property in accordance with the EU Taxonomy 7.2 (Renovation of existing buildings) and 7.6 (Installation, maintenance and repair of renewable energy technologies) of Annex I to the Climate Delegated Act. As Taxonomy-aligned, the Bank considers all-purpose loans granted to households for renovation that are not collateralised by residential immovable property and aligned with the EU Taxonomy 7.2 and 7.6 of Annex I to the Climate Delegated Act. The Bank reported loans granted to households of which the use of proceeds is known and aligned with the EU Taxonomy 7.2 and 7.6 of Annex I to the Climate Delegated Act.

In template 1, the row "of which motor vehicle loans", the Bank considers all consumer loans for the acquisition of a motor vehicle. As Taxonomy-eligible the Bank considers all-purpose loans granted to households for the acquisition of a car, designed as category M1 (motor vehicles with not more than eight seating positions in addition to the driver's seating position and without space for standing passengers, regardless of whether the number of seating positions is restricted to the driver's seating position) and N1 (motor vehicles with a maximum mass not exceeding 3.5 tonnes), both falling under the scope of Regulation (EC) no. 715/2007 of the European Parliament and of the Council, or in category L (two- and three-wheeled vehicles and quadricycles). Low-and-zero emission light duty vehicles are aligned with the EU Taxonomy according to the technical screening criteria under point 6.5 of Annex I to the Climate Delegated Act.

Nova KBM prepared GAR calculation based on requirements set by Regulation (EU) No 2020/852 (EU Taxonomy), Commission Delegated Regulation (EU) 2021/2178, Commission Delegated Regulation (EU) 2023/2486 and Commission Delegated Regulation (EU) 2022/1214 and by following local regulation on defining NFRD companies.

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

		Total environmentally sustainable assets (Turnover) Mn EUR	Total environmentally sustainable assets (CapEx) Mn EUR	KPI – turnover	KPI – CapEx	% coverage (over total assets) ¹	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V) ²	% of assets excluded from the denominator of the GAR (Article 7 (1)) and Section 1.2.4 of Annex V) ³
Main KPI	Green asset ratio (GAR) stock	14.1	21.9	0.2%	0.3%	60.0%	20.8%	40.0%

¹ percentage of all assets covered in the numerator and denominator (total GAR assets) for the calculation of GAR compared to the (gross) carrying amount of bank's total assets

² percentage of all assets excluded from the numerator and covered in the denominator for the calculation of GAR compared to the (gross) carrying amount of bank's total assets

³ percentage of all assets excluded from the calculation of GAR compared to the (gross) carrying amount of bank's total assets

		Total environmentally sustainable activities (Turnover) Mn EUR	Total environmentally sustainable activities (CapEx) Mn EUR	KPI – turnover (compared to flow of total covered assets)	KPI – CapEx (compared to flow of total covered assets)	% coverage (over total assets) ⁴	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V) ⁵	% of assets excluded from the denominator of the GAR (Article 7 (1)) and Section 1.2.4 of Annex V) ⁶
Additional KPIs	<i>GAR (flow)</i>	5.8	7.5	0.3%	0.4%	17.7%	4.4%	26.5%
	<i>Financial guarantees</i>	0.7	6.5	0.0%	0.1%			
	<i>Assets under management</i>	0	0	0	0			

⁴ percentage of newly recognized assets in the reporting period covered in the numerator and denominator (total GAR assets) for the calculation of GAR compared to the (gross) carrying amount of bank's total assets

⁵ percentage of newly recognized assets in the reporting period excluded from the numerator and covered in the denominator for the calculation of GAR compared to the (gross) carrying amount of bank's total assets

⁶ percentage of newly recognized assets in the reporting period excluded from the calculation of GAR compared to the (gross) carrying amount of bank's total assets

1.Assets for the calculation of GAR (Turnover)

	a	b	c	d	e	f	g	h	i	aa	ab	ac	ad	ae	af	
Million EUR	31.12.23															
	Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which environmentally sustainable (Taxonomy-aligned)					
		Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)											
			Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which enabling								
- GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	4,304.8	243.6	14.1	1.3	0.7	2.7	0.0	0.0	0.0	0.0	243.6	14.1	1.3	0.7	2.7
2	Financial undertakings	1,819.9	1.0	0.8	0.0	0.0	0.8	0.0	0.0	0.0	0.0	1.0	0.8	0.0	0.0	0.8
3	Credit institutions	1,172.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4	Loans and advances	214.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5	Debt securities, including UoP	958.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0		0.0	0.0
7	Other financial corporations	647.0	1.0	0.8	0.0	0.0	0.8	0.0	0.0	0.0	0.0	1.0	0.8	0.0	0.0	0.8
8	of which investment firms	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	Loans and advances	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0		0.0	0.0
12	of which management companies	646.2	1.0	0.8	0.0	0.0	0.8	0.0	0.0	0.0	0.0	1.0	0.8	0.0	0.0	0.8
13	Loans and advances	421.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14	Debt securities, including UoP	213.6	1.0	0.8	0.0	0.0	0.8	0.0	0.0	0.0	0.0	1.0	0.8	0.0	0.0	0.8

15	Equity instruments	11.3	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0		0.0	0.0
16	of which insurance undertakings	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
17	Loans and advances	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
18	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
19	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0		0.0	0.0
20	Non-financial undertakings	272.3	27.3	12.0	0.0	0.7	1.9	0.0	0.0	0.0	0.0	27.3	12.0	0.0	0.7	1.9
21	Loans and advances	117.7	15.7	7.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.7	7.9	0.0	0.0	0.0
22	Debt securities, including UoP	154.4	11.3	3.9	0.0	0.7	1.7	0.0	0.0	0.0	0.0	11.3	3.9	0.0	0.7	1.7
23	Equity instruments	0.2	0.2	0.2		0.0	0.2	0.0	0.0		0.0	0.2	0.2		0.0	0.2
24	Households	2,178.5	215.3	1.3	1.3	0.0	0.0	0.0	0.0	0.0	0.0	215.3	1.3	1.3	0.0	0.0
25	of which loans collateralised by residential immovable property	995.2	200.7	0.8	0.8	0.0	0.0	0.0	0.0	0.0	0.0	200.7	0.8	0.8	0.0	0.0
26	of which building renovation loans	99.7	14.5	0.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0	14.5	0.5	0.5	0.0	0.0
27	of which motor vehicle loans	26.5	0.1	0.0	0.0	0.0	0.0					0.1	0.0	0.0	0.0	0.0
28	Local governments financing	34.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
29	Housing financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
30	Other local government financing	34.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	2,281.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
33	Financial and Non-financial undertakings	1,782.4														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	1,647.1														
35	Loans and advances	1,598.5														

36	of which loans collateralised by commercial immovable property	450.3															
37	of which building renovation loans	1.4															
38	Debt securities	48.5															
39	Equity instruments	0.0															
49	Non-EU country counterparties not subject to NFRD disclosure obligations	135.3															
41	Loans and advances	135.3															
42	Debt securities	0.0															
43	Equity instruments	0.0															
44	Derivatives	15.5															
45	On demand interbank loans	145.3															
46	Cash and cash-related assets	179.3															
47	Other categories of assets (e.g. Goodwill, commodities etc.)	159.1															
48	Total GAR assets	6,586.3	243.6	14.1	1.3	0.7	2.7	0.0	0.0	0.0	0.0	243.6	14.1	1.3	0.7	2.7	
49	Assets not covered for GAR calculation	4,385.8															
50	Central governments and Supranational issuers	1,944.3															
51	Central banks exposure	2,436.0															
52	Trading book	5.5															
53	Total assets	10,972.1	243.6	14.1	1.3	0.7	2.7	0.0	0.0	0.0	0.0	243.6	14.1	1.3	0.7	2.7	
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																	
54	Financial guarantees	16.0	0.8	0.7	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.8	0.7	0.0	0.0	0.1	
55	Assets under management	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
56	Of which debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
57	Of which equity instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	

1.Assets for the calculation of GAR (CapEx)

	a	b	c	d	e	f	g	h	i	aa	ab	ac	ad	ae	af	
Million EUR	Total [gross] carrying amount	31.12.23														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Delež skupnih zajetih sredstev za financiranje sektorjev, relevantnih za taksonomijo (sprejemljivih za taksonomijo)					
		Of which environmentally sustainable (Taxonomy-aligned)						Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling		
-	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	4,304.8	260.2	21.9	1.3	9.0	5.6	0.0	0.0	0.0	0.0	260.2	21.9	1.3	9.0	5.6
2	Financial undertakings	1,819.9	3.0	0.6	0.0	0.0	0.6	0.0	0.0	0.0	0.0	3.0	0.6	0.0	0.0	0.6
3	Credit institutions	1,172.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4	Loans and advances	214.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5	Debt securities, including UoP	958.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0		0.0	0.0
7	Other financial corporations	647.0	3.0	0.6	0.0	0.0	0.6	0.0	0.0	0.0	0.0	3.0	0.6	0.0	0.0	0.6
8	of which investment firms	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9	Loans and advances	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0		0.0	0.0
12	of which management companies	646.2	3.0	0.6	0.0	0.0	0.6	0.0	0.0	0.0	0.0	3.0	0.6	0.0	0.0	0.6
13	Loans and advances	421.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14	Debt securities, including UoP	213.6	3.0	0.6	0.0	0.0	0.6	0.0	0.0	0.0	0.0	3.0	0.6	0.0	0.0	0.6
15	Equity instruments	11.3	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0		0.0	0.0

16	of which insurance undertakings	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
17	Loans and advances	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
18	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
19	Equity instruments	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0		0.0	0.0
20	Non-financial undertakings	272.3	41.9	20.0	0.0	9.0	5.0	0.0	0.0	0.0	0.0	41.9	20.0	0.0	9.0	5.0
21	Loans and advances	117.7	18.3	11.1	0.0	7.7	1.5	0.0	0.0	0.0	0.0	18.3	11.1	0.0	7.7	1.5
22	Debt securities, including UoP	154.4	23.4	8.7	0.0	1.3	3.3	0.0	0.0	0.0	0.0	23.4	8.7	0.0	1.3	3.3
23	Equity instruments	0.2	0.2	0.2		0.0	0.2	0.0	0.0		0.0	0.2	0.2		0.0	0.2
24	Households	2,178.5	215.3	1.3	1.3	0.0	0.0	0.0	0.0	0.0	0.0	215.3	1.3	1.3	0.0	0.0
25	of which loans collateralised by residential immovable property	995.2	200.7	0.8	0.8	0.0	0.0	0.0	0.0	0.0	0.0	200.7	0.8	0.8	0.0	0.0
26	of which building renovation loans	99.7	14.5	0.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0	14.5	0.5	0.5	0.0	0.0
27	of which motor vehicle loans	26.5	0.1	0.0	0.0	0.0	0.0					0.1	0.0	0.0	0.0	0.0
28	Local governments financing	34.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
29	Housing financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
30	Other local government financing	34.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	2,281.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
33	Financial and Non-financial undertakings	1,782.4														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	1,647.1														
35	Loans and advances	1,598.5														
36	of which loans collateralised by commercial immovable property	691.3														
37	of which building renovation loans	4.0														
38	Debt securities	48.5														
39	Equity instruments	0.0														

49	Non-EU country counterparties not subject to NFRD disclosure obligations	135.3														
41	Loans and advances	135.3														
42	Debt securities	0.0														
43	Equity instruments	0.0														
44	Derivatives	15.5														
45	On demand interbank loans	145.3														
46	Cash and cash-related assets	179.3														
47	Other categories of assets (e.g. Goodwill, commodities etc.)	159.1														
48	Total GAR assets	6,586.3	260.2	21.9	1.3	9.0	5.6	0.0	0.0	0.0	0.0	260.2	21.9	1.3	9.0	5.6
49	Assets not covered for GAR calculation	4,385.8														
50	Central governments and Supranational issuers	1,944.3														
51	Central banks exposure	2,436.0														
52	Trading book	5.5														
53	Total assets	10,972.1	260.2	21.9	1.3	9.0	5.6	0.0	0.0	0.0	0.0	260.2	21.9	1.3	9.0	5.6
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																
54	Financial guarantees	16.0	6.6	6.5	0.0	0.5	4.1	0.0	0.0	0.0	0.0	6.6	6.5	0.0	0.5	4.1
55	Assets under management	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
56	Of which debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
57	Of which equity instruments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

2. GAR sector information (Turnover)

	a	b	c	d	e	f	g	h	y	z	aa	ab
Breakdown by sector – NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + WMR + CE + P + BE)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1 E36.00 – Water collection, treatment and supply	7.4	0.7			0.0	0.0			7.4	0.7		
2 D35.30 – Steam and air conditioning supply	6.6	6.6			0.0	0.0			6.6	6.6		
3 L68.20 – Renting and operating of own or leased real estate	4.7	0.5			0.0	0.0			4.7	0.5		
4 H53.10 – Postal activities under universal service obligation	2.7	1.3			0.0	0.0			2.7	1.3		
5 D35.11 – Production of electricity	2.6	2.2			0.0	0.0			2.6	2.2		
6 C19.20 – Manufacture of refined petroleum products	1.7	0.1			0.0	0.0			1.7	0.1		
8 H52.21 – Service activities incidental to land transportation	0.9	0.4			0.0	0.0			0.9	0.4		
9 C20.59 – Manufacture of other chemical products n.e.c.	0.3	0.0			0.0	0.0			0.3	0.0		
10 D35.13 – Distribution of electricity	0.2	0.2			0.0	0.0			0.2	0.2		
11 J61.10 – Wired telecommunications activities	0.2	0.0			0.0	0.0			0.2	0.0		
Total	27.3	12.0			0.0	0.0			27.3	12.0		

2. GAR sector information (CapEx)

	a	b	c	d	e	f	g	h	y	z	aa	ab
Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + WMR + CE + P + BE)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1 D35.30 - Steam and air conditioning supply	7.7	7.7			0.0	0.0			7.7	7.7		
2 E36.00 - Water collection, treatment and supply	7.0	0.2			0.0	0.0			7.0	0.2		
3 D35.11 - Production of electricity	5.3	4.8			0.0	0.0			5.3	4.8		
4 L68.20 - Renting and operating of own or leased real estate	4.8	1.6			0.0	0.0			4.8	1.6		
5 C15.12 - Manufacture of luggage, handbags and the like, saddlery and harness	3.8	0.3			0.0	0.0			3.8	0.3		
6 C19.20 - Manufacture of refined petroleum products	3.5	1.6			0.0	0.0			3.5	1.6		
7 C32.50 - Manufacture of medical and dental instruments and supplies	2.1	0.0			0.0	0.0			2.1	0.0		
8 C21.10 - Manufacture of basic pharmaceutical products	2.1	0.1			0.0	0.0			2.1	0.1		
9 G47.30 - Retail sale of automotive fuel in specialised stores	2.0	2.0			0.0	0.0			2.0	2.0		
12 C25.50 - Forging, pressing, stamping and roll-forming of metal; powder metallurgy	0.8	0.8			0.0	0.0			0.8	0.8		
13 H53.10 - Postal activities under universal service obligation	0.7	0.5			0.0	0.0			0.7	0.5		
14 C10.51 - Operation of dairies and cheese making	0.6	0.0			0.0	0.0			0.6	0.0		

15	H52.21 - Service activities incidental to land transportation	0.5	0.2		0.0	0.0		0.5	0.2	
16	C20.59 - Manufacture of other chemical products n.e.c.	0.4	0.0		0.0	0.0		0.4	0.0	
17	R92.00 - Gambling and betting activities	0.2	0.0		0.0	0.0		0.2	0.0	
18	J61.10 - Wired telecommunications activities	0.2	0.0		0.0	0.0		0.2	0.0	
19	D35.13 - Distribution of electricity	0.2	0.2		0.0	0.0		0.2	0.2	
Total		41.9	20.0		0.0	0.0		41.9	20.0	

3. GAR KPI stock (Turnover)

	a	b	c	d	e	f	g	h	i	aa	ab	ac	ad	ae	af	
% (compared to total covered assets in the denominator)	31.12.23															
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered	
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)						
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)						
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling		
-	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	3.7%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.7%	0.2%	0.0%	0.0%	0.0%	65.4%
2	Financial undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	27.6%
3	Credit institutions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	17.8%
4	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.3%
5	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	14.5%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%
7	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	9.8%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%
12	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	9.8%
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.4%

14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.2%
15	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.2%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
20	Non-financial undertakings	0.4%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.2%	0.0%	0.0%	0.0%	4.1%
21	Loans and advances	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.1%	0.0%	0.0%	0.0%	1.8%
22	Debt securities, including UoP	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.1%	0.0%	0.0%	0.0%	2.3%
23	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
24	Households	3.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.3%	0.0%	0.0%	0.0%	0.0%	33.1%
25	of which loans collateralised by residential immovable property	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%	0.0%	0.0%	0.0%	0.0%	15.1%
26	of which building renovation loans	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	1.5%
27	of which motor vehicle loans	0.0%	0.0%	0.0%	0.0%	0.0%										
28	Local governments financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	Total GAR assets	3.7%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.7%	0.2%	0.0%	0.0%	0.0%	100%

3. GAR KPI stock (CapEx)

		a	b	c	d	e	f	g	h	i	aa	ab	ac	ad	ae	af	
% (compared to total covered assets in the denominator)		31.12.23															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling		
-	GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	4.0%	0.3%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	4.0%	0.3%	0.0%	0.1%	0.1%	65.4%	
2	Financial undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	27.6%	
3	Credit institutions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	17.8%	
4	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.3%	
5	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	14.5%	
6	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	
7	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	9.8%	
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
11	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	
12	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	9.8%	
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.4%	

14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.2%
15	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.2%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
20	Non-financial undertakings	0.6%	0.3%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.6%	0.3%	0.0%	0.1%	0.1%	4.1%
21	Loans and advances	0.3%	0.2%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.2%	0.0%	0.1%	0.0%	1.8%
22	Debt securities, including UoP	0.4%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.1%	0.0%	0.0%	0.0%	2.3%
23	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
24	Households	3.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.3%	0.0%	0.0%	0.0%	0.0%	33.1%
25	of which loans collateralised by residential immovable property	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%	0.0%	0.0%	0.0%	0.0%	15.1%
26	of which building renovation loans	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	1.5%
27	of which motor vehicle loans	0.0%	0.0%	0.0%	0.0%	0.0%										
28	Local governments financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	Total GAR assets	4.0%	0.3%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	4.0%	0.3%	0.0%	0.1%	0.1%	100.0%

4. GAR KPI flow (Turnover)

	a	b	c	d	e	f	g	h	i	aa	ab	ac	ad	ae	af	
% (compared to flow of total covered assets)	31.12.23															
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total new assets covered	
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)						
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)							
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling		
-	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1.1%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.1%	0.3%	0.0%	0.0%	0.0%	75.3%
2	Financial undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	43.0%
3	Credit institutions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	35.4%
4	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.4%
5	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	28.0%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
7	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.7%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
12	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.6%
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.4%
14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%

15	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
20	Non-financial undertakings	0.6%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	0.3%	0.0%	0.0%	0.0%	2.2%
21	Loans and advances	0.6%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	0.3%	0.0%	0.0%	0.0%	0.0%
22	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
23	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
24	Households	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	30.1%
25	of which loans collateralised by residential immovable property	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
26	of which building renovation loans	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
27	of which motor vehicle loans	0.0%	0.0%	0.0%	0.0%	0.0%					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
28	Local governments financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	Total GAR assets	1.1%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.1%	0.3%	0.0%	0.0%	0.0%	100.0%

4. GAR KPI flow (CapEx)

		a	b	c	d	e	f	g	h	i	aa	ab	ac	ad	ae	af
% (compared to flow of total covered assets)		31.12.23														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total new assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)						
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
-	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1.2%	0.4%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	1.2%	0.4%	0.0%	0.3%	0.0%	75.3%
2	Financial undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	43.0%
3	Credit institutions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	35.4%
4	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.4%
5	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	28.0%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
7	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.7%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
12	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.6%
13	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.4%
14	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%

15	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
20	Non-financial undertakings	0.7%	0.4%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%	0.4%	0.0%	0.3%	0.0%	2.2%
21	Loans and advances	0.7%	0.4%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%	0.4%	0.0%	0.3%	0.0%	0.0%
22	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
23	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
24	Households	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	30.1%
25	of which loans collateralised by residential immovable property	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
26	of which building renovation loans	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
27	of which motor vehicle loans	0.0%	0.0%	0.0%	0.0%	0.0%					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
28	Local governments financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	Total GAR assets	1.2%	0.4%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	1.2%	0.4%	0.0%	0.3%	0.0%	100.0%

5. KPI off-balance sheet exposures (Turnover)

	a	b	c	d	e	f	g	h	i	aa	ab	ac	ad	ae
% (compared to total assets covered)	31.12.23													
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
	Of which Use of Proceeds					Of which Use of Proceeds				Of which Use of Proceeds				
	Of which transitional					Of which transitional				Of which transitional				
1 Financial guarantees (FinGuar KPI)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2 Assets under management (AuM KPI)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

5. KPI off-balance sheet exposures (CapEx)

	a	b	c	d	e	f	g	h	i	aa	ab	ac	ad	ae
% (compared to total assets covered)	31.12.23													
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
	Of which Use of Proceeds					Of which Use of Proceeds				Of which Use of Proceeds				
	Of which transitional					Of which transitional				Of which transitional				
1 Financial guarantees (FinGuar KPI)	0.1%	0.1%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	0.1%
2 Assets under management (AuM KPI)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Contextual information in support of the quantitative indicators including the scope of assets and activities covered by the KPIs, information on data sources and limitations

ANNEX XI

QUALITATIVE DISCLOSURES FOR, CREDIT INSTITUTIONS

The disclosure of quantitative KPIs shall be accompanied by the following qualitative information to support the financial undertakings' explanations and markets' understanding of these KPIs:

1. contextual information in support of the quantitative indicators including the scope of assets and activities covered by the KPIs, information on data sources and limitation;

See comments in the table above.

2. explanations of the nature and objectives of Taxonomy-aligned economic activities and the evolution of the Taxonomy-aligned economic activities over time, starting from the second year of implementation, distinguishing between business-related and methodological and data-related elements;

Bank is following the changes in the EU Taxonomy regulatory environment also taking into account the complexity of the subject and the challenges clients are facing with EU Taxonomy alignment.

3. description of the compliance with Regulation (EU) 2020/852 in the financial undertaking's business strategy, product design processes and engagement with clients and counterparties;

Ensuring Compliance with all regulatory requirements including EU Taxonomy and its Delegated acts is very important for the Bank. We are acknowledging our role in the green transition and our responsibility towards the society, our environment and most importantly, to the next generations to come. Financial institutions undoubtedly play a key role in financing the transition to a low-carbon and more sustainable economy and we are committed to supporting the transition of our clients.

In 2023, after becoming part of OTP Group, the bank has adopted the Green Loan Framework of OTP Group. The framework's aim is to identify projects enhancing positive environmental impacts and reducing negative ones as well as helping businesses and societies adapt to the impacts of climate change. The framework describes a number of categories making it possible to identify the green lending activities pursued within the Group, with the main framework being the EU Taxonomy Regulation.

The Bank offers lending products aligned with EU taxonomy, which are offered with preferential interest rates in order to incentivize the clients to increase their taxonomy aligned activities. In its ESG Strategy the Bank has defined targets for EU taxonomy aligned lending for 2024 and 2025. The regular (monthly) monitoring of EU taxonomy aligned green loans provided by the bank has also been put in place.

Furthermore, the bank has incorporated ESG risk assessment in its underwriting processes and collects data directly from its clients through its ESG questionnaire about their taxonomy eligibility and alignment.

4. for credit institutions that are not required to disclose quantitative information for trading exposures, qualitative information on the alignment of trading portfolios with Regulation (EU) 2020/852, including overall composition, trends observed, objectives and policy;

not applicable

5. additional or complementary information in support of the financial undertaking's strategies and the weight of the financing of Taxonomy-aligned economic activities in their overall activity.

Since the proportion of our clients reporting under NFDR is still very low, and we are also still in the initial phase with our green lending product development and awareness raising activities, the weight of Taxonomy-aligned exposures is very low, which we also consider rather natural in the first year of reporting Taxonomy alignment. In line with our strategy defined, we are committed to increasing this ratio significantly going forward.

ANNEX XII

Template 1: Nuclear and fossil related gas activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Template 2: Taxonomy-aligned economic activities (denominator)

Mn EUR	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0	0	0	0
2.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0	0	0	0
3.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0	0	0	0
4.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0	0	0	0
5.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	12.8	0.2%	12.8	0.2%	0	0
6.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0	0	0	0
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	6,573.5	99.8%	6,573.5	99.8%	0	0
8.	Total applicable KPI	6,586.3	100.0%	6,586.3	100.0%	0	0

The Bank consider the amount as total gross carrying amount.

Denominator is the amount of Total GAR assets.

Template 3: Taxonomy-aligned economic activities (numerator)

Mn EUR	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM + CCA)		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0	0	0	0	0
2.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0	0	0	0	0
3.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0	0	0	0	0
4.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0	0	0	0	0
5.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	6.6	46.5%	6.6	46.5%	0	0
6.	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0	0	0	0	0
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	7.5	53.5%	7.5	53.5%	0	0
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	14.1	100%	14.1	100.0%	0	0

Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities

Mn EUR	Economic activities	Proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM + CCA)		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0	0	0	0
2.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0	0	0	0
3.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0	0	0	0
4.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0	0	0	0
5.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0	0	0	0
6.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0	0	0	0
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	229.5	3.5%	229.5	3.5%	0	0
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	229.5	3.5%	229.5	3.5%	0	0

Template 5: Taxonomy non-eligible economic activities

Mn €	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	6.2	0.1%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	6,336.5	96.2%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	6,342.7	96.3%