



**Green Bond**

# **Allocation and Impact Report**

**June 2025**

**NLB**

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# 1. Introduction

Nova Ljubljanska banka d.d., Ljubljana ("NLB" or "Bank") presents its second annual Green Bond Allocation and Impact Report which is prepared in line with the NLB Green Bond Framework as of May 2023 ("GBF").

This report provides a comprehensive overview of green projects financed by NLB and other NLB Group entities for the purposes of issued green bond. The report is ensuring transparency in the allocation of green bond proceeds, the impact measurement, and the issuer's ongoing efforts to enhance its climate (net-zero) strategy.

NLB recognizes the significant role of green bonds in supporting the green transition and sustainable economy. The Bank is committed to continuously expanding its eligible portfolio of assets for green bond, aligning growth with its strategic objectives and contributing to a more sustainable future for our region and planet.



NLB Group is dedicated to fostering positive environmental and societal impacts through its support for economic growth, social welfare, and environmental care. This commitment is evidenced by NLB's progress towards achieving its net zero and other sustainability-related targets.

The Group's effort and progress were recognised also by Morningstar Sustainalytics, one of the world's leading ESG research, ratings and data firms. NLB Group recorded a significant 5.4-point improvement, achieving an overall ESG Risk Rating of 10.5 points in 2024. This positioned the Group in the top 5th percentile and among 432 highest rated companies in Europe. This achievement placed the Group among the Top-rated companies in Europe and the Top-rated banks globally. This enhancement reflects NLB's low risk of material financial impacts from ESG factors. Notably, Morningstar Sustainalytics found no adverse events impacting stakeholders, operations, or the environment in NLB's operations.<sup>1</sup>

NLB Group is UNEP FI Net Zero Banking Alliance (NZBA) member and has released its first Net Zero Disclosure Report in December 2023<sup>2</sup>. In Q3 2025, NLB Group will publish its second report, including additional targets as part of the second round of NZBA target setting for the remaining priority emission-intensive sectors.

Emission based sector targets include power generation (IEA NZE WEO 22 pathway), iron and steel (IEA NZE 1.5°C pathway), road freight (Slovenian NECP OU scenario) and leasing (Slovenian NEPC DU

<sup>1</sup> For more information please refer to: [Risk Rating Company Report \(nlb.si\)](https://www.nlb.si/nlb-portal/eng/sustainability/nlb-group-netzero-disclosure_final_eng.pdf)

<sup>2</sup> For more information please refer to: [https://www.nlb.si/nlb-portal/eng/sustainability/nlb-group-netzero-disclosure\\_final\\_eng.pdf](https://www.nlb.si/nlb-portal/eng/sustainability/nlb-group-netzero-disclosure_final_eng.pdf)

scenario). Although not validated by the SBTi Target Validation Protocol, these targets are based on appropriate science-based scenarios and consider external dependencies.

Additionally, NLB Group has set a portfolio coverage targets aimed at enhancing client engagement in the Road Freight and Agriculture sectors, as well as improving EPC (Energy Performance Certificate) data collection for Residential and Commercial Real Estate, aimed at improving data collection and to further develop decarbonisation methodologies.

To drive decarbonisation, NLB Group is actively monitoring the carbon intensity of its Residential and Commercial Real Estate portfolios and has set financing commitments focused on A- and B-rated mortgages, as well as the most energy-efficient commercial buildings.

NLB Group is working further on improving data collection and developing decarbonization methodologies. With a commitment of allocating EUR 1.9 billion in sustainable finance until 2030 in retail and corporate banking financing, NLB Group aims to be a major catalyst for sustainable transition in NLB Group's home region.<sup>3</sup>This reaffirms NLB's commitment to sustainability and outlines its efforts to align GHG emissions from operations, lending, and investment portfolios with net zero pathways by 2050 or earlier by setting targets for reducing its financed emissions and maintaining a coal exclusion policy.

## 2. NLB Green Bond Framework

In the last couple of years, NLB Group took several decisive steps towards the sustainable banking. In May 2023 NLB became the first commercial bank in Slovenia to publish a Green Bond Framework. Shortly after, on 27 June the Bank issued its EUR 500 million green senior preferred bond with a 4NC3 tenor. The proceeds raised by the issuance are intended for financing and/or refinancing of eligible green projects as defined in the GBF.

NLB's GBF is aligned with the ICMA Green Bond Principles 2021 and consists of four standard pillars:

1. **Use of proceeds** aims to ensure that the proceeds of green bonds are used for financing or refinancing (no look-back) of projects that meet the eligibility criteria. Eligible categories are<sup>4</sup>:
  - Renewable energy
  - Green buildings
  - Energy efficiency
  - Clean transportation
  - Sustainable water and wastewater management
  - Pollution prevention and control

NLB takes into account the EU Taxonomy regulatory framework with the intention to apply it on a best-efforts basis. In that respect NLB focuses on compliance with technical screening criteria for determining substantial contribution

The Sustainability's SPO published in May 2023 contains an assessment of alignment of the green loan criteria presented in the GBF with the relevant Technical Screening Criteria in the EU Taxonomy

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<sup>3</sup> NLB Group Net-Zero disclosure report as of December 2023 is available on: <https://www.nlb.si/nlb/nlb-portal/eng/sustainability/nlb-group-netzero-disclosure.pdf>.

<sup>4</sup> Excluded projects are detailed in GBF under Annex I - Exclusion Criteria.

as well as NLB Group's performance and policies around minimum standards on human and labour rights.

2. **Process for project evaluation and selection** for establishing whether assets to be included in green bond loan portfolio meet the eligibility criteria. The central roles are delegated to (i) Green Bond Working Group which reviews the eligibility of green loans for green bond and (ii) NLB Management Board which confirms the Green Bond Framework (and its potential updates) as well as green loan portfolio for green bond.
3. **Management of proceeds** where NLB aims to achieve a target where, within 36 months post-issuance, the allocation to the eligible loan portfolio is equivalent or exceeds the net proceeds derived from its issued green bond.
4. **Reporting** will be regular, on an annual basis, aligned with the portfolio approach described in ICMA's Harmonised Framework for Impact Reporting (June 2022) on a best-efforts basis, and be subjected to independent certification by an external reviewer.

### 3. Bonds issued

This report provides an overview of allocation and impact metrics of the proceeds from the following bonds issued by NLB:

**Table 1:** Overview of issued green bonds

Type of the Bond	ISIN	Nominal Value	Issue Date	Maturity Date
Senior Preferred Notes	XS2641055012	EUR 500,000,000	27 June 2023	27 June 2027*

Note:

\* The bond has a call option which can be exercised by the NLB.

### 4. Allocation report

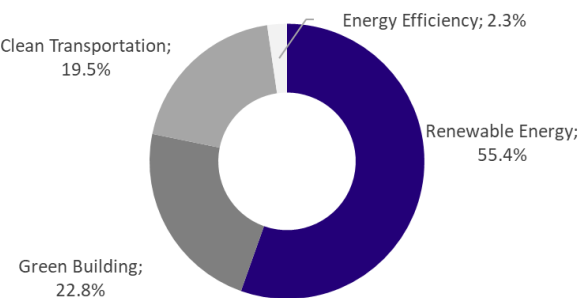
NLB Group entities allocated funds to the Renewable Energy, Clean Transportation, Green Buildings and Energy Efficiency category. All categories include loans, while Clean Transportation category also includes leases.

Data presented below are as of 31 March 2025.

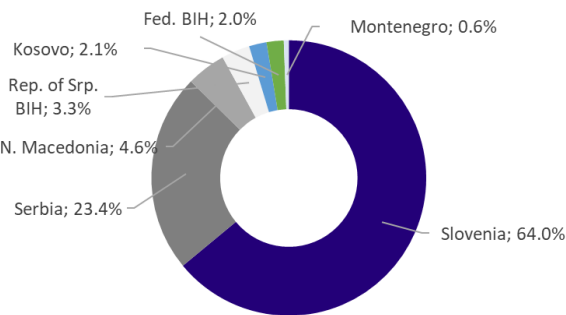
**Figure 1:** Overview of allocated vs unallocated funds on portfolio level (in EUR millions)



**Figure 2:** Allocated funds by categories (in %)



**Figure 3:** Allocated funds by geography (in %)



**Table 2:** Allocation by categories (in EUR)

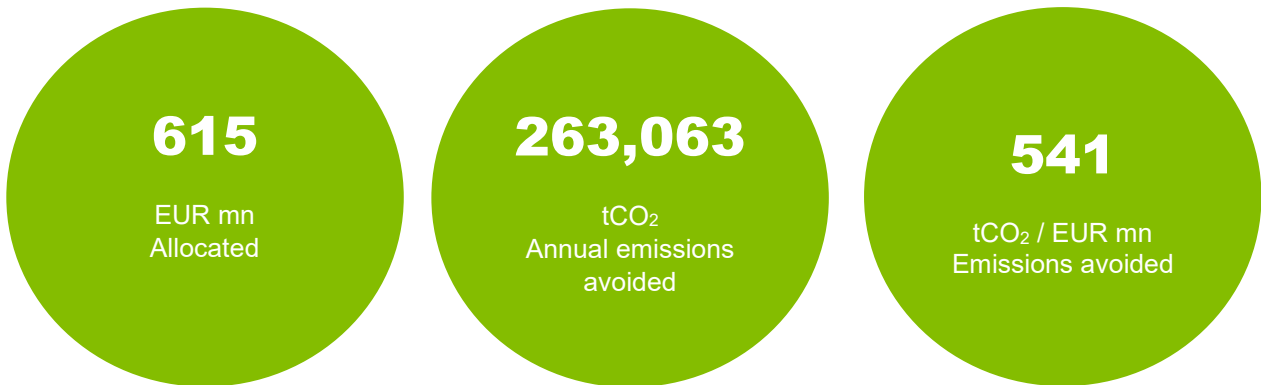
ICMA Green Projects Categories	Total amount of proceeds allocated	Number of loans	Allocated proceeds		Unallocated proceeds
			New financing	Refinancing	
Renewable Energy	340,766,049	1,822	139,551,858	201,214,191	
Green Building	139,906,584	386	9,190,781	130,715,803	
Clean Transportation	119,825,558	700	14,282,622	105,542,936	-
Energy Efficiency	14,230,556	1	-	14,230,556	
<b>Total</b>	<b>614,728,748</b>	<b>2,909</b>	<b>163,025,261</b>	<b>451,703,487</b>	

**Table 3:** Allocation by geography (in EUR)

Country	Total amount of proceeds allocated	Number of loans
Slovenia	393,487,136	2,561
Serbia	143,649,721	190
North Macedonia	28,424,134	107
Republic of Srpska BIH	20,470,824	31
Kosovo	12,686,260	6
Federation BIH	12,403,312	10
Montenegro	3,607,361	4
<b>Total</b>	<b>614,728,748</b>	<b>2,909</b>

With respect to green bonds stated in Table 1 above, full allocation was achieved.

## 5. Impact Reporting



In this chapter are presented measurable environmental benefits of the green bond for already allocated funds. By providing clear data, NLB highlights the real and positive changes driven by green projects of our clients towards a greener, more sustainable world.

**Table 4:** Overview of impacts on portfolio level by categories

ICMA Green Projects Categories	Number of loans	Outstanding amount (in EUR millions)	Share of category in total allocation	Share of total portfolio financing*	Emissions avoided (tonnes of CO <sub>2</sub> p.a.)**
Renewable Energy	1,822	340.8	55.4%	46.3%	180,718
Green Building	386	139.9	22.8%	38.8%	7,255
Clean Transportation	700	119.8	19.5%	25.9%	75,090
Energy Efficiency	1	14.2	2.3%	75.0%	-
<b>Total</b>	<b>2,909</b>	<b>614.7</b>	<b>100%</b>		<b>263,063</b>
Estimated impact per EUR 1 million invested (avoided emissions in tCO <sub>2</sub> )***					541

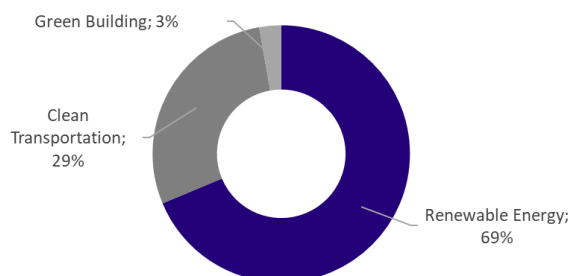
Notes:

\* Average share of financing of client's total project (weighted by signed amounts)

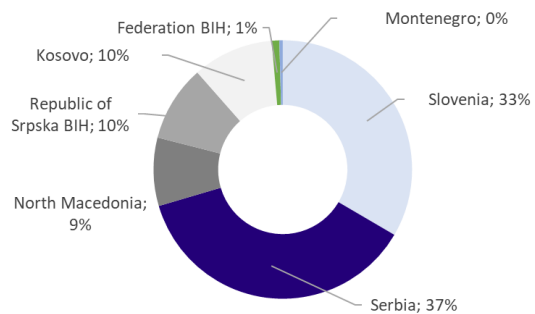
\*\* Avoided financed emissions are calculated as sum of avoided/reduced emissions in separate green finance categories. Metric not available for EU taxonomy activity 4.9 and 3.4.

\*\*\* Based on signed amounts; included are financed projects for EU Taxonomy activities for which data for emissions avoided are not applicable and reported (i.e. not included projects for EU taxonomy activities: 4.9 and 3.4)

**Figure 4:** Carbon emission avoidance by category



**Figure 5:** Carbon emissions avoidance by country





## Methodological approach

NLB Group employs a uniform methodology to assess impact where client data is not available. To maintain a unified method for evaluating the impacts of financed projects, GBF includes a set of impact indicators for each category, which are utilized in the preparation of the impact report. In case data for impact indicators listed in the GBF was not available, the impact report includes alternative impact indicators. The report only includes impact metrics for categories allocated to.

Some projects may have components that meet the GBF eligibility criteria and other components that do not – partial eligibility projects (evident from Eligibility for green bond metric in below tables). In case of such projects, it is assumed and reported in a way that disbursements are pro-rated between the eligible components from GBF and other components of the project.

The share of clients' total project costs which were financed by the NLB Group are illustrated in the 'share of total portfolio financings' metric.

Avoided carbon emissions are:

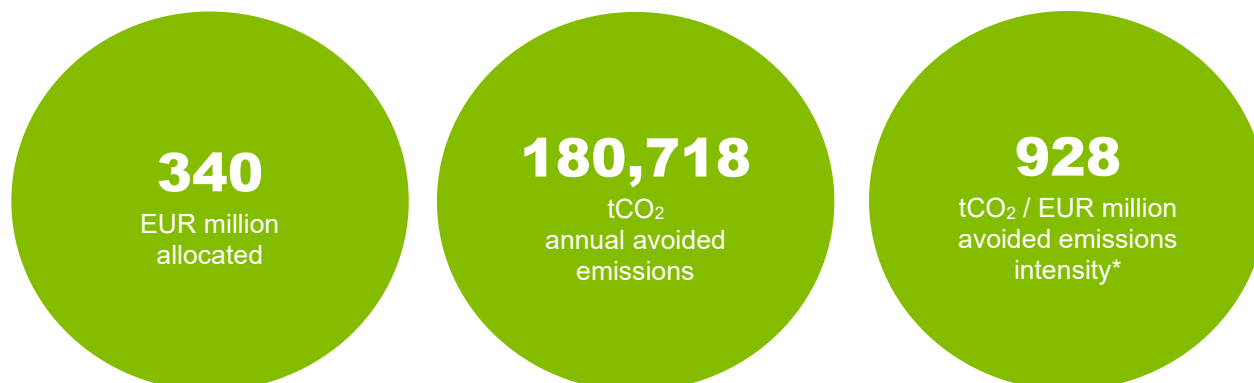
- calculated according to methodologies specific to each green category. The Global GHG Accounting and Reporting Standard for the Financial Industry (hereafter PCAF Methodology) (PCAF, Second edition 2022) is taken into account on a best efforts basis;
- measured as gross figures: they do not take into account the emissions from the project implementation;
- reported by client or computed considering the technical specification of each plan/project, if available, or estimated according to the emission factors provided by UNFCCC, The IFI Dataset of Default Grid Factors (2016)<sup>5</sup>;
- assessed adopting a conservative approach;
- proportionally allocated according to an Attribution Factor: the ratio between the contractual amount of the deal and the initial value of the investment/project.

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## 5.1 Renewable energy



\* Based on signed amounts; included are financed projects for EU Taxonomy activities for which data for emissions avoided are available/applicable and reported (i.e. not included projects for EU taxonomy activity 4.9 for which data is not available)

**Table 5:** Renewable Energy impact reporting

Renewable Energy	Signed Amount	Share of Total Portfolio Financing*	Eligibility for green bonds*	RE component*	Allocated Amount	Average portfolio lifetime* **
	EUR millions	%	%	%	EUR millions	years
4.1 Electricity generation using solar photovoltaic technology	116.8	71.2%	95.0%	94.2%	88.2	6.9
4.3 Electricity generation from wind power	60.5	27.5%	100.0%	100.0%	55.0	11.6
4.5 Electricity generation from hydropower	17.4	46.0%	100.0%	96.3%	13.1	6.1
4.9 Transmission and distribution of electricity	196.2	37.3%	99.4%	99.4%	184.4	15.4
<b>Total</b>	<b>391.0</b>	<b>46.3%</b>	<b>98.2%</b>	<b>97.8%</b>	<b>340.8</b>	<b>11.9</b>

Renewable Energy	Annual generation		Renewable energy capacity added	Emissions avoided	Increase in installed power of renewable energy production in year	Increase in renewable energy production in distribution network
	MWh	GJ	MW	tonnes of CO <sub>2</sub> p.a.	MW	MWh
4.1 Electricity generation using solar photovoltaic technology	157,934.9	568,565.6	133.0	22,960.1		
4.3 Electricity generation from wind power	104,930.3	377,748.9	39.1	113,132.0		
4.5 Electricity generation from hydropower	46,974.6	169,108.6	12.8	44,625.7		
4.9 Transmission and distribution of electricity	-	-	-	-	324.0	268,173.5
<b>Total</b>	<b>309,839.8</b>	<b>1,115,423.2</b>	<b>185.0</b>	<b>180,717.8</b>	<b>324.0</b>	<b>268,173.5</b>

Notes:

\* Data weighted by signed amounts

\*\* Remaining maturity

## Methodology

### Renewable energy production

Absolute avoided carbon emissions are calculated by multiplying the estimated energy production by a country specific power mix emission factor (GHG emission factors provided by UNFCCC, The IFI Dataset of Default Grid Factors (2016) for wind, hydro and bioenergy and EIB Green Checker emission factors (<https://greenchecker.eib.org/>) for solar renewable energy projects). As emissions, only CO<sub>2</sub> emissions are considered. Avoided financed carbon emissions are calculated by multiplying the absolute avoided emissions by an Attribution Factor. Carbon emissions from solar, solar heat, wind, hydro, bioenergy power generation are estimated as 0 t CO<sub>2</sub>/MWh (only direct fuel emissions for electricity generation is considered).

For photovoltaic plants the estimated photovoltaic electricity generation per year has been derived from client data and EIB Green Checker factors based on installed capacity of photovoltaic power plant, while for other renewable energy projects reported estimations of electricity generation are based on solely client data.

#### **Transmission and distribution of electricity**

For estimation of impacts from category 'transmission and distribution of electricity', client data about increase in installed power of renewable energy and increase in renewable energy production due to specific electricity distribution and transmission networks was obtained.

## 5.2 Green building



**Table 6:** Green Building impact reporting

Green Building Portfolios	Signed Amount	Share of Total Portfolio Financing*	Eligibility for green bonds*	Green Building component*	Allocated Amount	Average Portfolio lifetime* **	Primary Energy Use*	Emissions avoided
	EUR millions	%	%	%	EUR millions	years	kWh/m <sup>2</sup> of GBA p.a.	tonnes of CO <sub>2</sub> p.a.
7.1. Construction of new buildings	57.5	31.7%	100.0%	100.0%	50.0	8.4	73.9	875.9
7.2 Renovation of existing buildings	52.7	25.5%	100.0%	100.0%	55.0	0.1	68.0	5,845.7
7.7 Acquisition and ownership of buildings	40.3	66.3%	99.4%	99.4%	34.9	19.5	54.9	533.8
<b>Total</b>	<b>150.6</b>	<b>38.8%</b>	<b>99.8%</b>	<b>99.8%</b>	<b>139.9</b>	<b>8.5</b>	<b>66.8</b>	<b>7,255.4</b>

Notes:

\* Data weighted by signed amounts

\*\* Remaining maturity

## Methodology

### New building and acquisition of building

Absolute avoided carbon emissions are calculated as difference between average CO<sub>2</sub> emissions of the building type in country specific building stock and estimated CO<sub>2</sub> emissions of building from Energy performance certificate (EPC). As carbon emissions, only CO<sub>2</sub> emissions are considered. If such information is not available, estimates for the relevant projects are based on building certificates, standards, or country-level averages. Avoided financed GHG emissions are calculated by multiplying the absolute avoided emissions by an Attribution Factor.

Average CO<sub>2</sub> emissions per m<sup>2</sup> of the buildings in national building stock were calculated for specific country based on official EPC and modelled EPC based on PCAF methodology (proxy RRE Baseline calculations for NZBA for country or external study data) by multiplying the estimated energy production by a country specific power mix emission factor.

### Building renovation/refurbishment

Energy savings and avoided carbon emissions are the difference between the median energy consumption/CO<sub>2</sub> emission of the initial EPC label and the one achieved after the renovation. As carbon emissions CO<sub>2</sub> emissions are considered.

## 5.3 Energy efficiency



**Table 7:** Energy efficiency impact reporting

Energy Efficiency (EE)	Signed Amount	Share of Total Portfolio Financing*	Eligibility for green bonds*	EE component*	Allocated Amount	Average portfolio lifetime* **	Total capacity of manufactured rechargeable batteries
	EUR millions	%	%	%	EUR millions	years	kWh p.a.
3.4. Manufacture of batteries	14.2	75.0%	100.0%	100.0%	14.2	5.2	675,000.0
<b>Total</b>	<b>14.2</b>	<b>75.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>14.2</b>	<b>5.2</b>	<b>675,000.0</b>

Notes:

\* Data weighted by signed amounts

\*\* Remaining maturity

## Methodology

Impacts in the category are reported by client and computed/estimated considering the technical specification of each project.



## 5.4 Clean transportation



\* Based on signed amounts; in case EU taxonomy activity 6.14 would be excluded (newly reported in 2025), avoided emissions would be 58 tonnes of CO<sub>2</sub> per EUR million.

**Table 8:** Clean transportation impact reporting

CleanTransportation Portfolios	Signed Amount	Share of Total Project Financing*	Eligibility for green bonds*	Clean Transportation portfolio component*	Allocated Amount	Average portfolio lifetime* **	Emissions avoided	No. of purchased vehicles	Average emissions	Kilometres of rail tracks
	EUR millions	%	%	%	EUR millions	years	tonnes of CO <sub>2</sub> p.a.		grams of CO <sub>2</sub> per tonnes of freight per transported km	km
6.3 Urban and suburban transport, road passenger transport	2.7	100.0%	100.0%	100.0%	1.4	3.6	513.6	8		
6.5. Transport by motorbikes, passenger cars and light commercial vehicles	26.0	88.6%	99.9%	99.9%	18.1	3.6	1,144.1	691		
6.14 Infrastructure for rail transport	112.5	9.6%	100.0%	100.0%	100.3	21.3	73,432.2		19.1	27.1
<b>Total</b>	<b>141.2</b>	<b>25.9%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>119.8</b>	<b>17.7</b>	<b>75,089.9</b>	<b>699</b>	<b>19.1</b>	<b>27.1</b>

Notes:

\* Data weighted by signed amounts

\*\* Remaining maturity

## Methodology

6.3. Urban and suburban transport, road passenger transport and 6.5. Transport by motorbikes, passenger cars and light commercial vehicles

Absolute annual avoided carbon emissions are calculated by multiplying the estimated CO<sub>2</sub> emissions of average fossil fuel car with number of financed cars. In the carbon emissions calculation only CO<sub>2</sub> emissions are considered, other gases (NH<sub>4</sub>, N<sub>2</sub>O, etc.) are not included.

Avoided annual financed carbon emissions are calculated by multiplying the absolute avoided emissions by an Attribution Factor. CO<sub>2</sub> emissions from electric vehicles are estimated as 0 t/MWh (only direct tailpipe CO<sub>2</sub> emissions from electric vehicles are considered).

For estimated CO<sub>2</sub> emissions of average fossil fuel car average mileage (in kilometres) of cars and average emissions of financed fossil fuel cars (based on engine power and fuel type in Slovenia were calculated and used for calculations in all NLB Group countries).

6.14. Infrastructure for rail transport

Impacts in the category are calculated and reported by client considering the technical specification of project. Avoided annual financed carbon emissions are calculated by multiplying the absolute avoided emissions by an Attribution Factor.

## **6. External review - Limited Assurance Report (Morningstar Sustainalytics)**

# Nova Ljubljanska banka d.d., Ljubljana

Type of Engagement: Annual Review

Date: 11 June 2025

Engagement Team:

Tomya Sardana, [tomya.sardana@moringstar.com](mailto:tomya.sardana@moringstar.com)

## Introduction

In 2023, Nova Ljubljanska banka d.d., Ljubljana ("NLB" or "the Bank") issued a green bond (the "2023 Green Bond") and raised a total of EUR 500 million to finance and refinance loans to eligible green projects related to renewable energy, green building, clean transportation and energy efficiency. In 2025, NLB engaged Sustainalytics to review the use of proceeds from the 2023 Green Bond (the "Nominated Expenditures") and provide an assessment as to whether they meet the use of proceeds criteria and whether NLB complied with the reporting commitments in the NLB Green Bond Framework (the "Framework").<sup>1</sup> Sustainalytics provided a Second-Party Opinion on the Framework in May 2023.<sup>2</sup> This is Sustainalytics' second annual review of allocation and reporting of the instruments issued under the Framework, following a previous review in June 2024.<sup>3</sup>

## Evaluation Criteria

Sustainalytics evaluated the Nominated Expenditures and NLB's reporting based on whether they:

1. Meet the use of proceeds and eligibility criteria defined in the Framework; and
2. Reported on at least one key performance indicator (KPI) for each use of proceeds category defined in the Framework.

Table 1: Use of Proceeds Categories, Eligibility Criteria and Associated KPIs

Use of Proceeds Category	Eligibility Criteria
Renewable Energy	<p>Financing or refinancing the production of renewable energy:</p> <ul style="list-style-type: none"> <li>• Solar energy - Photovoltaics (PV) and concentrated solar power (CSP); cogeneration of heat/cool and power from solar energy.</li> <li>• Wind energy - On- and off-shore.</li> <li>• Geothermal energy (<math>\leq 100</math> g CO<sub>2</sub>e/kWh).</li> <li>• Bioenergy (<math>\leq 100</math> g CO<sub>2</sub>e/kWh); fuel that is derived from sources of high biodiversity, that competes with food sources or that depletes carbon pools is excluded.</li> <li>• Hydropower - Small-scale hydropower projects (less than 25 MW) with either: <ul style="list-style-type: none"> <li>◦ Life cycle emissions <math>\leq 100</math> g CO<sub>2</sub> e/kWh or</li> <li>◦ Power density <math>&gt; 5</math> W/m<sup>2</sup> or</li> </ul> </li> </ul>

<sup>1</sup> NLB, "NLB Green Bond Framework", (2023), at: <https://www.nlb.si/nlb-portal/eng/investor-relations/debt-instruments/nlb-green-bond-framework.pdf>

<sup>2</sup> Sustainalytics, "Second-Party Opinion, NLB Green Bond Framework", (2023), at: [https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/nlb-green-bond-framework-second-party-opinion-\(2023\).pdf](https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/nlb-green-bond-framework-second-party-opinion-(2023).pdf)

<sup>3</sup> Sustainalytics, "Annual Review", (2024), at: [https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/nlb-annual-review-\(2024\).pdf](https://mstar-sustops-cdn-mainwebsite-s3.s3.amazonaws.com/docs/default-source/spos/nlb-annual-review-(2024).pdf)

	<ul style="list-style-type: none"> <li>○ The electricity generation facility is a run of river plant and does not have an artificial reservoir.</li> </ul> <p>Financing or refinancing the production of transmission and distribution of electricity projects, including but not limited to transmission and distribution infrastructure, as well as smart metering.</p> <p>Financing or refinancing of the installation, maintenance and repair of renewable energy technologies.</p>
<b>Green Building</b>	<p>Financing or refinancing of new or existing buildings:</p> <ul style="list-style-type: none"> <li>• Buildings built before 31 December 2020 with EPC label <math>\geq</math> 'A' or belonging to the top 15% of the national building stock based on primary energy demand (PED).</li> <li>• Buildings built after 31 December 2020 with energy performance of at least 10% better than the threshold for Nearly Zero-Energy Buildings (NZEB) based on primary energy demand (PED) in the local market.</li> <li>• Buildings that have been refurbished, resulting in a reduction of PED of at least 30% and validated through an Energy Performance Certificate.</li> <li>• Buildings that have been refurbished, meeting the criteria for major renovations under applicable building regulations.</li> <li>• New, existing or refurbished buildings which received at least one of the following certifications:             <ul style="list-style-type: none"> <li>○ BREEAM 'Excellent'<sup>4</sup> or above</li> <li>○ LEED 'Gold'<sup>5</sup> or above</li> <li>○ DGNB 'Gold'<sup>6</sup> and/or above</li> <li>○ HQE 'Excellent'<sup>7</sup> and/or above</li> </ul> </li> </ul>
<b>Energy Efficiency</b>	<p>Financing or refinancing of energy efficiency projects, such as:</p> <ul style="list-style-type: none"> <li>• Manufacture of rechargeable batteries (e.g., lithium-ion batteries), battery packs and accumulators for transport, stationary and off-grid energy storage.</li> <li>• Construction of facilities that store electricity and return it later in the form of electricity.</li> <li>• Installation of electric heat pumps.</li> <li>• Installation, maintenance and repair of energy efficiency equipment including LED streetlamps.</li> </ul>
<b>Clean Transportation</b>	<p>Financing or refinancing of low-carbon vehicles and rolling stock:</p> <ul style="list-style-type: none"> <li>• Zero emission vehicles powered by electricity.</li> <li>• Zero emission passenger and freight rail transportation.</li> </ul> <p>Financing or refinancing of low-carbon transportation infrastructure:</p> <ul style="list-style-type: none"> <li>• Infrastructure for personal mobility and cycle logistics.</li> <li>• Infrastructure for rail transport.</li> </ul>

<sup>4</sup> BREEAM: <https://bregroup.com/products/breeam/>

<sup>5</sup> LEED: <https://www.usgbc.org/leed>

<sup>6</sup> DGNB: <https://www.dgnb-system.de/en/index.php>

<sup>7</sup> HQE: <https://www.greenbuilding.saint-gobain.com/hqe-international>

	<ul style="list-style-type: none"> <li>Infrastructure enabling low-carbon road transport and public transportation, such as EV charging points and hydrogen fuelling stations.</li> </ul>
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Table 2: Key Performance Indicators

Use of Proceeds	Key Performance Indicators
Renewable Energy	<ul style="list-style-type: none"> <li>Total installed capacity in MW</li> <li>Estimated annual avoided emissions in tonnes of CO<sub>2</sub> equivalent</li> <li>Estimated annual energy saved in MWh</li> <li>Renewable capacity connected to the grid (GW)</li> </ul>
Green Building	<ul style="list-style-type: none"> <li>Estimated ex-ante annual energy consumption in KWh/m<sup>2</sup></li> <li>Estimated annual energy savings in MWh/GWh</li> <li>Estimated annual reduced and/or avoided emissions in tonnes of CO<sub>2</sub> equivalent</li> </ul>
Energy Efficiency	<ul style="list-style-type: none"> <li>Estimated annual energy savings in MWh</li> <li>Estimated annual reduced and/or avoided emissions in tonnes of CO<sub>2</sub> equivalent</li> </ul>
Clean Transportation	<ul style="list-style-type: none"> <li>Estimated annual reduced and/or avoided emissions in tonnes of CO<sub>2</sub> equivalent</li> <li>Number of fossil-free vehicles deployed</li> <li>Number of electric vehicles charging points installed</li> <li>Kilometres of rail tracks</li> <li>Estimated passenger-kilometres and/or passengers; or tonne kilometres and/or tonnes transported</li> <li>Other relevant indicators depending on the considered projects</li> </ul>

### Issuer's Responsibility

NLB is responsible for providing accurate information and documentation relating to the details of the projects, including descriptions, amounts allocated and impact.

### Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of the use of proceeds from NLB's 2023 Green Bond. The work undertaken as part of this engagement included collection of documentation from NLB and review of said documentation to assess conformance with the Framework.

Sustainalytics relied on the information and the facts presented by NLB. Sustainalytics is not responsible nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by NLB.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight of the review.



## Conclusion

Based on the limited assurance procedures conducted,<sup>8</sup> nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the Nominated Expenditures do not conform with the use of proceeds criteria and reporting commitments in the Framework. NLB has disclosed to Sustainalytics that the proceeds from the 2023 Green Bond were fully allocated as of March 2025.

## Detailed Findings

Table 3: Detailed Findings

Framework Requirements	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the Nominated Expenditures to determine alignment with the use of proceeds criteria outlined in the Framework.	The Nominated Expenditures comply with the use of proceeds criteria.	None
Reporting Criteria	Verification of Nominated Expenditures or assets to determine if impact was reported in line with the KPIs outlined in the Framework.	NLB reported on at least one KPI per use of proceeds category.	None

<sup>8</sup> Sustainalytics' limited assurance process includes reviewing documentation relating to details of projects, as provided by the issuing entity, which is responsible for providing accurate information. These may include descriptions of projects, estimated and realized costs, and reported impact. Sustainalytics has not conducted on-site visits to projects.

## Appendices

### Appendix 1: Allocation of Proceeds

Table 4: Allocation of proceeds from the 2023 Green Bond

Use of Proceeds Category	Sub-category	Number of loans advanced	(in EUR million)		
			New Financing	Refinancing	Total Amount Allocated
Renewable Energy	Electricity generation using solar photovoltaic technology	1,822	139.60	201.20	88.20
	Electricity generation from onshore wind power				55.00
	Electricity generation from hydropower <sup>9</sup>				13.10
	Transmission and distribution of electricity				184.40
Green Building	Construction of new buildings	386	9.20	130.70	50.00
	Renovation of existing buildings				55.00
	Acquisition and ownership of buildings				34.90
Energy Efficiency	Manufacture of batteries	1	-	14.20	14.20
Clean Transportation <sup>10 11</sup>	Urban and suburban transport, road passenger transport	700	14.30	105.50	1.40
	Transport by motorbikes, passenger cars and light commercial vehicles				18.10
	Infrastructure of rail transport <sup>12</sup>				100.30
Total Amount Allocated			163.10	451.60	614.70 <sup>13</sup>
Total Unallocated Amount			0.00		
Total Net proceeds Raised			500.00		

<sup>9</sup> NLB has confirmed that the electricity generation facility is a run-of-river plant and does not include an artificial reservoir. Additionally, all hydropower plants have undergone an environmental and social impact assessment as required by national legalisation. No significant risks, negative impacts or significant controversies have been identified or financed.

<sup>10</sup> NLB has confirmed that only zero-emissions vehicles and electric rail infrastructure are included under the clean transportation category.

<sup>11</sup> NLB has confirmed that the projects under this category exclude the financing of new road construction, retrofits of existing road infrastructure, and parking facilities.

<sup>12</sup> NLB has confirmed that the reported rail infrastructure is electrified, and that no infrastructure is dedicated to fossil fuel storage and transportation.

<sup>13</sup> Sustainalytics notes that funds allocated to the Nominated Expenditures exceed the net proceeds of the 2023 Green Bond by EUR 114.70 million. NLB has communicated to Sustainalytics that it has intentionally overallocated funds to the Nominated Expenditures, as the Nominated Expenditures may support future green bond issuances, should they occur. Although only one green bond has been issued to date, any future issuances under the framework may draw from this same portfolio, provided the assets remain outstanding and compliant with the framework.

## Appendix 2: Reported Impact

Table 4: Reported Impact from the 2023 Green Bond

Use of Proceeds Category	Sub-category	Reported Impact
Renewable Energy	Electricity generation using solar photovoltaic technology	<ul style="list-style-type: none"> <li>Annual generation: 157,934.9 MWh</li> <li>Renewable energy capacity installed: 133 MW</li> <li>Emissions avoided: 22,960.1 tCO<sub>2</sub> p.a.</li> </ul>
	Electricity generation from wind power	<ul style="list-style-type: none"> <li>Annual generation: 104,930.3 MWh</li> <li>Renewable energy capacity installed: 39.1 MW</li> <li>Emissions avoided: 113,132 tCO<sub>2</sub> p.a.</li> </ul>
	Electricity generation from hydropower	<ul style="list-style-type: none"> <li>Annual generation: 46,974.6 MWh</li> <li>Renewable energy capacity installed: 12.8 MW</li> <li>Emissions avoided: 44,625.7 tCO<sub>2</sub> p.a.</li> </ul>
	Transmission and distribution of electricity	<ul style="list-style-type: none"> <li>Increase in installed power of renewable energy production in year: 324 MW</li> <li>Increase in renewable energy production in distribution network: 268,173.5 MWh</li> </ul>
Green Building	Construction of new buildings	<ul style="list-style-type: none"> <li>Emissions avoided: 875.9 tCO<sub>2</sub> p.a.</li> </ul>
	Renovation of existing buildings	<ul style="list-style-type: none"> <li>Emissions avoided: 5,845.7 tCO<sub>2</sub> p.a.</li> </ul>
	Acquisition and ownership of buildings	<ul style="list-style-type: none"> <li>Emissions avoided: 533.8 tCO<sub>2</sub> p.a.</li> </ul>
Energy Efficiency	Manufacture of batteries	<ul style="list-style-type: none"> <li>Total capacity of manufactured rechargeable batteries: 675,000 kWh p.a.</li> </ul>
Clean Transportation	Urban and suburban transport, road passenger transport	<ul style="list-style-type: none"> <li>Emissions avoided: 513.6 tCO<sub>2</sub> p.a.</li> </ul>
	Transport by motorbikes, passenger cars and light commercial vehicles	<ul style="list-style-type: none"> <li>Emissions avoided: 1,144.1 tCO<sub>2</sub> p.a.</li> </ul>
	Infrastructure of rail transport	<ul style="list-style-type: none"> <li>Emissions avoided: 73,432.2 tCO<sub>2</sub> p.a.</li> <li>Average emissions: 19.1 grams of CO<sub>2</sub> per tonne of freight per transported km</li> <li>Kilometres of railway tracks: 27.1 km</li> </ul>

## About Morningstar Sustainalytics

Morningstar Sustainalytics is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. For more than 30 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Sustainalytics works with hundreds of the world's leading asset managers and pension funds, which incorporate ESG and corporate governance information and assessments into their investment processes. Sustainalytics also works with hundreds of companies and their financial intermediaries to help them consider sustainability in policies, practices and capital projects. For more information, visit [www.sustainalytics.com](http://www.sustainalytics.com).

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The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.



## 7. Abbreviations

Attribution Factor	The ratio between the contractual amount of the deal and the initial value of the investment/project
GBF	NLB Green Bond Framework ( <a href="https://www.nlb.si/nlb/nlb-portal/eng/investor-relations/debt-instruments/nlb-green-bond-framework.pdf">https://www.nlb.si/nlb/nlb-portal/eng/investor-relations/debt-instruments/nlb-green-bond-framework.pdf</a> )
ICMA	International Capital Market Association
NLB	Nova Ljubljanska banka d.d., Ljubljana
SPO	Second Party Opinion

