

ENVIRONMENTAL COMPLIANCE

SAFETY IN THE WORKPLACE

ECONOMIC PERFORMANCE

TRAINING

HEALTH

WATER

ENERGY

DIVERSITY

EQUAL OPPORTUNITY

EMISSIONS

GRI Standards

NLB Group sustainable reporting adjusted with GRI standards
Report for 2019

GRI subject		GRI disclosure	Value	Comment
Economic	GRI 201 – Economic performance	201-1: Direct economic value generated and distributed		In the Annual financial report of the NLB Group for 2019
		A Direct economic value generated and distributed (EVG&D) based on deferrals, including the basic component for the organisation's global operations as listed below. If the information is presented based on financial assets, the report should also include an explanation of this decision, in addition to the following basic components:		In the Annual financial report of the NLB Group for 2019
		B Direct economic value generated: revenues;		In the Annual financial report of the NLB Group for 2019
		C Direct economic value distributed: cost of operation, salaries and compensations for employees, payments to capital providers, payments to governments by country and investments into the community;		In the Annual financial report of the NLB Group for 2019
		D Economic value retained: 'Direct economic value generated' minus 'economic value distributed'.		In the Annual financial report of the NLB Group for 2019
		E Where this is important, report the EVG&D separately for the state, region or market, and the criteria used to define the importance.		In the Annual financial report of the NLB Group for 2019
	GRI 202 – Presence in the market	202-2: Proportion of senior management hired from the local community		
		A Percentage of senior management at significant locations of operation that are hired from the local community.	94% Republic of Slovenia 100 % Republic of Serbia 100 % Republic of Kosovo 100 % Federation of Bosnia and Herzegovina 97% Montenegro 100 % Republic of Srpska (Bosnia and Herzegovina) 100 % Republic of North Macedonia	The recruitment procedure: In the event that NLB evaluates that the pool of talents does not provide a suitable candidate for the vacant senior management position, NLB prepares the tender invitation. The invitation is published on the Bank's website and on the premises of the National Employment Office. Among the registered candidates there are several selection interviews and selection tests carried out. Fit & Proper rating is also involved. The selected candidates are employed at the bank for an indefinite period with 6 months' probation period.
		B The definition used for 'senior management'		Senior management: General Managers directly subordinated to Management Board (B-1), the directors that are subordinated to B-2 level General Managers, other employees, who have an individual contract of employment (Advisor, Deputy Director, Head of Unit)
		C The organization's geographical definition of 'local'.	Slovenia, Serbia, Kosovo, Bosnia and Herzegovina, Montenegro, Republic of Srpska, North Macedonia	Republic of Slovenia and locations of NLB Group Members
		D The definition used for 'significant locations of operation'.		Significant NLB Group Members

Economic

GRI 205 –
Prevention of corruption205-2: Communication and training about
anti-corruption policies and procedures

<p>A Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region.</p>	<p>NLB Management Board: 4 members (100%), NLB Supervisory Board: 8 members (100%)</p> <p>NLB Group: MB and SB: 119 members (91%).</p>	<p>Members of the NLB Supervisory Board were acquainted with this topic in the context of specialized education in the field of risk of compliance and integrity, within which the risks of corruption and internal regulation of the area were presented on May 24th 2018.</p> <p>NLB Group: NLB Group core members are committed to the same procedures as NLB dd (special anti-corruption trainings and policies), non-core members are informed and trained during the adoption process of the document NLB Group code of conduct. The members of MB and SB are informed: 100% for NLBdd members, rest of them are external members</p>
<p>B Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region.</p>	<p>NLB: 2.748 (100%) of current employees</p> <p>NLB Group: 5.535 (100%) of current employees</p>	<p>NLB Group core members are committed to the same procedures as NLB dd (special anti-corruption trainings and policies), non-core members are informed and trained during the adoption process of the document NLB Group code of conduct. The members of MB and SB are informed: 100% for NLBdd members, rest of them are external members</p>
<p>D Total number and percentage of governance body members that have received training on anti-corruption, broken down by region.</p>	<p>NLB Management Board: 4 members (100%), NLB Supervisory Board: 8 members (100%)</p> <p>NLB Group: MB and SB: 105 members (70%).</p>	<p>NLB: Members of the NLB Supervisory Board were acquainted with this topic in the context of specialized education in the field of risk of compliance and integrity, within which the risks of corruption and internal regulation of the area were presented on September 5th 2018.</p> <p>NLB Group: NLB Group core members are committed to the same procedures as NLB dd (special anti-corruption trainings and policies), non-core members are informed and trained during the adoption process of the document NLB Group code of conduct. The members of MB and SB are informed: 100% for NLBdd members, rest of them are external members</p>
<p>E Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.</p>	<p>NLB d d: In 2018 Successfully finished training: 2323 employees, which is 85% of all employees (including long sick leave, maternity leave etc.).</p> <p>NLB Group: In 2018 Successfully finished training: 4590 employees, which is 83% of all employees (including long sick leave, maternity leave etc.).</p>	<p>NLB d d: Anticorruption training is obligatory for all employees.</p> <p>NLB Group: NLB Group core members are committed to the same procedures as NLB dd (special anti-corruption trainings and policies), non-core members are informed and trained during the adoption process of the document NLB Group code of conduct. The members of MB and SB are informed: 100% for NLBdd members, rest of them are external members.</p>

GRI subject	GRI disclosure	Value	Comment
Economic	205-3: Confirmed incidents of corruption and actions taken		This means incidents of corruption (which is meant to include bribery, fraud or money laundering) and actions taken
	GRI 205 – Prevention of corruption	NLB d.d: 3 confirmed incidents of corruption; bribery for granting a loan.	
		A Total number and nature of confirmed incidents of corruption. NLB Group: 3 confirmed incidents of corruption; bribery for granting a loan	
		B Total number of confirmed incidents in which employees were dismissed or disciplined for corruption. NLB: 3 NLB Group: 3	
		C Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption. NLB: 0 NLB Group: 0	
		D Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases. NLB: 0 NLB Group: 0	

	GRI subject	GRI disclosure	Value	Comment
Environmental	GRI 301 – Materials	301-1: Materials used by weight or volume	NLB d.d. 17 A4 pages of paper per employee per working day	
			NLB Banja Luka 40.28 pages of paper per employee per working day.	NLB d.d.: Data is related to used A4 paper per employee per working day. The number of pages has been constantly reduced. Compared to 2018, the amount of paper used decreased again (from 30.07 pages to 27.17 pages in 2019).
			NLB Banka Skopje; 46.33 pages of paper per employee per working day	
			NLB Banka Beograd: 35.26 pages per employee per working day	
			NLB Banka Sarajevo -non-renewable resources 3t of fuel oil -renewable resources paper 67.6 pages per employee per working day.	NLB Banja Luka: we do not use recycled paper in the process of production.
			NLB Banka Podgorica –	
			NLB Banka Prishtina –	
			NLB d.d. -	
			NLB Banja Luka -	
			NLB Banka Skopje-	
	301 – 3 Processed products and their packaging materials		NLB Banka Beograd: 200 kg	NLB Banka Beograd: PVC packaging
			NLB Banka Sarajevo: -	
			NLB Banka Podgorica –	
			NLB Banka Prishtina	
	GRI 302 – Energy	302-1: Energy consumption within the organization electricity consumption in kWh	NLB d.d. 12,338,373	
			NLB Banja Luka 171263,56 Hiting: 52022.41	
			NLB Banka Skopje 4,2 mil	
			NLB Banka Beograd: 1,841,000	NLB d.d. In 2019 we continued with the reduction of electricity consumption, which is 1.01% lower than in the year 2018.
			NLB Banka Sarajevo: 1,263,240 electricity 6,060,000 steam	
			NLB Banka Podgorica.	
			NLB Banka Priština –	

GRI subject	GRI disclosure	Value	Comment
Environmental	GRI 302 – Energija	302-4 Reduction of energy consumption - type of energy included in the reduction (electricity, heating, cooling, steam). Describe whether the reduction of energy consumption has been estimated or directly measured. If an estimate or modelling has been used, the organisation has to disclose the methods used. NLB Banka Sarajevo: 1.800 KM a month	NLB - NLB Banja Luka: Cost monitoring, regular checking of electrical installations and improvement of the entire network. NLB Banka Skopje – NLB Banka Beograd – NLB Banka Sarajevo: The costs of energy in Sarajevo were reduced by 1,800 KM a month after moving to the Koševo facility. The savings in the facility in Tuzla are around 20% at a monthly level after installing lighting of a new generation in the renovated premises, and other steps. NLB Banka Podgorica. NLB Banka Priština –
			NLB d.d - NLB Banja Luka: Turning off equipment (funcoil, computers, pumps, etc.) outside business hours and on free days. NLB Banka Skopje – NLB Banka Beograd – NLB Banka Sarajevo – NLB Banka Podgorica – NLB Banka Priština –
	GRI 303 Water	303 – 1 water use (total amount of water – is this an estimate or a measured amount) From which source the total amount of water was obtained (surface waters, including the water from swamps, rivers, lakes and oceans; underground water; rainwater directly collected and stored by the organisation; wastewater from another organisation; municipal water reserves or other public or private public utility service). NLB d.d. - NLB Banja Luka Cost 12.623 EUR NLB Banka Skopje: 19.000 3 estimation NLB Banka Beograd – NLB Banka Sarajevo – NLB Banka Podgorica. NLB Banka Priština –	NLB d.d. - NLB Banja Luka In all its branch offices uses public municipal waterworks
			NLB d.d. – NLB Banja Luka: 43 public municipal waterworks NLB Banka Skopje – NLB Banka Beograd – NLB Banka Sarajevo –

	GRI subject	GRI disclosure	Value	Comment
Environmental	GRI 305 - Emissions	305-1: Direct GHG Emissions	NLB d.d. 685.83 tonnes of CO2	NLB d.d. produced 685.83 tonnes of CO2 from fuel consumption (treasury vehicles and official vehicles)
		305 – 6 Emission substances that affect the ozone layer		NLB Banka Sarajevo: Freon 410 used in cooling systems
	GRI 306 – Effluents and Waste	306-2: Waste by type and disposal method	NLB d.d.: – NLB Banja Luka: - papir 29,051 t - steklo - mešani odpadki - komunalni odpadki - računalniška oprema: 1,86 t - akumulatorji, baterije: NLB Banka Skopje – NLB Banka Beograd: - papir 3,2 t - računalniška oprema: 8,74t NLB Banka Sarajevo - papir 85% - računalniška oprema: 85% - kartuše, tonerji 85% NLB Banka Podgorica – NLB Banka Priština –	NLB d.d.: Odpadke predeluje najeta družba za ravnanje z odpadki. NLB Banja Luka: Banka prodaja vozila - papir: arhivski material banka prodaja podjetju, ki se ukvarja z reciklažo papirja in kartona - steklo: se ne reciklira - mešani odpadki: se ne reciklirajo - komunalni odpadki: 35 t - računalniška oprema: Prodaja opreme podjetju, ki se ukvarja z recikliranjem odpadkov - akumulatorji, baterije: Po zamenjavi baterij za UPS se z izvajalcem dogovori odkup starih baterij za UPS
	GRI 307 – Environmental Compliance	307-1: Non-compliance with environmental laws and regulations		NLB d.d.: received no fines or penalties regarding failure to comply with environmental laws. NLB Banja Luka: All legal requirements for waste disposal are observed NLB Banka Skopje: there is no fines or penalties regarding failure to comply with environmental laws. NLB Banka Beograd – NLB Banka Sarajevo: The organisation had no cases of non-compliance with environmental laws and/or regulations NLB Banka Podgorica – NLB Banka Priština – I
	GRI 308 – Assessment of supplier's impact on the environment		NLB d.d. – NLB Banka Banja Luka – NLB Banka Skopje – NLB Banka Beograd – NLB Banka Sarajevo: 5% (hygiene maintenance service, printing services, etc.) NLB Banka Podgorica. NLB Banka Priština – I	

	GRI subject	GRI disclosure	Value	Comment
Social	GRI 401 – Recruitment	401-1: New employee hires and employee turnover		
		a. Total number and rate of new employee hires during the reporting period, by age group, gender and region.	NLB: In total 194 new employees in 2019. NLB Group: In total 465 new employees in 2019 (significant group members)	NLB: In total 194 new employees in 2019. 68 (35%) were younger than 30 years, 121 (62.4%) were between 30 and 50, and 5 (2.6%) employees were older than 50. 94% were employed from Republic of Slovenia NLB Group: In total 465 new employees in 2019. 190 (40.9%) were younger than 30 years, 261 (56.1%) were between 30 and 50, 8% and 14 (3%) employees were older than 50 97.6% of new hires were hired from local community. 34.2% were men and 65.8% were women.
		B Total number and rate of employee turnover during the reporting period, by age group, gender and region.	NLB: In total 225 employees departed from NLB d.d. in 2019. NLB Group: In total 472 employees departed from NLB Group in 2019	NLB: In total 225 employees departed from NLB d.d. in 2019. 17 (7.6%) were younger than 30, 91 (40.4%) were in the age between 30 and 50, 117 (52%) employees were older than 50 years old. NLB Group: In total, 472 employees departed from NLB in 2019 53 (11.2%) were younger than 30, 242 (51.3%) were in the age between 30 and 50, 177 (37.5) were older than 50 years old. 37.1% were men and 62.9% were women.
		401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees		Promote and protect the rights, obligations and responsibilities arising from the employment relationship are regulated by laws, collective agreements and internal regulations. All employees have rights as they are determined by law, collective agreements and internal regulations.
		401-3: Parental leave		
		a. Total number of employees that were entitled to parental leave,	NLB Group: 276 employees	NLB Group: (229 female, 47 male)
		b. Total number of employees that took parental leave,	NLB Group: 276 employees	NLB Group: (229 female, 47 male)
		c. Total number of employees that returned to work in the reporting period after parental leave ended, by gender.	NLB Group: 220 employees	NLB Group: (174 female, 46 male) Some of the employees started parental leave on 2019 and are still using it, they shall return to work on 2020.
		d. Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work.	NLB Group: 230 employees	NLB Group: (185 female, 45 male)

Social	GRI subject	GRI disclosure	Value	Comment
	GRI 401 – Recruitment	e. Return to work and retention rates of employees that took parental leave.	99%	NLB Group: (99% female, 99% male)
	GRI 402 – Relationship workforce/management	402-1: Minimum notice periods regarding operational changes		NLB Group: The way of cooperation with the Labour unions and the Worker's council is fixed by collective agreements, the Act of workers and management and the Agreement on cooperation between Worker's council and employer. Deadlines for informing the Unions and the Worker's council is in a minimum of 30 days. In NLB Bank Belgrade and NLB Bank Banja Luka there is no minimum time defined with the agreement, but in the light of good cooperation any organizational changes that affect larger number of employees, are communicated in advance with the Trade Union representatives.
	GRI 403 – Health and safety in the workplace	403-1: Workers representation in formal joint management-worker health and safety committees		
		a. Minimum number of weeks' notice typically provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them.	NLB Group 4 weeks in minimum prior to implementation of new operational changes with significant impact In NLB Bank Belgrade, NLB Bank Banja Luka and NLB Banka AD Skopje there is no minimum time defined with the agreement concerning health and safety.	
		403-4: Health and safety topics covered in formal agreements with trade unions		
		a. Whether formal agreements (either local or global) with trade unions cover health and safety.	NLB Group: Trade Union agreement Workplace Risk Assessment Document The health and safety law	
		b. If so, the extent, as a percentage, to which various health and safety topics are covered by these agreements.	NLB Group: 100%	
	GRI 404 – Training and education	404-1: Average hours of training per year per employee		
		Average hours of training that the organization's employees have undertaken during the reporting period.	NLB Group: 34.6 hours per employee in the 2019	NLB Group: In 2019 13.258 employees participated in internal lectures and workshops and 4.328 employees participated on external training courses
		404-2: Programs for upgrading employee skills and transition assistance programs		
		Type and scope of programs implemented and assistance provided to upgrade employee skills.	NLB Group: Internal education (lectures and workshops), e-trainings, external training courses, courses for new employees	Every 3-month Human Resources department publish the list of all trainings and education programs for the next period. It includes 30 different education programs at average
		b. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.	NLB Group Provided for all employees in the case of termination of employment in the case of structural downsizing	

	GRI subject	GRI disclosure	Value	Comment
Social	GRI 404 – Training and education	404-3: Percentage of employees receiving regular performance and career development reviews		
		Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.	NLB Group: 97% (3% lack is due to Maternity leave, long-term absence, or new employees who weren't present sufficient time of the period to be graded)	NLB Group: The aim of the organization was that all employees receive a regular performance and career development review.
	GRI 405 – Diversity and equal opportunity	405-1: Diversity of governance bodies and employees		
		a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories:		Kot organe vodenja v organizaciji štejemo upravo in nadzorni svet NLB Skupine
		Gender;	NLB Group: 25 % female 75% male	NLB Group: Management Boards in significant NLB Group members have 22 members, 20 male and 2 females; Supervisory Boards in significant NLB Group members have 46 members, 31 male and 15 females.
		Age group: under 30 years old, 31-50 years old, over 51 years old;	NLB Group: Under 30 years 0 31-50 years old 67.6 % Over 51 years old 32.4 %	
		b. Percentage of each of the following diversity categories	NLB Group: Under 30 years 9 % 31-50 years old 55.6 % Over 51 years old 35.4 %	
		405 – 2 Comparison of the base salary depending on the gender of employees		
		405-2A Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.		The level of wages in the bank is governed by internal rules and collective agreements and depends on the complexity of the workplace and the performance of employees. The level of complexity of the individual workplace is determined on the basis of the conversion of the criteria set out in the systemization rules of jobs using factor analysis according to the job evaluation model. All employees in the bank have the same opportunities and opportunities regardless of gender, age and location
		405-2B The definition used for significant locations of operation		NLB d.d. and significant NLB Group Members
	GRI 406 – Non-discrimination	406-1: Incidents of discrimination and corrective actions taken		NLB has a policy of zero tolerance to any form of discrimination and violence.
		a. Total number of incidents of discrimination during the reporting period.	3	In reporting period we had 3 incidents of discrimination. Two of them are from December 2019 and are still in the process. One of the incidents has been resolved in July 2019 and there have not been any signs of mobbing or discrimination.

