

Sustainability Report 2023 - Solutions for the future. In progress.



GROUPE SOCIETE GENERALE

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CEO's message:

Dear friends,

In 2023 we celebrated BRD's 100-year-anniversary. We take great pride in having been a catalyst for the country's development, financing pivotal projects since the moment of our establishment.

We supported the most important Romanian industrial endeavours, including the Iron Gates, the Transfăgărășan, the Bucharest metro, the Galați Steel Plant, the Dacia plant in Mioveni and Oltcit (now Ford) Plant in Craiova, Otopeni Airport and the Cernavodă Nuclear Power Plant, to name only a few. These 100 years inspire us into looking towards the future with confidence. We continue to grow, plan, and finance projects, companies, and businesses for today's and tomorrow's generations.

Today's communities are increasingly concerned about our planet, wishing to build a diverse world where all voices are heard and respected. We at BRD are proud to support the society in building this new world through our involvement in science, technology, culture and sport.

This 2023 sustainability report demonstrates the work we have performed on our sustainability journey.

We continued to promote the green transition and accompany our corporate clients in their sustainability plans, as our main focus and responsibility. We have significantly progressed towards our strategic goal of EUR 1 billion in sustainable financing by the end of 2025.

On the retail side, after having launched the first range of green loan products in 2022, we concluded various partnerships especially in mobility and efficient energy solutions.

BRD Sogelease and the European Investment Bank (EIB) signed a EUR 50 million loan agreement to support and create new opportunities in the ESG transition for small and medium-sized enterprises and mid-caps.

All these steps have been achieved thanks to the involvement of our people. I am particularly proud our team participated, in the framework of ESG Academy, to trainings designed to enhance the understanding and application of best practices.

As an acknowledgment of our efforts and performance, The Banker magazine awarded us with the "Bank of the Year in Romania".

I would like to express gratitude to all my colleagues, our clients and stakeholders who made possible this extraordinary journey. Our efforts are shaping the BRD of tomorrow and contribute to a better and sustainable future!

Maria Rousseva

I. Our business model

1.1. BRD Group Presentation¹

The BRD Group ²has the following composition:

- BRD - Groupe Société Générale SA
- BRD Sogelease IFN SA
- BRD Finance IFN SA*;
- BRD Asset Management SAI SA.

BRD Groupe Société Générale ("BRD" or "the Bank") was established on December 1, 1990, as an independent commercial bank, operating as a joint-stock company with majority of its capital held by the Romanian state, following the transfer of assets and liabilities from the Investment Bank. In March 1999, Société Générale (SG) bought a package of shares representing 51% of the share capital and in 2004 increased its holding to 58.32%, by purchasing the shares held by the Romanian state. As of December 31, 2020, SG, one of the largest European financial services groups, held 60.17% of the share capital. Leveraging a diversified and integrated banking model, the Group combines financial strength and proven innovation with a sustainable growth strategy and aims to be a trusted partner in customer relationships, dedicated to the positive transformation of the world.

Since 2001, BRD is a joint-stock company listed on a regulated market, operating as a Romanian legal entity, in accordance with the Commercial Companies Law, capital market regulation, banking legislation, as well as the provisions of its Articles of Incorporation and internal normative documents. The Bank's shares are listed in the Premium category of the Bucharest Stock Exchange and are included in the BET, BET Plus, BET-XT, BET-XT-TR, BET-BK, BET-TR and ROTX indices. The Bank's shares are ordinary, registered, dematerialized and indivisible shares.

The shareholding structure³ of the Bank as of December 31, 2023 is the following:

1. **Société Générale S.A.**, headquartered at 29 Bd. Haussman, Paris, France, holds 419,314,808 shares, i.e. 60.1684% of the share capital, namely RON 419,314,808;
2. **Fondul de Pensii Administrat Privat NN/NN Pensii S.A.F.P.A.P. S.A.**, headquartered in Str. Costache Negri, no. 1-5, Bucharest, Sector 5 Romania, holds 38,774,537 shares, i.e. 5.5638 %, namely RON 38,774,537;
3. **Fondul de Pensii Administrat Privat AZT Viitorul Tau** headquartered in Str. Buzești no. 82-94, Floor 12 (Partial), Cod 011017, Bucharest, Sector 1, holds 28,910,513 shares, i.e. 4.1484 %, namely RON 28,910,513;
4. **INFINITY CAPITAL INVESTMENTS S.A.**, headquartered in Str. Tufanele no.1, Craiova, Jud. Dolj, holds 27,533,076 shares, i.e. 3.9508 %, respectiv RON 27,533,076;

¹ 2-6

² 2-1-a

³2-1-b

5. **Fond de Pensii Administrat Privat Metropolitan Life** headquartered in Bld. Lascar Catargiu, No. 47-53, Floor 4, Bucharest, Sector 1, Romania, holds 24,799,840 shares, i.e. 3.5586 %, namely RON 24,799,840;
6. **Transilvania Investments Alliance S.A.**, headquartered in Brasov, str. Nicolae Iorga no. 2, jud. Brasov, a Romanian juridical person, holds 14,078,132 shares, i.e. 2.0201 %, of the share capital, namely RON 14,078,132;
7. **LION CAPITAL S.A.**, headquartered in Arad, str. Calea Victoriei no. 33-35, jud. Arad, a Romanian juridical person, holds 13,615,497 shares, i.e. 1.9537 % of the share capital, namely RON 13,615,497;
8. **Fondul de Pensii Administrat Privat Vital/Aegon SAFPP**, headquartered in Village Floresti, Commune Floresti, Jud Cluj, Str.Avram Iancu No. 506-508 Et.4, holds 12,000,000 shares, i.e. 1.7219 %, namely RON 12,000,000;
9. **Fondul de Pensii Administrat Privat ARIPI**, headquartered in Bucharest, Place Charles De Gaulle No.15, Floor 6, sector 1, holds 10,477,489 shares, i.e. 1.5034 %, namely RON 10,477,489 lei;
10. **Fondul de Pensii Administrat Privat BCR**, headquartered in Sos. Orhideelor, room E2.01,E2.02,E2.03,E2.04,E2.05,AS1D7 15D The Bridge, Bucharest, Sector 6, holds 8,161,321 shares, i.e., 1.1711%, namely RON 8,161,321;
11. **Other shareholders juridical persons** own together a number of shares 58,455,787 i.e. 8.3881% of the share capital, namely RON 58,455,787;
12. **Other shareholders natural persons** own together a number of shares 40,780,518 i.e. 5.8517 %, of the share capital, namely RON 40,780,518.

***BRD Sogelease IFN SA** (BRD Sogelease) is a non-banking financial institution, a subsidiary of BRD, specialized in financial leasing and asset-based lending for companies and professionals. Since its establishment in 2001, BRD Sogelease helps clients implement their development plans and facilitates their access to capital, while the flexibility and simplicity of the products create value especially for the SME segment.

The shareholding structure of BRD Sogelease ⁴is:

- BRD - Groupe Societe Generale S.A. - 99.98%.
- SG FINANCIAL SERVICES HOLDING SAS – 0.02%.

BRD AM (BRD Asset Management SAI / BRDAM) was established in 2000 under the name SG Asset Management SAI, being a subsidiary of Société Générale - Asset Management Paris. In 2008, when BRD Groupe Société Générale became the majority shareholder, the company changed its name to BRD Asset Management SAI.

The BRDAM shareholding structure ⁵is:

- BRD - Groupe Societe Generale S.A. - 99.975%
- BRD Sogelease IFN S.A. - 0.025%

⁴2-1-b

⁵2-1-b

In January 2024, BRD Finance IFN SA took the decision to sell its entire loan portfolio. For the scope of consolidated financial statements of BRD Group as of December 31, 2023, the BRD Finance IFN SA financial statements were no longer prepared as “going concern” and the loans were presented according to IFRS 5 as “held for sale/discontinued operation”, but continued to be measured at amortized cost (with no change in the business model). In line with the decision, and taking into account the activities of BRD Finance in 2023, the sustainability report also excludes references to BRD Finance.

1.2. Products and services

BRD is a universal bank that offers a wide range of products and services for individuals and companies. In terms of products and services for individuals, BRD has a national coverage, providing daily banking products and services, as well as loans for individuals (consumer loans, mortgage loans, overdrafts, credit cards, current account packages, internet banking, etc.). For companies, BRD has a wide range of banking products and services, including loans (flexible current account packages, short/medium and long-term loans, overdrafts, investment loans, campaign loans, internet banking services, special accounts, cash collection and payment solutions, etc.). Additionally, BRD is an important partner for companies in areas such as factoring, Government Programs and European Funds.

BRD has also adapted products and services aiming to address the climate change, social challenges we are facing today or encompassing ESG strategy with a wide range of green, social, sustainable and sustainability-linked facilities, with main financed sectors below:

- Agribusiness and Food
- Energy, defence, aeronautics
- Oil & Gas, Telecom, IT & Technology, Metals, Utilities
- Pharmaceutical, Retail
- Real estate, Hotels
- Transportation, logistics, distribution
- Automotive, equipment, other industries (textile etc.)
- Construction, infrastructure
- Municipalities, Local Authorities
- Insurances, Financial institutions, Ministries

BRD Soglease has been providing customized financial leasing solutions and asset-based loans to a large number of clients from various segments (corporates, SMEs, liberal professions) and sectors (transportation and logistics, construction, agriculture, manufacturing, healthcare, and others).

BRDAM is a company specialized in the management of Undertakings for Collective Investment in Transferable Securities (UCITS)⁶, strengthening its position in the market through

⁶ Collective Investment Undertakings in Transferable Securities (UCITS), also known as collective investment funds, are regulated investment funds at the European Union level. The legislative framework governing these funds is Directive 2014/91/EU. Due to the rigorous regulatory process for a fund to be approved as an UCITS by a regulatory body, the UCITS label serves as a mark of quality and reliability for investors.

professionalism and continuous adaptation of products to the clients' needs. The first investment fund launched was BRD Simfonia, in 2001. The company's clients are individuals and companies, and the main market is represented by open-end investment funds (UCITS - collective investment undertakings). Currently, BRD AM manages 12 open-end investment funds, with 4 of them launched in 2022.

1.3. Economic performance⁷

In 2023, the economy exhibited a deceleration compared to preceding years, experiencing the impacts of elevated inflation, tightening monetary policy and declining external demand. In Q4'23, the Euro area's seasonally adjusted GDP remained unchanged compared to the previous quarter and saw a marginal expansion of 0.1% compared to the same quarter of the previous year. The Euro area GDP growth reached 0.4% in 2023 (vs +3.4% in 2022). In Romania, the overall GDP growth was of 2.1% in 2023 (vs. 4.1% in 2022).

In this context, which remained rather challenging, BRD delivered an outstanding performance, in terms of commercial activity and financial results.

BRD has actively supported companies in their endeavours, providing them with the financing they need to grow, create jobs or innovate, contributing to overall economic performance. A remarkable catalyst for growth, corporate lending grew by 23%, driven both by the strong contribution of the SME segment and large corporate clients. In addition, BRD continued to make progress towards its strategic sustainable financing target of EUR 1 billion by the end of 2025, adding new volumes of RON 2.3 billion (approximately EUR 462,187,000) in 2023. With a cumulative amount of more than EUR 900 million of sustainable financing, this target is expected to be achieved ahead of schedule.

The very dynamic commercial activity was the foundation for a robust financial performance of BRD Group during 2023, with double digit revenue growth (+10.8%), while operational expenses were closely managed. This positive trend led to an improved cost-to-income ratio. Coupled with a net release in the cost of risk, these strong business outcomes resulted in a noteworthy increase of +24% in net result, to RON 1,656 million, ROE of 21% and ROA of 2.1%, demonstrating the strength and resilience of BRD business model. Asset quality remained solid, with a new historically low level for NPL ratio (1.9%, Bank level vs. 2.6% at 2022 end) and comfortable NPL coverage (75.9% at 2023 end vs. 76.5% at 2022 end, Bank level). Also, BRD capital position was solid, with total capital ratio of 23% at December 2023 (own funds including 50% of 2023 profit).

As of December 31, 2023, the Bank had 423 branches⁸ (compared to 460 branches as of December 31, 2022), ensuring the distribution of its products and services nationwide. BRD held a market share of 10.1% based on total assets at the end of 2023.

For more details on commercial results and financial performance, please consult the Annual Report of the Board of Directors made available to stakeholders on the institutional website www.brd.ro.

⁷3-3

⁸ The reduction is a consequence of implementing the branch network transformation strategy, which involves optimizing the number of branches, increasing their average size, introducing new branch formats tailored to the new sales and service model, and promoting a collaborative approach in line with the banking market's trend towards a hybrid distribution model.

1.4. Governance and Business Ethics

1.4.1. Corporate governance⁹

The BRD-Groupe Société Générale S.A.'s Corporate Governance Model is aligned with that of the parent company, Société Générale. The Corporate Governance Model adopted by BRD ensures:

1. observance of the shareholders' equal rights and treatment, by protecting and enforcing their prerogatives;
2. setting of the role and observance of the rights of the groups of interest, other than the shareholders;
3. setting the liability of the Board of Directors towards the credit institution and the shareholders, as well as its responsibility of supervising the activity of the Executive Committee;
4. transparency and access to information, by the periodical publication, in a correct and real manner, of the relevant financial and operational information.

A detailed presentation of the BRD Governance model can be found in the Annual Board of Directors' Report, starting from page 8, chapter Corporate Governance¹⁰. The presentation includes:

- the role of management bodies in deciding on the values and strategy of the Bank¹¹
- the Committees established in support of the BoDs¹²
- professional experience directly related to financial market activities through their previous activities for members of different committees, including the audit committee¹³,
- experience in restructuring projects considered to cover expertise in the field of human resources and risk management for the members of the Remuneration Committee¹⁴ and main responsibilities of the Remuneration Committee¹⁵.
- the fact that individually and collectively, the members of the Risk Management Committee have adequate knowledge, skills and expertise in risk management and control practices to fully understand and monitor the risk management strategy and risk appetite of the credit institution¹⁶ as well as the responsibilities of the Risk management Committee¹⁷.
- The presentation of the Executive/Management Committee¹⁸ - the operational management and coordination of the Bank's daily activity is delegated by the BoDs to the

⁹2-9 a, b, c

¹⁰ [BoD Report 2023 EN.pdf \(brd.ro\)](#)

¹¹ 2-12

¹² 2-9-b

¹³ 2-9-c

¹⁴ 2-9-c

¹⁵2-20

¹⁶2-9-c

¹⁷2-13-b

¹⁸ 2-13th

executive officers¹⁹. The executive officers of the Bank are elected by the BoDs²⁰ from among the directors or from outside the BoDs, and together represent the Management Committee. It also includes the Roles and Responsibilities of the Management Committee²¹ and its relation to the BoDs on the Bank's activities²²

- The list of the most important committees ²³in support of the Management Body.

8. Committee on Climate, Environment and Social Change²⁴ is a permanent advisory committee whose main mission is to support the Management Committee in carrying out strategic CSR analysis by reporting to the Bank's objectives, in order to present to the Management Committee measures for implementing the CSR strategy. The mission includes making proposals for setting the Bank's objectives in the field of CSR, adopting the relevant regulatory framework, monitoring the Bank's commitments, communication and any other topics related to environmental, climate and social issues. The Committee was established in 2021 and is chaired by the CEO. In 2023, the Committee met twice, in January and in May. The topics discussed during the meetings were related to the new legal obligations pertaining from CSRD and the presentation of relevant documents on the topic.

To implement the Group's CSR policy, adapt to stakeholders' requirements, comply with legislative requirements, and ensure performance monitoring, several structures are established within the Bank. Details about these structures and their responsibilities are available in the "How We Manage Sustainability" section.

Selection of candidates for BoDs and Management Committee

The selection of candidates ²⁵for positions within the BoDs and the Management Committee, also named Management Body, is realized through a rigorous process, as defined in the *"The policy of suitability of the members of the Management Body and persons holding key functions and the policy of induction and training of the members of the Management Body"*. The details of the selection process and the aspects considered for the selection ²⁶ are presented in the Annual [Board of Directors Report](#), starting with page 8.

Developing and strengthening the knowledge of BoDs and Management Committee members

The Group provides various workshops and training courses to ensure the development and strengthening of the knowledge of the members of the Management Body on a wide range of topics that may be of interest to them and support them in the effective management of the activities carried out at Group level. These include online training courses such as anti-corruption,

¹⁹2-13-b

²⁰2-10th

²¹ 2-12

²²2-13-b

²³ 2-9-b

²⁴ 2-9-b, 2-12

²⁵ 2-10-a, 2-10-b

²⁶2-10-b

combating inappropriate behaviour, code of conduct, international sanctions, competition law - contact with competitors, anti-money laundering, combating the financing of terrorism, information security group.

Furthermore, workshops on organizational culture have been conducted with the members of the BoDs and top management to propose the values and cultural statement of the organization, as well as coaching for top management, as appropriate.

In 2023, BoDs members participated in several training courses in key areas. Within the Remuneration Committee, its members attended the course "Updating information on Remuneration Policies and Practices" to strengthen their knowledge about remuneration policies and practices. Similarly, the members of the Risk Management Committee attended a course on "Risk Management Practices", to deepen their knowledge in this area.

Additionally, the members of BoDs attended a course that covered various aspects related to prudential requirements, including risk profile, risk appetite and tolerance, risk management function, and risk culture. The course also addressed specific requirements for managing the main types of risks such as credit risk, market risk, and operational risk, among others.

Therefore, members of the Management Committee had access to a wide range of training courses aimed at helping them better understand the implications of sustainability.

Evaluating the performance of the BoDs and Management Committee²⁷

The evaluation process²⁸ considers monitoring the activity of the BoDs and Management Committee members, in order to achieve the performance indicators and competencies, planning development actions to improve the activity and planning the succession of the members. The process is carried out in accordance with the provisions of the internal regulatory framework - "Policy for the adequacy of the Management Body's members and for individual within key functions and for the induction and training of the Management Body's members."

The Bank, through the Nomination Committee, under the final responsibility of the BoDs, continuously monitors the adequacy of the members of the Management Body to identify, in the context of any relevant new element, situations where their adequacy needs to be reassessed. The Nomination Committee must conduct a reassessment of adequacy at least once a year. The bank documents each evaluation and reassessment, including their results, as well as any action taken as a result of the evaluation/reassessment. The results of the assessment/reassessment, the reasons for initiating the reassessment, and any recommendations for identified deficiencies are documented and presented to the Management Body.

If the assessment or reassessment of adequacy identifies minor deficiencies in meeting the requirements for knowledge, skills, and experience of the evaluated or reassessed individuals,

²⁷2-18

²⁸ The evaluation of the members of the BoDs is carried out by the Nomination Committee.

the Bank promptly takes appropriate remedial measures to eliminate the deficiencies. In case the assessment or reassessment shows that the Management Body is not collectively adequate, the Bank takes immediate remedial measures as necessary.

In order to assess/re-assess the adequacy, both individually and collectively, of the persons proposed as members of the Management Body/who hold the status of members of the Management Body, the Nominating Committee may request input, including relevant information received from other committees, such as the Risk Management Committee and the Audit Committee, as well as from other functions such as the internal control functions, the human resource functions, and the legal functions. Also, the General Secretariat (SEGL) supports the Nomination Committee to carry out the evaluation/revaluation process of the Management Body and its members. The BoDs is responsible for making the final evaluations/reassessments regarding adequacy.

The Nomination Committee evaluates the adequacy at individual level of the members of the Management Body at:

- the appointment of new members of the Management Body, including as a result of direct or indirect acquisition or increase in qualified participation in a credit institution, or
- if the requirements of the position have changed or if the member is appointed to a different position within the Management Body.

Also, the Nomination Committee re-evaluates the adequacy at the individual level of the members of the Management Body in the following cases:

- a) when there are concerns about the adequacy, at individual or collective level, of the members of the Management Body;
- b) in case of an event with a significant impact on the reputation of a member of the Management Body or of the Bank, including in cases where the members do not respect the BRD policy regarding the conflict of interests;
- c) as part of the review of the activity management framework by the Management Body;
- d) in any other situation that may significantly affect the adequacy of the members of the Management Body.

The Nomination Committee assesses or reassesses the suitability, at collective level, of the Management Body when arise situations such as those listed above.

The Nomination Committee periodically, but at least once a year, re-evaluates the following:

- a) the structure, size, composition and performance of the Management Body and makes recommendations to it regarding any changes;

- b) good reputation, knowledge, skills and experience, honesty, integrity, independent thinking, time allocated by each Member of the Management Body;
- c) the knowledge, skills and experience of the Management Body as a whole.

If a person holds several positions within the Management Body, the assessment will be carried out for each position.

The process of assessment/reassessment of the adequacy of the members of the Management Body focuses at least on the following aspects:

- a) assessment of the degree of understanding of the structure and activity of the Bank and the companies within the Group;
- b) evaluating the effective contribution of each member, the constructive involvement in the discussions held and the decisions adopted, as well as their presence at the meetings of the Management Body and the committees of which they are a part;
- c) evaluating the activity considering the evolution of the Bank's activity and the banking environment;
- d) behavioral and managerial assessment in accordance with the rules of a prudent and sound banking practice;
- e) knowledge improvement.

The process of assessment/reassessment the adequacy of the Management Body focuses at least on the following aspects:

- a) evaluating the performance of the Management Body, how it operates, the committees established to support it, and the effectiveness of information flow;
- b) verifying the adequacy of the structure, size, and composition of the Management Body in relation to any changes in the Bank's activities, as well as individual and collective adequacy deficiencies, taking into account the Bank's business model, risk strategy and their changes;
- c) assessment of the balance of knowledge, skills, and experience within the Management Body;
- d) assessment of diversity within the Management Body;
- e) verifying how important aspects of the Bank's activities are prepared and discussed, including examining how the Management Body acts in the Bank's interest and focuses on significant strategic objectives.
- f) Reviewing the independence of the members of the Management Body, including the requirement that the decision-making process is not dominated by an individual or a small group of individuals, and ensuring that the members of the Management Body comply with the conflict of interests policy.

When reassessing the individual and collective performance of the members of the Management Body, at least the following must be considered:

- a) the efficiency of the Management Body's work processes, including the efficiency of information flows and reporting lines to the Management Body, considering the contributions of the internal control positions, including any monitoring actions or recommendations provided by these positions;
- b) the efficient and prudent management of the Bank, including whether the Management Body has acted in a manner that pursues the interests of the bank.;
- c) the Management Body's ability to focus on strategically important issues;
- d) the adequate number of meetings held, the level of participation, the allocation of sufficient time, and the level of engagement of the Management Body's members during meetings;
- e) any changes in the composition of the Management Body and any deficiencies in terms of adequacy at an individual or collective level, taking into account the Bank's business model and risk management strategy, as well as their changes;
- f) the performance objectives set for the Bank and for the Management Body;
- g) the independent thinking of members of the Management Body, including the requirement that the decision-making process is not dominated by a member of the Management Body or a small group of members of the Management Body, as well as compliance of the members of the Management Body with the policy on conflict of interest;
- h) the extent to which the composition of the Management Body fulfills the objectives set out in the policy regarding the promotion of diversity;
- i) any events that could have a significant impact on the adequacy, individually or collectively, of the members of the Management Body, including changes to the business model, strategies, or organization of BRD.

Corporate governance structures of BRD Sogelease

The governance structure of SOGELEASE includes the General Meeting of Shareholders, the BoDs, the Executive Management and advisory committees -The Audit Committee and The Risk Management, Internal Control, and Compliance Committee.

The **General Meeting of Shareholders** is the governing body of the Company, deciding on its activity and ensuring its economic and commercial policy in accordance with the applicable law and the Article of Incorporation. The General Meetings are ordinary and extraordinary.

The Board of Directors (BoDs)

The company is administered in a unitary system by the BoDs, in accordance with the provisions of the law and the Articles of Incorporation. The BoDs consists of 5 (five) members, elected by the Ordinary General Meeting of Shareholders for a period of 4 (four) years, with the possibility of being re-elected. The BoDs may delegate part of its responsibilities to Executives and it may

use experts to study certain topics. The BoDs members can be natural or legal persons, Romanian or foreign citizens. The appointment and replacement of the directors is done exclusively by the General Meeting of Shareholders.

The Chairman of the BoDs coordinates the activity of the BoDs and reports on this to the General Meeting of Shareholders. He ensures the proper functioning of the company's bodies. The Chairman is appointed for a term that does not exceed his/her term as a director.

Decisions regarding the appointment or revocation of the Chairman of the BoDs are made by the majority vote of the members present on the BoDs.

Name of the member	Executive / Non-executive	Independent (Yes/No)	Gender	Competence
Frederic Nicolas BANCO	Executive	No	Male	CEO of BRD Sogelease and member of the BoDs.
Etienne Jean LOULERGUE	Non-executive	No	Male	Member of the BoDs and the Audit Committee of BRD Sogelease.
Ionela COSTICA	Non-executive	Yes	Female	Chairman of the Audit Committee of BRD Sogelease and member of the BoDs.
Maria ROUSSEVA	Non-executive	No	Female	President of the BoDs and the Audit Committee of BRD Sogelease.
Timothy James Edward DUERR	Non-executive	No	Male	Member of the BoDs.

Executive management

The management is ensured by three executive directors (the General Manager and 2 directors) who are elected and approved by the BoDs. These directors can be Romanian and/or foreign individuals and are empowered to lead and coordinate the daily activity of the Company. They are empowered to represent the Company in accordance with Article 5 letter b) of Law No. 93/2009 on non-banking financial institutions.

The Managers are in charge for taking all the measures related to the management of the Company, within the limits of the object of activity of the Company and by complying with the exclusive powers provided for by law or by the Articles of Incorporation to the BoDs and to the General Meeting of the Shareholders. The activities of the BoDs are supported by two

committees: the Audit Committee and The Risk Management, Internal Control, and Compliance Committee.

The Audit Committee is a permanent advisory committee that assists the BoDs in fulfilling the specific responsibilities of internal control, internal audit and risk management.

The Audit Committee consists of 3 (three) non-executive members of the BoDs, of which one member is independent. The Chairman of the Audit Committee is appointed by its members and is independent of the audited entity. Its members are appointed by the General Meeting..

The Risk Management, internal Control and Compliance Committee is a permanent advisory committee, established by the decision of the BoDs, which manages the significant risks, the risks with a significant impact on the patrimonial and/or reputational situation of the non-banking financial institution (credit risk, market risk, operational risk and reputational risk), as well as compliance risk, internal control and risks associated with outsourced activities.

The members of the Risk Management, Internal Control and Compliance Committee are: the CEO (Chairman of the committee), the Commercial Director, the Financial and Administrative director, the Risk director, the Director of Operations and IT Services, the General Secretary (Head of the Compliance Department).

Corporate Governance structures of BRDAM

The governance structure of BRDAM includes the General Meeting of Shareholders, the BoDs, the Executive Management and advisory committees - the Audit Committee, the Remuneration Committee, the Nomination Committee, the Investment Committee, the Internal Control and Risk Committee.

The General Meeting of Shareholders is the supreme body of the Company and decides on matters related to the Company's activities, financial policy, and business policy. The General Meeting is convened by the BoDs whenever necessary, in accordance with the provisions of the Articles of Incorporation and applicable legal regulations. The General Meetings can be either ordinary or extraordinary.

Both the ordinary and extraordinary General Meetings of Shareholders can make decisions on the agenda items or on matters raised during the meeting, while complying with the requirements regarding the applicable quorum and majority of votes, as provided by law or the Articles of Incorporation. The General Meeting may delegate to the BoDs, for a limited period of time, some of its powers to be exercised within the limits prescribed by Romanian law and the power of attorney for delegation.

The Extraordinary General Meeting is held whenever necessary, while the ordinary General Meeting is held at least once a year, within 5 months from the end of the financial year. The Board of Directors determines the reference date for shareholders entitled to be notified and vote at the General Meeting. Furthermore, in the exercise of its duties and prerogatives, the

Financial Supervisory Authority (FSA) may request the reasoned convocation of the General Meeting of Shareholders and propose items for inclusion on its agenda.

The convocation of the General Meeting, organization of the General Meeting, validity of its decisions, and exercise of the right to vote are detailed in the Articles of Incorporation of BRD Asset Management.

The Board of Directors (BoDs)

The company is managed by a BoDs consisting of three members, referred to as directors, appointed by the General Meeting of Shareholders. Only natural persons can be designated as directors. Each director is appointed for a period of four years, with the possibility of being reelected or removed from office. The Chairman of the BoDs and the directors can be Romanian or foreign citizens, in any proportion.

The BoDs is chaired by a Chairman appointed by the General Meeting of Shareholders from among the directors. The members of the BoDs are jointly responsible for the administration of the Company and for compliance with the Articles of Incorporation regarding the Company's administration.

The BoDs approves the risk tolerance limits, as well as the procedure for identifying, evaluating, monitoring, managing, and reporting significant risks to which BRDAM is exposed. The BoDs is responsible for promoting the development and implementation of ethical and professional standards necessary to ensure a professional and responsible behaviour of employees, in order to prevent conflicts of interest.

The procedures for conducting BoDs meetings are detailed in the Articles of Incorporation of BRDAM.

The Chairman of the BoDs coordinates the activities of the BoDs and reports on them to the General Meeting of Shareholders. Additionally, the Chairman may exercise a special power entrusted to them by the General Meeting of Shareholders, unless otherwise stipulated.

The Chairman monitors the implementation and fulfilment of decisions adopted by the General Meeting of Shareholders and the BoDs. The Chairman may delegate the right to represent the company to another administrator, employee, or authorized representative of the company, being jointly responsible with the latter for the activities carried out in this capacity.

Members of the Board of Directors:

Member name	Executive / Non-executive	Independent (Yes/No)	Gender	Competence
Mihai PURCAREA	Executive	No	Male	CEO and President of the Board of Directors.

Member name	Executive / Non-executive	Independent (Yes/No)	Gender	Competence
Marius STOICA	Non-executive	No	Male	Member of the Board of Directors.
Iancu GUDA	Non-executive	YES	Male	Member of the Board of Directors.

Executive Management

The management of the company and the coordination of its daily activities are ensured by the directors: Mihai PURCAREA (Chief Executive Officer) and Mihaela UNGUREANU (Deputy Chief Executive Officer). These two directors are empowered to lead and coordinate the daily operations of the company and are vested with the authority to engage the company's liability in accordance with the legal provisions of ASF Regulation no. 9/2014.

The directors of the company are elected by the BoDs, either from among the directors or from outside the BoDs. The directors are responsible for taking all necessary measures related to the management of the company, within the scope of its activities and in compliance with the exclusive competencies reserved by law or by the Articles of Incorporation to the BoDs and the General Meeting of Shareholders.

Each director is vested with all the powers to act on behalf of the company and represent it in relationships with third parties, in any circumstances related to the activities they oversee according to the company's organizational structure, while respecting the legal provisions and the Articles of Incorporation.

The committees

The Audit Committee

The Audit Committee is an independent committee composed of two non-executive members of the BoDs. The Chairman of the Audit Committee is appointed by its members and is independent of the audited entity.

The Audit Committee will meet as necessary to review the audit report and/or the statutory auditor's opinion on essential matters resulting from the statutory audit, as well as the financial reporting process, and will recommend necessary actions to be taken. The Audit Committee reviews the internal audit plan and the resources required for this activity, receives the internal audit report, and analyses the findings and recommendations of the financial auditor regarding significant deficiencies in internal control related to the financial reporting process. It informs the members of the BoDs about the results of the statutory audit, the contribution of the statutory audit to the integrity of financial reporting, and the role of the Audit Committee in this process.

The Remuneration Committee²⁹

The Remuneration Committee is an independent committee composed of two non-executive members of the BoDs. The Chairman of the Remuneration Committee is appointed by its members and is independent of the S.A.I.

The Remuneration Committee is an advisory committee that assists the BoDs in fulfilling its responsibilities regarding the development and implementation of the remuneration policy. It meets annually or as necessary.

The Remuneration Committee independently analyses the remuneration policies and practices, as well as the incentives offered by BRDAM, in order to manage risks. The committee is responsible for making decisions on remuneration in accordance with the Remuneration Policy, including decisions that have implications for the risks and risk management of the S.A.I. and Managed Funds.

The Nomination Committee

It is a committee with a consultative role that assists the Board of Directors in carrying out its responsibilities regarding the selection, monitoring, and succession of members of the governing body (Board of Directors and Executive Management) and the assessment of the suitability of persons with key positions. It meets annually or whenever necessary.

The Committee identifies, makes proposals, and submits them for approval by the BoDs or the General Meeting of Shareholders for candidates to fill vacant positions within the management structure. It is involved in the development of policies on the selection, monitoring, and succession of members of the management structure and policies on the evaluation of key individuals, which it submits for approval by the BoDs. The Committee ensures that the policy on the selection, monitoring, and succession of members of the management structure promotes diversity within the management body, both in terms of skills and competencies, and ensures that the decision-making process of the management structure is not dominated by any individual or small group of individuals in a manner that is detrimental to the interests of BRDAM.

The Investment Committee

To ensure an effective framework for investment decision analysis, an Investment Committee is established at the level of BRDAM. It consists of the Executive Management of BRDAM, the Employees of the Investment Department, and the Risk Director. Within the Investment Committee, the activities carried out by the Investment Department are analysed on a monthly basis, and the steps to be taken to achieve the objectives outlined in the investment policy are determined.

The Internal Control and Risk Committee

²⁹ 2-20

It is a support committee for the BoDs, with its main mission being the analysis of the implementation of measures resulting from control and audit actions, including business continuity and crisis management from an organizational/operational perspective, the achieved results, and the identified deficiencies in internal control activities.

BRDAM applies the provisions of the Group regarding the nomination and evaluation of management staff and key functions (compliance, risk, and audit). The members of the Board of Directors, the members of the Executive Management, the compliance function, and the risk function are subject to an authorization process by the Financial Supervisory Authority (FSA).

The entity performs the following ESG investment tasks:

- calculation and disclosure of the estimated probable effect of sustainability risks for the Managed Funds;
- the implementation in the investment decision process of ESG topics, such as the use of an exclusion list and an identification list;
- disclosure to investors <https://www.brdam.ro/despre-noi/brd-asset-management>

BRD Asset Management SAI is a signatory to the UNPRI (Principles for Responsible Investment), a global initiative to which BRD Asset Management SAI has adhered, committing to integrate environmental, social and governance (ESG) issues into their investment decisions.

BRDAM is committed to ensuring compliance with transparency requirements by publishing on its website various types of information such as the sustainability disclosure statement, sustainability risk policy transparency, sustainability risk integration, general environmental and social principles.

1.4.2. Business ethics

At the level of the BRD Group, a responsible business conduct is pursued³⁰. To ensure compliance with this commitment, several policies and regulations have been established, which ensure the adherence to the principles of various international initiatives promoting anti-corruption, respect for human rights, and environmental protection.

At the core of the BRD Group's commitment to act in an ethical manner is the SG Group Code of Conduct ([Code of Conduct \(societegenerale.com\)](https://www.societegenerale.com/en/code-of-conduct)). It represents a set of values and behavioural principles established to guide the actions and activities of all companies which are part of the Group. This code represents a commitment by the BRD Group to follow the highest standards of ethics and business responsibility and applies to employees as well as partners, customers, and suppliers. Each of our actions is part of the Code of Conduct and complies with all Directives, Instructions and Guidelines of our Group. Compliance with the Code of Conduct is ensured through the implementation of the Group's internal rules and those of its entities.

³⁰ 2-23, 2-24

To ensure a high level of compliance with legislation, regulations, banking standards, as well as internal directives/procedures/instructions and corporate governance principles, all companies within the BRD Group have adhered to the Principles and Rules Governing the Fight Against Corruption([https://www.brd.ro/files/pdf/Principles and rules governing the fight against corruption-2023.pdf](https://www.brd.ro/files/pdf/Principles_and_rules_governing_the_fight_against_corruption-2023.pdf)). These principles define several terms and regulate the conduct that BRD Group employees must adopt regarding the following aspects: the granting of undue benefits and bribes; recruiting and evaluation of employees; giving or receiving gifts or invitations to business meals or external events; the use of a third party intermediary or supplier; "facilitation" payments; sponsorship and patronage; political and religious donations; corruption or influence trafficking related to clients; advocacy activities; conflict of interest; documentation, accounting and archiving.

Furthermore, BRD Group has strengthened the anti-corruption governance framework by establishing dedicated governance structures , as well as specific roles in this field. In line with the governance consolidation, the internal framework in the Anti-Bribery and Corruption (ABC) domain has been developed through the implementation of various ABC initiatives since 2019 (internal regulations, controls, reviews, IT applications, etc.).

The Bank monitors bribery and corruption risks through dedicated tools, such as annual assessments, periodic controls, and periodic indicators, as well as through confidential alerts submitted through whistleblowing channels. The results obtained are communicated to the BoDs and Management Committee, as well as within the Bank committees (eg. Compliance Committee) by submitting the Quarterly Compliance Report.

This ABC risk assessment is conducted in line with the Group's methodology for all activities carried out within BRD, involving relevant business structures.

The Bank has a staff training program that includes ABC e-learning and a training session with interactive sessions for Bank's employee, requiring its staff to be vigilant and apply the zero-tolerance policy in matter of corruption, including through promptly reporting incidents through whistleblowing channels. The topics addressed in dedicated ABC training courses mainly focused on the impact of corruption at the collective but also individual level, detailing the definitions and extraterritorial ABC legislation, case studies addressing ABC scenarios, detailing the way to manage corruption risks at the BRD level, among others³¹.

All ABC policies and procedures are available to all BRD staff, including the BoDs and Management Committee members. All BRD employees have the obligation to familiarize themselves with the internal regulatory framework. Additionally, ABC principles are made available to suppliers on the BRD website and are aligned with the internal regulatory framework and the principles of the SG Group.³²

³¹ 205-1-a, 205-1-b

Furthermore, 5,285 employees³³, including members of the Management Body, completed the standard ABC training in 2023. In addition to the standard ABC training course provided to all employees, there is a dedicated training program for personnel considered to be in the "Most exposed personnel" category. In 2023, 11 employees participated in this specialized training course³⁴.

Compliance is also a permanent topic within the New Product Committee, where all new products and services are assessed from the perspective of corruption-related risks. Its role is to evaluate all new products and outsourced activities in terms of compliance, including ABC risks.

Communication and training on anti-corruption policies and procedures - BRD³⁵	2021	2022	2023
Percentage of BoDs members who have been informed about the organization's anti-corruption policies and procedures	100%	100%	100%
Percentage of employees who have been informed about anti-corruption policies and procedures	100%	100%	100%
Percentage of senior managers who have been informed about the organization's anti-corruption policies and procedures	100%	100%	100%
Percentage of middle managers who have been informed about the organization's anti-corruption policies and procedures	100%	100%	100%
Number of BoDs members who attended anti-corruption training	3	10	8
Percentage of BoDs members who attended anti-corruption training	33%	100%	100%
Total number of employees who participated in anti-corruption training	6.828	5.627	5.285
Percentage of employees who participated in anti-corruption training	98%	97%	85%
Communication and training on anti-corruption policies and procedures – BRD AM³⁶	2021	2022	2023
Percentage of BoDs members who have been informed about the organization's anti-corruption policies and procedures	100%	100%	100%

³⁵ 205-2

³⁶ 205-2

Percentage of employees who have been informed about anti-corruption policies and procedures	100%	100%	100%
Percentage of senior managers who have been informed about the organization's anti-corruption policies and procedures	100%	100%	100%
Percentage of middle managers who have been informed about the organization's anti-corruption policies and procedures	100%	100%	100%
Percentage of BoDs members who attended anti-corruption training	100%	100%	100%
Percentage of employees who participated in anti-corruption training	100%	100%	100%

Communication and training on anti-corruption policies and procedures – BRD Sogelease³⁷	2021	2022	2023
Percentage of BoDs members who have been informed about the organization's anti-corruption policies and procedures	80%	80%	80%
Percentage of employees who have been informed about anti-corruption policies and procedures	100%	100%	100%
Percentage of senior managers who have been informed about the organization's anti-corruption policies and procedures	100%	100%	100%

Whistleblowing and complains channels

The Bank has a secure internet channel³⁸, in line with NBR Regulation 5/2013, (<https://report.whistleb.com/en/brd>) for reporting situations regarding deviations or violations of business ethics rules and principles, as well as other situations, as follows: corruption and influence peddling, conflict of interest, theft of goods, misappropriation of funds, anti-competitive practices, non-compliance with international sanctions, market abuse, money laundering, terrorist financing, accounting and tax fraud, human resource rights (discrimination, harassment, health and safety at work, human rights and fundamental freedoms, security, privacy and data protection, document tampering or falsification). This channel can also be used in other situations, such as:

- any act that constitutes a violation of a national or international commitment, law, an international regulation, or professional code of conduct by a staff member / collaborator / partner / supplier of the Bank;

³⁷ 205-2

³⁸ 2-26

- a threat to the public interest or serious harm to it;
- conduct or situations contrary to the banking regulatory framework, the Code of Conduct of the Societe Generale/BRD, or the BRD ABC Code;
- other crimes or criminal offenses.

This channel ensures the protection of personal data and strict confidentiality, being accessible to BRD staff, but also to service suppliers. For Bank employees, the right to "report" can also be exercised by using the employee's direct or functional (indirect) line of authority or by reporting directly to the Compliance Executive Director. In situations where employees may need advice or counselling³⁹ regarding a situation that may fall under one of the aspects mentioned in this section, according to the Principles and Rules Governing the Fight against Corruption, they should report any uncertainties or suspicions and promptly seek advice from their manager and the Executive Director of Compliance⁴⁰. The Bank will not tolerate retaliation of any kind (in terms of promotion, working conditions, etc.) against anyone who reports misconduct in good faith. If the line manager or Chief Compliance Officer needs legal support for the legality of a particular practice, they may request legal support for the necessary advice/opinion.

In the case of providing contact information (email address, etc.), subsequent communication with the alert initiator regarding admissibility, progress of analysis, etc., will be conducted through the secure reporting channel to ensure the confidentiality of data. For the purpose of personal data protection, both the data of the person who submitted the alert and the data of the individuals subject to the alert will be anonymized after the investigation is completed.

The Executive Director of Compliance reports to the Management Committee the main findings of the investigations concluded as a result of receiving the alerts through the secure channel available on the BRD website (<https://report.whistleb.com/en/brd>). At the same time, the Director will present a status of the investigated alerts (the number of alerts received, the number of alerts investigated, the stage of the investigation, respectively the number of concluded or ongoing investigations), in an anonymized manner. Dedicated controls are also implemented for this channel and for the management of confidential alerts⁴¹.

In addition to the aforementioned tool available at the BRD level, employees and suppliers of the BRD Group also have access to SG Group's WhistleB platform, available at <https://report.whistleb.com/ro/societegenerale>. This is a global channel, available in all languages, through which employees and suppliers who want to make a report/complaint can report a specific situation that does not comply with the regulations governing the activities of SG Group, its ethical standards, or may violate applicable laws and regulations. If the confidential complaint involves the Executive Director of Compliance, it will be evaluated by an independent committee.

³⁹ 2-26

⁴⁰ 2-26-ai

⁴¹ 2-16

At Group level, there are several dedicated channels for clients⁴² which can be accessed through the link <https://www.brd.ro/en/contact-us>. Through these channels, clients can submit suggestions, complaints, support requests, information, and meetings, as well as exercise their rights in accordance with GDPR.

Complaints can also be filed by any affected party through multiple channels, both in written and verbal formats. To file a complaint, complainants can use all BRD's official communication channels, including:

- any BRD - Groupe Société Générale branch, using the dedicated complaint form;
- MyBRD Contact service, through which they can call the phone number available on the Bank's website;
- e-mail address mybrdcontact@brd.ro;
- the form available on the Bank's official website, in the contact section, or by using the chat function available on the website;
- letters sent to the headquarters of BRD - Groupe Société Générale, located on Bd. Ion Mihalache no. 1-7, sector 1, Bucharest, postal code 011171, to the attention of the Quality Department;
- the messaging section of the internet banking applications available to clients;
- the Bank's official social media accounts, such as Facebook.

The Quality Department informs the Bank's management (Management Committee and BoDs), whenever necessary, regarding the main indicators monitored in the complaint management process, identified causes and potential risks. The Department provides information regarding complaints that have not been resolved within the internally set deadlines and the causes that led to exceeding these deadlines. It also presents proposals for improving products, services, procedures, and the business relationship. Information on complaints is presented semi-annually to the BoDs – (2 presentations in 2023) and quarterly to the Management Committee (4 presentations in 2023). The main topics covered in the presentations held in 2023 were: the main indicators and their evolution compared to the previous reporting period, the causes of complaints and their evolution compared to the previous reporting period, and the distribution of customer complaints by products/services⁴³.

In the complaint resolution process, if the complaint has not been resolved directly with the financial-banking institution and the response does not meet customer expectations, clients have the possibility to apply for out-of-court dispute resolution procedures through the Alternative Dispute Resolution Centre for Banking (CSALB), the National Authority for Consumer Protection

⁴² 2-25

⁴³ 2-16

(ANPC) or through the mediation procedure under Law no. 192/2006. Customers also have the possibility of applying to the competent court.

BRDAM

BRDAM operates with integrity and transparency, fully complying with the applicable legal standards and regulations in force (including those applicable to the Group of which BRDAM is a part).

The right to alert provides an opportunity for BRDAM staff and its suppliers to notify/report, without fear of reprisal or sanction, when they believe that a violation of internal policies, laws or regulations has occurred, of circumstances falling within the scope of the internal reporting framework, with protection of the confidentiality of their identity.

BRDAM has created the necessary regulatory framework for internal reporting, which is the responsibility of the Internal Control and Compliance Department, has an internal reporting channel that ensures the protection of personal data and strict confidentiality and has also implemented the Group's web platform for reporting.

BRDAM dedicates special attention to the quality of its services and to the opinions of its customers. The following channels are available for handling possible petitions:

- Any of the BRD-GSG locations (distributor of the open-ended investment funds managed by BRDAM);
- BRD Asset Management SAI's head office (by filing a petition or sending it by post);
- Electronic correspondence using the address brdamoffice@brd.ro;
- The entity's website, "Contact" section, choosing the Petition option.

1.4.2.1 Anti-competitive behavior⁴⁴

Regarding the anti-competitive behaviour, BRD has in force a Competition Policy Directive, which supplements the internal competition rules in force at the level of the SG Group. The Competition Policy Directive addresses the principles of competition law as well as some specific topics in areas with potential competitive risks, considering the specifics of BRD's activities.

All the Bank's structures recognize and adhere to the provisions of the internal regulatory documents regarding competition, comply with the competition principles outlined in these documents, and seek legal and compliance advice whenever they encounter a high competition risk situation.

The Compliance function is also involved in this matter, given its role within the Bank, as well as the Legal Department/Competition Compliance Programme Officer, which deals with the legal aspects of any competition topic. The Compliance Department should be notified of any

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competition compliance incidents, in accordance with the Bank's regulatory framework concerning the identification and management of compliance incidents/dysfunctionalities.

Any employee who has doubts about potentially anti-competitive situations encountered during daily activities should suspend making any decision and seek clarification from their hierarchical superior, the Compliance Department, or the designated Competition Compliance Programme Officer within the Legal Department.

The following measures have been implemented or regularly considered to ensure effective implementation:

- training courses for all high-competition risk BRD personnel - in this respect, tailor-made training courses were provided to all relevant employees, depending on the particularities of their activity;
- a control system in place for the most relevant high competition risk areas;
- an assessment of certain activities/practices with potential of raising competition concerns within BRD, in order to monitor or address them, as well as improve the Directive with specific best practices to be followed by relevant entities.

A summary of the ongoing investigations on this area for BRD Group is presented below:

- In November 2022, the Romanian Competition Council (RCC) initiated an investigation targeting several national banks, including BRD. Within this investigation, RCC suspects that there may have been an artificial increase in the ROBOR (Romanian Interbank Offer Rate) as a result of a possible collusion between banks in setting this benchmark. Several written inquiries have been issued by the RCC throughout 2023. BRD fully cooperated during all the procedures conducted in the meantime. The investigation is still ongoing.
- RCC launched in September 2022 another investigation and dawn-raided the shareholders of the Credit Bureau ("CB"), among which BRD, other national banks as well as the CB itself. This second RCC investigation focuses on the FICO credit score, a service provided by the CB since 2008, and a relevant factor herein, the credit seeking behaviour of the client, which is inferred from the number of queries performed in the CB in order to obtain a loan. The RCC alleges that the banks have colluded to establish and apply this uniform criterion for assessing clientele, leading to market sharing and barriers to entry for the individuals. Similarly to the above investigation, we expect RCC to make further inquiries, the investigation being ongoing.
- On May 16, 2023, BRD together with the other banks from the Romanian banking system were sanctioned by The Romanian Consumer Protection Authority (ANPC) with a fine of 50,000 RON, for deceptive/misleading business practices related to instalment calculation formula for long-term mortgage loans for individuals. ANPC is challenging the economic model of 'constant annuity (equal monthly payments)' for the rate of credit for individuals, arguing that according to the repayment schedule, the instalment included,

during the first years, mainly (75% of the instalment) the interest related to the loan and, to a smaller extent, the principal. ANPC does not question the legality of such an approach but insists on the fact that consumers are not sufficiently/clearly informed about the advantages/disadvantages of choosing the type of reimbursement, i.e., equal monthly payments vs decreasing monthly payments. BRD challenged the ANPC's Decision to fine the Bank in front of the Court, which led to an automatic suspension of the imposed sanction until a final court decision. The litigation is pending in front of the Bucharest District 1 Court.

- BRD Sogelease was sanctioned as a result of an investigation launched by the Competition Council in 2017. The decision was communicated in April 2021, and the company has contested the decision and the fine in court, with the case currently pending resolution⁴⁵.

For other companies within the BRD Group, there are no other legal actions related to anticompetitive behaviour, antitrust, or monopolistic practices.

1.4.2.2. The conflict of interests⁴⁶

The BRD Group has in place a specific policy regarding the avoidance of the conflict of interests. (https://www.brd.ro/_files/pdf/BRD-Conflict-of-Interest-Policy-Summary.pdf), which comprises provisions relating to the management of conflicts of interests found in the Code of Ethics, in the Policy for Selection, Monitoring and Succession Planning of the Management Body Members, and Rules of Organization and Functioning of the Management Bodies (BoDs and Management Committee), combined with the provisions of the Conflict of Interests Instruction.

At the institutional level, the Management Body establishes, approves, and oversees the implementation and maintenance of effective policies to identify, assess, manage and reduce or prevent current conflicts of interest.

The Bank's Compliance Department ensures the management and monitoring of the implementation of the Conflict of Interests Policy. Information regarding the identification, management, and control of situations with potential risk of conflicts of interests is reported quarterly to the Compliance Committee, which includes members of the Management Committee. Additionally, the results of the campaign to update declarations of conflicts of interest are reported within the Compliance Committee.

Additionally, at the Bank level, the members of the BoDs/Management Committee shall only act in the interest of the Bank and shall make decisions without being influenced by their own interests that may arise during the exercise of their duties. No member of the BoDs/Management Committees shall personally benefit from business opportunities that they become aware of in the normal course of their activities. Members of the BoDs/Management Committees who, in a particular operation, whether directly or indirectly, have interests that conflict with the Bank's

⁴⁵ 206-1

⁴⁶ 2-15

interests, shall notify the other members of the BoDs/Management Committees, by written statements, as required by the law, and shall not take part in any deliberation regarding that operation. In addition, to avoid the occurrence of conflicts of interests, the Bank has established a set of rules of conduct that must be respected by both the members of the Bank's BoDs and Management Committee.

The main obligations respected by the members of the BoDs and the Management Committee, imposed at the level of the Bank to prevent, and avoid conflicts of interests, are:

- the obligation to act solely in the interest of the Bank and make decisions without being influenced by any personal interests that may arise during their activities.
- the obligation to maintain confidentiality regarding any facts, data, or information they become aware of in the course of their responsibilities, and to understand that they do not have the right to use or disclose such information during or after their term of service.
- the obligation to notify the other members of the Board of Directors and internal auditors of any transaction in which they have direct or indirect conflicting interests with the Bank's interests and to refrain from participating in any deliberations concerning that transaction.
- members of the governing body shall abstain when decisions regarding third parties with whom they are in a conflict of interest are on the agenda of the BoDs and the Management Committee.
- the obligation to respect professional secrecy regarding confidential information to which they have access, as well as the discussions and decisions in which they have participated, and which have not yet become public.

Information regarding the identification, management, and control of situations with potential risks of conflicts of interests is reported quarterly to the Compliance Committee, to which members of Management Committee also attend. Additionally, the results of the campaign regarding to the updating of the conflict of interests declaration are reported within the Compliance Committee.

To avoid conflicts of interest and protect the interests of shareholders, the BoDs has adopted a Policy on Transactions with Related Parties. According to this policy, which is approved by the BoDs, transactions with related parties are conducted on fair terms, complying with competition legislation, and subject to the same pricing rules and competencies applicable to transactions with unrelated parties.

Transactions with related parties, whose value falls within the approval authority of the Board of Directors, are subject to prior approval reviewed by the Audit Committee from the perspective of conflict of interest.

Furthermore, in order to establish a preventive and secure framework for market operations carried out by individuals who, by virtue of their position within the Bank, have access to privileged information; the Bank has established a set of professional ethics rules that must be

adhered to by directors, executive directors, and other individuals with access to privileged information. The purpose is to avoid violations of the legal framework applicable to transactions with financial instruments issued by BRD. This framework also includes the establishment of blackout periods during which trading in financial instruments issued by BRD is prohibited before the publication of the Bank's periodic reports, as well as the obligation to report such transactions.

BRD Sogelease

The internal procedure "Conflict of interests" implemented within BRD Sogelease, in accordance with the principles of the Group, defines the rules for managing potential conflicts of interests situations in which BRD Sogelease and its employees may be involved during their activities. The procedure, based on the guidelines established in BRD's Code of Ethics, outlines the types and criteria for identifying conflicts of interest that may arise between BRD Sogelease staff and clients, as well as the rules and measures that can be applied to ensure the correct management of conflicts of interests. This procedure is in line with the provisions of the current BRD Code of Ethics, applicable to BRD Sogelease, as well as in accordance with the SG Group's instructions on preventing and managing conflicts of interest (SG Guidelines on Conflict of Interests Mapping and Conflict of Interest Register, including relevant templates). The provisions of the procedure apply to all BRD Sogelease personnel.

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The Board of Directors approves all regulations regarding conflict of interests management within the company, which contain information on how to handle such situations and the corresponding mitigation measures. Depending on the occurrence of a conflict of interests situation and annually, all employees and members of the Board complete and submit declarations in this regard. Any professional activity conducted outside of BRDAM must be validated by the internal compliance structure.

BRD AM responsibilities around conflict of interest are:

- 1) in managing fund performance, it involves avoiding any conflicts of interest and, if unavoidable, ensuring that the funds under management receive fair and impartial treatment;
- 2) identifying and managing potential conflicts of interest that could harm the interests of investors.
- 3) The Internal Control and Compliance Department is responsible for managing and monitoring the implementation of the Conflict of Interest Policy. Information on the identification, management and control of situations with a potential risk of conflicts of interest is reported quarterly to the BRD Compliance Committee and also to the Internal Control and Risk Committee at entity level, in which members of Executive Management also participate, with notification to the Board of Directors.

- 4) The annual exercise to update conflict of interest declarations is managed by the Internal Control and Compliance Department, with an analysis being carried out for each team member and each member of the Management Board.
- 5) Transactions carried out on behalf of the entity and on behalf of the Managed Funds are carried out exclusively with financial institutions, while avoiding any conflict of interest, including intra-group conflicts of interest, on cost, performance and risk criteria, with a view to respecting legal limits, obtaining the most attractive returns, ensuring liquidity and security of the investments made.

The remuneration policy is also designed to avoid conflicts of interest.

1.4.3. Preventing financial crime, cyber security, and data protection

BRD is engaged in the fight against fraud and considers this effort as a fundamental part of its policy, along with a general commitment to initiate and maintain business relationships in full compliance with applicable laws and standards of ethics and integrity, managed by the Bank through the Control functions.

Fraud risk management is part of the general Bank's risk management and encompasses all the principles that should be taken and respected by all employees. In order to prevent and reduce the fraud risk and the associated risks, and also impose the conduct needed to prevent and identify the frauds, all the Bank employees are responsible for learning, accountability, enforcing and implementation of **Fraud Risk Management Policy**, whether their labour relations are established through individual contracts on undetermined period, on limited period, full time or part-time working program, temporary employment, working home contracts, apprenticeship contracts. To comply with BRD Policy of fraud risk management is also mandatory for persons in relation with the Bank (detached from other employers to provide work in the BRD during the detachment period, persons in temporary relation with bank provided by labour agencies under a disposal contract, service providers having contractual relation with the bank, and staff conducting practice or other professional internships in the Bank's units, without limiting to doctorates, pupils, or students).

This **Fraud Risk Management Policy** presents the main guidelines to manage the fraud risk (internal and external) in BRD, establishing the general principles applied by the bank in the fight against fraud: definition, objectives, evaluation instruments, control, conduct, roles and responsibilities, internal regulation framework, in accordance with legal regulations, the reality of the markets where the bank operates and with the policies in the field of SG Group.

The main objective of managing the fraud risk is to reduce exposure to such risk and to the associated risks, by implementing actions for preventing fraud, by mitigating the impact if the fraud cases occurred, by early detection of potential fraud or occurred fraud and by recovery the loss from any operation/action taken in scope to fraud the Bank, SG Group, or their clients.

Also, the management of fraud risk aims to create a stable and safe environment for the Bank and its clients/partners through effective antifraud approach and to facilitate the creation of an organizational culture that protects the bank's reputation and values. Antifraud Bank's strategy is to entirely cover "antifraud process" in accordance with the best international standards in the field, legal requirements, and policies / code of SG Group, starting with prevention and detection, finalizing with investigation and remediation of fraud. BRD is based on integrity, high standards of ethic, promoting bank' values, respecting internal regulatory framework and laws, in order to achieve specific quality objectives and to achieve targeted performance.

BRD has zero tolerance for any type of fraud, which means that all suspected incidents of fraud are thoroughly investigated.

Compliance functions worldwide are under pressure to do more work and provide greater assurance with limited resources. For that purpose, ongoing investment in compliance is needed to ensure the right mix of people, technology and processes.

The Compliance Department changed its business model starting with 2019, while achieving a maturity phase of this transformation process in 2021. Proper integration of compliance advice in the normal course of banking processes, as well as advertising on this advice as investment rather than burden, add value to the projection of sound business practices.

AML (anti-money laundering) area is amongst the top concerns of regulators, with increasing requirements and recently changing regulations. Lack of compliance on financial crime regulations may result, depending on the severity of the breach, in fines of up to 10% of annual revenues and other sanctions, including withdrawal of authorization.

Amongst the current local schemes in money laundering, we note:

- newly established companies held by non-resident customers who do not seem to have any business activity in Romania while their account movement shows transitory transactions;
- several companies registered at the same address without an apparent reason registering incoming funds followed by cash withdrawals;
- companies doing business with the State with suspicions of corruption;
- suspicions of tax evasion;
- international incoming payments made on accounts of different persons, which are used as transitory/intermediary accounts and in the end the funds are withdrawn in other countries.

In BRD, we constantly revisit the efficiency and effectiveness of the scenarios targeting money laundering patterns with the help of the monitoring tool. This assessment exercise is done yearly. New money laundering trends, if identified, are managed either via the monitoring tool or aside the tool, in periodic review exercises.

The normative framework is updated regularly from policies and procedures to operational guides meant to give a higher degree of details on the workflows and ensure consistency in the approach.

Money laundering patterns are presented to all staff via a quarterly newsletter and by organizing live training sessions, creating awareness on money laundering risks and highlighting on red flags to be reported upon when identified during day-to-day activities handling client accounts or requests.

CYBER SECURITY

In respect of CyberSecurity, BRD Groupe Société Générale is aligned and guided by the global SG Group policies implemented for managing cybersecurity.

According to the SG - NIST v3 Barometer Security Program, BRD is rated at a score of 3.81 out of 4. The target for BRD at the end of 2024 is set to 4.

The function of CISO – Director of Information Security Division - is managing the cyber security activity in BRD Groupe Société Générale. Information Security Division is the governance and the second level of defense team for Information Security. One team (SOC) is dedicated for operational security and is equivalent to first level of support. The SOC team is reporting to the Chief Technical Officer, Head of Infrastructure Production and Operations Department.

To fight cybercrime, BRD Groupe Société Générale has an ongoing activity of implementing, managing and monitoring cyber security solutions in order to protect the assets and transactions of its customers (individuals and legal entities), as well as the personal data of its customers, employees and suppliers. Thus, there have been significant improvements in the prevention, detection and response to cyberattacks, which are growing in a continuous fast pace on an international level.

During 2023, BRD was not affected by any major information security incident and also increased its maturity level by designing and implementing its Cyber Defence Strategy enforcing the Detection, Reaction and Response capabilities:

- Anti DDoS hybrid infrastructure consisting of: On-Premises appliance effective for applicative attacks, including sophisticated “low and slow” attacks, and On-Cloud Radware services, effective for volumetric attacks.
- Immutable offline data backups, protecting backup data from any potential ransomware attacks.

As an example, BRD Groupe Société Générale is one of the few Romanian commercial banks offering a free security solution for its remote banking applications, for both legal entities and individuals.

During 2023, the IT Pole of BRD Groupe Société Générale has continued to maintain the certifications for the Bank:

- ISO27001:2013, regarding the information security and
- PCI-DSS for „Service Provider Level 1”, essential for the relationship with the authorities and traders in Electronic Cards activity.

Starting 2020, BRD Groupe Société Générale has been registered as an Essential Services Operator at national level in the financial domain. As a consequence, a legal audit according to the national law implementing the EU NIS Directive (Law 362/2018) was conducted during January-March 2023 by an external certified auditor. The audit opinion was positive.

In 2022, National Bank of Romania asked for the performance of audit missions in order to assess the implementation in BRD of several European Banking Authority's Guides, like EBA/GL/2019/04 on outsourcing and EBA/GL/2019/04 on ICT and security risk management. For EBA/GL/2019/04 on ICT and security risk management, there has also been conducted an external audit, performed by a certified auditor. The audit opinion was positive (out of 98 controls: no controls has been evaluated as "Not compliant", only 1 control evaluated as "Partially Compliant" and 7 controls "Compliant, with Recommendations for Improvement").

In 2023, all the Remote Banking applications, for Individuals and Corporate customers, have been audited by external certified auditors and received their functioning approval from ADR (Romanian Authority for Digitalization). BRD Groupe Société Générale is one of the few Romanian commercial banks offering security solutions for clients in remote banking applications, for both legal entities and individuals, also acting to raise awareness on the topics of information security through the contractual clauses of the "Remote Bank" services, through institutional website and periodical e-mails to clients.

As a mature organization, BRD continuously improved its security posture according to its Cyber Defense Strategy through:

Prevention

- Regular internal security audit missions on different areas and subjects;
- Review of some of the most important normative documents and issuing new ones (85% of all the normative documents new, reviewed or to be reviewed before EOY 2023);
- Enhancing the operational program for early detection of the information security vulnerabilities, mandatory maintenance schedules by technology and obsolescence, while decreasing the Remediation Objectives times;
- Continued the permanent awareness of the Bank's employees, since their onboarding (individual InfoSec Annex signed with the Individual Labour Contract by more than 96% of the employees and training) and yearly, through regulatory web-trainings, as well as through periodical e-mails and webinars;
- Several professional certifications have been acquired by the members of the Cyber security teams (ISEC and IPO): C-CISO, (ISC)2 CC;
- BRD has contributed to increase its partners' responsibility for information security, by systematically including the specific information security clauses in the contracts in which BRD is the beneficiary, from the moment of selection (RFP);

- Execution of a Table Top exercise simulating a Cyberattack scenario; the execution of the exercise proven the capability of Bank's defense dispositive to detect and respond to cyber-attacks;
- Continued periodical awareness of the Bank's customers on the phishing and malware attack campaigns, through multiple channels: SMS, e-mail, applicative push messages, institutional sites and newsletters;
- BRD has adopted and integrated in the Project Methodology a new standard for „Security by Design/Privacy by Design” and a new information security testing strategy, applicable for each new application acquisition and/or development in order to release in production applications complying with appropriate security rules and to reduce the cybersecurity debt;
- During 2023, BRD has kept the RedLine, the new framework for counter-fight the Black Swan events and the counter-measures for their prevention (dreadful business scenarios with an outstanding impact on the Bank if they materialize; a detailed analysis on the sensitive assets potentially affected by those dreadful scenarios is currently in the 4th out of 5 phases);
- The flow for InfoSec derogations have been extended for more cases implemented in the ticketing tools, according to the audit requirements;
- Technical security projects conducted along with the Groupe Société Générale technical entities in order to increase the security in depth controls on different technologies (ex. the eradication of the dangerous protocols on the border firewalls);
- Within the Digital Transformation program, ensuring the continuous support in the development of the projects, by providing and validating the security requirements;
- Assessing the security risks within the ongoing projects, as well as within the New Products Committee (NPC);
- Strengthening the IAM area by updating governance and by clarifying and segregating the roles between the two main actors involved in the process of managing and authorizing access to IT resources: Level 1 - Operational (represented by User Rights Management) and Level 2 - Governance, which ensures the management of the roles and profiles in business applications;
- The bastion for IT privileged accesses has been enforced and generalized;
- Deployment of continuous review and periodic controls to reduce access rights related risks and to enhance the management of the roles and profiles in business applications.

Detection, Reaction and Response capabilities

- Permanently review of the automatic event correlation rules in SIEM (Security Information Event Management) and of the DLP (Data Leakage Protection) rules;

For the future the main improvement points are related to preparing the infrastructure to run in the cloud environment which represents the next evolution in technology, increase our capacity of detection (introducing new technologies like AI-artificial intelligence and ML – machine learning) with automation in reaction (SOAR – Security Orchestration and Automation Response) capabilities, in order to sustain and support all Business Activities unaffected by any cyber threats.

1.4. 4. Respect for human rights

BRD Group is one of the main employers at national level and one of the important financial groups in Romania.

As a leader in its field, the BRD Group is strongly committed to respecting human rights by adhering to SG Group Transversal Statement on Human Rights⁴⁷. This statement underlines the Group's commitment to support international initiatives that clarify the role of companies, particularly those in the banking sector, in promoting human rights, such as the United Nations "Global Compact" initiative, the Principles for Responsible Investment, the OECD Guiding Principles for multinational enterprises, and the UN Guiding Principles on Business and Human Rights.

The BRD Group has developed and implemented a clear framework of procedures and norms that ensure respect for human rights within all its organizations and among its suppliers. As a result, the respect for human rights is one of the priorities of the BRD Group's CSR Policy and, to ensure that this commitment is fully embedded in the organization, specific training courses are regularly organized for most employees.

As part of the SG Group, the BRD Group operates with the utmost respect for the following principles and commitments regarding human rights:

- the Universal Declaration of Human Rights and its additional commitments;
- the fundamental conventions of the International Labor Organization (ILO);
- the UNESCO World Heritage Convention;
- the Guidelines for Multinational Enterprises of the OECD (Organization for Economic Co-operation and Development);
- the United Nations Guiding Principles on Business and Human Rights.

Additionally, in accordance with SG Group rules, BRD Group is committed to informing its partners about its CSR Policy and conducting business relationships only with those partners who comply with BRD's CSR principles or express their willingness to work towards implementing similar standards. Specifically, this involves including specific contractual clauses whereby partners acknowledge the provisions of the Code of Conduct and the Responsible Procurement Charter and commit to respecting provisions at least similar to those in these documents. The introduction of these clauses is mandatory for all contracts with a value higher than 50,000 euros.

⁴⁷

societegenerale.nc/fileadmin/user_upload/nouvelle_caledonie/pdf/Declaration_sur_les_droits_de_l_homme.pdf

Also, following the SG Group’s approach, the Bank has implemented an E&S risk management process, reflected in a dedicated instruction, applicable to a certain perimeter of Bank’s clients and transactions/ services. Social and environmental risks are defined as the risks of serious harm (actual or potential) or negative impact on (i) human rights and fundamental freedoms, (ii) health and safety of individuals (employees, individuals, clients) and (iii) environment (air, water, soil).

Our internal procedures include and encourage the respect of the human rights and International Labour conventions and the local labour code. For example:

- Speak up & right to alert are stipulated in procedures and promoted through communication campaigns: e-mails, articles, internal conferences, screen savers, etc. These encourage the freedom of speech and reaction of the employees in case of non-compliances and inappropriate behaviours.
- In the onboarding welcome message, the new comers are informed about the right of association and about the collective labour agreement, which is the result of the negotiations between Union & bank, based on the right of association of the employees.
- Health and safety are protected according to the law and the wellbeing of the employees is promoted through webinars with medical specialists (ergonomic at the office, anti-tobacco, nutrition, etc).
- Hybrid work procedure stipulates the right of the employee to disconnect and promotes the work-life balance.
- Interdictions regarding child labour and forced labour are guaranteed through internal regulation.

BRD Employee training on human rights policies or procedures ⁴⁸	UM	2021		2022		2023	
Total number of hours for training on policies or procedures in the field of human	no.	18,713, ¹	12,293 ²	33,682 ¹	6,083 ²	39,591	7,126

⁴⁸ 412-2

rights concerning aspects that are relevant to operations.							
Percentage of employees regularly trained in human rights policies or procedures regarding aspects that are relevant to operations.	%	96.82 ¹	98.02 ²	98.44 ¹	100 ²	96 ¹	98 ²

¹Training module related to Code of Conduct.

²Training module related to “Combating inappropriate behavior: Fundamentals.”

1.4.5. Business continuity plan

BRD has the status of a systemic bank in Romania and critical participant in the ReGIS and SaFIR systems, in accordance with section 2.3 of the ReGIS System Normative framework v. 19/05.02.2024 regarding participants and critical payment instructions and section 2.3 of the Normative framework of the system for the storage and settlement of financial instruments – SaFIR (January 2023 version).

In order to ensure the continuity of critical services for clients, BRD has secondary operational sites for payments, treasury and financial market activities, as well as for storage and settlement of financial instruments. The secondary operational sites are endowed with the IT equipment necessary to carry out the activity under normal conditions and do not depend on the same infrastructure that the main premises depend on: public utility networks, electricity, telecommunications, transport. Also, high-performance remote access solutions are available and can be used in certain crisis situations, such as the unavailability of premises or epidemics, pandemics. Infrastructure and critical support services - IT&C, information security, physical security - are supported by appropriate continuity solutions, developed in-house or provided by our partners. BRD has PCI-DSS certifications on the entire card management system and ISO 27001:2013 accreditation for the Infrastructure Operations and IT Production Department.

BRD has an adequate normative framework regarding the management of crisis situations, which includes the component of the crisis cell specific to various scenarios, the alert flow, the procedure for managing the crisis and activating the business continuity plan, the list of roles and tasks of the members of the crisis cell, list of external entities to contact. These normative documents contain detailed information for each structure of the Bank that carries out vital and critical activities and are updated at least annually, taking into account mainly high-alert level crisis scenarios, organizational changes, the digitalization process and other strategic developments, the legislation modification. BRD has a business continuity plan, implemented based on the Business Impact Analysis (BIA) results, which is annually reviewed.

Testing of the business continuity arrangements is carried out at least annually, as part of business continuity tests and crisis exercises, based on scenarios regulated at the level of the National Bank of Romania, the SG Group and internally, among which we list: unavailability of real estate resources, unavailability of technical resources, unavailability of human resources, cyber-attacks. Annually, we organize crisis exercises with the involvement of top management, to test the ability to respond and the resilience in different limit situations and to identify possible measures to strengthen business continuity solutions. In 2023 were organized crises exercises with the involvement of the crisis cell at the SG Group level. Both exercises were supervised by external consultants with expertise in the field and were evaluated satisfactorily.

BRD also participates annually in continuity tests organized by the National Bank of Romania, TRANSFOND and the SG Group. In the event of incidents impacting critical services, as well as if deficiencies are found in business continuity tests or technical tests, they are subject to a remedial action plan, followed by new tests, so that secondary sites and critical back-end systems be operational, and in case of a major interruption of the activity at the main premises, BRD can continue the vital and critical activities, starting with those in relation to the national payment systems, from the secondary sites.

1.5. How We Manage Sustainability⁴⁹

At the SG Group, sustainability is one of its key priorities, as reflected in its corporate purpose: "Building a better and sustainable future together with our customers through responsible and innovative financial solutions." Corporate Social Responsibility efforts are focused on two main areas: environmental transition and contribution to local communities. In this way, the SG Group responds to the increasing demand from stakeholders in all the countries where it operates, whether they are customers, corporations, investors, or individuals, for banking services that have a positive impact on the economy and society as a whole. Additionally, the SG Group aims to foster the emergence of new champions of ecological transition and launch new product offerings to finance environmental projects.

As part of the SG Group, we uphold these commitments and incorporate them into our strategies, policies, and processes in Romania. In this regard, we have voluntarily initiated a preparation

⁴⁹3-1, 2-23, 2-24

process regarding the requirements of the new Corporate Sustainability Reporting Directive (CSRD) ahead of its mandatory implementation. This allows us to seize the opportunity to strengthen and enhance our existing framework for identifying our sustainability impacts and risks. We have thus begun laying the foundation for our due diligence system to help improve our identification of current and potential adverse impacts, as well as measures for their mitigation, prevention, and remediation. To address the risks associated with our lending activities, we have established specific commitments regarding E&S (Environmental and Social) risks related to our clients, which are reflected in our internal regulatory framework for ESG risks and sector-specific E&S policies.

The BRD Group utilizes stakeholder dialogue, grievances/complaints mechanisms for customers and whistleblowing mechanism for employees and suppliers to identify negative impacts resulting from our activities and business relationships. These mechanisms guide us in identifying the necessary remedial actions. Information about BRD Group's complaint and whistleblowing mechanisms is available in the Business Ethics section.

As part of this process, in 2022 we have conducted a comprehensive impact analysis that reviewed the initial results obtained in 2021. This analysis allowed us to identify material sustainability aspects and areas of interest for our sustainability strategy. Additionally, the impact analysis enabled us to expand our list of impacts to include a range of potential positive and negative impacts that our activities, products, and business relationships may have on people and the environment. For the current report we have considered the same analysis.

The scope of the impact analysis was established at the BRD level, considering that the gross income of this entity represents 95% of the total gross income of the Group, according to the Financial Statements as of December 31, 2021, taking into account all business lines and customer types. In determining the potential negative and positive impacts, we considered, based on a materiality threshold, only the main economic sectors we finance. For each financed sector, we established a list of impacts that were later grouped into several main categories for easier analysis. In addition to the impacts related to BRD's products, a series of impacts related to general activities were identified based on the requirements of the GRI Standards.

This impact analysis, conducted at a high level of detail, represents an initial exercise that we intend to deepen in the coming years. The large volume of information collected due to the diversity of sectors we finance and the consumer products we offer poses a challenge for any company operating in the financial sector. However, we are aware of the importance of the role we play in the transition to a green economy and the support we need to provide to our customers in aligning their business models with the goals of the Paris Agreement. It is crucial for the future of this planet to identify areas in our portfolio that require support for financing transition plans, as well as projects that can contribute to the fight against climate change mitigation and adaptation. For these reasons, we have prioritized the main categories of identified impacts with the help of a group of sector experts. The impacts were prioritized based on the level of severity and, where necessary, the level of probability.

The methodology for materiality analysis was updated for the preparation of the 2022 Sustainability Report and maintained for the 2023 Report in accordance with the changes that occurred at the level of GRI Standards, as well as to facilitate BRD's future compliance with the provisions of the CSRD Directive. The materiality process was based on the results of the impact analysis, a validation process through consultation with a broad and diverse sample of stakeholder categories, as well as the involvement of an external consultant to ensure full confidentiality and impartiality. In addition to the impact analysis, an internal analysis and consultation process were conducted to identify and prioritize sustainability risks that have the potential to influence our performance and financial position.

Understanding all categories and subcategories of stakeholders allows the BRD Group to better comprehend which stakeholders have the greatest capacity to influence its performance and development, as well as effectively shape a consultation process. The quality of this process will directly affect the accurate identification of the most important expectations of stakeholders. An important element in the identification and prioritization process, in addition to the level of influence of each category on the BRD Group's performance and development, was the impact that the organization has on each category of stakeholders.⁵⁰

Categories of stakeholders identified:



At Group level, we have established various communication channels and initiatives with our stakeholders that allow us to better identify their expectations, adapt our strategies and product/service portfolio to their real needs, and better manage all impacts, risks and opportunities, including those in the field of sustainability.

Client Relations

Within the Bank, operates a dedicated structure that coordinates the quality assurance activity of the banking products and services. To facilitate the communication regarding the quality of

⁵⁰ 2-9

services, several communication channels are available for all clients (Corporate and Retail), most of them free of charge:

- dedicated phone numbers for suggestions: +4 021 302 6163 (available in any network)/ TELVERDE 0800 802 208 (free, available only within Telekom Romania landline network)
- special email address, solicitari.autoritati@brd.ro, exclusively for non-commercial communication
- site page containing useful information for suggestions and complaints: <https://www.brd.ro/en/contact-us/> <https://www.brd.ro/contacteaza-ne>.

Additionally, special attention is given to clients' complaints. In this regard, there are internal procedures for receiving and analyzing complaints, which allow for tracking clients' misunderstandings and dissatisfaction, and continuous improvement of service quality based on clients' feedback.

The Dialogue with the employees and the organizations representing their interests

The relationship of the BRD Group with all its employees relies on dialogue, respect and professionalism. The Group policies of human resources are focused on its concern for the development of the employees' professional and personal competences and for maintaining a favorable social climate that encourages the diversity and the manifestation of talents of all its employees, for reaching the objectives of all companies of the Group.

The Group representatives maintain a permanent connection with the union that represents the rights of the employees through periodical meetings. At the same time, periodical satisfaction surveys and organizational diagnosis studies are organized. The employees are encouraged to communicate any concerns related to the Group management framework, being ensured the confidentiality of any information provided.

Communication with the shareholders and investors⁵¹

BRD Group respects the rights of its shareholders, ensures equal treatment for them and access to relevant information, so that they may exercise all their rights in an equitable manner.

The Bank's communication strategy is based on the following principles:

- equal access to information for all shareholders and immediate availability of relevant information;
- compliance with the deadlines for publication of the results;
- transparency and consistency of the information provided.

At the level of the Bank, being a company listed on the Bucharest Stock Exchange, there is an adequate structure to ensure the relation with the investors and shareholders. The staff of this

⁵¹ 2-12

structure have the necessary knowledge to carry out this activity and periodically attend professional training courses aimed at the development of their professional skills specific to this activity.

The shareholders / investors may send their requests to the bank through e-mail or over the telephone, at the contact data displayed on the institutional site. In addition to the dialogue with the shareholders within the general meetings, the bank uses various means of communication (its own publications, the internet, press releases and/or conferences, etc.) to inform the shareholders and the investors correctly and promptly.

The Bank created a special section on its Internet page, which is easily identifiable and accessible, where relevant information is available regarding the General Meeting of the Shareholders, the structure of the Management Body, the financial calendar, the evolution of BRD shares, press releases, current reports, the procedure of payment of dividends and contact details of persons who can reply to the shareholders' questions.

Relation with supervision and control authorities

The Group's relationship with the authorities is governed by the following principles:

- complying with the legal regulations and carrying out its business according to the permits granted by the authorities;
- collaborating with the state authorities to improve the legal framework and the development of strategies and policies regarding the sectors in which the bank operates;
- compliance with ethical principles in the relation with the supervisory and control authorities;
- ensuring the necessary framework for the exchange of information between the bank and the authorities.

Within the Bank, there are dedicated structures that ensure the Bank's relations with the control and regulatory authorities, as well as the compliance of the Bank's internal framework with legal regulations. The compliance function identifies and reports non-compliance risks and monitors the application of adequate prevention systems.

Relationship with other banks

BRD respects the interests of all the credit institutions and promotes professional solidarity and mutual respect within the banking community.

The Bank actively participates in defending the interests of the credit institutions, encourages cooperation between banks and the identification of joint solutions for the problems that the banking community are facing in different business sectors. The Bank is an active member of the Romanian Banking Association, and is a member of various other associations and foundations.

At the same time, the Bank promotes fair competition in business relations and acts for:

- discouraging monopolist or unfair competition in own or other banks' activity;
- using the correct forms of advertisement and publicity and refraining from actions that could prejudice the image, interests or products of other banks;
- respecting the intellectual property rights of other banks and taking measures to protect its own rights.

Therefore, the impact analysis has allowed us to identify both the positive and negative direct impacts we can have on people and the environment, as well as our indirect impacts through the financing we provide to our clients. The results of the impact analysis, together with the information collected through the complaints and whistleblowing mechanisms, have formed the basis of this report and the establishment of strategic directions in the field of sustainability:

STRATEGIC OBJECTIVES	DIRECTIONS	TARGETS 2025
<p>Environmental transition - leader in sustainable finance - we accompany all customer segments in their transition to a "green" economy, with innovative solutions to meet their changing needs.</p>	<ol style="list-style-type: none"> Supporting our Corporate clients in their energy transition plans and raising their awareness on ESG topics. Increasing Retail customers' awareness of sustainable consumption and ecological transition through partnerships and communication campaigns. Further development of sustainable products. Developing green finance and capitalizing the expertise in this area. 	<ul style="list-style-type: none"> ✓ Being one of the leaders in sustainable finance in 2025 ✓ Achieving sustainable financing (production) of over 1 billion EUR by 2025 ✓ Maintaining a low ESG rating (Sustainalytics) between 10-20 by 2025. ✓ Continuing the development of sustainable products for corporate and retail clients. ✓ Increasing knowledge and awareness among the sales force in the Retail and Corporate segments regarding ESG and their clients.
<p>Increasing the positive impact on the environment and transparently communicating achievements.</p>	<ol style="list-style-type: none"> Continuously increasing the positive impact while reducing the negative impact on people and the environment resulting from our activities, products, and services. Periodic reviewing and communicating the positive and negative impact, as well as contribution to societal goals. Incorporating ESG criteria into reward structures. 	<ul style="list-style-type: none"> ✓ Optimization of consumption policies, to implement recycled paper use; greening our car fleet, through purchase of green cars and cars with reduced consumption and optimization of archiving selection flow, as well as improving the energy efficiency of our buildings ✓ Achieving zero exposure to coal by 2030, with no new coal projects by 2025. ✓ Reducing CO2 footprint with 30% by 2025 compared to 2019 ✓ Supporting the involvement of employees in solidarity and volunteering initiatives (based on the V Day program) with a participation rate of 50%. ✓

STRATEGIC OBJECTIVES	DIRECTIONS	TARGETS 2025
<p>Consulting, involving, and collaborating proactively and responsibly with stakeholders to achieve societal objectives and acting as an industry leader in supporting culture, education, and environmental projects in Romania.</p>	<ol style="list-style-type: none"> 1. Consulting, involving, and collaborating proactively and responsibly with stakeholders to achieve societal objectives. 2. Acting as an industry leader in supporting culture, education, and environmental projects in Romania. 3. Implementing our commitment through effective governance and a culture of responsible banking practices 	<ul style="list-style-type: none"> ✓ Develop a forum/platform on sustainability with all the relevant stakeholders (academia, authorities, clients, etc.) & organize market leading events to acknowledge and raise awareness on ESG topics ✓ Supporting and developing flagship projects at the national level in the fields of education, culture, and the environment
<p>Building an employee-centric organization closer to its employee, designing people-oriented programs and processes, and creating a pleasant work environment.</p>	<ol style="list-style-type: none"> 1. Strengthening the maturity of human resources. 2. Building an employee-centric organization. 3. Ensuring the long-term employment capacity of the Bank's employees. 4. Recognizing individual contribution to the Bank's performance by all participants (managers, colleagues, customers). 5. Acknowledging diversity in BRD and striving for increased inclusion through actions to raise awareness and continued integration in all human resources processes 	<ul style="list-style-type: none"> ✓ Employee engagement rate of 80%. ✓ Presence in the Top 3 Banks – Best Employers. ✓ Full gender pay equality;

Following the materiality process, the following material sustainability topics were identified:

Topics ⁵²	Impact	Type of impact
Environmental impact	GHG indirect emissions Scope 3 resulting from supply chain and financing portfolio.	Negative
	Waste generated (paper, IT products)	Negative
	Energy consumption	Negative
	GHG direct emissions Scope 2 resulting from energy consumption for electricity, heating, cooling	Negative
	Water consumption	Negative
	GHG direct emissions Scope 1 resulting from the bank activities	Negative
Sustainable financing	The contribution to the protection of the environment through the sustainable finance.	Positive
	The impact on people's well-being and livelihood through sustainable finance.	Positive
Environmental and social risk assessment	Contributing to sustainable development by identifying and managing ESG risks at the client portfolio level.	Positive
Community development	The contribution to improving the financial literacy of community members through various initiatives.	Positive
	The contribution to reduce the negative impact on people in local communities.	Positive
	Positive impact on people's well-being and standard of living through sustainable financing	Positive
	The contribution to the access to financial services	Positive
Business Ethics and Governance	The possibility of affecting client choice in the case of an anti-competitive behavior	Negative
	The contribution to combating the phenomenon of corruption.	Positive
	Potential conflicts of interest between the bank and the clients	Negative
Responsible employer	The contribution to respect for human rights through social dialogue measures, working conditions and development programs provided to employees.	Positive
	The impact on occupational health and safety through attacks and assaults (verbal or physical) by clients, following bank robberies or legal obligations to report criminal activity (e.g., money laundering, terrorism).	Negative

⁵² 3-2, 3-3

	The contribution to equal opportunities and diversity through recruitment and remuneration policies.	Positive
	The impact on the labor market development by attracting a diverse and skilled workforce.	Positive
	Contributing to job security, pay and a professional career.	Positive
	Contributing to the economic well-being of employees and their families.	Positive
	Contributing to a positive market presence through local hiring.	Positive
	The contribution to health services access through benefits granted to employees and their family members.	Positive
Customer management	Impact on the protection of clients' personal data.	Negative
	Contribution to the local and national economy through the financing granted to enterprises.	Positive
Economic performance	The direct monetary added value to the national economy through payments to the state budget, salaries, payments to suppliers, shareholders, etc.	Positive
	The support of local suppliers.	Positive
Procurement practices	The contribution to reduce the negative impacts on people in the supply chain.	Positive
	The reduction of the environmental impact in the supply chain through green procurement policies/criteria.	Positive

Regarding the sustainability risks identified (for example, non-compliance with laws or the Group's E&S commitments; failure of IT systems – including cybercrime, ESG risk factors that could affect the Group's reputation, risks related to stakeholder relations, etc.), they do not have a significant influence on the performance and development of the BRD Group. These impacts and risks have been integrated into the overall risk management system.

Furthermore, as part of the SG Group, BRD Group acknowledges and fully commits, since 2003, to integrating the principles of the United Nations Global Compact (UNGC) regarding human rights, labour conditions, and the fight against in all its activities, actively promoting these principles throughout the value chain.

In addition, the BRD Group supports and contributes to the achievement of the UN Sustainable Development Goals (SDGs), recognizing their importance in addressing the world's greatest societal challenges. Thus, the BRD Group contributes to the following UN SDGs:

- **SDG 3 Ensure healthy lives and promote wellbeing for all at all ages.**
- **SDG 4. Quality education.**

- **SDG 5. Achieve gender equality and empower all women and girls.**
- **SDG 7. Ensure access to affordable, reliable, sustainable and modern energy for all.**
- **SDG 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.**
- **SDG 9. Industry, innovation, and infrastructure.**
- **SDG 11. - Make cities and human settlements inclusive, safe, resilient and sustainable.**
- **SDG 12. Responsible consumption and production.**
- **SDG 13. Climate action.**

UN SDGs	SDG objectives	BRD Group measures
SDG 3. Ensure healthy lives and promote wellbeing for all at all ages.	3.2.	Employee benefits - more details in the section "Responsible Employer".
	3.3.; 3.6.	Employee health and safety - more details in the section "Responsible employer".
	3.9.	GHG emissions - more details in the section "Direct impact on the environment".
SDG 4. Quality education	4.3	Number of hours for employee training - more details in the section "Responsible employer".
SDG 5. Achieve gender equality and empower all women and girls.	5.1.	Total number and rate of new employee hires - more details in the section "Responsible Employer". The total number of employees who were entitled to parental leave - more details in the section "Responsible employer".
SDG 7. Ensure access to affordable, reliable, sustainable and modern energy for all.	7.2.	Total fuel consumption within the organization from nonrenewable and renewable sources - more details in the section "Direct environmental impact". The reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives - more details in the section "Direct environmental impact".
SDG 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for	8.1.	Direct economic value generated and distributed - more details in the section "Economic performance".
	8.6.	Total number and rate of new employee hires - more details in the section "Responsible Employer".

all.		
SDG 9. Industry, innovation, and infrastructure.	9.1	Direct economic value generated and distributed - more details in the section "Economic performance"
SDG 11 - Make cities and human settlements inclusive, safe, resilient and sustainable.	11.2.	The financing projects and investments supported - more details in the section "Environmental, Social and Climate Risk Assessment and Sustainable Financing and ESG Investments"
SDG 12: Responsible consumption and production.	12.2	Total fuel consumption within the organization from non-renewable and renewable sources and total energy consumption - more details in the section "Direct environmental impact".
SDG 13. Climate actions.	13.1	The financing projects and investments supported - more details in the section "Environmental, Social, Governance and Climate Risk Assessment and Sustainable Financing and ESG Investments"

In addition, through the transactions concluded in 2023 and presented in the section "Environmental, Social, Governance and Climate Risk Assessment and Sustainable Financing and ESG Investments", BRD contributed to the following SDGs: SDG 3 - Ensure healthy lives and promote wellbeing for all at all ages, by financing health care sustainability loans; SDG 7 - Ensure access to affordable, reliable, sustainable and modern energy for all and SDG 13 - Climate actions, through renewable energy; and SDG 11 - Make cities and human settlements inclusive, safe, resilient and sustainable, through green buildings and energy efficiency projects and transaction related to clean transport.

Through its **Corporate Social Responsibility (CSR) Policy**, BRD strengthens its role in society as a trusted partner for its employees, clients, and suppliers, supporting them in achieving their plans and objectives, and as a driver of progress for the economy, the environment, and the future Romanian society. Through its CSR policy, BRD promotes development, innovation, and sustainability for both the Bank and its internal and external stakeholders.

In the development and implementation of its CSR policy and sustainability strategy, BRD relies on seven core values and principles, as well as the UN SDGs mentioned above.

The seven values and principles of BRD:

- The customer first - Trustworthy partners for our customers
- Integrity - Always do the right thing

- Care - We care about our people
- Team spirit - We are One Team built on mutual trust
- Innovation - We believe in simplicity
- Responsibility - We lead by example and courage
- Commitment - We hold ourselves, with professionalism, to the highest standards

For BRD Group and SG Group, mitigating climate change is one of the most important global goals ([CSR commitments: Corporate Social Responsibility - Société Générale \(societegenerale.com\)](https://www.societegenerale.com/en/responsability/ethics-and-governance)) to which they can contribute considering the financing products and solutions they can offer to support the transition to a low-carbon and less-intensive resource consumption economy, in line with the objectives of the European Green Deal, the Paris Agreement on climate change and the EU's climate targets. Therefore, SG Group becomes a stronger supporter and direct contributor to the main international initiatives that fight climate change and encourage climate change mitigation measures. Thus, in 2017, SG adopted the Principles for Positive Impact Financing (UNEP-FI)..

In 2019, SG Group adhered the Katowice Commitment to align financing portfolios with global climate objectives and joined, as the first French bank, the Climate Bond Partner Programme, an international network of financial actors working with Climate Bonds to shift investments towards a low-carbon and climate-resilient economy. In the same year, SG Group signed the Poseidon Principles that promote low carbon emissions for the global shipping industry by integrating climate objectives into portfolio management and bank lending decisions. And in 2020, the Group committed to contribute to the goals of the Paris Agreement and participated in the establishment of the Net Zero Banking Alliance in April 2020. As part of the SG Group, the BRD Group supports and recognizes all these international initiatives, striving to contribute to the achievement of these ambitious goals.

In addition to the fight against climate change, BRD Group also supports other environmental issues, such as biodiversity⁵³. SG Group has incorporated aspects related to biodiversity conservation within its sectorial environmental and social policies (<https://www.societegenerale.com/en/responsability/ethics-and-governance>), which apply to all banking and financial operations of the Group, including those developed by the BRD Group. This includes analysis procedures for dedicated transactions (for which the underlying asset is known and falls within the scope of the evaluation) and clients.

To implement the CSR policy and ensure monitoring of its performance within the BRD, the Bank's structures directly involved in interacting with stakeholders fulfil the responsibilities presented below. In this sense, each structure has the freedom and responsibility to detail the stated principles as well as how to inform the partners of these principles according to the specifics of its own activity in the normative documents that regulate its activity.

⁵³ [Declaracion sur la protection de la Biodiversite.pdf \(societegenerale.nc\)](https://www.societegenerale.com/en/responsability/ethics-and-governance)

The obligations of the Bank's structures for the implementation of the CSR policy are the following:

- implementing, depending on the specifics of the activity and business objectives, the principles related to the CSR policy in relation to employees, customers, suppliers and other third parties;
- adapting, as much as possible, the products and services offered to internal and external customers, as well as partners, to the principles of financing with a positive impact, taking into account the principles of the Bank's CSR policy;
- providing the Communication Department (SEGL/COM) with relevant information regarding the actions taken to implement the CSR policy and their results, upon request and within the deadlines set by SEGL;
- collaborating with the Corporate Affairs Directorate to establish the annual indicators for evaluating the progress made.

In addition to the above, the following structures fulfil specific attributions related to the implementation of CSR policies at the level of the Bank:

General Secretariat (Corporate Affairs Division)⁵⁴

The General Secretariat (SEGL)⁵⁵, under the direct authority of the CEO, is the structure responsible for proposing the approval of the CSR governance at the BRD level. It also acts as point of contact with internal and external stakeholders on sustainability/CSR/ESG topics. SEGL is also responsible for ensuring the monitoring of ESG progress by coordinating sustainability reporting for the Bank (including to the SG Group). In this sense, it coordinates the establishment of sustainability progress indicators.

In order to streamline communication within the Bank's structure, a group of CSR correspondents has been created to handle CSR activities within their own structure. To ensure that its CSR strategy and actions are in line with the latest developments, the Bank has created a Climate Change, Environmental and Social Committee, whose role is presented in the section containing information about committees that support the activities of the Management Committee.

The main responsibilities of SEGL are:

- Coordinates the establishment of the CSR policy at the Bank level with the support of the involved structures and through consultation with the Climate, Environmental, and Social Changes Committee for;
- Represents the Bank in this field in relationships with professional organizations and associations, specialized bodies, and act as the interface with external stakeholders on CSR matters;
- Coordinates the process of centralizing information and prepare annual reports, or as needed, requested by SG regarding the CSR activities conducted at the BRD level;

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⁵⁵2-13th

- Advises the Bank's structures, at their request, on the CSR clauses within the contracts concluded by the Bank with external suppliers;
- Establishes annually, together with the Bank's structures, the annual indicators for evaluating the progress made on CSR-related topics;
- Periodically monitor the fulfilment of obligations related to the CSR policy by other Bank structures, taking into account the annual progress indicators;
- Prepares, with the support of the Bank's structures, the Sustainability Report, for its approval by the management;
- Together with the Communications Service, it communicates to internal and external stakeholders the carried-out CSR projects and their results.
- Maintains and periodically updates the list of those responsible at the level of the structures for transposing the specific steps that the Bank takes in order to achieve the CSR objectives.
- Constitutes, together with representatives of the Communication Service, a dedicated working group - CSR Team - responsible for monitoring and evaluating how the principles of CSR are implemented. The CSR Team meets whenever necessary.

The General Secretariat (Communication Division) implements the Bank's CSR policy in relation to the categories of stakeholders in its area of responsibility, as follows:

- in relations to various organizations (NGOs, sports and/or cultural associations, etc.) defines and implements the policy of sponsorship and support of communities;
- defines the criteria on the basis of which BRD supports, through sponsorship, the communities relevant to the Bank. These will take into account: the field of activity of the organization and the purpose of the project, the size and history of the organization, the history of the relationship between the Bank and the organization, the financial value of the projects;
- together with the Corporate Affairs Directorate, it communicates the CSR projects carried out and their results to internal and external stakeholders;
- provides support to the Corporate Affairs Directorate in the realization of the Sustainability Report.

Human Resources Department (DRU)

- It carries out, in collaboration with the Communication Department, actions to involve BRD employees in CSR projects carried out within the communities in which the Bank operates and in collaboration with its partners among NGOs, sports and/or cultural associations, etc.

Social Environment and Positive Impact Financing Directorate (ESPIF)

- It provides support to business structures in assessing the environmental and social risks associated with transactions and clients, as well as structuring sustainable and impact-driven financing transactions.

In addition, to strengthen the Group's overall approach in this area of sustainability, there are other initiatives at the level of each entity in the BRD Group.

BRD AM

BRDAM is aware of legislative changes related to sustainability that have a direct impact on its business. In this regard, it is a member of UNPRI and has in its Managed Funds portfolio a fund that promotes environmental and social features as per Article 8 of EU Regulation 2019/2088. Full details of the environmental and social features promoted can be found in the Fund's prospectus.

The most important risks include:

- limited access to ESG data from issuers;
- non- standardized sector practices and understanding of regulatory requirements.

The most important opportunities include:

- investments in companies that promote ESG principles;
- creating investment opportunities for new clients who are conscious/interested in sustainability-related topics.

At the level of BRD Sogelease and BRD AM, ESG Experts works with the CSR department of BRD in order to deal with material impacts. Starting the end of 2023, BRD Sogelease team include an ESG expert whose role is to implement the specific sustainability practices within BRD Sogelease in accordance with the Group's policies and to provide training and assistance to the existing staff from all areas involved in the financing flow . Also, the expert's role is to help develop sustainable financing products.

BRD Sogelease objectives in terms of sustainability, considering the main products offered, the main customers and the geographical areas, refers, mainly, to:

- reaching a proportion of green financing from the total financing granted;
- increasing green and sustainable financing in its main industries of interest to help them "greening";
- financing clients in sectors like logistics/transportation contributing and financing the energy transition;
- financing waste management companies contributing and financing the transition to a circular economy;
- gradual reducing financing to several highly polluting activities;
- increasing financing in the agricultural sector, in certain geographical areas that require irrigation systems as well as equipment used in sustainable agricultural practices.

II. Managing our impacts

2.1. Customer Management

Through the financing we provide to Romanian businesses and individuals, BRD Group is one of the most significant contributors to the development of the Romanian economy, both at the

national and local levels, supporting over **2.1 million clients in 2023**, including individuals, companies (SMEs and large corporation), and institutional investors. This positive impact stems from our efficient management of customer relationships, offering a wide range of high-quality products and services, as well as our constant focus on innovation and development. In this regard, BRD participates in various government and European financing programs for enterprises, supporting the development of specific economic sectors, including the local economy through the financing of innovative products, providing loans for the growth of specific businesses, such as those in the healthcare field. Additionally, our Bank plays an important role in environmental protection by financing activities and projects that reduce negative impact on the environment.

Through our specific financing solutions and products for individuals, we contribute to improving living conditions and support the educational and professional development of young people.

In terms of the business line for individuals, many of our lending offers are targeted at specific customer segments. The government program "Prima Casă/Noua Casă", according to the National Law GEO no. 52/2016, represents a mortgage loan offer supported by a state guarantee, aimed at facilitating the purchase of the first home by the beneficiary. Moreover, the BRD offer includes a loan for specific personal needs (Credit 10, Credit for studies) for study purposes, for the purchase of eco-friendly equipment, or for medical treatment in Romania or abroad. Also, through "green" loans - Espresso Verde and Habitat Verde BRD - BRD addresses the financing needs of customers in the following areas: installation, maintenance, and repair of energy efficiency equipment, energy efficient transportation by motorcycles, personal cars, and light commercial vehicles, purchase and ownership of energy-efficient buildings (excluding medical facilities, social housing and education).

In addition to financing options, BRD has a significant positive impact through its account offerings. In accordance with the Romanian National Law 258/2017, which transposes the European Directive on financial inclusion, BRD offers a range of basic account services for individuals with low incomes (citizens who earn less than 60% of the average gross national income and who do not currently have a bank account). This directive aims to facilitate the entry of customers without access to financial services into the financial market.

By including in its assessments of clients and transactions the ESG risk factors, BRD has the possibility to identify sustainable finance products suitable to its clients needs that allow it to accompany them in the sustainability journey and for achieving the targets their clients set in this respect.

There is also a continuous process of raising awareness and engagement with the corporate clients on sustainability topics during our meetings and discussions. This process is both aimed at understanding the risks associated with a client and its activity and the challenges and opportunities that may occur in the sustainability transition.

BRD Sogelease aligns with the policy of the BRD & SG Group regarding consultation of all interested parties in defining its strategy.

All interested parties of BRD Sogelease (customers, suppliers, vendors, employees) have access to the information published in the Sustainability Report. The material impacts could affect all consumers and end users of Sogelease, such as: customers, suppliers, employees, etc.

BRD Sogelease presents a dialogue both with its customers and employees, through dedicated meetings and presentations, as well as with its suppliers, vendors, collaborators in order to collect information regarding their satisfaction in the relationship with Sogelease, but also to identify ways to improve and make the relationship with all interested parties. BRD Sogelease offers financial leasing for SMEs, large corporations and professionals from all economic sectors and investment loans for SMEs, large corporations and professionals active especially in sectors such as agriculture and transport, making available to them the latest technologies and equipment in the field through the partnerships concluded with the most important distributors and importers in Europe. The main trends affecting the activity are the digitization of financial services, the transition to green energy/circular economy and changing mobility patterns.

Also, Sogelease has capabilities to take over the asset at the end of the financing cycle and reposition the asset in the market. Through its partners, BRD Sogelease, as owner of the financed asset, ensures that the asset is, at all times, in the best technical condition and at the end of the technical period of use, Sogelease partners manage the selling and scrapping it contributing to the circular economy.

Customer Satisfaction

Since we aim to maximize the positive impact, BRD Group is in a permanent relationship with its customers, staying updated on their needs, by organizing periodic consultation processes with them, as well as by measuring their level of satisfaction.

This allows for the identification of products and services that customers and potential customers would need to improve their quality of life. Thus, in order to mitigate the negative impact on the community caused by the lack of government credit programs for individuals, BRD Group focuses on offering specific products accessible to as many people as possible, such as: housing loans and personal loans.

Regarding corporate clients, with an annual turnover of more than 1 million euros, the NPS score for 2023 also indicates a high level of overall satisfaction. Its values of 72 for 2023 and 65 for 2022 are a recognition of the permanent BRD effort to meet customer expectations, ranking BRD first among main competitors in 2023 & 2022, for a market segment with complex business needs.

Responsible marketing

The Bank respects and protects the rights of customers through high-quality products and services that meet market requirements. In this regard, BRD provides its customers and the public with complete information about the products and services offered, as well as the conditions under which these products and services can be contracted. BRD Group has specific tools in place to ensure transparency regarding conditions, prices, and compliance with applicable laws and regulations.

All BRD products and services are transparent and compliant⁵⁶ with legal and regulatory requirements. Through a multitude of parameters (such as the customer history and experience, product knowledge, risk indicators, objectives, and regulatory requirements) BRD offers relevant products and services based on customers' needs, providing prudent and forward-looking information that makes them aware of potential opportunities and risks. Each loan application includes an analysis of the customers' individual situation to protect them, especially retail customers, from over-indebtedness. Consequently, we provide loans only if there are no expected financial difficulties for the client regarding interest payments and loan repayment. The processes for granting BRD loans and the training of staff reflect this commitment. The bank takes various measures to mitigate difficulties related to non-performing loans, including early notification of customers who fail to repay loans or do so with delays.

From a compliance perspective, the control framework and related processes are adapted to ensure proper compliance with the legal framework that protects customer interests. The control framework is periodically reviewed to be continuously adjusted based on risk assessment exercises conducted at the bank level or risks identified during internal control missions or by relevant authorities.

In this regard, BRD adopts a specific regulatory framework for the financial markets, and dedicated processes that cover:

(i) Customer protection under MIFIDII:

- the topic regarding the conflict of interests, which has been aligned with the SG regulatory framework (regulation and register regarding the conflict of interests; the provisions regarding the conflict of interests in the normative framework of the affected business lines; the pre-authorization system; specific controls, etc.);

- the creation and proper distribution of financial instruments/provision of financial services based on clients' knowledge and experience, while avoiding any suspicion of conflicts of interest;

(ii) Market integrity: specific rules implemented for specific activities that prevent the risk of market abuse, whether it manifests as market manipulation or improper handling of privileged and confidential information.;

⁵⁶former FS15

BRD Asset Management also has a policy on managing new and existing products, which establishes the framework, due diligence, and responsibilities for all involved parties.

At the level of **BRD Sogelease** there are policies and other measures established to ensure that the interests of the organization and its employees are aligned with the interests of existing and potential clients, such as: Conflict of Interest Policy, Code of Personal Conduct, New Products Procedure, credit risk strategy and policies, regular staff training on conflict of interest and anti-corruption risk.

Within the Group, the marketing of products and services is based on the foundation of responsibility and reliability towards customers and potential customers. The Group is committed to ensuring a completely transparent and accurate communication that provides comprehensive information about the products, without misleading. The communication channels that BRD Group uses to inform its customers are the institutional website, emails, online banking platforms (BRD @ffice, YOU, MyBRD), SMS, letters, social media accounts, and BRD branches.

The Group ensures that all advertising announcements for its products and services include all necessary terms and conditions required by law and are balanced in presenting benefits and possible risks, without misleading or guaranteeing possible outcomes⁵⁷. All communications, across all formats, through all media, and targeted to any audience, must comply with regulatory requirements, including specific communication requirements in certain cases and conditions. Specific regulations mandating the provision and communication of information apply to 100% of the products and services offered by the Group.

In accordance with European and local regulations, BRDAM products must be accompanied by a prospectus, fund regulations, and a Key Information Document (a concise document detailing the objectives, risks, and performance of the fund). These documents are approved by the local regulator (ASF) following a detailed review process. Additionally, all investors are required to complete two MIFID questionnaires to ensure they select funds that align with their risk appetite and level of knowledge.

Furthermore, according to Regulation 2019/2088 on sustainability-related disclosures in the financial services sector, financial market participants and financial advisors have the obligation to present specific information regarding their approaches regarding the integration of sustainability-related risks and the consideration of the adverse impacts on sustainability. To fulfil these obligations, BRD Group publishes the requested information at this link <https://www.brd.ro/en/about-brd/subsidiaries-and-associated-entities/other-info/sfdr>

In the last three years (2021-2023), BRD Group has had no incidents of non-compliance regarding product information and labelling or marketing communications.⁵⁸

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⁵⁸ 417-2, 417-3

For Sogelease, consumers and users have several channels available to inform SGL of their concerns: direct contact with SGL employees, Call Center, website, whistleblowing. SGL constantly ensures that all the aforementioned channels are functional and that consumer concerns brought to SGL's attention are handled according to internal rules and procedures.

BRD Sogelease seeks to resolve the issues raised according to internal rules and procedures, for example - Complaints management, complaints administration process (which describes the options available to customers, online form for complaints, whistleblowing, data protection (the rights of data subjects).

All incidents and identified risks are monitored and reported according to the internal regulatory framework.

Data protection

According to the impact analysis conducted to identify the sustainability topics that will be included in this sustainability report, from the way BRD Group manages the relationship with its clients has resulted, in addition to the positive impact presented at the beginning of this section, also a negative impact on people. We are referring to the impact on the protection of clients' personal data. In order to prevent this impact from materializing and to minimize its effects on our clients, BRD Group has undergone a comprehensive implementation process of GDPR in the recent years. Thus, we have continuously improved our processes, services, products and operations involving the processing of personal data to comply with European and national data protection legislation. BRD Groupe Société Générale aligns and follows the global policies of the SG Group implemented for the protection of personal data. The main goal pursued is to avoid any possible negative impact on data subjects, including affecting their rights and freedoms, is to be compliant with the legal requirements of the law and avoid financial losses resulting from fines imposed by the authorities (ANSPDCP). For data protection management, the Bank has internal policies in place⁵⁹ which are reviewed annually and are submitted to the Management Committee's and/or Board of Directors' approval.

The personal data collected from the data subjects (such as clients, potential clients, collaborators, partners, employees, candidates for vacant positions within the Bank, etc.) are processed solely for specific purposes of which the data subjects have been clearly informed about. When necessary, the Bank obtains the consent of the data subjects.

With the implementation of the GDPR, a Data Protection Officer (PDPO) has been appointed since the application of GDPR and a structure has been established within the Bank – the Data Protection Cell (DPO), monitoring the compliance of Bank's processes, services, products,

⁵⁹ The Policy regarding the processing of personal data and the information note for different categories of clients and/or processing: <https://www.brd.ro/en/processing-personal-data>
SG Group Public
Policy https://www.privatebanking.societegenerale.com/fileadmin/user_upload/SGPB_2019/SG_Group_Data_Policy.pdf

operations from the perspective of data protection at central level, in close cooperation with Legal and Compliance departments. Beside the DPO, at Bank level have been appointed Data Protection Correspondents within central structures. Data Protection Correspondents have also been appointed within the Bank's business structures at the Head Office. These correspondents ensure the operational tasks of the activity carried out by the DPO, including providing necessary information to updating the Processing Register, supporting the preparation of responses to data subject rights requests, providing advice and support to business departments regarding data protection impact assessments, analysing and documenting security breaches, involving the DPO in all activities that require such involvement. For local subsidiaries, whether they have designated their own PDPO or not (in the latter case, only appointing a data protection correspondent with the above-mentioned responsibilities), their activities are closely monitored, and the rules and principles of the Group apply.

Also, the Bank has developed a GDPR Program that is quarterly monitored by the BRD Top Management. This program ensures the implementation of GDPR requirements, improvement of different data protection aspects, and the management of certain transversal projects involving GDPR aspects.

The bank has taken measures to continuously improve the security of its applications to keep pace with technological developments. Furthermore, the selection process for suppliers of services/goods that may have access to the Bank's data only considers third parties that have implemented appropriate technical and organizational measures to safely secure the Bank's data.

In the relationship with suppliers and service providers, the Bank is committed to respect the general principles outlined in the Code of Conduct, and at the same time, it requests that they, in turn, respect equivalent principles to those of the Group's Code of Conduct⁶⁰. Also, in situations where the suppliers with whom the Bank enters into contracts act as 'data processors' according to GDPR, they are obligated to act in accordance with BRD's instructions and comply with BRD's data protection policies and rules.

The technical and organizational measures implemented by the Bank to ensure compliance with GDPR requirements, include the following:

- Information notices made available to clients, candidates, suppliers, free of charge both in branches and published on the website⁶¹;
- Information notice made available to BRD staff on the Bank's Intranet;
- Note: Updates/Modifications of the Information Notices are communicated to the data subjects in accordance with the requirements/guidelines (e.g. pop-ups on the website etc, and the historical evolution of the notices is archived and accessible on the Bank's website⁶²;

⁶⁰ The Group's Code of Conduct: https://www.brd.ro/files/pdf/Group_Code_of_Conduct_English.pdf

⁶¹ <https://www.brd.ro/en/processing-personal-data>

⁶² <https://www.brd.ro/en/processing-personal-data>

- Offering the possibility for data subjects to express or withdraw the consent when the processing is based on this legal basis and exercise their rights through various channels (bank units, website, email, etc.);
- Implementation of cookies consents on the Bank's website;
- Implementation of an incident management flow for data security breaches, including notifying ANSPDCP and the data subjects, if applicable;
- Encryption of data at rest and in transit;
- Developing a comprehensive training program, including online and e-learning modules for all employees;
- Ensuring data protection by design and by default, including conducting privacy impact assessment for sensitive processing and data minimization;
- Granting access to data to employees on a need-to-know basis;
- Periodic review of access rights;
- Performing penetration tests to timely detect vulnerabilities of exposed applications;
- Implementation of a regulatory framework focused on the protection of personal data;
- Keeping records of processing activities;
- Set up a structure within the Bank-the Data Protection Cell in order to monitor compliance with regulation, inform and advise on the obligations arising under the Regulation, manage requests from the ANSPDCP (investigations, inquiries, requests for additional information, PIAs, etc.), and the relationship with it, evaluate the contractual documentation applicable both in relation to data subjects (clients, potential clients, employees, etc.) and in relation to the Bank's suppliers, and spread the culture of data protection, etc.
- Some of these are linked to performance assessment.

Data subjects can exercise their rights regarding the personal data provided under the GDPR through the communication channels made available by the Bank (branches, contact centre, complaints, electronic form available on the Bank's website, by directly contacting dataprotection@brd.ro or pdpo@brd.ro for of employees).

The activity (requests from data subjects other than employees) is coordinated by Quality Department within the General Secretariat with the support of the Data Protection Cell.

Requests received from employees / collaborators are processed by the Human Resources Department with the support of the Data Protection Cell.

The Bank responds to requests to exercise rights and provides data subjects with different channels to respond to these requests. The processes and channels of transmission within BRD ensure that the exercise of rights can be assessed and managed in a timely manner. These processes and channels are described in specific procedures. In 2023, no complaints were received from external parties that were considered substantiated by the organization with systemic relevance.

The Bank's commitment to data protection standards is communicated to all stakeholders through the chapters "Our Commitments" and "Respect for Information Confidentiality" in the Group's Code of Conduct.

By the end of 2023, no data protection security incidents with significant impact requiring notification to Data Protection Authority and/or data subjects have been recorded⁶³.

At the BRDAM level, there were no incidents regarding data confidentiality during the reporting period. BRDAM has implemented common procedures and policies with BRD related to personal data.

At the BRD Sogelease level, there were no incidents regarding data confidentiality during the reporting period. BRD Sogelease has implemented internal procedures and policies related to personal data in accordance with those of BRD and the legislation in force.

The process of addressing and identifying data security risks involves following certain steps:

1. Identifying the triggering event (fraud, scam, theft, threats, human error);
2. Analysis of the causes and consequences of the event;
3. Risk assessment and establishment of preventive and/or corrective measures;
4. Documentation of findings/conclusions and implementation of measures;
5. Review of risk analysis, review of internal regulations, etc. if necessary.

from a GDPR perspective, risks are discovered either through dedicated controls or through already consummated security incidents. Security risks can also be identified following a DPIA analysis - following both the steps in the dedicated form and internal regulations.

The process of identifying information security risks is based on several pillars:

1. Integration of Information Security expertise in IT projects, including in the procurement processes of products and services with IT component.
 - 1.a) Classification of the Information Security sensitivity of the IT resources involved in the project (business applications and IT infrastructure services).
 - 1.b) Identification of appropriate measures for the Information Security sensitivity of the IT resources involved in the project in order to apply them during the project (by internal or external teams) - Security by Design/Privacy by Design/by Default concept.
 - 1.c) Identify the applicable Information Security tests and recommend them to the project teams, following the results of their performance.

⁶³ 418-1

1.d) Perform risk analysis taking into account the degree of implementation of the measures recommended in point 1.b), as well as the results of the tests in point 1.c); analysis of residual risks together with the Business Managers, drawing up Risk Acceptance Forms, as appropriate.

2. Periodic review of the risks recorded in the Risk Register

Identified data security risks and vulnerabilities can be mitigated or eliminated by implementing security measures such as:

- (i) pseudo-anonymisation and encryption of personal data;
- (ii) the ability to ensure the confidentiality, integrity, availability and continuous resilience of processing systems and services;
- (iii) the ability to restore data availability and access in a timely manner in the event of a physical or technical incident;
- (iv) the auditing of the Bank's suppliers both through an assessment questionnaire and on-site;
- (v) the monitoring of the IT infrastructure to identify possible attacks or security breaches;
- (vi) the existence of a process for evaluating and testing the effectiveness of the technical and organisational measures applied to ensure the security of processing.

The DPO team conducts annual online trainings with employees or posts on the Bank's group various GDPR topics with the aim of stopping or reducing possible risks.

BRD has an organisationally, operationally and procedurally defined detection and response programme, active 24x7.

There is also a programme for managing access authorisations to IT resources.

The periodic Information Security tests have the effect of recording the identified vulnerabilities, associating the responsible parties and the action plans to be implemented in the Remediation Objectives (Timeframes) pre-established by the regulations, according to the established criticality of the vulnerabilities and based on the classification of the IT resources (applications/infrastructure) at the level of which they occur.

Periodic user vigilance tests through phishing exercises

Periodically, training actions are carried out for CD members in information security crisis management actions.

Following Information Security programmes at SG Group level or as a result of recommendations from internal and/or external audit missions or risk analyses, IT solutions for cyber detection and response (e.g. anti-malware solutions, anti-DDoS solutions, etc.) may be proposed for implementation. Lately there has been a gradual increase in phishing and spoofing attacks, about 50 per day. The messages sent by SMS or E-MAIL come from third parties aiming to fraud or

deceive on the one hand BRD customers and on the other hand non-customers with the use of the Bank's products. The messages contain, among other things, information about debiting the account with a certain amount and contacting an unknown number, or customers are contacted to invest in cryptocurrencies using a scam application.

The internal regulatory framework provides that any malfunction/event/incident must be registered immediately in the dedicated Myalert application, and if it concerns personal data, the specific box in the application is "ticked" and the alert is received by the DPO team for investigation within 72 hours. This flow allows the timely identification and raising of the alert system to all actors/contributors. There are also implemented DLP and Audit Trail flows based on which, on dedicated channels, alerts are received at DPO level. Once these alerts are received, the impact analysis from a personal data security perspective (availability, integrity, confidentiality) is initiated and mitigation measures are put in place. Depending on the outcome of the analysis, if the data security breach is likely to generate a high risk for the rights and freedoms of individuals, the bank's management and the Group DPO are informed. The internal procedure provides that in the case of a breach affecting several data controllers within the group, the Group DPO is responsible for coordinating the analysis of the breach and its seriousness. The analysis includes checking whether any exceptions apply with regard to the provision of notification to data subjects under the GDPR. (e.g. Information to data subjects is not necessary when:

- (i) the affected data are unintelligible (e.g. encrypted, and the encryption key has not been affected by the incident),
- (ii) measures applied after the incident ensure that the high risks to the rights and freedoms of the data subject do not materialise,
- (iii) it requires a disproportionate effort to inform the public or to take additional measures to inform in an equally effective way).

If the conclusion of the analysis is that notification of data subjects is necessary, the draft notification form (annex to the procedure) is completed and communicated to Dep. Communication for review. Subsequently, depending on the communication channel, the message is forwarded to the data subject (e.g. Contact Centre for communications by email, SEGLQLT for communications by post). After communication, the evidence is archived according to the dedicated archiving instructions.

Each product or service offered by BRD to its customers is accompanied by rules and recommendations of good information security practices. For Remote Banking products, BRD provides its customers with free anti-malware solutions.

The Bank has public communications, on its institutional website and/or in the media, if it deems necessary to warn its customers of possible cyber threats.

Regulation 2016/679 (GDPR), supplemented by Schrems II, Law no. 58/2023 on cyber security and defence of Romania, updated Regulation NBR 5/2013, Law 362/2018 (NIS), EBA Guide

2019/04 (IT and security risk) are the main regulations applied at BRD level in the field of data protection.

The IT Infrastructure and Production Operations Department holds ISO 27001:2013 certification since 2018 and is in the process of renewing its certification on ISO 27001:2023 standard.

Cyber security

Security staff undergo mandatory regulatory training on GDPR topics. Representatives of external suppliers are informed by contractual provisions of both how their personal data is processed and their information security obligations, including those related to GDPR.

Internal regulations provide that, in case of information security incidents, the incident is analysed until the "root-cause" is identified, i.e. a list of actions is identified to be followed by a dedicated instance for follow-up implementation, until the last action in the action plan is completed. The actions can be all of the above (changes in operations, management, processes, products, business partners, training or technology). BRD's internal framework requires that the incident be communicated to the Business Manager of the application affected by the incident, who assumes the communication to the customers affected by the incident.

Innovation and digitalization

The banking sector is one of the first sectors to recognize the benefits of digitalization for both financial institutions and their customers. Digitalization has supported the BRD Group in expanding its customer portfolio, streamlining, and optimizing internal processes, and providing a unique, user-friendly experience for its clients. Digitalization and new technologies have helped us build strong relationships with our customers, which are essential for the growth of our business in the current context. The primary digital communication channel we use with our customers is our website, where we provide information about the new solutions and products we offer. You can find our digital counter, the BRD Digital Station - Digital Hub BRD, at the following link: <https://www.brd.ro/persoane-fizice/digital-banking/digital-station>. It represents a virtual space for the services required by individuals. The Bank has invested in bringing more functionality to its first internally developed mobile application, providing customers with better control over their accounts and transactions at their fingertips. YOU BRD is now a mature easy to use app, offering both mobile and web options to users, who can access any functionality in a couple of taps, making YOU a reliable remote banking partner.

The integration of digitalization and the exploitation of innovation benefits also support the Bank in reducing its environmental impact by contributing to the reduction of carbon footprint. Through significant investments in innovation and digitalization, banking services are more accessible and easier to use from the comfort of one's home, thereby reducing the need to visit a physical branch for banking needs.

In 2023, BRD expanded its digital workflows to also facilitate 100% remote access to investment products, life insurance for the Espresso loan, mortgage loans for Loan Brokers to help enhance

customer ease of access. . These improvements were easily accepted by our customers and partners, especially in the augmented digital market context. Additionally, we have taken major steps to digitalize documents within our branches to minimize the impact on the environment and to reduce the time and effort spent by our customers previously filling in printed forms.

BRD intensively invests in a digital transformation of corporate business segment. The digitalization efforts on the corporate business side, materialize in significant operational efficiency gains and reduction of paper consumption, by digitalizing in house and online processes. The digital sales ambitions are more in the years to come although some key banking processes for this segment, such as – onboarding, KYC updates, e-banking solution that covers payments, account opening and exchange operations. Trade service platform is along with Factoring – two channels of digital self-service in the offer of BRD for corporate clients.

Finally, by achieving the strategic objectives of BRD Group in terms of digitalization, we contribute to increasing the level of financial inclusion of the Romanian population. In 2023, the Group successfully continued its proposed plan for digital transformation, launching more remote access features for its customers, as well as increasing adoption of digital channels. The number of digitally active customers has increased by 224% compared to the end of 2019. BRD Innovation initiatives, in 2023, comprised of 2 main axes. First, implementation of Artificial Intelligence models across various processes, such as: marketing campaigns, corporate monitoring, anti-money laundering, etc. Secondly, BRD encourages the growth of country innovation ecosystem through partnering with largest national early-stage incubator, Innovation Labs, largest East European Startup conference, How to Web and by supporting with scholarships the creation of Open LLM Ro community focused on researching Generative AI tools, through our partnership with Institute for Logic and Data Science.

2.2. Environmental, Social, Governance and Climate Risk Assessment and Sustainable Finance and ESG Investments

ESG factors are progressively embedded in BRD's strategy and processes, through the Societe Generale Group's ESG by Design program, deployed locally, started 2 years ago and planned to be completed by the end of 2025. This program encompasses and addresses regulatory expectations and voluntary commitments.

Moreover, under its Horizon 2025 strategy, BRD has set the ambition to be one of the leaders and to play a pioneering role in the field of sustainable products, both green and social ones, on the Romanian market, contributing to the development of more sustainable business models and accompanying the clients in their energy transition. The target for the period 2021-2025 was set at EUR 1bn sustainable finance production.

Assessment of environmental, social and climate risks at BRD level⁶⁴

ESG Risk (Environmental, Social, and Governance Risk) can be defined as the negative materialisation of current or prospective ESG factors through Bank's counterparties or invested assets. ESG factors could have an impact on Bank's financial performance if materialized, mainly through credit risk, which is primarily affected by the exposure to its counterparties and invested assets.

Through its specific policies and procedures, BRD addressed ESG risks, including climate-related risks, that can derive from financing and/or investing in different business activities.

ESG risks are analysed from the environmental and social impact perspective and from the financial perspective to identify risks that stand to affect the Group's economic and financial activities as a result of ESG factors. ESG risks are seen as aggravating factors to the traditional categories of risks (credit risk, counterparty risk, market risk, non-financial risks, structural risk, business and strategy risks, as well as other types of risk and other risk factors). They could have an impact on the Group's activities, results and financial situation in the short, medium, and long term. To prevent their negative effects on the Bank's activities, the ESG risks are timely identified, assessed, prevented and/or mitigated within the general Risk Management System.

The Bank's risk management framework is continuously reviewed and updated to take the new challenges into account.

Environmental social and governance risks are defined as follows:

- **environmental risks** correspond to the risk of materialization of environmental factors that may adversely affect the financial performance or solvency of a sovereign or individual entity. Environmental factors are those related to the quality and proper functioning of the natural environment and natural systems. They include factors such as climate change, biodiversity*, energy consumption and waste management. Environmental risks could have an adverse financial impact through a range of risk drivers, classed as follows:
 - physical risk, which refers to the current or potential financial impact of physical environmental factors on the Group, its counterparties or its invested assets,
 - transition risk, which refers to current or potential impact of the transition to a more environmentally sustainable economic model on the Group, its financial position, counterparties or invested assets;
- **social risks** correspond to the risk of materialization of social factors that may adversely affect the financial performance or solvency of a sovereign or individual entity. Social factors are those related to the rights, well-being and interests of people and communities. They include factors such as (in)equality, health, inclusiveness, labour relations, workplace health & safety and well-being, human capital and communities;

⁶⁴ former FS1, former FS2

- governance risks correspond to the risk of materialisation of governance factors that may adversely affect the financial performance or solvency of a sovereign or individual entity.
- Governance factors are those related to governance practices (executive leadership, executive pay, audits, internal control, fiscal policy, Board of Director independence, shareholder rights, integrity, etc.) and to how companies and entities take environmental and social factors into account in their policies and procedures.

In order to manage such risks, the Bank has implemented an E & S risk assessment process (extended to governance risk factors at the beginning of 2024), in compliance with the SG Group recommendations regarding counterparty and transaction assessments, process for certain categories of corporate clients and transactions. The assessment process is approved by the Bank's management committee and is periodically improved.

The process is based on the principle of the 3 lines of defence and is applied to the customer onboarding process and to credit decisions related to corporate clients. The evaluation process follows three main steps:

1. **identification of the risks of E&S nature:** identifying whether the counterparty's activities or the transaction with that counterparty could present an E&S risk, checking the E&S exclusion list, checking the E&S identification lists, analysing the impact from a sector policy and related exclusion criteria and whether the activities are the subject of any E&S-related controversy. To be noted that since January 2024 BRD has implemented the Group policy setting out the guidelines for assessing adverse ESG information. Also, BRD has implemented the tool called Materiality Grid, to assess the level of severity of the identified ESG negative information. These verifications are performed at the onboarding and ESG review of the client, for the moment. It is aimed to be adopted a continuous monitoring process in the future.
2. **E&S assessment of these risks:** compliance with the criteria from the applicable E&S policy(ies) and other Group's E&S commitments, and weighs up the severity of any E&S controversies. The opinion may be positive, conditional (subject to contractual conditions, action plans, restrictions) or negative.
3. **defining an action plan** to prevent or mitigate the identified risks (if the case).

The Bank uses the supplementary tools of the Group to identify and assess E&S risks:

- **the E&S identification list:** this list provides details on projects, companies, activity sectors or countries that are subject to significant controversy or public campaigns on the part of civil society for E&S reasons, regardless of whether they are financed by SG. The purpose of this internal list is to alert the operational teams to potential concerns in advance of the client and transaction review process, so that they can be prepared to carry out a more in-depth E&S assessment of any transactions and clients concerned. The

list is regularly updated by in-house experts from the Group and its subsidiaries, and it is distributed to all relevant business units. The latest update is Q4/2023

- **the E&S exclusion lists:** these lists indicate companies that have been excluded based on the Defense sector policy due to their involvement in the production, storage or sale of controversial weapons, especially anti-personnel mines, or cluster bombs. SG has pledged that it will not knowingly supply banking or financial services to such companies, their parent companies, or their subsidiaries. This commitment is also adopted at BRD level. The latest update is Q1/2024. To be noted that in 2023 BRD has implemented a process of continuous monitoring of the E&S exclusion list (quarterly basis), using a tool put at our disposal by the Group. The first screenings performed revealed no relationship of BRD with the clients/group of clients from the E&S exclusion list.

Depending on the E&S potential impacts and the associated E&S risks identified, various prevention or mitigation actions may be implemented, for example: in-depth monitoring of certain E&S topics, insertion of explicit E&S conditions in the contractual documentation, restriction, or even exclusion, of certain relationships.

The Bank applies the standards of SG Group and other international standards to which the SG Group has adhered: the E&S General Principles (<https://www.societegenerale.com/sites/default/files/documents/CSR/environmental-social-general-principles.pdf>) and the E&S sectoral policies ⁶⁵(<https://www.societegenerale.com/sites/default/files/documents/CSR/environmental-social-general-principles.pdf>).

The E&S General Principles were updated in 2021 by adding three statements on major cross-sector issues:

- i. human rights (updating the previous statement);
- ii. The climate (new statement); and
- iii. Biodiversity (new statement).

These statements set out the main standards the Group is committed to comply with, encouraging its customers to do the same.

The E&S sectoral policies

referred to as E&S policies, define the standards that the Group intends to implement in potentially sensitive sectors from an E&S or ethics perspective, based on its mapping of actual or potential E&S risks. The E&S policies are publicly available on the Group's corporate website (<https://www.societegenerale.com/en/responsability/ethics-and-governance>). They cover industrial agriculture and forestry, mines, dams and hydroelectric power, oil and gas, thermal

⁶⁵former FS1

power stations, thermal coal, defence and security, shipping, civil nuclear power. The Oil & Gas sector policy was updated in 2023 to reflect the Group's new commitments. The Group has also adopted a new tobacco sector policy which indicate that the Group will not provide banking and financial products and services to tobacco producers that generate more than 25% of their income streams from tobacco products.

All E&S policies follow the same structure: they identify the actual or potential E&S risk factors, list the reference standards applicable to the sector or field in question, specify the scope of the activities covered (sub-sectors, financial and banking products and services) and may also define criteria in respect of each sector or field.

The E&S sector policies define 3 sets of criteria:

i. E&S exclusion criteria – these criteria are designed to exclude from the Group's activities certain types of corporate clients, issuers, banking or financial products or specific services or transactions that are associated with underlying practices or activities that are damaging the environment and/or human rights to such an extent or in such a way that improvement within a reasonable timeframe is not possible;

ii. E&S priority assessment criteria – these criteria address priority risk factors that require a targeted and systematic response as part of the assessment process. If a client does not satisfy the assessment criteria, it must improve its practices within a reasonable timeframe. This may require formal action plans or the signing of contractual undertakings. For dedicated transactions or projects, meeting the criteria is part of the project development phase;

iii. Other E&S assessment criteria – these criteria are designed to identify additional risk factors related to a specific sector that also need to be considered as part of the E&S (ESG since January 2024) assessment.

The E&S General Principles and policies are updated in line with regulatory, scientific or societal developments, observed best practices and the Group's strategy.

The E&S (ESG since January 2024) risks assessment is based on:

- a) E&S public information (usually non-financial or sustainability reports) or information collected through engagement with clients during environmental, social and governance risk assessments (using a tailor-made questionnaire to understand the client's behaviour related to sustainability topics),
- b) sustainability strategies or commitments and
- c) negative information of this nature.

The E&S (ESG since January 2024) risk assessment process applies only to "corporate" clients. Thus, these clients are subject to E&S analysis during the onboarding phase and when reviewing the KYC or credit files, as well as when a defined trigger event occurs.

BRD, as a lender, also conducts E&S (ESG since January 2024) assessments on certain transactions within a defined perimeter. The scope of the E&S (ESG since January 2024) risk assessment related to transactions refers to those operations falling within the scope of the Equator Principles or certain categories of services for which the underlying asset is known and raises certain environmental or social issues. The management of environmental and social risks related to transactions is incorporated into the credit granting process and is based on the approval competencies related to that client or transaction. The client assessment process starting with January 2024 is incorporated within the KYC process. After completing the evaluation process, a risk category is assigned to a client or a transaction - "high risk", "medium-high risk", "medium-low risk", and "low risk" (the rating scale was changed at the end of 2021). In addition, a transaction that complies with the "Equator Principles" is classified as level A, B, or C. The assessment process is reflected into an opinion that could be "positive", "positive subject to conditions" or "negative".

When the case, E&S assessments and actions are reviewed by the second line of defence (the Risk or Compliance Department, depending on the process) and may, where necessary, be arbitrated based on defined escalation criteria. The time horizon of the assessment depends on the financial transactions in view with the party and the applicability of a sector policy (max 4 years).

While the client's E&S (ESG since January 2024) analysis was integrated in the KYC (Know your customer) process, in the credit financing process, both client and transaction E&S (analysis are considered in the credit risk analysis.

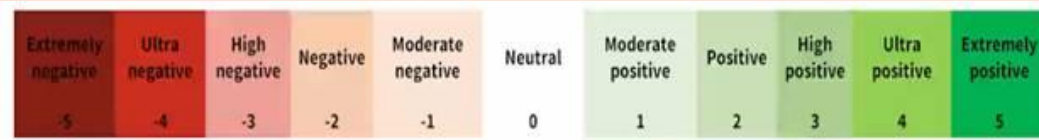
Assessment of climate- related risks

In line with the SG Group's policy, BRD adopted during 2023 the SG enhanced tool for assessing **climate transition risks**, called Corporate Climate Vulnerability Indicator (CCVI), by extending its scope from 6 sectors previously, to the full scope of sectors.

CCVI aims to measure the marginal impact of transition risk on a borrower's solvency (looking at their whole group). It is determined starting from an Industry Climate Vulnerability Indicator (ICVI), which assesses the ability of the industry sectors covered to withstand the consequences of climate-related risks and to adapt to them.

ICVI is based on the IEA's NZE 2050 Orderly scenario and applies to all sectors (excluding financial activities), divided into 111 uniformly and globally defined segments. Using a documented questionnaire, independent experts calculated a final ICVI score, drawing on both qualitative and quantified inputs. The ICVI score is based on an evaluation of four factors: emissions at risk, costs at risk, revenue at risk and assets at risk. The approach extends from end to end of the value chain (Scopes 1, 2 and 3), since transition risks can impact many aspects of the counterparty's business (its supply chain, operations, assets, and market).

Both the ICVI and CCVI score are defined on a 11 levels scale from -5 “Extremely negative” to +5 “Extremely positive”.



The CCVI embeds the ICVI and a group specific questionnaire assessing the strategy of individual companies, through the quality of their disclosures on GHG emissions and energy use, the credibility of their targets, the governance of climate issues. The CCVI is reviewed once a year, at the same time as the internal rating.

If the result is a significantly negative CCVI score, discussions must take place with the client covering their transition strategy, business model and capacity to finance the transition, and an action plan decided. The interview can also be an opportunity to offer support for the client’s transition.

Assessment of environmental, social and climate risks at the BRD AM level

BRD AM considers sustainability risks in investment activity. Regulation (EU) 2019/2088 establishes rules for financial market participants and financial advisers on transparency in relation to the integration of sustainability risks and the consideration of negative effects on sustainability aspects in their activities and on the provision of sustainability information in relation to regarding financial products.

BRD AM, through its capacity as a management company for collective investment bodies in securities, is a participant in the financial market.

Climate-related events resulting from climate change or society's response to climate change, social issues (e.g., inequality, inclusion, labour relations, investment in human capital, accident prevention, customer behaviour change, etc.) and/or governance deficiencies (e.g., significant recurrent violations of international agreements, corruption, product quality and safety, sales practices, etc.) may favour the emergence of sustainability risks.

Sustainability risks may represent a distinct risk, but may also affect other risks such as, but not limited to, market risks, operational risks, liquidity risks or counterparty risks. Sustainability risk assessment is complex and can be performed on the basis of available environmental, social and governance data. We note that the information available on these matters may have shortcomings such as: it may be difficult to obtain, incomplete, estimated, out of date and/or inaccurate.

To reduce the effects of the Fund's sustainability risks, various instruments can be used, such as:

- the exclusion list containing information about the companies, activities/countries that must be excluded for not complying with the exclusion criteria from the ESG Policies issued by the Group of which BRD AM is a part. In most cases, the exclusion criteria are checked on the basis of information describing the activity of an issuer;
- the identification list containing information about the companies, projects or types of activities (in certain regions or worldwide), for which a potential social or environmental risk has been identified. This list is based on social and environmental risk mapping by the Group as well as external sources;
- ESG ratings, risk or impact ratings for issuers and industries.

BRD AM evaluates every six months the probable effect of risks related to sustainability on the yield of financial products, the updated result of the evaluation being made available to investors in the Document with essential information, section Risk profile and investment yield.

On the BRDAM website (<https://www.brdam.ro/despre-noi/brd-asset-management>), all investors/interested parties can view relevant information about the entity, such as:

- Statement on transparency of negative effects on sustainability;
- Transparency of sustainability risk policies;
- Information on the integration of sustainability risks;
- General environmental and social principles.

Assessment of environmental, social and climate risks at the BRD Sogelease level

BRD Sogelease has established policies and internal measures to ensure that the interests of the organization and its employees are aligned with the interests of existing and potential customers, such as: Conflict of Interest Policy, Code of ethics, New Products Procedure, credit risk strategy and policies, regular staff training on conflict of interest and anti-corruption risk.

All the internal policies and rules applicable at BRD Sogelease level are aligned with the Group's requirements and policies, using the same mechanisms and tools such as: whistleblowing policy, complaints, data protection, code of conduct.

BRD Sogelease is, currently, undergoing a process of modification and adaptation of internal procedures and policies in accordance with reporting standards regarding sustainability, in accordance with the Group's policies and according to the specifics of the Sogelease activity.

Within the Horizons 2025 program, the implementation of the strategy is pursued, SGL has the following targets: the implementation of SG Group standards related to ESG diligence (progressively from 2024) and the increase in the volume of sustainable financing.

Sustainable financing and ESG investments

BRD has continued in 2023 its actions to promote sustainable finance and accompany its clients in their sustainability journey. The actions have been in line with its Horizon 2025 commitment to be one of the leaders of the market and reach EUR 1 bn sustainable finance transactions, contributing thus to the Group commitment to achieve a EUR 300bn transactions.

Thus, in 2023 BRD has defined a business plan for sustainable and positive impact financing, aiming to contribute to the commitments assumed by the SG Group. The objective is to support the business activities that prove over time to be sustainable, protect the environment and assure social positive impact, with an emphasis on energy efficiency and energy transition, clean mobility, sustainable municipal projects, the circular economy, green buildings, social inclusion, etc.

The business plan was built around the EU Green Deal, the draft of the National Recovery and Resilience Plan and the EU's Circular Economy Action Plan. On the structuring side, ICMA Green Bond Principles, LMA Green Loans Principles, LMA Sustainability Linked Loans Principles, ICMA Sustainability-Linked Bond Principles, ICMA Social Bond Principles were envisaged to be used either as reference, deal origination source, or proxies in segmentation, sector approach, and structuring of the financing. The SG Positive Impact Financing Framework (<https://www.societegenerale.com/sites/default/files/documents/2021-11/20211104-societe-generale-sustainable-and-positive-impact-bond-framework.pdf>) was since 2022 implemented in the local internal regulatory framework allows to diversify a range of products and services.

The approach continues to be a sectorial one, with priorities on energy efficiencies projects, green real estate, water treatment/waste projects, agriculture, health projects, clean mobility, aiming to capitalize on the expertise already the Bank has in financing under different financing schemes with IFIs .

Sustainable finance solutions cover both large customers and SMEs, based on a tailor-made approach; in the case of SMEs, the aim is to have an increasingly standardized approach in 2024.

Regardless of the approach, the transaction must drive an environmental or social benefit, thus an impact analysis is carried out at the level of structuring the dedicated product or transaction.

Impact assessments for sustainable finance could be based on a disclosed and recognized methodology, made public by the corporate client in its official publications or provided by a specialized third-party (like auditor or environmental & social consultant). For sustainability-linked type of instruments, ESG rating provided by recognized ESG rating agencies can be applied.

In the event that a potential negative impact is identified because of the implementation of a transaction, remedial actions are required, or if justified, the transaction financing may be declined. Moreover, the SG Group's E&S Sectoral Policies prohibit transactions, products, or

services that are presumed to have a negative environmental or social impact, and are associated with sectors that the Group considers sensitive.

To manage and monitor the positive impact of the transaction, a corporate client is required to present an impact report at established intervals for tailor-made transactions.

The sustainable financing solutions are implemented through a dedicated team with expertise in analysing the specific needs of clients and supporting them with their sustainability projects, in order to select or structure appropriate solutions. Thus, the commercial teams can promote the BRD's wide range of sustainable finance products, tailored to the needs of its clients, including Green/Social/Sustainable Loans, Bonds and Guarantees (using an impact-based finance approach), as well as Sustainability Linked Loans, Bonds and Guarantees (financing structures linked to the achievement of ESG goals).

For corporate clients, BRD's commercial offer is based on recognized international standards, such as the LMA Principles of Green Financing and the LMA Principles of loans related to sustainability criteria. BRD can also provide local support to the Société Générale Group in issuing green bonds on the international market for clients in BRD's portfolio.

In 2023, the Bank continued to explore sustainable finance opportunities, with a positive environmental and social impact.

BRD supported projects with a social positive impact related to renewable energy, clean mobility, healthcare, education dedicated to both large and SMEs clients, financing for developing/maintaining local employment, public authorities, social inclusion of vulnerable categories etc.

In 2023, BRD has concluded different sustainable finance transactions, for a cumulative value of EUR 327 million⁶⁶ on corporate clients, progressing towards its publicly announced EUR 1bn of such transaction by the end of 2025.

Main transactions realized in 2023 by Top Corporate Clients and SMEs

Top Corporate Clients

1. E.ON Energie Romania and Delgaz Grid – BRD granted a bilateral sustainability-linked facility of EUR 165 mil, based on the sustainability strategy of E.ON Grup and decarbonization plan of E.ON Romania, both for funded and unfunded needs (Letters of Guarantees). The facility is in full alignment with LMA Sustainability Linked-Loans Principles, based on company's KPIs and with a price adjustment mechanism applied on fulfilment of selected performance objectives (externally and independently verified).

⁶⁶ FS7, FS8

2. Hyundai Romania - a Green loan - 1-year Revolving credit facility with known use of proceeds was made available to a corporate client (car dealership) for financing its current activity, with an authorized value of EUR 6m (increase from previous EUR 5m limit). The loan financed eligible assets of zero-tail pipe emission or below 50gCO₂, in accordance with the substantial contribution criteria set as per EU Taxonomy.

SMEs

3. Vrancart – BRD granted Vrancart a loan for EUR 16 million to build and install a photovoltaic park with an installed capacity of 20.5 MW. The project involves the installation of 31,680 solar panels and will be located adjacent to the municipality of Adjud on a 29-hectare site. The project is part of the Vrancart Group's sustainability strategy and will strengthen its solar resource capacities and lower the carbon footprint of its production. The loan granted by BRD provides exclusive financing for the development and operation of the photovoltaic park, which will reduce the company's CO₂ emissions by 15,898 tonnes annually.

4. After the first issue of Sustainability-Linked Bond on the Romanian Market has been executed in favour of Autonom Services SA (EUR 48m), considered the largest financing of a Romanian entrepreneurial company through a private placement of bonds, in 2023, BRD increased by EUR 8 M the EUR 5m Sustainability Linked Loan facility provided in 2022. The facility is in full alignment with LMA Sustainability Linked-Loans Principles, based on company's KPIs and with a price adjustment mechanism applied on fulfilment of selected performance objectives (externally and independently verified).

Other transactions are represented by loans dedicated to financing the small-size renewable energy type of projects, green fleets, dedicated to vulnerable categories. BRD provided also a significant amount for green or sustainable finance transactions dedicated to 4 municipalities, Brasov, Oradea, Pitesti and Târgu Lăpuș, for a cumulative amount of EUR 53M, as per its strategic pillar of community involvement and support.

Furthermore, in 2023 different loans with social and environmental benefits were granted to our retail customers:

The new house	347 credits with a total amount of 85,445,944 RON
Expresso Verde (for renewable equipment) (for energy)	22 credits with a total amount of 1,404,579 RON
Loans for studies	5 credits with a total amount of 706,306 RON

Green Habitat (for green houses)	2 credits with a total amount of 1,110,000 RON
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Besides the above that are solely dedicated to Retail, we also have on offer 3 types of credits dedicated to both Retail and Non-Retail clients that provide environmental or social benefits.

APIA (sustainable food and agriculture)	2,891 credits with a total amount of 155,797,855 RON
Start-Up Nation / Women Entrepreneur	169 credits with a total amount of 32,292,371 RON

BRD provides its clients the opportunity to invest, periodically, in structured placements with the yield indexed to the evolution of indices with sustainability features. In 2023, BRD organized a distribution campaign for such a structured product with capital guaranteed at maturity named “Biodiversity”, the subscriptions recorded exceeding 1.1 MEUR equivalent.

At BRDAM level there are also specific tasks implemented regarding ESG investment, such as: calculating and disclosing of the potential effect of sustainability risks; implementing into the investment decision process ESG topics such as use of an exclusion list and disclosing to investors. On the company website, all investors/stakeholders can view important information about the entity, such as: declaration on the transparency of adverse effects on sustainability, transparency of policies on sustainability risks, information on the integration of sustainability risks and general environmental and social principles.

Starting from 2023, FDI BRD GLOBAL, one of the funds managed by BRDAM, becomes a financial product established on the basis of Art 8 of EU Regulation 2019/2088, promoting environmental or social features, on the condition that the companies invested in follow best practices.

FDI BRD GLOBAL is intended to contribute to the reduction of global environmental and social risks by building a portfolio with global exposure to equities and ETFs that have exposure to global equity markets, with enhanced environmental, social and governance (ESG) characteristics at the aggregate portfolio level.

In order to promote environmental and social characteristics by building an overall portfolio with enhanced ESG characteristics, the Fund uses specific ESG methods:

- "positive screening" or "exclusionary screening" to build a portfolio with improved environmental, social and governance characteristics in order to contribute to reducing ESG risks globally;

- using ESG scores from an external data provider (Morningstar), which calculates ESG scores for ETFs and equities based on company-level ESG analysis by Sustainalytics. ESG scores provided by Morningstar are measured in Globes (5 Globes represent the best score and 1 Globe represents the worst score);
- investing only in ETFs or individual shares valued at least 3 Globals;
- the interdiction to invest directly in issuers included in the exclusion list containing information on the companies, activities/countries to be avoided in terms of the analysis of the exclusion criteria in the ESG Policies issued by the Group of which BRD Asset Management S.A.I. is a part;
- the interdiction of direct investment in listed issuers, which includes information on companies, projects or types of activities (in certain regions or globally) for which a potential social or environmental risk has been identified. This list is based on Societe Generale Group's mapping of social and environmental risks as well as external sources;
- the interdiction to invest indirectly in issuers on the exclusion list and the identification list: holdings of ETFs will be regularly checked to avoid indirect exposure to companies on the exclusion list or the identification list;
- ensuring a weighted average Globals ETF tradable UCITS score greater than 3.5. The weighted score will be monitored on an ongoing basis and if it falls below 3.5, the Fund's portfolio will be rebalanced within a reasonable timeframe and in the best interest of investors;
- ensuring a weighted average Global Equity Score above 3.5. The weighted score will be monitored on an ongoing basis and if it falls below 3.5, the Fund's portfolio will be rebalanced within a reasonable timeframe and in the best interest of investors.

In the case of investing in ETFs with similar characteristics such as geographic exposure, assets under management, costs, the Fund will select instruments that are rated with a higher ESG score, according to Morningstar. The Fund will invest at least 50% of the 75% of its total exposure to equities and ETFs as per the strategic allocation in:

- tradable UCITS, from the ETF category, constituted as financial products referred to in Article 8 of EU Regulation 2019/2088: promote, inter alia, environmental or social features or a combination of these features, provided that the companies invested in follow good governance practices;
- tradable UCITS, from the ETF category, which have a sustainable investment objective and have designated an index as a benchmark (financial products referred to in Art. 9 of the EU Regulation 2019/2088, without the fund expressly seeking to hold a minimum proportion in such investments).

The European Investment Bank (EIB) and BRD Sogelease have signed a €50 million loan agreement to support and create new opportunities for small and medium-sized enterprises

(SMEs) and mid-caps, and will contribute to general sustainable growth and to facilitate new lending on favourable terms to eligible clients. The EIB will assist Sogelease in the origination and assessment of green investments and provide training for assessing sustainable investments and for understanding of the EU regulatory framework for sustainable finance, the taxonomy and climate risk management.

Training for the employees on sustainable finance

In order to increase awareness of E&S aspects among the bank's employees ⁶⁷, dedicated trainings were rolled out for both E&S analysis and sustainable finance. The trainings are sustained either locally with both internal and external trainers or with the support of the SG Group. The training sessions in 2023 were both with physical and virtual presence and as part of e-learning modules.

In 2023 we continued the deployment of Climate Fresk programme and we achieved the target established (30% of all staff) with over 1600 people trained.

In November 2023 we have started to deploy an ESG learning journey (ESG Academy) on both awareness and expertise with courses designed to enhance our understanding and application of ESG practices.

In the awareness part of ESG Academy, there is a series of five courses designed as a fundamental level for all SG staff mainly in the format of short e-learning. The courses will be rolled out to all staff throughout 2024.

Expertise courses, SPIF training course provided by the SG Groupe, CCVI and RACI (implementation of the new extended ESG analysis perimeter for both clients and transactions); BRD continued the investments in training of functions involved in originating sustainable finance transactions on the new SPIF methodology implemented by the SG Group – 7 workshops with 292 participants in 2023 vs. 3 workshops with 87 participants in 2022 (both Corporate and Retail) - delivered by local experts and SG group. In addition, 408 employees (97% of enrolled population) completed the first module of Client Climate Vulnerability Indicator training while 182 finalised the second module and 93 will have to finalise the third (last one). For the new ESMS process, 7 sessions have been organized in 2023.

Engaging with the Clients ⁶⁸on sustainable finance

BRD is also committed to increasing its clients' awareness regarding the sustainability agenda, referring to actions aligned with the Paris Agreement aiming to keep the global warming well below 1.5 degrees Celsius by the end of the century and reach net zero by 2050, the UN Sustainability Development Goals, and the objectives concerning biodiversity conservation and restoration.

⁶⁷Formerly FS4

⁶⁸ formerly FS5

In 2023, as part of customer relationship management, BRD's commercial teams continued their efforts to integrate environmental and social issues into their dialogue with corporate clients to better understand their E&S performance, manage risks, and identify potential financing opportunities. The teams collaborate with clients to prevent or eliminate potential negative risks identified from assessments of their activities and transactions. Any remediation proposals are discussed and agreed upon for successful implementation within a mutually agreed time frame. Additionally, BRD takes into account regulations and feedback received from clients expressed through daily operations or studies.

In some cases, based on the recommendations included in SG's sectoral E&S policies, the commercial teams encourage customers to adhere to various international standards applied by the Bank in its E&S evaluation process.

In 2023, BRD continued to have two questions related to ESG and sustainable finance in its NPS survey for corporate clients and plans to consider them in the development of its activities.

Representatives of BRD continued to contribute to the initiatives of the RBA (Romanian Banking Association) aiming to develop an ESG questionnaire for corporate clients.

Corporate clients are approached regarding E&S subjects when new financings are granted, or on the occasion of the annual renewal credit files, or during the onboarding process/ KYC periodic update process. Sessions on Climatic Scenarios in Romania were facilitated by BRD in 2023, with the participation of corporate clients to the related workshops, too. Corporate clients participated on-site and online to the Climate Change Summit organized by BRD in 2022, too.

Companies with which the organization has interacted. ⁶⁹	2021	2022	2023
Clients/ corporate clients for which an ESG analysis was performed (identification phase and/or assessment) ¹	170	165	171

¹ Although the identification phase within the ESG analysis is envisaged to be performed systematically for all corporate clients and all transactions, the evaluation phase of ESG risks is done for a certain perimeter.

In the PI department, multiple partnerships were established that promote "green solutions". Thus, a partnership was established with three climate installation providers (Climateco, Soul Line, and Melinda Install), as well as three electric bicycles providers (Stonefeet, NewBike, EVO Bike). Through these, the Bank is able to not only provide financing for the "green" personal

⁶⁹ FS10

needs of clients, but it is also able to put them in touch with some of the best providers on the Romanian market ⁷⁰.

Through its representatives, the Bank assumed important roles in different working groups dedicated to the sustainable finance development on the local and international market.

Besides this, BRD is a Silver Partner within the Romanian Green Building Council (ROGBC), the chief organization working towards the transformation and implementation of a new generation of green buildings. Through their work, often interconnected with Financial Institutions or Legislative Bodies, they aim to achieve the following goals:

- 1) facilitate the access to the most modern training programs to create a national group of experts,
- 2) support the development of an adequate legislative framework which will promote sustainable construction and ensure its profitability for all agents,
- 3) develop and implement a national set of standards and certificates for green buildings,
- 4) support the development of the green building industry,
- 5) construct a complex organization by facilitating collaboration between all the relevant stakeholders on the market, with the final scope of eliminating systemic barriers and promoting an truly sustainable building environment,
- 6) promote collaboration at a national and international level to allow for the sharing of common knowledge and to encourage innovation,
- 7) research, analyse and disseminate the best practices for the region and encourage their adoption.

Overall, together with ROGBC on the EPC/Green Building side of matters, as well as our retail partners for the provision of various green products, BRD maintains a strong position in the market. Through this collaboration, BRD can maintain a high-quality standard of its products capitalizing on social and environmental opportunities.

BRD Sogelease intends to achieve its objectives regarding sustainability by implementing commercial policies which mainly refers to:

- increasing green financing through the partnership concluded with the European Investment Bank focused both on the financing granted and on technical assistance regarding sustainability in the sense of analysing the identification of target markets and the development of green products;
- dedicated product for mobility with zero emissions.

⁷⁰ 2-6

- increasing green and sustainable financing in certain industries in order to finance the energy transition, the transition to a circular economy and the use of sustainable practices in agriculture by modelling dedicated green financing solutions based on the needs and investment plans of clients.

2.3. Responsible Employer⁷¹

The employees of the BRD Group represent a crucial strategic factor in achieving sustainable development and ensuring the quality of products and services offered to customers. In this regard, the BRD Group takes responsibility for creating a work environment where all its employees can develop their full potential and contribute to the organization's success.

Through the Human Resources Policy and its related procedures, the BRD Group focuses its efforts on establishing and maintaining a trustworthy relationship with its employees. The organization consistently promotes values such as diversity and inclusion, supports employees throughout their professional careers, fosters a culture of responsibility, recognizes individual contributions to the Bank's performance, and encourages a work environment that supports employee engagement.

The BRD Group's Human Resources Policy is a key element in effectively managing employees and creating a positive work environment that promotes diversity and talent. This policy defines various human resources processes and incorporates a set of key principles that encourage their efficient management throughout the BRD Group.

The objectives of the Human Resources activities are established in accordance with the strategic business directives and the Group ambitions. These objectives cover areas such as recruitment and selection, professional training, performance management, career management, succession planning, remuneration, and social relations.

In this regard, the BRD Group has defined five pillars in its human resources strategy to support the cultural change transformation by placing people at the centre of its activities:

- competencies development through continuous feedback.
- building the talent pool;
- performance recognition;
- care

⁷¹ 3-3

- simplification.

Labor relations

In order to ensure effective management of human resources, the BRD Group maintains a continuous connection with the union representatives through the Social Relations Department, which operates within the Human Resources Department. This connection takes place during the negotiations for signing the Collective Bargaining Agreement as well as through periodic meetings.

According to the Collective Labor Agreement and the Internal Regulations, employees are free to associate, and the free exercise of trade union rights is recognized in accordance with the applicable legislation, as well as the freedom of opinion of each employee. Additionally, employees have the option to associate themselves with various professional organizations (e.g., CCIFER), with the requirement to comply with confidentiality requirements.

To ensure full protection of employees and union members, the Human Resources Department and the directors of structures/branches engage and collaborate with union leaders in any matter concerning the provisions of the Collective Labor Agreement. The elected members in the governing bodies of the union, who are also employees, have the right to reduce their working hours for union activities without affecting their salary rights.

The activities of the union also benefit from the material resources of the BRD Group, which are provided free of charge. This includes space, office facilities, a company car for transportation, including maintenance and repair expenses, and access to the Bank's email system for union purposes. The elected representatives in the union's governing bodies are protected against dismissal, in accordance with the law. BRD Bank provides free collection of union contributions through the payroll, as required by law.

All employees have the right to file a complaint regarding the violation of the right of association according to the Internal Regulations. The complaint can be submitted by sending an alert through the channel alerte_confidentiale@brd.ro⁷², directly contacting the Human Resources Department, or notifying a manager who will contact the person in charge of the Human Resources Department.

The BRD Group ensures compliance with rules regarding working conditions, Labour Code and Romanian legislation on children's rights and does not engage in forced labour or employ child labour, in accordance with the International Labour Organization Conventions, according to SG Group's Code of Conduct, which also applies within the BRD Group.

To increase awareness of employee rights, annual training campaigns are implemented.

⁷² 2-25

According to the According to the special law (Law 367/2022 on social dialogue) existing in Romania and the Collective Labour Agreement, the employer initiates collective bargaining at least 60 calendar days before the expiration of the collective labour agreements or the expiration of the applicability period of clauses provided in additional agreements to the collective labour agreements. If the Bank is compelled to carry out collective dismissals, the provisions regarding collective dismissal in the Labor Code, as well as those provided in the applicable Collective Labor Agreement, shall apply.⁷³

Benefits provided to employees⁷⁴

The BRD offers to its employees various facilities granted in case of special situations: death and disability, hospitalization as a result of an accident or illness, serious and incurable illness benefits, and temporary incapacity by work accidents. Furthermore, the Group provide also a life insurance that covers: accident or professional diseases, post-hospitalization recovery (max 15 days/year), permanent disability due to an accident, permanent and total disability 1st and 2nd degree from any causes. Above legal requirements, in case of birth/adoption of a child by an employee, the BRD offers a financial aid of RON 4,000.

All employees are eligible for PMAS (Planul Mondial de Deținere Acțiuni de către Salariat), LTI (long-term incentives), Group insurance, special conditions for banking products and services; BRD ID matters! (Special discounts for a list of service and product providers); transport expenses from home to work (for the cases stipulated in the Collective Labor Agreement)).

According to the eligibility criteria, employees can also benefit from: "Bank Day" Bonus (100% of gross basic salary for employees with at least 1 year in the Bank), private pension funds Pillar III, gift amounts (Christmas, Easter, on March 8th); payments for different working conditions, social benefits for special events (birth, marriage, death, etc.); social aid for serious illnesses in the family; geographic mobility bonus, cash gifts for employees' children under 18 years of age.

In 2023, hybrid work model continued, combining remote work and office work in a flexible manner. Eligible employees are recommended to work at the office for 2-3 days a week, depending on the nature of their positions and the team's needs.

Professional development of employees⁷⁵

To ensure the professional development of employees in line with business objectives, BRD Group has established a Training Plan that focuses on both commercial and technical skills (in line with the business strategy), as well as managerial development skills and specific regulations.

⁷³ 402-1

⁷⁴ 401-2

⁷⁵ 404-2, 3-3

The Group provides a diversified training offer that covers the training needs of employees in a format adapted to all profiles (junior, specialist, senior/expert), correlated with the development of targeted competencies for each role. The training approach combines theoretical and practical learning, with direct involvement of employees in choosing training actions and identifying their training needs together with their managers.

To adapt to the rapid changes in the business environment, strategic workforce planning projects have been implemented in the retail, corporate and IT. For Operations and Risk works were in progress at the end of 2023 and several workshops were organized for competencies, career path and training Quantitative analysis. The objective is to promote the continuous adaptation of employees' competencies to the rapid changes in the business environment and provide them with access to rewarding career paths.

Training courses are structured in modular programs, based on levels of knowledge and expertise, adapted to the roles within the organization (both for managerial positions and operational teams), with varying degrees of complexity, covering main directions such as product offerings, financial and risk analysis, sales competencies, client portfolio management, communication, and negotiation.

There are training programs dedicated to each line of business, developed and updated according to expressed commercial requirements and regulatory developments, with business guests - banking specialists on various topics, alongside internal trainers.

In 2023, the training activities focused on developing risk culture awareness in BRD through various mandatory e-learning programs, conducted in collaboration with the SG Group ("Code of Conduct," "Sustainable investment" "Fatca," "Anti-Bribery and Corruption," "Fundamentals of Operational Risk", "Fraud Risk Awareness", Client Complaints Handling", "Protection of Personal Data", "Combating The Financing Of Terrorism", "Conflicts of Interest", "Anti-Money Laundering," etc.) and locally developed e-learning programs ("Occupational Health and Safety," "Physical Security Events," "GDPR", "Information Security Compliance in Telework", "RSE: Histoire, Normes et Opportunités".

Moreover, the Group's efforts have also focused on developing specific competencies related to corporate social responsibility (CSR), with a particular emphasis on the ESG (Environmental, Social, Governance) field through e-learning and face-to-face training courses.

BRD places environmental, social, and governance (ESG) initiatives at the center of its ambitions and strategic plan. As a bank, this means that business lines take concrete actions, and teams are trained to provide innovative solutions in support of their clients' transformation. In addition to the actions and services undertaken at the Bank level for its clients, the human resources team has the strategic priority of increasing the positive impact on the environment through

supporting awareness initiatives and providing expertise through training programs. In this regard, the training program "Climate Fresk Workshop" launched in 2022, continued in 2023 in line with the Bank's ESG strategy. The program has been a success, reaching over 1600 participants by the end of 2023 (over 30% of the total bank's employees). The aim of this program is to develop the necessary knowledge to generate ideas and initiatives that can be taken individually or launched within the organization, to collectively contribute to mitigating the negative effects of climate change. The overall objective of this workshop is to provide us with the tools needed to make informed decisions and take action to reduce our impact on the environment.

Moreover, ESG learning journey continues on both awareness and expertise with courses designed to enhance our understanding and application of ESG practices. More details at [page 79](#).

For new employees, specific integrated training programs are provided, such as:

- The "**Welcome to BRD**" program, where new employees have access to general information about the Bank, BRD's values, basic knowledge of compliance, credit risks, as well as human resources issues regarding training and career management. In head office, the program is in face-to-face format and it contains also a Climate Fresk training, while in Network is in online.
- The "**Induction**" program - for front-office sales teams - focuses on knowledge of specific products and applications, related risks, behavioral skills, and the development of specific business skills through an experiential learning approach. Since March 2023 The induction program was delivered exclusively face to face.
- **Business academies** tailored to the Bank's customer segments: Retail - individuals, Retail - small companies, as well as for the corporate segment.
- Within **Culture and conduct** stream, we deployed several trainings (on line and face to face) on different topics such as: Preventing moral harassment, Equal treatment in the workplace, Diversity at workplace, in addition to the Speak up Conference organized in order to encourage the culture of dialogue.

In 2023, behavioral training programs were implemented (topics such as: customer relationship management, communication, sales and negotiation techniques, stress management, conflict management, simplification mindset, teamwork, feedback - a development and performance tool, how to make a team meeting more attractive, hybrid management, etc.) and webinars & coaching session programs dedicated to employees.

Rise up Journey Leadership: The Leadership Development Program is a valuable way to improve the leadership skills of our managers at all levels, including through the use of e-learning courses, webinars, and in-person leadership training classes, as well as joint development sessions. The purpose of the program is to strengthen behaviours such as positive appreciation, feedback, collaboration, openness to change, synergy, diversity, equity, and inclusion, in line with the Bank's strategy.

We succeeded to reach 70% from managerial population who benefited from this leadership journey in 2023.

In 2023, in addition to the training catalog, our managers benefited from the new program “MIND BRD – wellbeing and prevention of stress” with workshops and webinars in collaboration with specialists from Regina Maria. As a continuation of the Rise up Leadership Program where the managers learned about psychological safety, in this program they entered more in depth into the emotional safety concept in order to be able to create and maintain a workplace wellbeing and increase engagement of employees. More details about the program can be found in the section “Health promotion among employees” in this report.

In order to attract new talent to support our mission and vision for digital and IT development at BRD, in 2023 one employer branding campaigns were launched. This campaign have had a positive impact on our non-IT recruitment plan, with an increased number of applications received and a reduction in the time required to fill vacant positions.

Through effective communication tactics, this initiative has also enhanced the overall employer brand image of BRD and its presence among the target audience.

"IT Trainees" program

This program started in 2021, and its main objective is to develop skills in different top technologies (Automation, Java, Frontend, Cyber Security, Data Management Officer, SAS, Data Modeling, Security Operations), complementing those learned in universities.

It is aimed at final year students or graduates of technical universities (for example, but not limited to: University Politehnica of Bucharest, Academy of Economic Studies of Bucharest, University of Bucharest) who are interested in developing their technical skills, becoming familiar with and interacting in a real and complex banking environment.

The program has a duration of 6 months (full-time or part-time) with a hybrid work arrangement and the possibility of extension up to a maximum of 1 year. At the end of the program, if the integration and technical progress are successful, BRD hires the Trainees.

In 2023, 35 Trainees participated in this program, in 2022- 31 Trainees and in 2021 – 30 Trainees were part of it. As a result of this 3 year program BRD was nominated in „Best Internship Programs 2024”.

Mindcraft it become also BRD identity when we participated in job fairs & other events dedicated to students or youngsters. A communication campaign was developed and made us visible in online, social media, and in locations.

Under Mindcraft Academy umbrella a national network of hubs was created. Through this national network of hubs we talk with young people about careers, technology, innovation, money, sustainability. We arrange co-working spaces, laboratories, libraries, lounges, and we support the important events of the Universities, delivering interesting content for students. A plan for 30 Universities is set-up.

IT Open Day - based on our partnerships with the Universities we develop an event together with our colleagues from the IT business lines. The major goal of the event was to present to the audience our job opportunities, BRD technologies and make the banking sector more attractive for the youngest generation.

To endorse the image of BRD as Employer and to attract new talents, we increased in 2023 our presence at job fairs and career events. Taking part at this events was the perfect opportunity to strengthen our employer brand among professionals & students and interact with talent pools through the complex communication campaign. We had the chance to interact with diverse profiles of candidates and discover future talent. Participating at job fairs means that our brand, logo and culture was displayed to thousands of students and graduates.

BRD provides access to its e-learning tool (BRD IKNOW LMS) to those who will be affected by the Bank's reorganization process, as part of its strategy to be a responsible employer.

Average number of training hours ⁷⁶(BRD)			
	2021	2022	2023
Average number of training hours per year per employee	66	62	67
<i>of which men</i>	66	55	35
<i>of which women</i>	75	70	67
<i>of which senior manager</i>	82	62	54

⁷⁶404-1

Average number of training hours ⁷⁶ (BRD)	2021	2022	2023
	<i>of which middle manager</i>	83	75

At BRDAM, exists staff with certifications in ESG investing (CFA ESG). The CFA ESG Investing Certification is an educational program of the CFA Institute that provides a global qualification in integrating environmental, social and governance (ESG) factors into the investment process. The education program sets new standards that enable financial analysts and investment professionals to analyze and integrate ESG factors into investment decisions. The programme proposes to contribute to the integrity of financial markets by providing investment professionals with the knowledge and skills to integrate ESG factors into the investment process.

Ensuring employee satisfaction

To gain insights into the overall climate within the Group, regular employee satisfaction surveys and organizational diagnostic studies are conducted. The results of these assessments are used to develop specific action plans aimed at enhancing employee satisfaction and improving the human resources management system to foster robust professional development within the BRD Group. The Human Resources Department places a strong emphasis on employee engagement, recognizing its positive impact on team performance. Valuing each individual's contribution to the long-term success of the Group, promoting a positive work environment, and leveraging the benefits of diversity within teams are critical for fostering strong employee relations and enhancing overall efficiency within the organization.

Employee evaluation

Within the Group, a robust employee performance management system is implemented based on three main pillars: clear and measurable objectives aligned with appropriate job description; continuous feedback and individual development plans, and a serious and transparent employee evaluation process that assesses both results and how they were achieved. The performance of each employee is evaluated annually.

Percentage of employees receiving regular performance and career development reviews ⁷⁷ (BRD)	UM	2021	2022	2023

⁷⁷ 404-3

Total employees	%	90	89	92
Men	%	96	94	96
Women	%	88	88	90
Senior Manager	%	90	92	100
Middle Manager	%	95	95	98

The evaluation process is a means of managing and developing competencies that includes discussions regarding the expected level of goal achievement within the defined timelines and resources, considering the work environment. It involves evaluating results and how they were attained, taking into account the responsibilities and objectives set for the specific year. It also involves identifying acquired competencies and training needs, as well as providing conditions for professional development. Individual and collective performance evaluations consider both qualitative and quantitative performance criteria measured by key performance indicators (KPIs). The role of the KPI system, a key element of performance management, is to establish challenging yet achievable objectives with relevant performance indicators. Achieving these objectives is crucial within the organization and is linked to continuous improvement of services and the attainment of goals, objectives, and priorities.

Diversity and equal opportunities⁷⁸

The BRD Group strongly promotes the values of diversity, non-discrimination, inclusion and equal opportunities in the workplace. This commitment was empowered in 2018 by signing the Romanian Charter of Diversity. By signing this Charter, the signatory publicly commits to support, protect and develop diversity within the organization.

Bringing together the most diverse stakeholder groups at the same table, the Charter is an excellent collaborative platform for discussing diversity management. At the same time, this initiative recognizes diversity management policies as a strategic advantage, a source of progress, creativity, and innovation, and promotes equal opportunities in the workplace. As part of this initiative, the benefits of integrating diversity into business practices are acknowledged, making diversity an integral part of the business and organizational culture.

Within the Group, any form of direct or indirect discrimination against an employee is prohibited. Compliance with this principle is regulated through a specific internal regulation that includes the description of the reporting mechanism. The department responsible for establishing policies and commitments in this regard is the Human Resources Department, through all its functions (recruitment, career management, learning and development, compensation, and benefits), ensuring the respect for the non-discrimination principle. Through daily consultation provided to employees, the department also contributes to and ensures the proper application of the

⁷⁸ 3-3

provisions of the Collective Labor Agreement, including the fight against any possible forms of discrimination.

At the Group level, various projects and measures are implemented to promote the importance of diversity and equal opportunities among all employees. In 2023, BRD continued its awareness campaign regarding gender balance through communications in the recurrent Human Resources newsletter, as well as by updating the e-learning training catalog on this topic. In terms of support measures for individuals returning from parental leave (regardless of gender), they are invited to participate in the Welcome to BRD integration program. Unjustified pay differences have been eliminated to promote gender equality.

Additionally, as of the end of 2023, 39 of our colleagues at BRD were individuals with disabilities. All the job openings contain BRD statement for diversity and inclusion in order to encourage people with disabilities to apply.

In 2023 we have established our DE&I Governance including the Steering Committee which is formed by members from various structures, such as Retail, Corporate Secretary, Communication and Human Resources. The program is sponsored by the Deputy CEO in charge with the Retail Operations and is built with a focus on five priority dimensions: **Gender, Diversabilities, Generations at work, LGBTQ+ and Origins.** In 2023 an all staff event - DE&I Conference on International Day of Tolerance 16th of November was organized in hybrid mode (face to face and online) with the participation of top management representatives, Human Resources and Secretary General in the presence of the DE&I Steering Committee. The aim of the event was to increase the level of awareness of the staff with regards to diversity, equity and inclusion, with a focus on the need of tolerance and empathy in the workplace.

On 3rd of December we have celebrated the International Day of Disability by organizing a charity event: BRD concert at Romanian Atheneum where the BRD choir formed by employees performed together with Symphonic Orchestra in front of BRD partners, clients and employees. With that occasion the Atheneum and the BRD Head Office were lit up in purple - the color dedicated to this cause.

On 5th and 6th December, the BRD Christmas Fair brought to the forefront the importance of awareness and inclusion of people with different abilities by organizing workshops and activities for all head office colleagues:

- Disability awareness workshops during the fair, including with guide-dogs for visually impaired or visually challenged people.
- Story-telling and training delivered by our partners (NGO)
- Carol singing by a choir of children from vulnerable environments

Structure of the Board of Directors ⁷⁹(BRD)	UM	2021	2022	2023
Women	%	32	35	45
Men	%	68	65	55
Under 30 years old	%	0	0	0
Between 30-50 years old	%	48	43	36
over 50 years old	%	52	57	64

Employee structure⁸⁰(BRD Group)	UM	2021	2022	2023
Senior managers men	%	55	53	56
Senior managers women	%	45	47	44
Senior managers men under 30 years old	%	0	0	0
Senior managers women under 30 years old	%	0	0	0
Senior managers men between 30-50 years old	%	50	43	41
Senior managers women between 30-50 years old	%	50	57	59
Senior managers men over 50 years old	%	64	69	79
Senior manager women over 50 years old	%	36	31	21
Middle managers men	%	33	31	31
Middle managers women	%	67	69	69
Middle managers men under 30 years old	%	40	29	26
Middle manager women under 30 years old	%	60	71	74
Middle manager men between 30-50 years old	%	33	31	31
Middle manager women between 30-50 years old	%	67	69	69
Middle manager men over 50 years old	%	33	29	29
Middle manager women over 50 years old	%	67	71	71

⁷⁹ 405-1

⁸⁰ 405-1

Remuneration policy⁸¹

The Executive Directors and Non -executive Directors of BRD are remunerated in accordance with the Remuneration Policy for Executive Directors and Non -executive Directors (https://www.brd.ro/_files/pdf/Directors_Remuneration_policy_2021.pdf) which⁸²:

- was developed by the Board of Directors, following the recommendations of the Remuneration Committee;
- was subject to the approval of the Ordinary General Meeting of Shareholders on April 22, 2021;
- any significant amendment to this Policy will be subject to the approval of the Ordinary General Meeting of Shareholders and will be updated at least once every 4 years.

This Policy includes governance and remuneration principles, as well as the main components of the remuneration package, important contractual provisions, and provisions in case of termination of contracts for:

1. Executive Directors, members of the Management Committee;
2. Non -executive Directors, members of the Board of Directors.

The remuneration of executive directors is divided into two components: fixed remuneration (FR) and variable remuneration (VR). It ensures an adequate balance between these two components, in the general interest of the Bank.

The FR rewards experience and responsibility, taking into account group and market practices. It represents a significant proportion of the overall remuneration and serves as the basis for calculating the maximum percentages for the annual variable remuneration. The VR rewards both financial and non-financial performance throughout the year, which is in line with the Bank's strategy and aligned with shareholders' interests, as well as the executive directors' contribution to the Bank's success. VR should reflect sustainable and risk-adjusted performance, as well as performance exceeding what is necessary for the fulfilment of the executive directors' duties and responsibilities. The granting of VR is not guaranteed. In accordance with applicable European and local legislation and the Bank's risk appetite objectives, while promoting alignment with shareholder interests, the granting of at least 60% of the VR is deferred for five years on a

⁸¹ 2-19, 2-20

⁸² The remuneration policy has been updated in April 2024 with the new document available here [Microsoft Word - N9D5 Directors Remuneration policy en.docx \(brd.ro\)](#)

proportional basis. At least 50% of any VR must be comprised of shares equivalents, which are subject to an appropriate deferral and retention policy designed to align incentives with the Bank's long-term interests.

The remuneration policy of the Executive Directors aligns the interests of the Bank with those of its customers, employees and shareholders, prevents conflict of interests, and ensures compliance with applicable legal conduct rules. It does not encourage the assumption of risks that exceed the Bank's tolerated risk level, is gender-neutral, and respects the principle of equal remuneration of male and female executives for equal work or work of equal value and "Pay for Performance". The policy provides for variable remuneration to be granted only if and when it is justified by both financial performance and non-financial aspects related to corporate social responsibility and compliance with the Bank's leadership model.

Variable remuneration (VR) is subject to the application of malus arrangements or recovery agreements. The determination of meeting malus and recovery criteria requires the approval of the Board of Directors. Any VR granted, regardless of its form, may be fully or partially clawed back if it is found that the performance assessment is based on significantly flawed information, including when the recipient of variable remuneration obstructed, in any form, the assessor's access to real and accurate information requested during the annual evaluation process. BRD's payment obligation regarding the portion of VR already granted is cancelled in cases of fraud committed by or in complicity with the recipient of remuneration or in cases of serious misconduct.

Additionally, in the event that the Board observes, after the departure of an Executive Director, that a decision made during their tenure has particularly significant consequences for the Bank's results or reputation, it may decide to apply either the malus clause or the recovery clause.

Executive directors do not benefit from discretionary pensions.

Executive Directors do not benefit from contribution quotas, nor does the rest of the identified staff.

In the case of retirement, the initial deferral and retention scheme continues to apply after retirement, including for the rest of the identified staff.

Process for determining the remuneration⁸³

The remuneration policy for BRD's staff undergoes an annual independent internal evaluation at a centralized level to ensure compliance with the remuneration policies and procedures adopted by the BoDs. In this context, special attention is given to preventing incentives for excessive risk-taking and other behaviors contrary to the Bank's interests.

⁸³ 2-20

The BoDs, upon the recommendation of BRD's Remuneration Committee, approves and periodically reviews the principles of the remuneration policy and the rules for implementing these principles, and is responsible for monitoring and correcting their implementation.

The remuneration recognizes individual and collective performances while promoting team spirit. The Bank ensures fair and competitive remuneration by strictly adhering to competencies and performance, with two appropriately proportioned components: fixed and variable remuneration.

Fixed remuneration primarily consists of the base salary, to which other fixed income components may be added, and rewards the proper fulfilment of job duties by the employee based on their professional competencies, as defined in the job description.

The main component of BRD's remuneration is the fixed remuneration based on the base salary.

The fixed remuneration is constantly adjusted to market conditions and periodically compared with market practices through annual salary surveys, which serve as benchmarks for each position. The level of fixed salary is directly correlated with relevant work experience, professional skills, and organizational responsibility, ensuring fair internal equity by providing a competitive base salary and/or fixed income or benefits that meet the requirements of fixed remuneration according to market standards.

In addition to fixed remuneration, employees may receive variable remuneration, primarily in the form of bonuses, which can be calculated as a percentage of the base salary. Variable remuneration recognizes and rewards both collective (Bank or unit-level) and individual performance based on specific criteria.

Monthly checks are conducted at BRD to ensure that employees in leasing receive salaries above the minimum wage. The minimum wage is uniform and established through a Collective Labor Agreement at the Bank level.

Shareholder involvement in remuneration.

Shareholders vote on the remuneration policy for executive and non-executive directors.

In addition, stakeholders voted in April 2023 on the remuneration report for executive and non-executive directors.

The union is involved through the negotiation of the Collective Labor Agreement.

Annual total compensation ratio ⁸⁴	2021	2022	2023
The ratio of annual total compensation for the highest paid individual in the organization to the	64.37	59.53	33.79

⁸⁴ 2-21

median annual total compensation for all employees.			
The ratio of the percentage increase in annual total compensation for the highest paid individual in the organization to the median percentage increase in annual total compensation for all employees.	3.60	0.33	0.27

Basic salary ratio between women and men⁸⁵	2021	2022	2023
Top management	0.84	0.90	0.94
Middle management	0.90	0.91	0.91
Lower management	0.92	0.93	0.93
Operative staff	0.90	0.88	0.90

The ratio of remuneration between women and men⁸⁶	2021	2022	2023
Top management	0.84	0.88	0.94
Middle management	0.90	0.91	0.91
Lower management	0.92	0.93	0.92

⁸⁵ 405-2

⁸⁶ 405-2

Operative staff	0.90	0.88	0.90
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BRDAM

BRD Asset Management SAI establishes and applies a remuneration policy consistent with sound and effective risk management, including sustainability risks, that does not encourage risk-taking that is incompatible with the risk profile of the Managed Funds. The policy specifies the fixed and variable components of the remuneration offered by BRDAM and applies to all categories of staff who have a significant impact on the risk profile of BRDAM or the Managed Funds, including Directors, persons with control functions. In order to determine the level of variable pay, the results are analysed using individual assessment based on precisely established and formulated criteria and combining the assessment of BRD Asset Management S.A.I.'s performance and individual performance measured by qualitative and quantitative indicators. The assessment of the individual performance of the relevant staff also takes into account the sound and prudent management of sustainable development risks.

BRDAM applies malus mechanisms (both for the cash part and the instrument equivalent part) and recovery mechanisms, in case of the following findings: staff misconduct, identified staff errors that entail a legal risk for the S.A.I., significant reduction of the S.A.I. financial performance, major deficiencies in the activity of the structures to which the staff belongs, found by the control functions.

The remuneration policy is approved by the Board of Directors of the company, which annually adopts and evaluates the general principles of the remuneration policy and supervises its implementation. Within BRD Asset Management S.A.I., a Remuneration Committee is set up consisting of non-executive members of the Board of Directors, which independently reviews the remuneration policies and practices, as well as the benefits offered by BRDAM, in order to manage risks. The Remuneration Committee approves and monitors the remuneration of Directors and control functions authorised by the Financial Supervisory Authority. The Chief Executive Officer approves and monitors the remuneration of the staff members of the S.A.I., with the exception of the Executive Management, of the control functions authorised by the BRDAM, with prior notification to the Remuneration Committee.

BRD consolidates prudentially, at local level, with **BRD Sogelease**, ensuring the overall consistency of its remuneration policies, including identification processes and correct implementation at consolidated, sub-consolidated and individual level.

Health and Safety of employees ⁸⁷

In carrying out its activities, BRD is well aware of the health and safety risks that can impact its employees and collaborators. For this reason, the Group is equipped with a strong occupational health and safety management system that allows for the identification, mitigation, and/or elimination of these risks.⁸⁸

The occupational health and safety management system is implemented in accordance with Romanian law (Law 319/2006), and its main areas of action include: employee training, employee health surveillance, identification and assessment of health and safety risks at the workplace, implementation of preventive and protective measures, and investigation of work-related incidents. The system covers all our employees and collaborators who are regularly informed and trained on various aspects of this system.

The Internal Prevention and Protection Service⁸⁹, within the Human Resources Department, is responsible for managing all aspects of occupational health and safety, ensuring the application of national legislation and other voluntary standards assumed by SG Group. The obligations related to occupational health and safety are detailed in the Internal Regulations, Collective Labor Agreement, Instruction N119, and Internal Health and Safety Rules. All these documents are available to all BRD employees and collaborators.

The Internal Prevention and Protection Service, workplace managers, and designated H&S workers monitor compliance with safety and health rules at the workplaces, working conditions and facilities, safety of furniture and work equipment, including the protection of vulnerable categories. Additionally, dedicated email addresses are provided for employees in administrative services to report any issues in the workspaces.

All workplaces in BRD are organized based on ergonomic principles and comply with legal requirements regarding health and safety at work, including buildings, workspaces, access, circulation and evacuation, furniture, and work equipment.

Identifying and assessing occupational health and safety risks⁹⁰

In order to successfully manage all aspects related to the health and safety of employees, the identification and assessment of work-related hazards is the first step constantly undertaken by BRD experts. The implementation of this activity strictly complies with the provisions of Romanian Law no. 319/2006. The assessment is carried out by the specialists of the Internal Prevention and Protection Service, who are certified for the occupational risks assessment based

⁸⁷ 3-3

⁸⁸ 403-1

⁸⁹ 403-3

⁹⁰ 403-2

on a specific postgraduate program authorized by the Romanian Ministry of Education, as well as the occupational health doctor. The assessment is based on a methodology certified in Romania by the National Research and Development Institute for Occupational Safety "Alexandru Darabont." This methodology evaluates the risk based on four components of the work system: the worker, the work environment, work equipment, and work tasks. The assessment is updated if there are changes in working conditions or new or emerging risks arise (such as the COVID-19 pandemics, geo-political context - Ukraine War), if changes in operating procedures or equipment occur, based on the results of accident investigations, following worker complaints or referrals, if there are changes in workforce or workflow, based on the results of monitoring the work environment and workers' health, including exposure monitoring assessments (e.g. exposure to noise, vibrations, dust). The overall level of occupational risk is 3, according to the methodology used, on a scale from 1 to 7. The risk level is classified as acceptable, which means that the preventive measure implemented must be maintained.

The main risks identified refer to traffic accidents and commuting accidents (falling from the same level in pedestrian traffic, injured during commuting, slips, trips, and car collisions), the risk of external violence for front-office employees, as well as the possibility of developing dorso-lumbar ailments due to non-compliance with the occupational physician's recommendations regarding alternating sitting positions with movement activities.

All workers can report risks directly to their hierarchical superiors, the Internal Prevention and Protection Service, or representatives within the Occupational Health and Safety Committee. All employees are informed that they have the right to leave the workplace in situations they consider could cause harm or injury to themselves or others, in accordance with the provisions of Law 319/2006. This principle applies in every company within the BRD Group and at all levels of responsibility.

Investigation of work-related accidents⁹¹

Work-related accidents and occupational diseases are investigated according to Law No. 319/2006 and Government Decision No. 1425/2006. The process is described in the "Communication, Investigation, Recording, and Reporting of Events" instruction, published on the company's intranet page.

For each accident, a specific file is created for the investigation of work accidents, which includes statements, photographs, relevant documents, identification of risks, the cause of the event, and measures to prevent other similar events. The file is approved by the Territorial Labor Inspectorate in the area where the event occurred. In the case of accidents resulting in disability or death, or in the case of collective accidents, the investigation is conducted by the Territorial

⁹¹ 403-2

Labor Inspectorate in the area where the event occurred. All employees have a legal obligation to report all work-related events directly to their managers and to the Internal Prevention and Protection Service. This obligation is included in the job description of each employee, in the Internal Regulations, and in the instruction "Obligations of BRD - Groupe Société Générale Employees in terms of Occupational Health and Safety".

In the process of identifying hazards and investigating work accidents, employees are involved through their direct participation or through their representatives in the Occupational Health and Safety Committee. Employees can discuss work conditions at any time directly with their managers, the Internal Prevention and Protection Service, the occupational physician, and their representatives in the Occupational Health and Safety Committee.

The Occupational Health and Safety Committee⁹² is composed of 8 employer representatives, 8 employee representatives, and an occupational health physician, and it is organized at the central level in accordance with Law No. 319/2006, Government Decision No. 1425/2006, and internal regulations. The committee meets quarterly. The minutes of the meetings are published on the dedicated occupational health and safety page on our intranet page and are transmitted to all Territorial Labor Inspectorates. Annually, the President of the Occupational Health and Safety Committee presents a report on the state of safety and health of employees in BRD.

Occupational health and safety training activities⁹³

To ensure the proper implementation of all occupational health and safety rules, all employees are trained on policies and procedures, specific workplace hazards, the communication flow in case of work accidents and occupational diseases. These training activities are conducted annually and can include both e-learning courses and face-to-face training sessions. All employees receive training on occupational health and safety, both during onboarding and periodically every six months for operational roles and annually for managers. E-learning courses dedicated to occupational health and safety are provided to all employees, who are required to complete them during working hours. After completing the e-learning course, employees are required to undergo an evaluation with a minimum passing score of 70% correct answers. Additionally, supplementary training is provided after work accidents to address the causes that led to the incident and the necessary preventive measures to avoid similar events. Considering that safety and health clauses are included in contracts with suppliers who have personnel at BRD premises, an introductory training is provided to contractor employees (cleaning and security services) at the beginning of their engagement, covering occupational health and safety

⁹² 403-4

⁹³ 403-5

rules and specific risks. The same preventive measures and protection are provided to leased personnel as those applied to employees.

Health promotion among employees⁹⁴

BRD provides all its employees with specific occupational health services in accordance with national legislation. These services are provided by a specialized medical service provider identified through a specific procurement process. Through these services, the Group can assess the employees' compatibility with their job positions. This evaluation is conducted prior to employment and periodically through annual medical check-ups. Each employee has the obligation to attend the annual medical check-up, and this requirement is clearly specified in their job description. The occupational health check-ups are paid for by BRD Group, with no fees for employees. Specific investigations are determined by the occupational health physician for each type of occupational risk (shift work, driving vehicles, etc.) according to Government Decision no. 355/2007. Employees are scheduled for their annual check-up by the occupational health service provider and the Human Resources Department, only during working hours. In branches with a large number of employees (county branches), the medical team travels on-site. At the headquarters and City Office, there are on-site medical offices. After the medical check-up, the medical file, which includes the conclusion of the medical examination (whether the employee is fit or unfit for the job) and recommendations for workplace organization, are provided by the occupational health physician to the Internal Prevention and Protection Service and the Human Resources Department. All information related to employees' health status is strictly confidential, and specific procedures are implemented to ensure this. The flow is described in the dedicated instruction "Surveillance of the Health Status of BRD - Groupe Soci t  G n rale Employees" and published on the dedicated Intranet page.

BRD offers all its employees preventive medical packages that include free medical consultations, imaging investigations, blood tests, psychotherapy, physiotherapy, and physical therapy, among others. Various webinars on specific health topics are also organized, such as ergonomics in the workplace, healthy nutrition, vaccination, COVID-19, combating smoking, etc. Additionally, the Group provides life insurance coverage for death, disability, surgical intervention, workplace accident disability, health insurance policy, and financial assistance in case of serious or incurable illness.

Starting September 2023 all employees have access to the resources of a new program - MIND BRD - wellbeing and prevention of stress – implemented in collaboration with Re eaua Privat  de S n tate Regina Maria, by experienced psychologists and coaches on emotional health and focused on tools and techniques based on experiential learning. We had the opportunity to

⁹⁴ 403-6, 403-3

participate in webinars led by Regina Maria's team of specialists, covering a wide range of emotional health topics.

Each webinar provided us with information and practical tools to better understand and manage our emotions. Webinars will run monthly until December 2024.

Moreover, we have access to a dedicated Emotional Helpline, available 24/7, in complete confidentiality, with unlimited access, including for our family members, for counselling and support from Regina Maria psychotherapists. The HelpLine is focused on prevention of emotional issues for colleagues, who can call the therapist on duty whenever they feel the first signs of stress, burnout, anxiety or other challenging situation from an emotional health point of view.

The program also includes specialized workshops dedicated for managers and HRBPs, designed to reduce the causes of stress by recognizing early symptoms of stress, burnout, anxiety and other emotional distress at their colleagues, to effectively support team members and promote work-life balance.

2.4. Community Investment⁹⁵

For BRD, culture, education, and technology are essential for building a sustainable future and facilitating access to additional resources for younger generations to develop. Therefore, through various community investments, BRD continuously supports education and technology, culture, and volunteering, in the communities where it operates. As a result of all the actions implemented by BRD over time in these areas, the organization has become a significant contributor to promoting culture, supporting the younger generation, and protecting the environment. In addition to being a bank, we are a community investor and a supporter of projects and people who can drive Romania forward.

Education through TECHNOLOGY & INNOVATION: BRD's ambition is to actively build a better future by encouraging and supporting people who pave the way for change. We believe that education is essential for development, for creating communities whose cohesion stands out, and for inspiring young people to reach their potential.

In the field of education, technology and innovation, BRD supports the training of key actors, a new generation of specialists in technology and entrepreneurship, for an evolved, digital society. That is why the projects founded and supported by BRD go in the direction of STEM education: the robotics program for high school students BRD FIRST Tech Challenge Romania, the acceleration programs for tech startups Innovation Labs and Innovators for Children, robotics laboratories within the Polytechnic University of Bucharest, research in the field of artificial intelligence through the partnership with the Institute for Logic and Data Science , the How To

⁹⁵ 3-3, 413-1

Web Conference, CAMPIOMATE competition. So far these programs have brought together pupils, students, teachers, young entrepreneurs, and experts and have impacted more than 60,000 direct beneficiaries.

BRD, fan tech

The [BRD FIRST Tech Challenge Romania](#) flagship project carried out in partnership with the NGO Nație Prin Educație, "translates" into the largest robotics competition for Romanian high schools and the third largest robotics program for high schools in the world (after the USA and China) by the number of registered and active teams. In 2024, the Romanian teams AI Citizens and RO2D2 won the titles of World Champion and vice World Champion at the World Robotics Championship, proving its excellence worldwide in fierce competition with 160 other teams.

BRD FTC is active in over 20% of Romanian high schools, over 15,000 high school students participated in the program and over 2,000 teachers and mentors coordinated the teams. The program has partnerships with universities from all over the country for joint actions, including the universities of Bucharest, Timișoara, Cluj-Napoca, and Iași, where students can enroll based on FTC participation.

[Innovation Labs](#) is the longest-running pre-accelerator entrepreneurial education program with a university tradition and national footprint, dedicated to technology startups. The program supports the young generations of new Romanian entrepreneurs by creating an experiential trajectory and a community of mentoring and support in the business environment. Over time, its grassroots approach has led to the identification and launch of a consistent number of early-stage start-ups, recruited from over 5,200 individual participants, and 1,700 teams registered in national hackathons. Innovation Labs boasts more than 60 successful teams in the market, whose value amounts to almost 200 million euros.

As for [Innovators for Children](#), initiated by Impact Hub, this is an annual accelerator program dedicated to technology solutions that make a positive impact on the well-being of children and adolescents through scalable innovation. After in its fifth edition, the program translates as follows in numbers: more than 250.000 people reached each year, 570 applicants for the program, 55 selected & supported startups & NGOs, more than supported & financed startups and NGOs, a funding of 255,000 euros, and more than 2.6 million EUR raised by the participants from VCs and business angels. The contribution of BRD, which is a partner of Innovators for Children, consists in mentoring start-ups, facilitating networking, and offering business-related consultancy.

[The Institute of Logic and Data Science](#) is an R&D center founded with the support of BRD, focused on applied research in the field of artificial intelligence. BRD brings real challenges from the financial environment, which are addressed by research teams, and advanced AI/machine learning solutions will be developed. In 2024, ILDS launched a model (LLM – "large language model") dedicated to the Romanian language, which can be used to develop AI instruments and platforms. The model is open-source, which means it can be accessed and used by anyone who

wants to build tools based on artificial intelligence. At the same time with the publication of this LLM, the initiators of the project are also launching the OpenLLM-Ro community, which aims to bring together all those who wish to contribute in different ways to the development of AI technologies for the Romanian language. Both projects are initiated and implemented by the Bucharest Polytechnic University, the University of Bucharest and the Institute for Logic and Data Science, with the support of BRD Groupe Société Générale.

Complex Information System Lab @ Bucharest Polytechnic University is a research and development laboratory dedicated to start-ups that develop hardware products, offering mentoring, training, and technical support for projects in a more advanced area.

How to Web Conference is the event where entrepreneurs, investors, product developers, specialists, and technology enthusiasts attend to discover the latest methods of innovation and connect with other professionals in the technology industry and investors. The conference gathers approximately 2500 attendees per edition, 300+ applicants and 40 startups in a matchmaking program, approx 1 Mil euro investment prize.

CAMPIOMATE is a national mathematics competition for secondary school students, and its 3rd edition it gathered ~ 10.000 students and 700 teachers from 700 schools. The competition aims to increase mathematics competence for participants, to develop collaboration and communication skills in the digital environment for children, also pedagogical skills adapted to digital natives of teacher trainers.

For those passionate about technology and science, BRD founded the journalism platform [MINDCRAFT STORIES](#), whose mission is to popularize science and open conversations about technology, with a particular focus on the Romanian scientific landscape. It aims to transform technology from a niche subject to a friendly one, connecting Romanian thinkers, researchers, artists, and entrepreneurs to create valuable projects for our society and economy.

From STEM to an Overview of Education

The [Scoala9 platform](#), founded by BRD in 2018, represents an effort to support the modernization of pre-university education, as well as a space that brings together ideas and launches a dialogue challenge to all actors - the team brings together experienced journalists, parents, and education enthusiasts of all ages, decision-makers, curious, creative professionals and communication people - about the direction in which education in Romania is heading. Scoala9 has so far gathered an audience of approximately one million readers.

CULTURE AND IDEAS: Humanities are extremely important in an increasingly technologized world. Therefore, we invest in the new generation of creators, art, and music, supporting hundreds of events and programs each year.

1. Supporting the new generation

We are the only bank with a cultural foundation, **Fundatia9**, our own cultural center, and a cultural magazine, one of the most relevant components of journalism in present-day Romania. Our editorial platform, **Scena9**, showcases the cultural scene in Romania. We cover cultural news, write about what is relevant, new, and yet to be discovered, the vibrant life that enriches the local cultural landscape. We follow the new generation of creators in a wide range of fields, tracking their projects and mapping their progress. We seek to create a portrait of this new generation that keeps the world moving.

Figures: 3.5 million people reached by BRD cultural projects. Scena9 has an audience of 950,000 readers.

Rezidența 9 is a cultural hotspot created by BRD where relevant thinkers and creators meet the public and employ arts, culture, and dialogue to better understand the world in which we live. Through Fundația9, we invest in young creators, open culture to the public, and cultivate curiosity and a critical spirit.

BeatAgora - a music education program dedicated to high school students is our educational program through which we equip high schools with music rooms and instruments. At the same time, teachers receive support to work with students. Created by musician Zoli Toth, the program has been present in 2023 in 5 high schools from small & medium sized cities like Ramnicu Valcea, Toplita, Calarasi, Blaj, but also Bucharest.

2. Contemporary art

Together with Galateca we launched NEO ART CONNECT, the first network, national platform, and art & science festival. The pilot edition started with a series of exhibition events and the call for projects that allowed the young generation to benefit from scholarships and mentoring programs. The ideas selected following the call for projects has been produced and exhibited during the Art and Science Annual in 2023.

We are also active when it comes to the mixed arts area. We have been participating for years with installations to the International Theater Festival in Sibiu (FITS), the most important festival of its kind in Central and Eastern Europe, in which we are also an official partner.

3. Classical music

We believe that classical music deserves to reach as many people as possible, to be known in-depth, and access to it to become democratized. It is associated with values that are also our own: excellence, dedication, team spirit, innovation, and performance. In 2023, the projects we supported reached more than 150,000 people nationwide.

In 2023 we started a partnership for 3 editions of George Enescu International Festival. During the festival we created events like Piano Express, a series of concerts in parks or BRD Music Gallery - a pop-up exhibition dedicated to music. Scena9.ro produced a special issue dedicated to the Festival.

In 2023, we celebrated 11 years of partnership with Sonoro Conac chamber music concerts. Their purpose is to emphasize the need for respect, attention, and support for Romania's heritage and extraordinary cultural resources by associating the music with various emblematic architectural works. With the help of BRD, the tour reached more than 150 legendary places all over the country, as the concerts took place in mansions, castles, gardens, and houses whose history and music inspired us.

We also support, as an official partner, the Sonoro Musikland festival, which consists of a series of classical music concerts performed in fortified churches, medieval fortresses, or traditional courtyards of local guesthouses.

In the same spirit of forming a link between heritage and classical music, BRD supports the "Musicians' Houses" project. It is dedicated to the houses where great personalities of the Romanian musical life lived and resulted in the creation of a digital map implemented in Google Maps and documented through the website www.casedemuzicieni.ro.

Since 2015, we have been partners of the classical music festival with the longest tradition in Romania, founded by Alexandru Tomescu – Turneul Stradivarius, an event born from the musician's desire to bring the sound of the famous violin to as many people as possible. In 2023, he had 16 sold-out concerts in 15 cities.

. At the same time, the national tour Violoncellissimo, which took its name from one of the most famous Romanian chamber ensembles, had BRD as its main partner.

We didn't stay away from jazz either. In 2023 we started a partnership with the best small Jazz festival in Europe, Jazz in the Park from Cluj Napoca. We supported the Festival and the Competition for young musicians.

We also launched Music Gallery, designed as a creative music hub, a space for meetings and experiences that challenges people to make room for jazz in their hearts. In Cluj, Iasi and Bucharest, the 19 Music Gallery events, from concerts and masterclasses to exhibition tours to children's workshops and music classes that created a special journey into the world of jazz, attracted an audience of over 7,000 people. According to the organizers, music has thus become a place of meeting and connection, a premise for playing games, and an opportunity to learn and test musical instruments.

The fourth edition of the JazzUP Sea Festival, organized by the CultArt Association and financed by the Constanța City Hall, was supported by BRD, just like the first edition of the JazzUP Peak Fest festival. The two events were attended by 50,000 spectators.

We have also been present in Timisoara - European Capital of Culture 2023. There, the exhibition "You are another me - A cathedral of the body", created by the filmmaker Adina Pintilie, who represented Romania at the Venice Biennale 2022, has been shown for the first time in Romania. The project, curated by Cosmin Costinaș and Viktor Neumann, includes a multimedia installation and a cinematic sculpture.

SPORTS : We love sports because they offer us an exciting journey, with beautiful moments, with heroes who win, attract fans or, on the contrary, struggle with difficulties. We love sports because they teach us every day how to start afresh when we encounter difficulties, how to work as a team, how to savor victories. We love established athletes and young talents alike. As such, BRD reaffirms its commitment to promoting sport in Romania.

Our long-term partnership with handball

We have a long-lasting partnership with the Romanian Handball Federation, the team sport that brings us the greatest satisfaction. Since 2014, BRD has been supporting Romanian handball, taking part in some of the greatest performances of the Romanian women's national team (bronze medal at the World Championship in 2015 and fourth place at the European Championship in 2018). We have been there for the handball players, whether it was the World or European Championship qualifiers, the Carpați Trophy or the Romanian Super Cup.

Some of our key priorities are discovering young talents from underprivileged backgrounds and promoting sports in Romanian society - the partnership with the Handball Federation also covers the younger generation, beginning with 12 years old to the national team, which helps us strengthen our focus on education.

Since 2023, we have been a sponsor for the Bucharest based women handball club CSM Bucharest.

Our ambassador is Cristina Neagu, the top scorer in the history of the European Women's Handball Championship. Neagu is currently the only player in the world to have been named the IHF's Best Female Handball Player award four times, in 2010, 2015, 2016 and 2018.

An editorial project dedicated to performance

Moreover, BRD has launched, in partnership with the sports journalism platform Lead.ro, "The Unbreakable"/ "Neînvinșii", an editorial project presenting important moments in the lives and careers of some of the most important Romanian athletes. This kind of autobiographical and motivational material was a different experience for athletes, who were invited to write their own version of their success story.

Written in the first person, in the form of personal essays, preserving the voice and words of each character portrayed, the texts talk about the different faces of performance, about the long and unpredictable road between defeats and victories and about the work behind the great results we applaud in the stadiums and admire on TV.

Supporting young athletes

Since 2022, BRD has been a partner of the GO SCHOLARSHIP project, initiated by Sports HUB team, a project born out of the desire to offer the best to young athletes (14 - 18 years old) as a complement to their sports and educational training. The most competent specialists in several key areas - education, nutrition, training, recovery, mental skills, psychotherapy, career counselling and social smartness - put their skills at the service of improving young people's sports and school performance. Till the end of 2023, 40 teenagers had benefitted from this support system. In 2023, GO SCHOLARSHIP expanded nationwide.

A commitment we made

We will continue to support the participation of Romanian teams in national and international competitions for people with disabilities. In 2023, we continued to be partners of the International Wheelchair Basketball Tournament "Maria" in Oradea, the longest running event for adapted basketball in Romania, and we sponsored the National Paraclimbing Team, At the same time, we supported the two most important tennis tournaments for people with disabilities held in Romania, in Pitești and Bucharest, the ITF BRD Kaufland Wheelchair Tennis Bucharest & Pitești Open,. Also, we supported Timișoara Liberty Marathon's race dedicated to people with disabilities.

NATURAL CAPITAL, BIODIVERSITY AND THE FIGHT AGAINST CLIMATE CHANGE.

Climate change represents the most important challenge of today's world and will require creativity, innovation, and resources to find viable solutions. As a bank, we aim to be leaders in sustainable financing, and we are aware that we all need to learn how to be more sustainable.

Rural&Urban communities for biodiversity

In 2023, we started a 2 strategic partnerships:

- A. **On the urban side, The Urban Natural Parcs Network** aiming to document, map and promote **18 urban natural areas & peri-urban in 10 municipalities** in order to improve the quality of life in Cities by protecting their natural biodiversity

Cities involved & areas already identified : Cluj Napoca (Parcul Est), Satu Mare (raul Someș), Brasov (the periurban forests), Bistrita (Bistrita river, Codrisor Forest, Livada saseasca de peri seculari), Piatra Neamt (Muntele Cozla), Iasi Cîrc (lacs&forests), Timisoara (Padurea Verde,

Behelea & Bega), Oradea (Crisul Repede), Arad (Raul Mures), Bucharest (Colentina Lac, Dambovita River, Baneasa Forest, Parcul Vacaresti)

This project has an impact on 4 200 000 beneficiaries.

- B. On the rural side, the program “Geoparc Oltenia de sub Munte” as a model of good practices for sustainable development.

The program aims to develop Oltenia region through tourism, culture & nature and also build a national coalition – The Network of Romanian Geoparks.

In this moment there are 4 geoparks in Romania : Oltenia de Sub Munte, (aspirant) Carpaterra (aspirant), Geoparc Tara Hategului (labelled) , Buzau Land Geopark (labelled)

Communities for green energy& sustainability

We started a partnership with “Among Neighbours “ (Intre vecini) association helping neighbours create communities in their blocks and implement projects together. The project is conceived so that each community receives a photovoltaic panel kit so the owners' association can become prosumer, as well as funding + guidance for 10 activities and around 17 sustainable development objectives.

At the end of 2023, we had 5 actives communities in Bucharest.

Climate Change Summit – a Conference presenting concrete solutions for the future

In 2023, BRD, as an initiator and founding partner, together with Social Innovation Solutions, an organization active in sustainability, social impact, and innovation, organized the second edition of "Climate Change Summit" - www.climatechange-summit.org.

Climate Change Summit is a large event in Romania and CEE dedicated to **solutions for the climate change challenges** we are facing for today and tomorrow. The Summit takes place amid geopolitical and geoeconomics shifts at an inflection point of how societies look at desired futures.

The 2nd edition of the Summit takes place on 19/20 October 2023 in Bucharest, engaging hundreds of participants and speakers in **conversations about climate change solutions, green economy opportunities and climate action**.

Over 1700 participants joined us in several locations and listened to our speakers as they presented solutions for a future in progress. 2023’s focus on our agenda was Intersectionality and how all industries relate to the environment and to each other. In total, almost 1 Million people watched our summit on line and in premises.

VOLUNTEERING: The people in BRD Group are a tremendous asset as they willingly engage in supporting many causes, offering their skills, knowledge, and desire to contribute and create change and value both within the Group and in the community. Ziuav is our volunteering program. Hundreds of projects aligned to the priorities that define BRD's organizational culture

are brought together, whose main pillars have in common the investment in the new generation, whether we are talking about culture, education or technology, innovation or sport.

Over the past six years, thousands of BRD volunteers have dedicated at least one day to a cause dear to them. From planting in vulnerable areas, mentoring programs, marathons or charity runs to campaigns for donating blood, supplies or food, support for hospitals, aid for refugees, initiatives to encourage social inclusion or to encourage academic performance, all of which benefited diverse communities. In 2023 we had 847 participations to different volunteering activities.

In 2023, we started a partnership with United Way Romania and their national program “Adventure by reading” aiming at preventing and fighting functional illiteracy among disadvantaged children. BRD volunteers were invited to participate in setting up reading corners and carry out activities to stimulate reading with the children.

Financial inclusion⁹⁶

BRD Group is an important factor in reducing poverty and increasing prosperity in less developed regions of Romania. It is also a significant player in supporting local businesses by facilitating access to useful and affordable financial products and services that meet the needs of individuals and legal entities. In light of these considerations, we aim at being directly involved in facilitating access to financial services for as many people as possible, including those in remote areas or belonging to vulnerable groups, and at improving financial literacy within the community through various initiatives.

The Bank's approach to facilitating financial inclusion also includes organizing personalized negotiation sessions with customers facing significant financial difficulties, which prevent them from repaying their instalments. The goal is to identify solutions together with all parties involved, enabling these individuals to continue benefiting from the purchased products without compromising their quality of life.

Another important and effective measure that can significantly contribute to financial inclusion is financial education. We are aware of the role we can play in improving people's financial skills through direct involvement in educational programs.

Therefore, in all areas where the Group is present, we pay special attention to the needs of all our customers by conducting specific surveys and promoting tailored products and services. These include products for young people and students (study loans, credit lines, and youth cards), products for the elderly and Ukrainian refugees (dedicated current account packages), and loans for specific personal needs of a medical nature or for disability management.

⁹⁶ FS14, FS16

BRD's approach to financial education covers the area of personal finance, but also goes beyond it: beyond responding to individual needs, the bank also acts to provide expertise to SMEs, which form an essential sector for any healthy economy.

BRD has supported them in terms of skills: together with Ziarul Financiar, the bank organised a series of events across Romania, dedicated to perhaps the most important topic in today's Romanian entrepreneurial business environment: who is going to take over the businesses founded by the first generation of Romanian entrepreneurs. City after city, we reviewed successful examples of entrepreneurs who passed their firms over to their heirs, thus securing the future of their lifetime work.

Entrepreneurs, consultants, bankers and experts in various fields took part in the five events, sharing their know-how.

In 2023, BRD continued **the "Drumul Banilor" ("Money Road") podcast**, produced together with journalist Irina Chitu and podcast creator Tudor Stoica, a project launched in 2021 which features financial stories and easily applicable tips.

This podcast addresses various financial topics in multiple episodes, in a simple and easy-to-understand manner, avoiding sophisticated or specialized language. It talks about money, interest rates, advantages, and disadvantages of different financial products, as well as how to better manage your finances and what to do when facing financial issues.

The "Money Road" podcast can be listened to on the online streaming platforms present in Romania: Anchor / Spotify / Apple Podcasts / Google Podcast and is made with the support of the BRD Group.

Each episode will be uploaded weekly on the web pages www.brd.ro (<https://brd.ro/drumulbanilor>) and FinZoom.ro (<https://finzoom.ro/podcast>), together with relevant articles, stories and information addressed in the audio format.

#Dreptul la Banking (The Right to Banking) is a joint initiative of banks in Romania, under the coordination of the Romanian Association of Banks (ARB). BRD is part of this program, and its contributions include financing, expertise in defining actions and program communication. The program aims at increasing awareness among Romanian citizens on the importance of banking activities in creating prosperity for everyone.

2.5. Procurement practices⁹⁷

All aspects related to the procurement of products and services are properly managed within the BRD Group by the Procurement Department, which applies the necessary due diligence to ensure that all procurements are made in accordance with the law and in the interest of the Group. The department is responsible for defining procurement policies and procedures that are applied at Group level. In addition, each company within the Group has its own responsibilities in implementing procurement actions according to their needs.

The Sustainable Sourcing Charter⁹⁸ is the document by which BRD informs suppliers about the commitments undertaken in terms of responsible procurement, fairness, ethics, transparency, respect of payment deadlines, confidentiality and intellectual property rights, mutual dependence and the use of mediation. Expectations of partners regarding respect of basic principles of employment, environment, human rights and labour law, business ethics, subcontracting, progressive approach to monitoring the implementation of the charter.

The mutual commitments set out below are based in particular on the fundamental principles of the United Nations Global Compact, to which all Signatories committed to in relation to human rights, working conditions, the environment and the fight against corruption. The commitments are also based on the United Nations Guiding Principles on Business and Human Rights, which specify how business should respect human rights.

The ability of suppliers to take on these commitments and translate them into adapted practices is part of the assessment criteria selected by Signatories throughout their relationship with their suppliers.

SUPPLIERS AND SERVICE PROVIDERS

In our dealings with suppliers and service providers, we are committed to the general principles set out above. In return, we expect them to comply with principles equivalent to those in our Code of Conduct. We ensure that we take into account their interests in terms of clarity and compliance with contractual terms.

In short, we ask our suppliers to:

- Comply with the environmental laws and regulations in force in the countries where they operate;
- Control and/or minimise the environmental impact of its activities, in particular in terms of consumption (of water, energy and raw materials), greenhouse gas emissions, pollution (of water, soil or air) and waste generation (selective sorting, recycling);
- Develop environmentally friendly technologies, reducing the environmental impact of products and services throughout their life cycle.

⁹⁷ 2-6, 3-3

⁹⁸ https://www.brd.ro/files/pdf/Carta_Achizitiilor_Responsabile-EN.pdf

TOWARDS OUR SERVICE PROVIDERS AND SERVICE PROVIDERS

In relation to our suppliers and service providers, we undertake to comply with the general principles mentioned above. Instead, we expect them to respect equivalent principles in our Code of Conduct.

We ensure that we take into account the interests of each, in the sense of clarity and compliance with the contractual clauses.

By signing the charter, BRD asks their suppliers to commit to applying the United Nations Guidelines on business and human rights. These principles clarify the ways of compliance, regardless of the countries in which suppliers operate, with, the fundamentals of the Universal Declaration of Human Rights (adopted by the UN in 1948) and the International Labour Organisation (ILO) conventions, in particular:

- prohibition of resorting to forced or compulsory labour and ill-treatment of employees. This includes the prohibition of any practice of modern slavery and human trafficking.
- eliminating child labour;
- absence of discrimination: no differentiation, exclusion or preference should be based on colour, gender, age, language, religion, sexual orientation or identity, national or social origin, or, opinion or disability;
- compliance with health and safety by guaranteeing their staff healthy, safe and dignified working conditions and environment;
- payroll and the allocation of a decent working time, paying a minimum wage covering the fundamental needs and complying with the regulations on working hours and working hours

Starting with October 2020, for purchases with a value exceeding EUR 50,000, the environmental and social risks related to products and services are assessed on the basis of the CSR Risk Matrix. For purchases of products and services included in the category “very high risk” from the point of view of the CSR, the criteria for evaluation of suppliers and the minimum requirements of CSR are established, transposed in the selection process, respectively in the contracting part. During the selection process, suppliers are also checked in the CSR exclusion lists of SG Group – “CSR Watch List & CSR Exclusion Risk.

Supply Chain	UM	2021	2022	2023
BRD Total number of suppliers of the organization engaged (local and external)	No	3,446	3,281	3,190
Out of which local suppliers of the organization engaged ^[1]	No	3,323	3,160	3,063

^[1] Local supplier definition: companies registered in Romania.

Out of which the external suppliers of the organization engaged

No

123

121

127

2.6. Direct environmental impact

In 2023, BRD Group continued its efforts to reduce the environmental footprint resulting from its own operations, achieving good results in all main areas: energy management, emissions management, waste management and water management.

The direct environmental impact of BRD Group primarily stems from the operation of the buildings in which it conducts its activities, the activities carried out by its employees and collaborators, and its IT infrastructure. In this regard, specific initiatives are established to reduce the negative impact on the environment and optimize resource utilization. The effectiveness of these initiatives is measured through various key environmental performance indicators, which are constantly monitored, allowing for any deviations to be addressed.

	UM	2021	2022	2023
Buildings	No.	576	479	441
Occupants	No.	5 106	4 959	5 138
Surface	m ²	240 611	194 467	199 016

The Energy Efficiency Cell was created – under the coordination of a Manager certified by the Ministry of Energy, according to the legislation – having as mission to manage the energy strategy of the bank and to align it with the Group requirements. A specialized training was also carried out through the course Sustainable Real Estate: Creating a Better Built Environment, within the Cambridge Institute for Sustainability Leadership.

As in 2021, SG openly communicated its objective to reduce its direct and indirect GHG emissions from operations by 50% by 2030 compared to 2019, BRD Group also joined this initiative. A specific action plan has been established within BRD Group to achieve this ambitious target, including an interim objective for 2025 to reduce GHG emissions from operations by 50% compared to 2019, aligned with the SG Group's overall goal.

In 2023, BRD Group achieved significant results in reducing GHG emissions from its operations compared to 2022 (GHG Scope 1: -15%, GHG Scope 2: -14%, GHG Scope 3: -31%).

The initiatives implemented in 2023 to achieve these results were primarily focused on energy efficiency, Green IT, and fleet management. The data collection system for GHG emissions was also improved in 2023 through the adoption of a dedicated application, enabling careful monitoring of energy consumption across buildings. By implementing all these initiatives, a

reduction of 2 721 tCO₂ in GHG emissions from operations was achieved in 2023 compared to 2022.⁹⁹

To achieve the objectives and ambitions assumed at the group level, we managed to implement several energy efficiency projects through the Energy Efficiency Management Cell as follows:

- On-grid Photovoltaic systems on 20 BRD own buildings with a total of 1556 panels, 755KWP and an annual production of 858MWh
- Replacement of equipment older than 10 years with new high efficiency VRF systems that can be used for cooling and heating in 100 branches and condensing boilers in 25 branches,
- Optimizing the operation of the HVAC system (Heating Ventilation and Air Conditioning) with recommended setpoints for Winter 21grC and Summer 25grC,
- The purchase of 100% green energy for 95% of the buildings (December 2021 – present),
- Electric Mobility –B & T Project implemented:
 - o CLIENTS - 3 super fast double charging stations for cars – Timisoara, Galati and Sibiu.
 - o EMPLOYEES - 5 fast charging stations for cars – Tower, DC Berceni, Timisoara, Cluj si Iasi

Capital Magazine: the prize obtained for the first bank in Romania that encourages electromobility in congested urban areas.

Savings obtained as a result of all these measures: 2 000 MWh¹⁰⁰, meaning 400 KEUR/yearly.

BRD Group is also committed to optimizing the fuel consumption of its fleet by reducing car travel, purchasing new vehicles with reduced carbon emissions, and introducing electric and plug-in hybrid vehicles into the fleet. In 2023, BRD acquired 15BEV (Battery Electric Vehicle) & 4 PHEV (Plug-in Hybrid Electric Vehicle) cars. Currently, the fleet consists of 27 PHEV/BEV (Battery Electric Vehicle) cars.

Energy ¹⁰¹ consumption ¹	UM	2021	2022	2023
Total fuel consumption within the organization from non-renewable sources ²	KWh	533,557	697,521	529,474
Total electricity consumption ³	KWh	26,027,438	22,476,054	19,555,244
Total heating consumption ⁴	KWh	25,393,051	22,802,582	18,352,708

⁹⁹305-5, the Reduction includes GHG Emissions Scope 1, Scope 2 and Scope 3. Financed emissions are not included in GHG emissions Scope 3.

¹⁰⁰ 302-4, The reduction refers to electricity consumption.

¹⁰¹302-1

Total steam consumption ⁵	KWh	2,627,524	1,975,362	1,536,173
Total energy consumption within the organization	KWh	54,581,570	47,951,519	40,090,444

¹ The reported data refer to the period October - September. The reported data in 2023 only refer to BRD, BRD Finance and BRD Sogelease. The data reported only refer to buildings owned or leased by BRD Group. The emission factor used for Romania is the one provided by the International Energy Agency.

² Diesel for CT (thermal plant) and GE (generator set).

³ Includes total cooling consumption.

⁴ Gas

⁵ Central heating.

Energy Intensity ¹⁰²	UM	2021	2022	2023
Energy intensity ratio ¹	KWh/occupant	10,690	9,670	7,803
	KWh / m ²	227	247	199

¹ Data on the energy intensity ratio are not extremely relevant considering that during 2021, employees worked mainly from home due to the state of alert imposed by the COVID-19 pandemic. The emission factor used for Romania is the one provided by the International Energy Agency. Types of energy included in the calculation: fuel, gas, electricity. The energy intensity ratio refers only to the energy consumed within the organization.

Digital and paperless banking programme

In the past years, the IT and business departments started massive developments to implement remote banking and paperless products.

To support the Bank's ambitions to become a reference in sustainability by 2025, significant budgets (up to 10% of CapEx) are provisioned by the IT departments on a yearly basis. Massive workload is oriented to develop sustainable digital products within the business projects, such as Remote Onboarding & Lending for PI, Corporate Lending tool for loan origination (Optimus), Qualified Electronic Signature for Corporate, Omnichannel, as well as preparing for the ESG regulatory commitments (ESG reporting for all business lines, eAccessibility), Middleware/ATMs, increase of electronic share for all Payments (94 to 96%), Debit instruments received on e-channels.

Although the digitalization growth require increased processing power, storage capacities and human resources to monitor and manage the additional environments, the advantages are obvious through reduced printing, elimination of transportation and logistics, increase of efficiency through automation and optimized resource management.

The impacts is measured and analysed within the Green IT program.

Green IT programme

¹⁰² 302-3

The Green IT program, launched at the SG Group level and implemented within BRD as well, aims to reduce greenhouse gas emissions generated by IT activities with 50% by 2025. Within this program, the Green IT team at BRD has identified several levers to reduce both the impact of CO₂ emissions and costs, while maintaining a high quality of IT services.

The **governance** of the program is ensured by the local Green IT SteerCO as well as the Green IT Committee at the SG Group level, with contributions from all IT subsidiaries.

The **Green IT Maturity** revised assessment, completed in Dec. 2023, achieved the score of 3 out of 5 (average within the Group), with an increase of 0.5 points of progress vs Dec.2022, following accomplishments in projects, tooling, architecture and infrastructure domains.

The recurrent assessment is useful to shape the future Green IT strategy, aiming to achieve a higher level of maturity and reduce the carbon footprint. Our assumed target for 2024 is +0.5 p.

The **energy consumption** related to IT activities was calculated through the SG Dashboard (the group tool dedicated to IT CO₂ footprint calculation), considering the detailed IT asset inventory by domains (datacenters, servers, storage, workplace, printing, tools) and aligned with Planethic data.

The detailed calculation of IT consumption allowed us to identify the weight of **IT domains emissions**: Data Center (55%), Real Estate (20%), Printing paper (15%) and Workplace (10%).

The **CO₂ footprint decreased by 33%**, from 6.05 KTo CO₂ in 2019 to 4.03 KTo CO₂ in 2023, thanks to:

1. the transition to a **digital bank**, transposed in a continuous decrease of BRD branches physical footprint
2. the **Real Estate** departments optimizations on BRD buildings: LED lighting deployment, Data Center photovoltaic panels transformation etc. We mention here the phase 1 of the DC optimization project, that reduced the consumption with 362 GWh and the CO₂ emissions with 100 To CO₂.
3. the optimization of **infrastructure** assets, consolidation, virtualization etc. We mention here the finalization of **Printing optimization project**, that reduced our fleet with 30%, whereas the carbon footprint was reduced with 52% (60 To CO₂), due to highly energy efficient assets.

In 2023, BRD's IT relative weight in SG International network is 9% and in BRD 30%.

In 2023, IT has pursued **sustainable IT actions and practices**, in line with the Group strategy, as follows:

- **Frugal IT policies** - 1 device/user, data retention and purging, green label for IT processes, highly efficient infrastructure;

- **Green coding** – by using efficient technologies (Cobol, J2EE, C, spring cloud, ETL Informatica, PowerCenter, IBM BAW). Code review is performed periodically at the end of the development process. SonarQube is part of the CI/CD pipelines, optimizing memory and CPU usage;
- **"Work from home" and digital signature** facilities are available for employees¹⁰³, the Bank being fully equipped for remote and paperless activities;
- **Digital Cleanup Week**, aiming to educate all staff to remove digital waste, organized as a contest, with green prizes. In the 2 years of the action, the results were positive: 3000 participants erased 1700 GB of unnecessary data from emails and files, equivalent of 5.1 tons of CO2 avoided, or 230 trees saved;
- **Circular economy support**, being the first Romanian bank entering in a partnership with FLIP and diversifying our mobile fleet with 200 refurbished smartphones; thus, 5.7 ToCo2 were avoided by extended the life of devices (85% reduced WEEE scopes 1-3);
- **Social economy support**, BRD having the longest partnership with AFF (Ateliere fara Frontiere), part of Groupe SOS, the most important non-profit association in Romania for social and professional integration of vulnerable and marginalized persons. Under this partnership, all disposable IT equipment are donated to AFF, then refurbished and donated to schools and persons in need or recycled. Over 15000 of our old computers are now used by 10% of the Romanian schools;
- Increased awareness through **mandatory Group trainings**: 126774/Sustainable IT awareness and 131609/CSR in IT projects, performed by 87% of IT staff (vs 80% target);
- In 2023 we have created the **Green IT Confluence page**, aiming to share with the IT community the strategic mission of our roadmap towards a sustainable IT. The comprehensive guidelines bring information regarding responsible user, best practices in IT projects, green coding rules etc.

Under the Green IT SG program, **eco-conception tools** were analyzed and implemented in 2023:

- **Sustainable IT projects**, by testing the CSR IT Project simulator of IT and the CSR guide survey, which will allow the calculation of the CO₂ footprint, as well as the selection and prioritization of projects according to resource consumption;

¹⁰³ 58% of employess are eligible for work from home

- **SoSmart Green Architecture grid** with CSR criteria through the analysis conducted by our EA team of the SoSmart architecture model and resilience patterns with CSR criteria implemented by SG.

All these actions have a direct or indirect impact on the energy consumption and CO₂ emissions associated with the IT flow for which they are responsible.

2024 Ambitions

The main areas of development are included in the Green IT Roadmap as follows:

1. **Governance reinforcement**, to embed the ESG dimension into all IT processes:
 - Increase the **Green IT Maturity** with 0.5 p compared to 2023. Target: 3.5 p
 - **Architecture/eco-design**: deploy SoSmart Group Architecture Grid (version with CSR criteria) on our digital services projects. Target: all **ISAC projects (≥ 2 M EUR)**
 - **Project management**: apply the Group's tools (CSR IT simulator and CSR v3 guide) to assess the CO₂ footprint and to associate a Green label on our IT projects. Target: 10 projects
 - **Purchasing**: sustainable IT procurement. Target: selection matrix & IT contracts CSR criteria (energy consumption, GhG footprint and WEEE).
With SEGL and ACH: scope 3 upstream and IT employee commuting
 - **Asset management** policies to promote the extension of the Bank's assets usage, which positive impact on the environment and align the green policies with the financial management of depreciation
 - **Processes**: Green label on IT processes (done in 2022, to be reviewed and maintained)
 - **Best practices**: rely and promote the Confluence guidelines within IT staff.
2. **IT Carbon footprint measurement and integration of green energy**: 2024-2025 forecasted asset data and the Dynamic Data impact.
Important note: green energy to be integrated by SG in CO₂ dashboard and Planethic, considering the fact that starting November 2021 BRD uses green energy in over 95% of its facilities
3. **Accelerate Green IT levers**, to reduce our carbon footprint:
 - **Data Center Transformation** (phase 2 PUE/HVAC)
 - **Cristal tech optimizations levers** (Turbonomics, consolidation, virtualization, decommissioning etc)
 - **Digitalization, Innovation & Paperless projects** (SoftPOS, eAccessibility, screenless ATMs, Manual processing automation/AI etc)
 - **GoCloud, Office-365**
 - **Data sobriety** (Dynamic Data measurement, retention policy)

Other initiatives (automated closure of workstations and non-PROD servers, predictive maintenance on ATM/POS, life cycle extension)

Paper consumption control¹⁰⁴

A great attention is given to the paper consumption necessary for our daily activities. This is closely monitored and specific projects are implemented in order to reduce it.

In 2023, at the Group level continued the implementation of the electronic signing of documents and the implementation of an electronic archiving project.

The digitization of the entire documentation process will contribute to improving the sustainability performance of the BRD Group, with a direct impact in reducing its indirect emissions from courier services.

Materials used by weight or volume ¹⁰⁵	UM	2021	2022	2023
Quantity of office paper (classic and recycled paper) bought ¹	Kg	358,995	349,717	358,750
Total quantity of paper used	Kg	429,289	400,309	404,439
Quantity of paper used for customer statements of account and quantity of personalized envelopes	kg	12,726	9,001	6,118
Quantity of paper used for business documents, including letterhead and personalized envelopes	Kg	56,535	40,498	38,059
Quantity of unmarked envelopes	Kg	294	609	953
Quantity of chequebooks and cheque deposit slips produced	Kg	739	484	559

¹ The whole quantity of office paper bought is eco-labelled (COPY PAPER BLUE- produced by MONDI Slova). The data refer only to BRD.

Waste management¹⁰⁶

In 2023, waste management initiatives focused on selective collection solutions for different types of waste. Thus, a separate collection system (paper, plastic, household waste, glass/metal) was implemented in most of our buildings. Also, to promote better selective waste collection among employees, individual bins under desks have been removed. The objective of this initiative is to increase the level of selected and recycled waste. In 2023, the level of waste recycling has increased.

Waste generated ¹	UM	2021	2022	2023
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¹⁰⁴ 306-1, 306-2

¹⁰⁵ 301-1

¹⁰⁶ 3-3, 306-1, 306-2

Total waste generated¹⁰⁷	Kg	212,360	139,020	166,038
<i>of which Waste WEEE</i>	Kg	5,160	11,340	11,978
<i>of which Cardboard</i>	Kg	8,000	7,000	8,000
<i>of which Paper</i>	Kg	14,000	7,180	9,790
<i>of which Furniture</i>	Kg	N/A	6,330	5,800
<i>of which other types of waste (miscellaneous)</i>	Kg	185,200	107,170	130,470

¹ The reported data refer to the period October - September. The data refer only to the Bank's headquarters. Data on waste generated for 2021 is not highly relevant considering that employees mostly worked from home due to the state of alert imposed by the COVID-19 pandemic.

Waste diverted from disposal ¹	UM	2021	2022	2023
Total non-hazardous waste diverted from disposal¹⁰⁸	Kg	27,160	31,850	35,568
<i>of which Waste WEEE</i>	Kg	5,160	11,340	11,978
<i>of which Cardboard</i>	Kg	8,000	7,000	8,000
<i>of which Paper</i>	Kg	14,000	7,180	9,790
<i>Of which Furniture</i>	Kg	N/A	6,330	5,800

¹ The reported data refer to the period October - September. The data refer only to the Bank's headquarters. The data on waste diverted from disposal for 2021 is not highly relevant considering that employees have mostly worked from home due to the state of alert imposed by the COVID-19 pandemic. Waste is diverted from disposal (recycled) outside the organization by companies with which there is a contractual relationship.

Starting with 2022, BRD has introduced measures for the recycling of old furniture to certain companies that collect and recycle this type of waste.

Waste directed to disposal¹	UM	2021	2022	2023
Total non-hazardous waste directed to disposal¹⁰⁹	Kg	185,200	107,170	130,470
<i>of which other types of waste (miscellaneous)</i>	Kg	185,200	107,170	130,470

¹ The reported data refer to the period October - September. The data refer only to the Bank's headquarters. The data on the waste directed to disposal for 2021 is not extremely relevant considering that the employees mainly worked from home due to the state of alert imposed by the COVID-19 pandemic. Waste is disposed of outside the organization by companies with which there is a contractual relationship.

¹⁰⁷ 306-3

¹⁰⁸ 306-4

¹⁰⁹ 306-5

BRD has implemented a program for the collection and recycling of waste from electrical and electronic equipment, in partnership with the associations Recolamp and Ateliere fără Frontiere (AFF) and other collectors and recyclers. In 2023, BRD handed over 12 tons of electrical and electronic waste to Ateliere fără Frontiere, Recolamp and other WEEE waste collectors. The thousands of IT equipment donated to AFF (laptops, workstations, phones, printers, etc.) are refurbished, reinstalled and directed to schools and children in need.

By ensuring proper maintenance of facilities and equipment in buildings, the goal was to reduce water consumption. Additionally, in all projects for new office buildings, smart faucets with sensors and low-volume toilet tanks were installed.

The results of the collaboration with AFF:

Total 2018 – 2023	Waste collected [kg]	Waste considered[kg]	CO2 emissions avoided through reuse (kg)	CO2 emissions avoided through recycling (kg)	Total CO2 emissions avoided
BRD	151133.7	133971.7	1298645	165813	1464458
BRD Sogelease	2851.9	2359.4	28058	3170	31228
Total	154373.6	136699.7	1330446	169509	1499955

2023	Waste collected [kg]	Waste considered[kg]	CO2 emissions avoided through reuse (kg)	CO2 emissions avoided through recycling (kg)	Total CO2 emissions avoided
BRD	68378.4	63259.2	415990	76943	492933
Total	68378.4	63259.2	415990	76943	492933

III. REPORTING METHODOLOGY¹¹⁰

The "Sustainability Report 2023 - One step into the future" is the third separate sustainability report published by the BRD Group.

The report was prepared in accordance with the requirements of the Romanian legislation regarding non-financial reporting, Order of the National Bank of Romania no. 7/2016 Order of the Ministry of Public Finance (MFP) no. 1802/2014. Also, this report was prepared in accordance with the GRI Standards.

The material aspects are presented in detail in the section "Managing our impact" section and the reported GRI Indicators are presented in the "GRI Index Content" section.

The companies within the BRD Group that are included in this report are the following:

- BRD Groupe Société Générale
- BRD Sogelease IFN SA
- BRD Asset Management SAISA

The data presented in the report pertains to the financial year 2023 (January 1, 2023 - December 31, 2023). Where necessary, exceptions are clearly stated to provide an accurate view of reality. Additionally, for the majority of disclosed performance indicators, we provide information for the years 2021 and 2022 to enable readers to better understand our performance.

The development of this report took into account the reporting principles outlined in GRI Standard 1: Foundation 2021. Thus, the principles of Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability Context, Timeliness, and Verifiability were considered.

Furthermore, the methodology applied to carry out the materiality analysis incorporates the stages outlined in the GRI Standard 3: Material Aspects 2021 and the double materiality

¹¹⁰ 2-2, 2-3, 2-4, 2-5, 3-1

perspective - external impacts and financial materiality - as recommended by the "Guide on reporting non-financial information" published by the European Commission.

In order to facilitate the reading of the report from the perspective of the currencies used, the leu/euro rate was: 4.9481 on 31.12.2021, 4.9474 on 31.12.2022 and 4.9746 on 31.12.2023.

Publication date 30.06.2023

Assurance

The content of the report has not been audited by a third party through an assurance process..

Contact point for sustainability issues

Information related to sustainability issues and sustainability reporting can be requested at SEGL_CSR@brd.ro.

EU taxonomy

Disclosure requirements in accordance with Article 8 of EU Taxonomy Regulation (Regulation EU 2020/852) on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088

The EU Taxonomy Regulation 2020/852 is a classification system for sustainable economic activities. Article 3 of the Regulation sets out the criteria for determining which activities can be considered environmentally sustainable and provides a framework for investors and companies to disclose the environmental impacts of their activities. The Taxonomy Regulation aims to promote sustainable finance and increase transparency in the financial markets by providing a common language for assessing the sustainability of investments.

As per article 3 of the EU Taxonomy Regulation 2020/852, an economic activity is considered environmentally sustainable if it:

- contributes substantially to the achievement of one or more of the six EU environmental objectives;
- does not cause significant harm to any of the six objectives;
- is carried out in compliance with minimum international social and labour standards, in recognition of the principles enshrined in the European Social Charter
- complies with the technical screening criteria that have been established by the EU Commission

Article 8 of the EU Taxonomy Regulation 2020/852 introduces specific disclosure obligations for any undertaking, both financial and non-financial, which is subject to an obligation to publish

non-financial information (based on NFRD – Non Financial Reporting Directive). The content and presentation of the information to be disclosed are established by the Commission Delegated Regulation (EU) 2021/2178.

Reporting methodology

Scope of application: the perimeter of application is the prudential consolidation, determined in accordance with Regulation (EU) No 575/2013, which includes the parent company BRD - Groupe Société Générale S.A and two fully consolidated subsidiaries: BRD Sogelease IFN S.A. and BRD Finance IFN S.A.

The Taxonomy is based on two key concepts related to the economic activities of companies subject to the Non-Financial Reporting (NFRD) disclosure requirements:

- ✓ Taxonomy Eligible activity/Eligibility - an economic activity that is described and has technical screening criteria set out in the taxonomy. Such an activity is 'eligible' under the taxonomy and all revenue, CAPEX and OPEX for this economic activity is therefore taxonomy eligible.
- ✓ Taxonomy Aligned activity/Alignment - an eligible economic activity that is making a substantial contribution to at least one of the climate and environmental objectives, while also doing no significant harm (DNSH) to the remaining objectives and meeting minimum standards on human rights and labour standards (MSS). The revenue, CAPEX and OPEX for such an activity is therefore considered aligned.

The following tables (Annex 4.13) present BRD Green Asset Ratio (GAR) indicator, which shows the proportion of assets related to taxonomy-aligned activities compared to the total covered assets (the assets relevant for the scope of GAR computation). Due to the still limited availability of data for our counterparties, for the GAR computation it could not be taken into account the entire relevant portfolio of the Bank. It is expected that the share of eligible and aligned taxonomy exposures to increase in the future. In addition, being the 1st time when this indicator is published, the methodology will be reviewed and improved considering further developments on the application and interpretation of the EU taxonomy.

The total covered assets are calculated as the gross carrying amount as per the prudential consolidation perimeter (CRR-consolidated IFRS FINREP balance sheet) of BRD Group of total assets excluding the exposures towards central governments, central banks, supranational issuers, and the trading portfolio.

Taking into consideration the fact that the sustainability report was prepared in accordance with the requirements of the Romanian legislation regarding non-financial reporting, Order of the National Bank of Romania no. 7/2016 Order of the Ministry of Public Finance (MFP) no. 1802/2014 and that the companies within the BRD Group that are included in this report are BRD

Groupe Société Générale, BRD Sogelease IFN SA and BRD Asset Management SAI SA we have also included Taxonomy related data for BRD Asset Management SAI (Annex 4.14).

Non financial undertakings subject to NFRD (non financial reporting directive) disclosure requirements

NFRD undertakings exposures, considered at the numerator, represent exposures towards companies that are subject to non-financial disclosures (NFRD) requirements, as transposed in local legislation through OMFP nr. 1.802/2014 and OMFP nr. 2844/2016, respectively, meaning companies with more than 500 employees. For the first exercise the most relevant exposures considering their weight in total portfolio, were considered.

The eligible and aligned exposures for NFRD non-financial corporates were computed by multiplying the Bank exposure (for unknown use of proceeds as per Regulation requirements) to the KPIs collected figures (the latest available key performance indicators, i.e. eligible and aligned turnover and capital expenditure as disclosed by the counterparty in the Annual Report/ Sustainability Report/ Non-Financial Declaration). In case no separate KPIs were available for the specific counterparty, the KPIs from non-financial parent companies subject to NFRD disclosures requirements are used to determine taxonomy eligibility and alignment for all subsidiaries of that respective group (“closest reporting parent”). In case no data were available, it was considered that zero percent of the turnover/ capex of the counterparty is eligible/aligned.

Households

In accordance with the instructions set out in Appendix V of the EU Delegated Regulation 2021/2178, the exposure to households to be included in the numerator is limited to loans collateralized by residential real estate, loans granted for home renovation purposes, and loans granted for the acquisition of a motor vehicle (car loans). Other financing to households (e.g. consumer loans) are reported under “other assets”.

For the outstanding exposures mentioned above, as of 2023 end, the eligibility of residential real estate was considered to be met for buildings built before December 31, 2020 with an energy class A (EPC- Energy Performance Certificate). Buildings built after December 31, 2020 were not considered eligible as there are limited information to verify the PED (primary energy demand) criteria, according to Commission Delegated Regulation (EU) 2021/2139. Further, to assess alignment, the DNSH (do-not-significant-harm) criteria was checked making use of a National Bank of Romania Report: Climate Risk Dashboard for the Banking Sector 2023. This allowed us to assign a flood risk value (the only potentially material physical hazard relevant for buildings, assessed in the report) for all of our assets at a county level. Ultimately, we judged as aligned those exposures with a “low” risk of flood for their county as assessed by the NBR, considering also a haircut/margin of prudence. Methodology should be further defined for the next exercises.

Note: The below disclosures is based on BRD internal understanding of EU taxonomy at the time of drafting the report. Standards, data validation, regarding EU Taxonomy are not yet available.

Amounts are in EURm at December 31, 2023, unless otherwise stated.

We would like to thank all BRD Group partners and colleagues who contributed to this report.

IV APPENDICES

4.1. Appendices Economic performance - BRD products and services¹¹¹

Product/Service	Description	Sector and type of customers
Current account	Daily Banking Products offered by BRD to all Retail Clients in order for them to manage their day-today payments and incomings.	Retail customers - Private Individuals and Small Business
Current account packages	Daily Banking Products offered by BRD to all Retail customer as groups of banking and extra-banking products and services that are based on a support account (current account).	Retail customers - Private Individuals and Small Business
Debit cards	Debit cards on current account (stand alone or in package).	Retail customers - Private Individuals
Credit cards	Revolving credit cards with installments.	Retail customers - Private Individuals
Prima Casa/Noua Casa loans	Mortgage loan sustained by a state guarantee in a governmental program aimed at facilitating the acquisition of the first home.	Retail customers - Private Individuals

¹¹¹2-6

Product/Service	Description	Sector and type of customers
	Offered by BRD to Private Individuals.	
Mortgage Loans (other than Prima Casa/Noua Casa)	Loans for the acquisition, renovation or construction of a building, or for refinancing a mortgage loan, with mortgage collateral. Offered by BRD to Private Individuals.	Retail customers - Private Individuals
Personal Loans	Consumer loans granted for unspecified needs to Private Individuals (including refinancing).	Retail customers - Private Individuals
Loan for studies	Loans for financing studies, for Private Individuals.	Retail customers - Private Individuals
Loans for medical expenses	Loans for financing medical expenses, for Private Individuals.	Retail customers - Private Individuals
Loans for temporary needs	Loans granted with cash collateral or other liquid guarantees to Private Individuals.	Retail customers - Private Individuals
Overdrafts	Overdraft loans offered to Private Individuals.	Retail customers - Private Individuals
Savings Accounts	Savings accounts for Private Individuals, for minors and adults.	Retail customers - Private Individuals and Small Business
Term deposits with fixed interest rates	Term deposits with fixed interest rates dedicated to Private Individuals.	Retail customers - Private Individuals and Small Business

Product/Service	Description	Sector and type of customers
Current account packages	Small & medium enterprises package for current account (Small Business and Corporate Clients).	Retail & Non-Retail customers - Small Business & Corporate
Standard accounts	Accounts for maintaining salary conventions, social capital account (Small Business and Corporate Clients).	Retail & Non-Retail customers - Small Business & Corporate
Accounts with special functionality	Guarantee account for a client undergoing the insolvency proceedings, fiduciary accounts (for Small Business and Corporate Clients).	Retail & Non-Retail customers - Small Business & Corporate
Deposits	Deposits in local and foreign currency (for Small Business and Corporate Clients).	Retail & Non-Retail customers - Small Business & Corporate
Business Debit Cards	Debit cards for Small Business and Corporate Clients.	Retail & Non-Retail customers - Small Business & Corporate
Conventions for banking cards acceptance (e-commerce)	Other companies employees benefits package	Retail & Non-Retail customers - Small Business & Corporate
POS usage	Card payment acceptance services	Retail & Non-Retail customers - Small Business & Corporate
BRD@ffice	Internet banking	Retail & Non-Retail customers - Small Business & Corporate
MultiX	Payment App	Non-Retail customers - Small Business & Corporate

Product/Service	Description	Sector and type of customers
e-Trezor	Payment service for customers with Treasury accounts	Retail & Non-Retail customers - Small Business & Corporate
e-Customs	n.a.	Non-Retail customers - Small Business & Corporate
SogeCash International	- International accounts administration	Non-Retail customers - Small Business & Corporate
AllNet Trade Finance	Online banking Trade Services.	Retail & Non-Retail customers - Small Business & Corporate
FX forward	Represents a foreign exchange transaction (sale/purchase transaction of an amount in one currency in exchange for another currency) concluded with a future settlement date (more than 2 business days after the transaction date); the amount, maturity and price are set at the time of concluding the transaction.	Corporate clients and financial institutions
FX spot	Represents a foreign exchange transaction (sale/purchase transaction of an amount in one currency in exchange for another currency) with the settlement date on the "spot date", i.e. on 2 (two) business days after the date of the transaction (t+2, where t=the transaction date).	Retail, corporate and financial institutions

Product/Service	Description	Sector and type of customers
FX swap	Represent a transaction including the simultaneous conclusion of a FX spot and of a FX forward transaction, of opposite directions, for different settlement dates, for the same notional and for the same currency pair.	Corporate clients and financial institutions
Interest rate options	A contract that gives the buyer the right, but not the obligation, to borrow (cap) or to lend (floor) a specific notional for a predefined future period at a predefined interest rate.	Corporate clients and financial institutions
FX options	A contract that gives the buyer the right, but not the obligation, to buy (call) or sell (put) a specific notional on a currency pair at a predetermined price (strike or exercise price), at or up to a certain future date (exercise date).	Corporate clients and financial institutions
Repo / reverse repo	<p>Repo operations – liquidity borrowing transactions whereby the counterparty buys eligible assets with the commitment to resell the assets at the date and the price agreed on the date the transaction was concluded.</p> <p>Reverse repo operations - liquidity- placement transactions whereby the counterparty sells eligible</p>	Financial institutions

Product/Service	Description	Sector and type of customers
	assets with the commitment to repurchase the assets at the date and the price agreed on the date the transaction was concluded.	
Interest Rate Swap	A contract in which two parties agree to exchange periodically cash flows based on a floating rate and respectively on a fixed rate, for a predefined notional and for a predetermined period.	Corporate clients and financial institutions
Brokerage Services	Intermediation services for client orders on regulated markets for listed instruments (equities, fixed income, structured products, ETPs).	Retail, small and large corporate and financial institutions
Depositary Services	Certification of net asset value, net asset unit value and issue/redemption price for each business day.	Financial institutions
Custody Services	Safekeeping and settlement of trades performed by clients for local market and external foreign markets.	Retail, small and large corporate and financial institutions
Issuer Services	Specialized banking services offered to issuers of securities in relation to investors (underwriting in public offerings of securities, distribution of dividends, payment of interest or coupons, repayment of principal, etc.) and for the	Issuers of securities, listed or not listed companies

Product/Service	Description	Sector and type of customers
	centralization of financial transactions related to these services on behalf of issuers.	
Clearing Bank	The settlement of transactions in financial instruments in book-entry form.	Brokers (SSIF - financial investment services companies) and clients benefiting from custody services.
Programed Payments Services	Automated payments between BRD accounts with different frequencies (daily, weekly, bi-monthly, monthly). The service will automatically transfer predefined fixed amounts or the entire balance of the current account.	Retail & Non-Retail customers - Small Business & Corporate
Interrogations in Payments Incidents Bureau	The BRD client may ask for the result of the interrogation of a specific company (client, supplier etc) in the Payments Incidents Bureau database managed by the National Bank of Romania	Retail & Non-Retail customers - Small Business & Corporate
Cash Collection	Complete and efficient solutions for cash transport (pick-up) and other values: - cash collections: meal vouchers, gift vouchers or social vouchers, checks and promissory notes through the BRD network or from working points; - transport of values based on an agreed schedule;	Retail & Non-Retail customers - Small Business & Corporate

Product/Service	Description	Sector and type of customers
	<p>- cash deposits in BRD accounts; - cash supply at working points (only on request).</p>	
Simplis Facturi	<p>Represents a service made available to the Invoicer, in order to collect the invoices from their subscribers: private individuals and/ or legal entities, BRD clients or occasional BRD clients, through diversified collection channels (ROBO, MBA, ATM), BRD@ffice, YOU, Counter, POS.</p>	Retail & Non-Retail customers - Small Business & Corporate
SogeCash	<p>The possibility to send at BRD, payment instructions, in order to debit accounts opened with BRD through a preferred intermediary bank (Correspondent) and to receive account statements; The network through which the financial messages are transmitted (payments, statement at the end of the day and the Intraday situations) can be the SWIFT network or another communication channel agreed between BRD and Correspondent (ex: XML platform between BRD and Société General).</p>	Retail & Non-Retail customers - Small Business & Corporate

Product/Service	Description	Sector and type of customers
Incasso–Export	Export documentary collection	Retail & Non-Retail customers - Small Business & Corporate
Incasso-Import	Import documentary collection	Retail & Non-Retail customers - Small Business & Corporate
MyBRD SMS	The banking service from BRD that provides information and alerts on bank accounts and changes to accounts directly from the mobile phone.	Retail & Non-Retail customers - Private Individuals, Small Business & Corporate
MyBRD Mobile	BRD mobile banking application which will be decommissioned and users are gradually moved to YOU BRD.	Retail & Non-Retail customers - Private Individuals, Small Business & Corporate
MyBRD Net	The internet banking solution that works on desktops and will be decommissioned along with MyBRD mobile and current users are gradually moved to YOU BRD.	Retail & Non-Retail customers - Private Individuals, Small Business & Corporate
YOU BRD	The online banking application that will gradually become an integrated omnichannel platform for BRD customers.	Retail customers - Private Individuals, Small Business
MyBRD Contact	A service which allows you to interrogate the balance of the current account and the last transactions performed, automatically, via phone call.	Retail & Non-Retail customers - Private Individuals, Small Business & Corporate

Product/Service	Description	Sector and type of customers
Confort Insurance	Card insurance covering: Protection of your electronic equipment, Financial Security, mobile devices, keys and documents.	Retail & Non-Retail customers - Private Individuals, Small Business & Corporate
Life and health insurance	Life insurance for the loans.	Retail & Non-Retail customers - Private Individuals, Small Business & Corporate
Group Health and Group life insurance	Group insurances offering access to medical services for companies employees.	Non-Retail customers - Small Business & Corporate
Real estate insurance	Non-life insurance covering real estate properties.	Retail customers & Non-Retail customers - Small Business & Corporate
Eduplan & InvestBenefit+	Unit linked insurances investing in open end unit funds.	Retail customers
Letters of good standing	Documents issued by the Bank that contain information on the client's financial soundness	Retail customers & Non-Retail customers - Small Business & Corporate
Rental of safe deposit boxes	Device provided by the Bank in which the goods stored by the customers are kept in security conditions and the confidentiality of the operations performed is offered.	Retail customers - Private Individuals, Small Business and Corporate
Business Overdrafts	Overdraft loans (credit limit which allows multiple drawings and reimbursements, any time during the granting period)	Retail customers & Non-Retail customers - Small Business & Corporate

Product/Service	Description	Sector and type of customers
	offered to Small Businesses and Corporate Clients.	
Business Credit Cards	Credit Cards offered to Small Businesses and Corporate Clients.	Retail customers & Non-Retail customers - Small Business & Corporate
Credit Lines	Revolving financing facilities offered to Small Business and Corporate Clients.	Retail customers & Non-Retail customers - Small Business & Corporate
Working capital loans	Facilities with repayment schedule for financing the current activity of Small Business and Corporate Clients.	Retail customers & Non-Retail customers - Small Business & Corporate
Credit ceilings	Short/medium term loans which offers the possibility of accessing multiple credit products, within the granted ceiling.	Retail customers & Non-Retail customers - Small Business & Corporate
Short term credit facility/ overdraft facility	Current activity credit on short term, for Small Business and Corporate Clients.	Retail customers & Non-Retail customers - Small Business & Corporate
Loans for seasonal agricultural campaigns	Short term loans adapted to Corporate Clients undertaking activities in the agricultural field.	Retail customers & Non-Retail customers - Small Business & Corporate
Factoring	Factoring financing products for Small Businesses and Corporate Clients.	Retail customers & Non-Retail customers - Small Business & Corporate
Letter of credit	An irrevocable commitment of the buyer's bank (issuing bank) - BRD Groupe Societe Generale in favor of a	Retail customers & Non-Retail customers - Small Business & Corporate

Product/Service	Description	Sector and type of customers
	supplier (the beneficiary) to honor to pay, provided that the supplier submits a complying presentation.	
FINTRA	Represents the L/C discounting, that can bridge the funding gap between BUYER and its suppliers.	Retail customers & Non-Retail customers - Small Business & Corporate
APIA loans	Pre-financing of state subsidies for agriculture (Small Business and Corporate Clients).	Retail customers & Non-Retail customers - Small Business & Corporate
Guarantee Letters	Off-balance sheet commitments for Small Businesses and Corporate Clients.	Retail customers & Non-Retail customers - Small Business & Corporate
Governmental programs loans	Credit lines, Working Capital, Bridge loans and Investment loans under different governmental programs or having state guarantees (e.g., IMM Invest)	Retail customers & Non-Retail customers - Small Business & Corporate
Financial instruments	Credit lines, working capital, Investment loans benefiting of guarantees provided by international financial institutions.	Retail customers & Non-Retail customers - Small Business & Corporate
European Funds loans	Investment loans for EU funds investment projects (Eurobrd) for Small Businesses and Corporate Clients.	Retail customers & Non-Retail customers - Small Business & Corporate

Product/Service	Description	Sector and type of customers
Investment loans	Classical loan products for financing investments in equipment or real estate for Small Businesses and Corporate Clients).	Retail customers & Non-Retail customers - Small Business & Corporate
Sustainable finance	Loans, L/Gs and advisory services for bond issuances. Green loans, social loans, sustainable loans, sustainability -linked loans, green L/Gs, Sustainability-linked bonds or L/Gs	Non-retail clients

4.2. Appendices Economic performance - BRD Sogelease products and services¹¹²

Products/services	Description	Sector and type of customer
Financial leasing	Financing offered for the purchase of vehicles and various equipment classes (agricultural, construction, medical, IT, material handling, others).	Companies, Professionals
Investment Loans	Asset based loans for the acquisition of agricultural equipment and heavy vehicles.	Companies, Professionals

4.3

4.4. Appendices Economic performance - BRDAM products and services¹¹³

Products/services	Description	Sector and type of customer
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¹¹² 2-6

¹¹³ 2-6

FDI BRD Simfonia	OPCVM	Private individuals & Companies
FDI BRD Simplu	OPCVM	Private individuals & Companies
FDI BRD Acțiuni	OPCVM	Private individuals & Companies
FDI BRD Global	OPCVM	Private individuals & Companies
FDI BRD Diverso	OPCVM	Private individuals & Companies
FDI BRD EuroFond	OPCVM	Private individuals & Companies
FDI BRD USDFond	OPCVM	Private individuals & Companies
FDI BRD Obligațiuni	OPCVM	Private individuals & Companies
FDI BRD Oportunități	OPCVM	Private individuals & Companies
FDI BRD Orizont 2035	OPCVM	Private individuals & Companies
FDI BRD Orizont 2045	OPCVM	Private individuals & Companies
FDI BRD EURO Simplu	OPCVM	Private individuals & Companies

4.5. Appendices Economic performance – BRD Group Scale of the organization

	UM	2021	2022	2023
Total number of branches	No.	499	460	423

	UM	2021	2022	2023
Net sales	RON ths.	3,097,137	3,459,223	3,834,223
Direct economic value ¹¹⁴ generated ¹¹⁵	RON ths.	3,097,137 ¹¹⁶	3,459,223	3,834,223
Economic value distributed ¹¹⁷	RON ths.	1,923,890 ¹¹⁸	2,027,029	2,235,772
Economic value retained	RON ths.	1,173,247	1,432,194 ¹¹⁹	1,598,451
Total market capitalization	RON mn	12,335.16	9,059.72	12,488.48

* Information according to the financial statements, consolidated figures - BRD Group.

4.6. Appendices Economic performance – Quantity of products or services provided

Product/service	Unit	2021	2022	2023
Customer deposits	RON ths.	52,683,581	56,660,841	62,405,609
Retail	RON ths.	35,988,622	37,096,720	40,766,424
Non-retail	RON ths.	16,694,959	19,564,121	21,639,185
Net loans w/o leasing	RON ths.	32,913,875	36,288,342	40,613,382
Retail	RON ths.	22,719,007	23,370,341	24,722,548
<i>Individuals</i>	RON ths.	21,981,251	22,501,637	23,450,788
<i>Small business</i>	RON ths.	737,756	868,704	1,271,759
Non-retail	RON ths.	10,194,868	12,918,001	15,890,834
<i>SME</i>	RON ths.	3,379,591	4,830,431	5,718,432
<i>Large Corporations</i>	RON ths.	6,815,277	8,087,570	10,172,402
Financial leasing (net)	RON ths.	1,222,595	1,407,394	1,691,734
Guarantees and other credit facilities granted	RON ths.	11,262,122	12,632,959	13,853,056
Letters of guarantee granted	RON ths.	5,427,857	6,449,588	6,929,469

¹¹⁴ 201-1

¹¹⁵ Net banking income.

¹¹⁶ 2-4, Financial statements, consolidated figures – BRD Group. Revised value in the financial statements for the year 2022, following the reclassification of certain expense categories. This reclassification explains the difference compared to the figures reported for 2021 in the 2021 Sustainability Report.

¹¹⁷ Operating expenses and income tax.

¹¹⁸ Financial statements, consolidated figures - BRD Group. Revised value in the financial statements for the year 2022, following the reclassification of certain expense categories. This reclassification explains the difference compared to the figures reported for 2021 in the 2021 Sustainability Report.

¹¹⁹ Financial statements (gross operating profit minus income tax) at the BRD Group level.

Funding commitments granted	RON ths.	5,834,265	6,183,371	6,923,587
Assets under administration (BRDAM)	RON ths.	4,935,469	3,133,161	3,979,252
Digitalization (number of remote banking active customers)	ths.	883	1,067	1,415

4.7. Appendices Economic performance – Structure of BRD branches¹²⁰

County	The number of BRD branches in 2023
Alba	6
Arad	9
Argeş	19
Bacău	9
Bihor	9
Bistriţa Năsăud	5
Botoşani	4
Brăila	5
Braşov	17
Bucureşti	70
Buzău	6
Călăraşi	3
Caraş-Severin	7
Cluj	15
Constanţa	17
Covasna	3
Dâmboviţa	6
Dolj	14
Galaţi	9
Giurgiu	2
Gorj	8
Harghita	5
Hunedoara	10
Ialomiţa	3
Iaşi	26
Ilfov	9
Maramureş	13
Mehedinţi	4

¹²⁰ 2-1, 2-6

Mureș	10
Neamț	6
Olt	7
Prahova	16
Sălaj	4
Satu Mare	7
Sibiu	10
Suceava	9
Teleorman	5
Timiș	19
Tulcea	2
Vâlcea	8
Vaslui	3
Vrancea	4
Total	423

4.8. Annexes Governance ¹²¹– Members of the BoDs as of December 31, 2023

Member name	Executive / Non-executive	Independent (Yes/No)	Gender	Competence	Other significant positions and commitments and nature of commitments
Jean-Pierre Georges VIGROUX	Non-executive	Yes	Male	Independent Chairman of the Board of Directors ¹²²	<p>Member of various Committees set up to support the activity of the Board of Directors: Chairman of the Audit Committee and member of the Remuneration Committee.</p> <p>He fulfils the conditions regarding the number of mandates established by law - two non-executive mandates: he holds one within the BRD-Groupe Société Générale and one outside the Société Générale Group.</p>
Benoît Jean Marie OTTENWALTER	Non-executive	No	Male	Independent Member of the Board of Directors ¹²³	<p>Chairman of the Risk Management Committee.</p> <p>He fulfils the conditions regarding the number of mandates established by the law - he holds one non-executive mandate within Société Générale Groupe.</p>

¹²¹2-9

¹²² ¹²² The Board of Directors, held on December 7, 2023 approved the election of Mr. Jean – Pierre Georges VIGROUX as Independent Chairman of the Board of Directors, starting to December 8, 2023 until May 30, 2024.

¹²³ The Ordinary General Shareholders’ Meeting held on April 27, 2023 approved the designation of Mr. Benoit Jean Marie OTTENWALTER as Independent director.

Member name	Executive / Non-executive	Independent (Yes/No)	Gender	Competence	Other significant positions and commitments and nature of commitments
Liliana IONESCU-FELEAGĂ	Non-executive	Yes	Female	Independent member of the Board of Directors	<p>Member of various Committees set up to support the activity of the Board of Directors: Chairman of the Remuneration Committee, member of the Audit Committee and the Nomination Committee.</p> <p>She fulfils the conditions regarding the number of mandates established by the law - one non-executive mandate within BRD-Groupe Société Générale</p>
Bogdan-Alexandru DRĂGOI	Non-executive	Yes	Male	Independent member of the Board of Directors	<p>Member of various Committees set up to support the activity of the Board of Directors: Chairman of the Nomination Committee and member of the Risk Management Committee.</p> <p>He fulfils the conditions regarding the number of mandates established by the law – he holds one executive mandate outside Société Générale Group and two non-executive mandates – one within BRD-Groupe Société Générale and one outside Société Générale Group.</p>
Valerie Marcelle Paule VILLAFRANCA	Non-executive	No	Female	Member of the Board of Directors	<p>Member of the BRD Nomination Committee</p> <p>She fulfils the conditions regarding the number of mandates established by the law - one non-executive mandate within BRD Groupe Société Générale.</p>
Aurora Brigitte Micheline GASPARD	Non-executive	No	Female	Member of the Board of Directors	Member of the Risk Management Committee

Member name	Executive / Non-executive	Independent (Yes/No)	Gender	Competence	Other significant positions and commitments and nature of commitments
					She fulfils the conditions regarding the number of mandates established by the law - one executive mandate and one nonexecutive mandate within Société Générale Group
Veronique SCHREIBER LOCTIN	Non-executive	No	Female	Member of the Board of Directors ¹²⁴	She fulfils the conditions regarding the number of mandates established by the law - one executive mandate and one non-executive mandate within Société Générale Group.

4.8. Annexes Governance – Members of the Management Committee as of December 31, 2023

Member name	Executive / Non-executive	Gender	Competence	Other significant positions and commitments and nature of commitments
Maria Koytcheva ROUSSEVA	Executive	female	CEO ¹²⁵	Member of various Committees set up to support the Executive Committee activity (Data Governance Committee, Crisis Committee, Risk Retail Committee, Project Review Committee, Communication Committee, Innovation Committee, Customer Board Committee, Benchmarks and Market Conduct Oversight

¹²⁴ The Ordinary General Shareholders' Meeting held on April 27, 2023 approved the nomination of Mrs. Veronique SCHREIBER LOCTIN as director. NBR approved Mrs, Veronique SCHREIBER LOCTIN nomination as director and her mandate entered into force starting to June 23, 2023.

¹²⁵ Mrs. Maria Koytcheva ROUSSEVA mandate as CEO entered in force starting to November 24, 2023. Until this date she held the position Deputy CEO Global Corporates

Member name	Executive / Non-executive	Gender	Competence	Other significant positions and commitments and nature of commitments
				Committee and Chairman of Internal Control Committee, Compliance Committee, Assets and Liabilities Management Committee, Pricing Committee, Human Resources Committee, Climate, Environmental and Social Change Committee.
Alexandru-Claudiu CERCEL-DUCA	Executive	Male	Deputy CEO	<p>Member of various committees set to support the Management Committee</p> <p>(Internal Control Committee, Compliance Committee, Data governance Committee, Assets and Liabilities Management Committee, Pricing Committee, Crisis Committee, Project Review Committee, Human Resources Committee, Communication Committee, Climate, Environmental and Social Change Committee, Innovation Committee, Customer Board Committee and Chairman of Benchmark Indices and Market Conduct Oversight Committee.)</p> <p>He fulfils the conditions regarding the number of mandates established by the law- one executive mandate within BRD-Groupe Société Générale.</p>
Philippe Yves Henri Pierre Marie THIBAUD	Executive	Male	Deputy CEO	<p>Member of various committees set to support the Management Committee (Internal Control Committee, Compliance Committee, Data Governance Committee, Assets and Liabilities Management Committee, Pricing Committee, Crisis Committee, Risk Retail Committee, Project Review Committee, Human Resources Committee, Communication</p>

Member name	Executive / Non-executive	Gender	Competence	Other significant positions and commitments and nature of commitments
				<p>Committee, Climate, Environmental and Social Change Committee, Innovation Committee, Customer Board Committee and New products Committee – Co-Chairman).</p> <p>He fulfils the conditions regarding the number of mandates established by the law - one executive mandate within the BRD-Groupe Société Générale and two non-executive mandates - one inside BRD-Groupe Société Générale Group and one outside Société Générale Group..</p>
Mirela Virginia MEDELEAN	Executive	Female	Deputy CEO	<p>Member of various committees set to support the Management Committee (Internal Control Committee, Compliance Committee, Data Governance Committee, Crisis Committee, Project Review Committee, Human Resources Committee, Communication Committee, Climate, Environmental and Social Change Committee, Innovation Committee, Customer Board Committee.)He fulfils the conditions regarding the number of mandates established by the law - one executive mandate within BRD Groupe - Société Générale.</p>
Etienne Jean LOULERGUE	Executive	Male	Deputy CEO	<p>Member of various committees set to support the Management Committee</p> <p>(Internal Control Committee, Compliance Committee, Data governance Committee, Assets and Liabilities Management Committee, Pricing Committee, Crisis Committee, Project Review Committee, Human Resources Committee,</p>

Member name	Executive / Non-executive	Gender	Competence	Other significant positions and commitments and nature of commitments
				<p>Communication Committee, Climate, Environmental and Social Change Committee, Innovation Committee, Customer Board Committee.)</p> <p>He fulfils the conditions regarding the number of mandates established by the law - one executive mandate and two non-executive mandates, one in the BRD-Groupe Société Générale and one outside the Société Générale Group.</p>
Mădălina - Otilia TEODORESCU	Executive	Female	Deputy CEO ¹²⁶	<p>Member of various Committees set up to support the Executive Committee activity (Internal Control Committee, Compliance Committee, Data governance Committee, Assets and Liabilities Management Committee, Pricing Committee, Crisis Committee, Risk Retail Committee, Project Review Committee, Human Resources Committee, Communication Committee, Climate, Environmental and Social Change Committee, Innovation Committee, Customer Board Committee).</p> <p>She fulfils the conditions regarding the number of mandates in companies established by the applicable law - one executive mandate within BRD- Groupe Société Générale.</p>

¹²⁶ Since June 9, 2023, Mrs. Mădălina - Otilia TEODORESCU holds the position of Deputy CEO Retail BRD - Groupe Societe Generale S.A.

4.9. Appendices Fines and sanctions¹²⁷

2-27 Compliance with Laws and Regulations	2021	2022	2023
Total number of cases for which fines were received. (BRD)	75	30	33
Total number of cases for which fines were received. (BRDAM)	0	0	0
Total number of cases for which fines were received. (BRD SGL)	0	0	1

2-27 Compliance with Laws and Regulations	2021	2022	2023
Total number of cases for which non-monetary sanctions were imposed. (BRD)	19	15	7
Total number of cases for which non-monetary sanctions were imposed. (BRDAM)	0	0	0

¹²⁷ 2-27

Total number of cases for which non-monetary sanctions were imposed. (BRD SGL)	0	0	0
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2-27 Compliance with Laws and Regulations	2021	2022	2023
Total number of fines paid during the reporting period for cases of non-compliance with laws and regulations. (BRD)	75	30	33
The total number of fines paid during the reporting period for cases of non-compliance with laws and regulations. (BRDAM)	0	0	0
Total number of fines paid during the reporting period for cases of non-compliance with laws and regulations. (BRD SGL)	0	0	1

2-27 Compliance with laws and regulations	2021	2022	2023
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Monetary value of fines for non-compliance with laws and regulations that were paid during the reporting period. (BRD)	180,616 RON	66,825 RON	210,459 RON
Monetary value of fines for non-compliance with laws and regulations that were paid during the reporting period. (BRDAM)	0	0	0
Monetary value of fines for non-compliance with laws and regulations that were paid during the reporting period. (BRD SGL)	0	0	55,940 RON

4.10. Appendices Responsible Employer

BRD Group	UM	2021	2022	2023
Information about employees and other workers¹²⁸				
Employees¹²⁹	No.	6,678	6,443	6,418
<i>of which women</i>	No.	5,038	4,905	4,866
Employees with ILC, undetermined period, full time and part time	No.	6,100	6,116	6,123

¹²⁸ 2-7, 2-8

¹²⁹Number of employees on December, 31.

	<i>of which women</i>	No.	4,570	4,648	4,634
Employees with ILC, determined period, full time and part time		No.	578	327	295
	<i>of which women</i>	No.	468	257	232
Full time employees		No.	6,646	6,405	6,376
	<i>of which women</i>	No.	5,013	4,879	4,836
Part-time employees		No.	32	38	42
	<i>of which women</i>	No.	25	26	30
Workers who are not employees¹³⁰		No.	274	327	374

BRD Group	UM	2021	2022	2023
Collective Labor Contract				
Percentage of total employees covered by Collective Labor Agreements	%	100	100	100

BRD Group	2021		2022		2023	
	No.	%	No.	%	No.	%
New Employees hires¹³¹						
Total new hires	758	11	968	15	826	13
<i>of which women under 30 years old</i>	348	5	435	7	378	6
<i>of which women between 30-50 years old</i>	203	3	270	4	204	3
<i>of which women over 50 years old</i>	25	0.4	36	1	23	0.4

¹³⁰The people who are not employees are internal, collaborators (e.g., in IT departments, associate lawyers, etc.) or employed through staff leasing.

¹³¹ 401-1

BRD Group New Employees hires ¹³¹	2021		2022		2023	
	No.	%	No.	%	No.	%
<i>of which men under 30 years old</i>	108	2	147	2	145	2
<i>of which men between 30-50 years old</i>	69	1	69	1	68	1
<i>of which men over 50 years old</i>	5	0.07	11	0.02	8	0.1

BRD Group Personnel fluctuation ¹³²	2021		2022		2023	
	No.	%	No.	%	No.	%
Employee turnover	1,154	17%	1,205	18	840	13
<i>of which women under 30 years old</i>	292	4%	285	4	242	4
<i>of which women between 30-50 years old</i>	470	7%	474	5	304	5
<i>of which women over 50 years old</i>	131	2%	117	2	92	1
<i>of which men under 30 years old</i>	87	1%	93	1	83	1
<i>of which men between 30-50 years old</i>	108	2%	156	2	94	1
<i>of which men over 50 years old</i>	53	1%	80	1	25	0.4

BRD Group Parental leave ¹³³	2021	2022	2023
Total number of employees that took parental leave	243	224	197
<i>of which women</i>	230	220	185

¹³² 401-1

¹³³ 401-3

	<i>of which men</i>	13	4	12
Total number of employees that returned to work in the reporting period after parental leave ended		276	282	241
	<i>of which women</i>	265	272	227
	<i>of which men</i>	11	10	14
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work		82	206	168
	<i>of which women</i>	82	198	156
	<i>of which men</i>	0	8	12
Retention rate of employees who took parental leave		30%	73	70
	<i>of which women</i>	31%	73	69
	<i>of which men</i>	0%	80%	86
Return-to-work rate of employees who took parental leave.		89%	95%	99%
	<i>of which women</i>	89	96	99%
	<i>of which men</i>	0	80%	100%

Incidents of discrimination and corrective action taken¹³⁴	UM	2021	2022	2023
The total number of incidents of discrimination during the reporting period	no.	0	0	0

¹³⁴ 406-1

Ratios of standard entry level wage by gender compared to local minimum wage¹³⁵ (BRD)	2021	2022	2023
Men	130%	137%	130%
Women	109%	137%	121%

Proportion of senior management hired from the local community¹³⁶	2021	2022	2023
Senior Manager	89%	89%	89%

Work-related accidents

Employees¹³⁷	UM	2021	2022	2023
Fatalities as a result of work-related injury	number	0	0	0
Recordable work-related injuries	number	2	2	0
The main types of work-related injury	Text	break	break	break

¹³⁵ 202-1

¹³⁶ 202-2

¹³⁷ 403-9

Workers who are not employees but whose work and/or workplace is controlled by the organization	UM	2021	2022	2023
Fatalities as a result of work-related injury	number	0	0	0
high-consequence work-related injuries (excluding fatalities)	number	0	0	0
Recordable work-related injuries	number	1	0	1
The main types of work-related injury	Text	Dorsalgia	N/A	Contusion

Occupational diseases¹³⁸

Employees	UM	2021	2022	2023
Fatalities as a result of work-related ill health	number	0	0	0
Recordable work-related ill health	number	0	0	0
The main types of work-related ill health	Text	N/A	N/A	N/A

Workers who are not employees but whose work and/or workplace is controlled by the organization	UM	2021	2022	2023
Fatalities as a result of work-related ill health	No.	0	0	0

¹³⁸ 403-10

Recordable work-related ill health	No.	0	0	0
The main types of work-related ill health	Text	N/A	N/A	N/A

4.11. Appendices Procurement Practices

BRD - Proportion ^[1]of spending with local suppliers ¹	2021	2022	2023
The percentage of the procurement budget for products that is spent with local suppliers	41%	91%	92%
The percentage of the procurement budget	10.4%	9%	

^[1]204-1

for products that is spent with other suppliers			8%
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¹The data refer to new suppliers to whom the CSR clauses have been applied.

BRD AM - Proportion¹³⁹ of spending with local suppliers	2021	2022	2023
The percentage of the procurement budget for products that is spent with local suppliers	1.29%	1.21%	3.46%
The percentage of the procurement budget for products that is spent with other suppliers	0%	0%	0.00%
The procurement budget for services that is spent with local suppliers	96%	95.16%	92.96%
The percentage of the procurement budget for services that is spent with other suppliers	2.71%	3.63%	3.58%

¹³⁹204-1

New suppliers	2021	2022	2023
Percentage of new suppliers to which CSR clauses have been applied	0.44%	0.27%	6.12%

BRD Sogelease IFN - Proportion [1]of spending with local suppliers	2021	2022	2023
The percentage of the procurement budget for products that is spent with local suppliers	2.02%	1.50%	1.62%
The percentage of the procurement budget for products that is spent with other suppliers	0%	0%	0%
The procurement budget for services that is spent with local suppliers	88.32%	90.59%	89.88%
The percentage of the procurement budget for services that is spent with other suppliers	9.66%	7.92%	8.50%

4.12. . Appendices Direct environmental impact

GHG emissions Scope 1¹	UM	2021	2022	2023
GHG emissions Scope 1 ¹⁴⁰	tCO ₂	5,941	5,406	4,561
<i>out of which CO₂ emissions related to fuel oil consumption (excluding cars)</i>	tCO ₂	173	226	172
<i>out of which CO₂ Emissions from gas consumption</i>	tCO ₂	5,764	5,176	4,386
Total CO ₂ emissions due to fluorinated gases.	tCO ₂	4	4	3
Fluorinated gases		Freon R 407C	Freon R 407C	Freon R 407C

¹The reported data refer to the period October - September. The data for 2023 refers to BRD and BRD Sogelease. The data regarding the emissions generated for 2021 are not extremely relevant considering that employees mainly worked from home due to the state of alert imposed by the COVID-19 pandemic. The emission factor used for Romania is the one provided by the International Energy Agency.

GHG emissions Scope 2¹	UM	2021	2022	2023
Total GHG Emissions Scope2 ¹⁴¹	tCO ₂	9,892	6,702	5,743
<i>of which CO₂ emissions due to electricity consumption</i>	tCO ₂	8,985	6,161	5,325
<i>of which CO₂ emissions due to the consumption of externally produced chilled water</i>	tCO ₂	N/A	N/A	N/A
<i>of which CO₂ emissions due to the consumption of externally produced steam or superheated water</i>	tCO ₂	907	541	418

¹The reported data refer to the period October - September. The data for 2023 refers to BRD and BRD Sogelease. The data regarding the emissions generated for 2021 are not extremely relevant considering that employees mainly worked from home due to the state of alert imposed by the COVID-19 pandemic. The emission factor used for Romania is the one provided by the International Energy Agency. GHG emissions Scope 2 are "location based".

GHG emissions Scope 3¹	UM	2021	2022	2023
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¹⁴⁰ 305-1

¹⁴¹ 305-2

Total GHG Emissions Scope 3¹⁴²	tCO ₂	3,422	2,924	2,006
<i>of which CO₂ emissions due to the consumption of office paper</i>	tCO ₂	736	717	735
<i>of which CO₂ emissions due to business travel by train</i>	tCO ₂	0	0.5	1.2
<i>of which CO₂ emissions due to business travel by plane</i>	tCO ₂	4	N/A	103
<i>of which CO₂ emissions due to business trips by car</i>	tCO ₂	1,259	1,043	1,006
<i>of which CO₂ emissions due to the transport of goods</i>	tCO ₂	1,205	996	0
<i>of which CO₂ emissions related to the consumption of non-office paper</i>	tCO ₂	143	103	93

¹The reported data refer to the period October - September. The data for 2021, 2022 and 2023 refers to BRD . The data on the emissions generated for 2021 are not extremely relevant considering that employees mainly worked from home due to the state of alert imposed by the COVID-19 pandemic. The emission factor used for Romania is the one provided by the International Energy Agency. The data does not include issues financed by the loan portfolio.

Intensity of GHG emissions¹	UM	2021	2022	2023
GHG emission intensity ratio ¹⁴³	tCO ₂ /pers	3.77	3.03	2.40

¹The reported data refer to the period October - September. The data for 2021 and 2022 refers to BRD and BRD Sogelease. In the calculation of this indicator, the following types of emissions were considered: GHG emissions Scope 1, GHG emissions Scope 2 and GHG emissions Scope 3. The emission factor used for Romania is the one provided by the International Energy Agency.

Water consumption¹⁴⁴	UM	2021	2022	2023
Water consumption ¹	ML	48	42	50

¹The reported data refer to the period October - September. For 2023 the data refers to BRD and BRD Sogelease. Water consumption data for 2021, 2022 are not highly relevant given that employees have mostly worked from home due to the state of alert imposed by the COVID-19 pandemic.

¹⁴² 305-3

¹⁴³ 305-4

¹⁴⁴ 303-5

4.13 EU Taxonomy – BRD Groupe Societe Generale data

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

		Total environmentally sustainable assets	KPI Turnover	KPI CapEx	% coverage (over total assets)***
Main KPI	Green asset ratio (GAR) stock	249	2.1%	2.5%	65.9%

1.Assets for the calculation of GAR (Turnover based disclosure)

Mn EUR	a	b	c			d			e			f			g			h			i			j			k			l			m			n			o			p		
			Total gross carrying amount	Climate Change Mitigation (CCM)						Climate Change Adaptation (CCA)						TOTAL (CCM + CCA)																												
				Of which towards taxonomy relevant sectors (Taxonomy-eligible)						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 environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)							
Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling						
1	GAR - Covered assets in both numerator and denominator																																											
2	Loans and advances, debt securities and equity instruments not HTF eligible for GAR calculation	5,757.29	559.21	249.14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
3	Financial corporations	1,364.41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
4	Credit institutions	1,236.47	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
5	Loans and advances	1,139.73	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
6	Debt securities, including UoP	96.74	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
7	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
8	Other financial corporations	127.94	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
9	of which investment firms	0.42	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
10	Loans and advances	0.42	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
11	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
12	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
13	of which management companies	2.38	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
14	Loans and advances	0.35	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
15	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
16	Equity instruments	2.03	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
17	of which insurance undertakings	0.01	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
18	Loans and advances	0.01	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
19	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
20	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
21	Non-financial corporations	989.55	176.14	71.87	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
22	NFCs subject to NFRD disclosure obligations	989.55	176.14	71.87	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
23	Loans and advances	989.55	176.14	71.87	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
24	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
25	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
26	Households	3,162.99	383.07	177.27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
27	of which loans collateralized by residential immovable property	3,162.99	383.07	177.27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
28	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
29	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
30	Local governments financing	240.35	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.29	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
32	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-						
33	Other assets excluded from the numerator for GAR calculation (covered in the denominator)	5,881.84	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
34	Non-financial corporations	2,671.49	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
35	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	2,670.25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
36	Loans and advances	2,668.09	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
37	of which loans collateralised by commercial immovable property	702.86	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
38	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
39	Debt securities	3.40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
40	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
41	Non-EU country counterparties not subject to NFRD disclosure obligations	1.24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
42	Loans and advances	1.24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
43	Debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
44	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
45	Derivatives	17.52	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
46	On demand interbank loans	42.20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
47	Cash and cash-related assets	507.01	-	-																																								

Mn EUR	Total gross carrying amount	Climate Change Mitigation (CCM)			Climate Change Adaptation (CCA)			TOTAL (CCM + CCA)								
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)			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 specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which adaptation	Of which enabling	Of which specialised lending	Of which transitional/adaptation	Of which enabling						
a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	
1	GAR - Covered assets in both numerator and denominator															
2	Loans and advances, debt securities and equity instruments not HTY eligible for GAR calculation	5,757.29	598.08	288.44								598.08	288.44			
3	Financial corporations	1,364.41														
4	Credit institutions	1,236.47														
5	Loans and advances	1,139.73														
6	Debt securities, including UoP	96.74														
7	Equity instruments	-														
8	Other financial corporations	127.94														
9	of which investment firms	0.42														
10	Loans and advances	0.42														
11	Debt securities, including UoP	-														
12	Equity instruments	-														
13	of which management companies	2.38														
14	Loans and advances	0.35														
15	Debt securities, including UoP	-														
16	Equity instruments	2.03														
17	of which insurance undertakings	0.01														
18	Loans and advances	0.01														
19	Debt securities, including UoP	-														
20	Equity instruments	-														
21	Non-financial corporations	989.55	215.01	111.17								215.01	111.17			
22	NFCs subject to NFRD disclosure obligations	989.55	215.01	111.17								215.01	111.17			
23	Loans and advances	989.55	215.01	111.17								215.01	111.17			
24	Debt securities, including UoP	-														
25	Equity instruments	-														
26	Households	3,162.99	383.07	177.27								383.07	177.27			
27	of which loans collateralised by residential immovable property	3,162.99	383.07	177.27								383.07	177.27			
28	of which building renovation loans	-	-	-												
29	of which motor vehicle loans	-	-	-												
30	Local governments financing	240.33														
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.29														
32	Other local government financing	-														
33	Other assets excluded from the numerator for GAR calculation (covered in the denominator)	5,881.84														
34	Non-financial corporations	2,571.49														
35	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	2,670.25														
36	Loans and advances	2,668.09														
37	of which loans collateralised by commercial immovable property	702.86														
38	of which building renovation loans	-														
39	Debt securities	3.40														
40	Equity instruments	-														
41	Non-EU country counterparties not subject to NFRD disclosure obligations	1.24														
42	Loans and advances	1.24														
43	Debt securities	-														
44	Equity instruments	-														
45	Derivatives	17.55														
46	On demand interbank loans	42.20														
47	Cash and cash-related assets	507.01														
48	Other assets (e.g. Goodwill, commodities etc.)	2,643.59														
49	Total GAR assets	11,639.14	598.08	288.44												
50	Other assets not covered for GAR calculation	6,089.42														
51	Sovereigns	3,742.02														
52	Central banks exposure	1,860.66														
53	Trading book	466.74														
54	Total assets	17,648.55														
Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations																
55	Financial guarantees	883.22	66.33	54.29												
56	Assets under management															
57	Of which debt securities															
58	Of which equity instruments															

3. GAR sector information (Turnover based disclosure)

a	b		c		e		f		h		i		k		l		n		o		q		r	
	Climate Change Mitigation (CCM)										Climate Change Adaptation (CCA)						TOTAL (CCM + CCA)							
	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		Non-Financial corporates (Subject to NFRD)				SMEs and other NFC not subject to					
	Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		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)		Mn EUR		Of which environmentally sustainable (CCM + CCA)		
1	17.12	Manufacture of paper and paperboard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	17.21	Manufacture of corrugated paper and paperboard and of containers of paper and paperboard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	20.15	Manufacture of fertilisers and nitrogen compounds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	22.11	Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	0.09	0.03	-	-	-	-	-	-	-	-	-	-	-	-	0.09	0.03	-	-	-	-	-	-
5	22.29	Manufacture of other plastic products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	23.11	Manufacture of flat glass	0.28	0.27	-	-	-	-	-	-	-	-	-	-	-	-	0.28	0.27	-	-	-	-	-	-
7	23.51	Manufacture of cement	0.80	0.11	-	-	-	-	-	-	-	-	-	-	-	-	0.80	0.11	-	-	-	-	-	-
8	23.62	Manufacture of plaster products for construction purposes	0.07	0.07	-	-	-	-	-	-	-	-	-	-	-	-	0.07	0.07	-	-	-	-	-	-
9	27.40	Manufacture of electric lighting equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	27.51	Manufacture of electric domestic appliances	0.62	0.19	-	-	-	-	-	-	-	-	-	-	-	-	0.62	0.19	-	-	-	-	-	-
11	28.15	Manufacture of bearings, gears, gearing and driving elements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	28.41	Manufacture of metal forming machinery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	29.10	Manufacture of engines for motor vehicles (excluding motorcycles) and for agricultural tractors	0.52	0.06	-	-	-	-	-	-	-	-	-	-	-	-	0.52	0.06	-	-	-	-	-	-
14	30.20	Manufacture of railway locomotives and rolling stock	0.10	0.19	-	-	-	-	-	-	-	-	-	-	-	-	0.10	0.19	-	-	-	-	-	-
15	35.11	Production of electricity	81.35	-	-	-	-	-	-	-	-	-	-	-	-	-	81.35	-	-	-	-	-	-	-
16	35.13	Distribution of electricity	37.16	29.79	-	-	-	-	-	-	-	-	-	-	-	-	37.16	29.79	-	-	-	-	-	-
17	35.22	Distribution of gaseous fuels through mains	31.90	19.58	-	-	-	-	-	-	-	-	-	-	-	-	31.90	19.58	-	-	-	-	-	-
18	36.00	Water collection, treatment and supply	10.25	10.25	-	-	-	-	-	-	-	-	-	-	-	-	10.25	10.25	-	-	-	-	-	-
19	38.11	Collection of non-hazardous waste	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	38.32	Recovery of sorted materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	41.20	Building works related to erection of residential and non-residential buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	42.91	Works related to construction of water projects	8.97	7.33	-	-	-	-	-	-	-	-	-	-	-	-	8.97	7.33	-	-	-	-	-	-
23	43.21	Electrical installation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	49.10	Passenger rail transport, interurban	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	49.20	Freight rail transport	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	49.50	Transport via pipeline of fuelgases	4.02	4.02	-	-	-	-	-	-	-	-	-	-	-	-	4.02	4.02	-	-	-	-	-	-
27	53.20	Other postal and courier activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

4. GAR sector information (CapEx based disclosure)

a	b		c		e		f		h		i		k		l		n		o		q		r	
	Climate Change Mitigation (CCM)										Climate Change Adaptation (CCA)						TOTAL (CCM + CCA)							
	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		Non-Financial corporates (Subject to NFRD)				SMEs and other NFC not subject to					
	Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		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)		Mn EUR		Of which environmentally sustainable (CCM + CCA)		
1	17.12	Manufacture of paper and paperboard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	17.21	Manufacture of corrugated paper and paperboard and of containers of paper and paperboard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	20.15	Manufacture of fertilisers and nitrogen compounds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	22.11	Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	0.10	0.04	-	-	-	-	-	-	-	-	-	-	-	-	0.10	0.04	-	-	-	-	-	-
5	22.29	Manufacture of other plastic products	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	23.11	Manufacture of flat glass	0.38	0.35	-	-	-	-	-	-	-	-	-	-	-	-	0.38	0.35	-	-	-	-	-	-
7	23.51	Manufacture of cement	0.64	0.15	-	-	-	-	-	-	-	-	-	-	-	-	0.64	0.15	-	-	-	-	-	-
8	23.62	Manufacture of plaster products for construction purposes	0.10	0.09	-	-	-	-	-	-	-	-	-	-	-	-	0.10	0.09	-	-	-	-	-	-
9	27.40	Manufacture of electric lighting equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	27.51	Manufacture of electric domestic appliances	0.35	0.06	-	-	-	-	-	-	-	-	-	-	-	-	0.35	0.06	-	-	-	-	-	-
11	28.15	Manufacture of bearings, gears, gearing and driving elements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	28.41	Manufacture of metal forming machinery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	29.10	Manufacture of engines for motor vehicles (excluding motorcycles) and for agricultural tractors	0.52	0.12	-	-	-	-	-	-	-	-	-	-	-	-	0.52	0.12	-	-	-	-	-	-
14	30.20	Manufacture of railway locomotives and rolling stock	0.08	0.16	-	-	-	-	-	-	-	-	-	-	-	-	0.08	0.16	-	-	-	-	-	-
15	35.11	Production of electricity	81.35	-	-	-	-	-	-	-	-	-	-	-	-	-	81.35	-	-	-	-	-	-	-
16	35.13	Distribution of electricity	37.09	30.71	-	-	-	-	-	-	-	-	-	-	-	-	37.09	30.71	-	-	-	-	-	-
17	35.22	Distribution of gaseous fuels through mains	72.15	58.73	-	-	-	-	-	-	-	-	-	-	-	-	72.15	58.73	-	-	-	-	-	-
18	36.00	Water collection, treatment and supply	10.25	10.25	-	-	-	-	-	-	-	-	-	-	-	-	10.25	10.25	-	-	-	-	-	-
19	38.11	Collection of non-hazardous waste	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	38.32	Recovery of sorted materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	41.20	Building works related to erection of residential and non-residential buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	42.91	Works related to construction of water projects	8.97	7.50	-	-	-	-	-	-	-	-	-	-	-	-	8.97	7.50	-	-	-	-	-	-
23	43.21	Electrical installation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	49.10	Passenger rail transport, interurban	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	49.20	Freight rail transport	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	49.50	Transport via pipeline of fuelgases	3.04	3.01	-	-	-	-	-	-	-	-	-	-	-	-	3.04	3.01	-	-	-	-	-	-
27	53.20	Other postal and courier activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

5. GAR KPI stock (Turnover based disclosure)

6. GAR KPI stock (CapEx based disclosure)

	% (compared to total covered assets in the denominator)	Climate Change Mitigation (CCM)			Climate Change Adaptation (CCA)			TOTAL (CCM + CCA)			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 specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling					
1	GAR - Covered assets in both numerator and denominator														
2	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	10.4%	5.0%	-	-	-	-	-	-	10.4%	5.0%	-	-	-	32.6%
3	Financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	7.7%
4	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Non-financial corporations	21.7%	11.2%	-	-	-	-	-	-	21.7%	11.2%	-	-	-	5.6%
22	NFCs subject to NFRD disclosure obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Loans and advances	21.7%	11.2%	-	-	-	-	-	-	21.7%	11.2%	-	-	-	5.6%
24	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Households	12.1%	5.6%	-	-	-	-	-	-	12.1%	5.6%	-	-	-	17.9%
27	of which loans collateralised by residential immovable property	12.1%	5.6%	-	-	-	-	-	-	12.1%	5.6%	-	-	-	17.9%
28	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	1.4%
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
49	Total GAR assets	5.1%	2.5%	-	-	-	-	-	-	5.1%	2.5%	-	-	-	32.6%

7. KPI off-balance sheet exposures (Turnover based disclosure)

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
% (compared to total eligible off-balance sheet assets)	Climate Change Mitigation (CCM)			Climate Change Adaptation (CCA)			TOTAL (CCM + CCA)								
	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-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)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling			
1 Financial guarantees (FinGuar KPI)	7.7%	6.0%	-	-	-	-	-	-	-	-	7.7%	6.0%	-	-	-
2 Assets under management (AuM KPI)															

8. KPI off-balance sheet exposures (CapEx based disclosure)

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
% (compared to total eligible off-balance sheet assets)	Climate Change Mitigation (CCM)			Climate Change Adaptation (CCA)			TOTAL (CCM + CCA)								
	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-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)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling			
1 Financial guarantees (FinGuar KPI)	7.5%	6.1%	-	-	-	-	-	-	-	-	7.5%	6.1%	-	-	-
2 Assets under management (AuM KPI)															

4.14. EU Taxonomy – BRD AM data

<p>The weighted average value of all the investments that are directed at funding, or are associated with taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below:</p> <p>Turnover-based: % 2.6</p> <p>CapEx—based: % 2.7</p>	<p>The weighted average value of all the investments that are directed at funding, or are associated with taxonomy-aligned economic activities, with following weights for investments in undertakings per below:</p> <p>Turnover-based: [monetary amount] 7,237,064</p> <p>CapEx-based: [monetary amount] 7,564,315</p>
<p>The percentage of assets covered by the KPI relative to total investments (total AuM). Excluding investments in sovereign entities, Coverage ratio: % 34.9</p>	<p>The monetary value of assets covered by the KPI. Excluding investments in sovereign entities.</p> <p>Coverage: [monetary amount] 279,450,700</p>
<p>Additional, complementary disclosures: breakdown of denominator of the KPI</p>	
<p>The percentage of derivatives relative to total assets covered by the KPI.</p> <p>X % N/A</p>	<p>The value in monetary amounts of derivatives:.</p> <p>[monetary amount] N/A</p>
<p>The proportion of exposures to EU financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:</p> <p>For non-financial undertakings: 32.5%</p> <p>For financial undertakings: 5.4%</p>	<p>Value of exposures to EU financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU:</p> <p>For non-financial undertakings: [monetary amount] 90,750,573</p> <p>For financial undertakings: [monetary amount] 15,104,665</p>
<p>The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:</p> <p>For non-financial undertakings: 1%</p>	<p>Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU:</p> <p>For non-financial undertakings: [monetary amount] 2,766,392</p>

For financial undertakings:	0.1%	For financial undertakings: [monetary amount] 147,596
The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU :
For non-financial undertakings:	35.3%	For non-financial undertakings: [monetary amount] 98,551,612
For financial undertakings:	25.8%	For financial undertakings: [monetary amount] 72,129,862
The proportion of exposures to other counterparties over total assets covered by the KPI:		Value of exposures to other counterparties :
X %	170.6	[monetary amount] 476,810,190
The value of all the investments that are funding economic activities that are not taxonomy-eligible relative to the value of total assets covered by the KPI:		Value of all the investments that are funding economic activities that are not taxonomy-eligible :
X %	91.2	[monetary amount] 254,956,454
The value of all the investments that are funding taxonomy-eligible economic activities, but not taxonomy-aligned relative to the value of total assets covered by the KPI:		Value of all the investments that are funding Taxonomy-eligible economic activities, but not taxonomy-aligned :
X %	6.2	[monetary amount] 17,257,182
Additional, complementary disclosures: breakdown of numerator of the KPI		
The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU :
For non-financial undertakings:		For non-financial undertakings:
Turnover-based: %	2.3	Turnover-based: [monetary amount] 6,511,778
Capital expenditures-based: %	2.4	Capital expenditures-based: [monetary amount] 6,605,712
		For financial undertakings:

For financial undertakings:		Turnover-based: [monetary amount] 290,782
Turnover-based: % 0.1		Capital expenditures-based: [monetary amount] 340,769
Capital expenditures-based: % 0.1		
The proportion of taxonomy-aligned exposures to other counterparties in over total assets covered by the KPI:		Value of taxonomy-aligned exposures to other counterparties :
Turnover-based: % 0.2		Turnover-based: [monetary amount] 434,503
Capital expenditures-based: % 0.2		Capital expenditures-based: [monetary amount] 617,834
Breakdown of the numerator of the KPI per environmental objective		
Taxonomy-aligned activities –:		
(1) Climate change mitigation	Turnover: % 2.2 CapEx:% 2.3	Transitional activities: A% (Turnover 0; CapEx 0) Enabling activities: B% (Turnover 0; CapEx 0)
(2) Climate change adaptation	Turnover: % 0.1 CapEx:% 0.1	Transitional activities: A% (Turnover 0; CapEx 0) Enabling activities: B% (Turnover 0; CapEx 0)
(3)The sustainable use and protection of water and marine resources	Turnover: % 0 CapEx:% 0	Transitional activities: A% (Turnover 0; CapEx 0) Enabling activities: B% (Turnover; CapEx)
(4) The transition to a circular economy	Turnover: % 0 CapEx:% 0	Transitional activities: A% (Turnover 0; CapEx 0) Enabling activities: B% (Turnover 0; CapEx 0)
(5) Pollution prevention and control	Turnover: % 0 CapEx:% 0	Transitional activities: A% (Turnover 0; CapEx 0) Enabling activities: B% (Turnover 0; CapEx 0)
(6)The protection and restoration of biodiversity and ecosystems	Turnover: % 0 CapEx:% 0	Transitional activities: A% (Turnover 0; CapEx 0) Enabling activities: B% (Turnover 0; CapEx 0)

Clarifications:

1. All amounts are expressed in EUR
2. Derivatives included only FX derivatives, without the scope of the Taxonomy
3. If taxonomy information is not disclosed by the investee, we assumed the value 0 for taxonomy aligned/eligible activities.
4. Cash and cash equivalents were excluded from the reporting

4.15. External initiatives

SG Group has shown its proactive commitment since 2000 to the following public or private initiatives:

2000: founding member of the Wolfsberg Group;

2001: joined the United Nations Environment Program Finance Initiative (UNEP-FI);

2003: joined the United Nations Global Compact, which encourages companies to integrate principles related to human rights, working conditions and the fight against corruption;

2007: adopted the Equator Principles;

2014: support for the Green Bond Principles;

2014: Lyxor signed the Principles for Responsible Investment;

2015: Signed a Global Agreement on Fundamental Rights with UNI Global Union (renewed in February 2019);

2015: Launched the “Positive Impact Manifesto” of the UNEPFI;

2015: Joined the “Soft Commodities Compact” of the Banking Environment Initiative (with the Consumer Goods Forum) to fight tropical deforestation;

2015: subscribed to the "Principles for Mainstreaming Climate Actions within Financial Institutions", launched at COP21;

2016: Signed the Women's Empowerment Principles – WEP, Professional Equality Charter of United Nations, and the International Labour Organization's Global Business Charter on Disability;

2017: Adoption of Principles for Positive Impact Finance (UNEP-FI);

2017: Supporting the recommendations of the Task Force on Climate Financial Disclosure (TCFD)

2018: Katowice commitment to align financing portfolios with global climate objectives;

2018: Société Générale is the first French bank to join the Climate Bonds Partner Programme, an international network of financial actors working with Climate Bonds to shift investment towards a low-carbon and climate resilient economy;

2019: Sign the Poseidon that promote low carbon emissions for the global shipping industry, by integrating climate objectives into portfolio management and bank lending decisions;

The group is aligned to the Paris Agreement and helped establish the Net Zero Banking Alliance in April 2020.

During 2022, BRDAM adhered to the UN Principles for Responsible Investment.

4.14. MEMBERSHIP ASSOCIATIONS¹⁴⁵

Council of Banking Employers in Romania (CPBR);

Romanian Association of Banks (ARB);

Foreign Investors Council (FIC);

Chambre Française de Commerce, D'Industrie et D'Agriculture en Roumanie (CCIFER);

Electronic Payments Association (APER0);

Romanian Association for Privately Administered Pensions (APAPR);

¹⁴⁵ 2-28

Factors Chain International (FCI);
American Chamber of Commerce in Romania (AmCham);
Romanian Factoring Association;
Chamber of Commerce and Industry of Covasna;
German-Romanian Chamber of Commerce and Industry (AHK);
Chamber of Commerce and Industry of Braşov;
Center for Alternative Banking Dispute Resolution (CSALB);
Francophone Business Club Cluj;
Timiş Chamber of Commerce, Industry and Agriculture;
Argeş Chamber of Commerce and Industry;
Argeş Businessmen Association;
Banat German Economic Club;
Francophone Business Club Braşov;
Chamber of Commerce and Industry of Prahova;
Chamber of Commerce and Industry of Mureş;
Romanian Green Building Council (RoGBC)
Romanian Association for Investor Relations (ARIR)
Francophone Business Club Sibiu

BRD Sogelease

28. Romanian Association of Financial Companies (ALB)

BDRAM

29. AAF – Association of Fund Administrators.

4.15 Awards and Ratings

- The Banker – Bank of the Year, Romania
- Global Finance – Best Trade Finance Provider, Romania
- Euromoney – Cash Management Market Leader - no. 1 in Romania
- Mastercard Bank of the Year Awards: "The most consistent activity in environment in 2022"
- Mastercard Bank of the Year Awards : "The most visible supporter of culture in 2022"
- Piața Financiară: Premiul de excelență pentru sustenabilitate
- Piața Financiară : Premiul special „Satisfacția Clientului”: Premiul pentru satisfacția clientului și digitalizare, prin dezvoltarea susținută a aplicațiilor în platforma You BRD
- Piața Financiară : Internet banking – Cea mai mare creștere a numărului de tranzacții la persoane fizice
- RoGBC & ROENEF : Premiu special în recunoașterea dezvoltării programului BRD de credite imobiliare verzi
- Bursa : Premiul de excelență pentru leadership în facilitarea tranziției verzi
- Piața Financiară: Banca Anului în Managementul Riscului
- Piața Financiară: Banca anului, CSR
- Green Report: Premiul de excelență în finanțarea proiectelor de mediu

Sustainalytics – ESG RISK Scoreg: **14.4 – Low Risk, ESG Risk Ranking Score: 28/492 top 6%**

Sustainable Fitch: ESG Rating 3, Rating 60/100

4.16 Abbreviations

ABC	Anti-Bribery and Corruption
AML	Anti-Money Laundering
ANSPDCP	The National Supervisory Authority for the Processing of Personal Data
ARB	Romanian Association of Banks
ASF	Financial Supervision Authority
ATM	Bancomat
BSE	Bucharest Stock Exchange
BoDs	Board of Directors
CCIFER	French Chamber of Commerce and Industry in Romania
CEO	Chief Executive Officer
CISO	Director of Information Security Direction
CO ₂	Carbon dioxide
CXM	Customer Experience Monitoring Program
DPO	Data Protection Officer
HRD	Human resources Department
E&S	Environment and Social
ESG	Environment, Social and Governance
ESMA	European Securities and Markets Authority
ESPIF	Director for Social, Environment and Positive Impact Financing
EU	European Union
FIC	Council of Foreign Investors
FR	Fixed remuneration
GDPR	General Data Protection Regulation

GHG	Greenhouse gases
GHG Scope 1	Direct emissions from operations that are owned or controlled by the organization
GHG Scope 2	Energy indirect emissions resulted from the generation of purchased or acquired electricity, heating, cooling or steam
GHG Scope 3	Other indirect emissions
GMS	General Meeting of Shareholders
ICMA	International Capital Markets Association
ILC	Individual Labour Contact
ILO	International Labour Organization
IT	Information Technology
IT&C	Information Technology and Communication
Kg	Kilogram
Kto	Thousands of tons
KYC	Know Your Customer
KWh	Kilowatt-hour
LMA	Loan Market Association
m ³	Cubic meters
MIFID	Markets in Financial Instruments Directive
NGO	Non-Governmental Organization
NBR	The National Bank of Romania
No	number
NPS	Net Promoter Score
OCR	Optical character recognition
OECD	Organization for Economic Co-operation and Development
PCI DSS	Payment Card Industry Data Security Standard
PDPO	Persona Data Protection Cell
POR	Regional Operational Program
RISC	Risk Management Department
SDGs	Sustainable Development Goals
SEGL	General Secretariat

S&E	Sanctions & Embargo (S&E)
SME	Small & Medium Enterprises
TCFD	Task Force on Climate-related Financial Disclosure
UN	United Nations Organization
UNPRI	Principles for Responsible Investments
VR	Variable Remuneration
WEEE	Waste from Electrical and Electronic Equipment
ZF	Ziarul Financiar

4.17 Aspects, Impacts, Indicators and Policies

Topics	Impact	Type of impact	indicator	Policies for managing Impacts
Environmental Impact	GHG indirect emissions Scope 3 resulting from supply chain and financing portfolio.	Negative	305-3 Other indirect (Scope 3) GHG emissions 305-4 GHG emissions intensity 305-5 Reduction of GHG emissions	Societe Generale Group/s transversal statement on climate change
	Waste generated (paper, IT products)	Negative	306-3 Waste generated 306-4 Waste diverted from disposal 306-5 Waste directed to disposal	Societe Generale Group/s transversal statement on protection biodiversity
	Energy consumption.	Negative	302-1 Energy consumption within the organization 302-3 Energy intensity 302-4 Reduction of energy consumption	Societe Generale Group/s transversal statement on climate change
	GHG direct emissions Scope 2 resulting from energy consumption for electricity, heating, cooling	Negative	305-2 Energy indirect (Scope 2) GHG emissions 305-4 GHG emissions intensity 305-5 Reduction of GHG emissions	Societe Generale Group/s transversal statement on climate change
	Water consumption.	Negative	303-5 Water consumption	Societe Generale Group/s transversal statement on protection biodiversity
	GHG direct emissions Scope 1 resulting from the bank activities	Negative	305-1 Direct (Scope 1) GHG emissions 305-4 GHG emissions intensity 305-5 Reduction of GHG emissions	Societe Generale Group/s transversal statement on climate change

Topics	Impact	Type of impact	indicator	Policies for managing Impacts
Sustainable Finance	The contribution to the protection of the environment through the sustainable finance.	Positive	former FS1 - Policies with specific environmental and social components applied to business lines FS8 Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose business line broken down by purpose.	Environmental and social general principles SG Positive Impact Finance Framework
	The impact on people's well-being and livelihood through sustainable finance.	Positive	FS7 Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	Environmental and social general principles SG Positive Impact Finance Framework
Environmental and social risk assessment	Contributing to sustainable development by identifying and managing ESG risks at the client portfolio level.	Positive	former FS2 - Procedures for assessing and screening environmental and social risks in business lines	Environmental and social general principles E&S sectoral policies
Community development	The contribution to improving the financial literacy of community members through various initiatives.	Positive	former FS16 Initiatives to enhance financial literacy by type of beneficiary	Corporate Social Responsibility Policy
	The contribution to reduce the negative impact on people in local communities.	Positive	413-1 Operations with local community engagement, impact assessments, and development programs	Corporate Social Responsibility Policy
	Positive impact on people's well-being and standard of living through sustainable financing	Positive	FS7 Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	SG positive impact finance framework

Topics	Impact	Type of impact	indicator	Policies for managing Impacts
	The contribution to the access to financial services	Positive	FS14 Initiatives to improve access to financial services for disadvantaged people	
	The possibility of affecting client choice in the case of an anti-competitive behaviour	Negative	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Code of Conduct Directive on Ensuring Compliance with Applicable Principles in Competition Law
Ethics & Governance	The contribution to combating the phenomenon of corruption.	Positive	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	The Principles and Rules Governing the Fight Against Corruption
	The conflicts of interest between the bank and the clients	Negative	417-1 Requirements for product and service information and labelling 417-2 Incidents of non-compliance concerning product and service information and labelling 417-3 Incidents of non-compliance concerning marketing communications	Conflict of Interest Policy (https://www.brd.ro/_files/pdf/BRD-Conflict-of-Interest-Policy-Summary.pdf) Principles and Rules Governing the Fight Against Corruption
Responsible employer	The contribution to respect for human rights through social dialogue measures, working conditions and development programs provided to employees.	Positive	402-1 Minimum notice periods regarding operational changes	Societe Generale Group/s transversal statement on human rights: Declaration sur les droits de l homme.pdf (societegenerale.nc) Environmental and social general principles: Environmental and Social General Principles (societegenerale.com)

Topics	Impact	Type of impact	indicator	Policies for managing Impacts
	The impact on occupational health and safety through attacks and assaults (verbal or physical) by clients, following bank robberies or legal obligations to report criminal activity (e.g., money laundering, terrorism).	Negative	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 403-8 Workers covered by an occupational health and safety management system 403-9 Work-related injuries 403-10 Work-related ill health	Human resources policy and related procedures Internal Regulation Occupational health and safety management system
	The contribution to equal opportunities and diversity through recruitment and remuneration policies.	Positive	405-1 Diversity of governance bodies and employees 405-2 Ratio of basic salary and remuneration of women to men 406-1 Incidents of discrimination and corrective actions taken	Human resources policy and related procedures Internal Regulation
	The impact on the labor market development by attracting a diverse and skilled workforce.	Positive	401-1 New employee hires and employee turnover 404-1 Average hours of training per year per employee 404-2 Programs for upgrading employee skills and transition assistance programs	Human resources policy and related procedures Internal Regulation

Topics	Impact	Type of impact	indicator	Policies for managing Impacts
			404-3 Percentage of employees receiving regular performance and career development reviews	
	Contributing to job security, pay and a professional career.	Positive	401-3 Parental leave	Human resources policy and related procedures Internal Regulation
	Contributing to the economic well-being of employees and their families.	Positive	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human resources policy and related procedures Internal Regulation
	Contributing to a positive market presence through local hiring.	Positive	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	Human resources policy and related procedures Remuneration policy
	The contribution to health services access through benefits granted to employees and their family members.	Positive	403-6 Promotion of worker health	Human resources policy and related procedures Internal Regulation
Customer management	Impact on the protection of clients' personal data.	Negative	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	The public policy regarding the processing of personal data and the information notice for different categories of customers and/or processing. SG Data Policy
	Contribution to the local and national economy through the financing granted to enterprises.	Positive		

Topics	Impact	Type of impact	indicator	Policies for managing Impacts
Economic performance	The direct monetary added value to the national economy through payments to the state budget, salaries, payments to suppliers, shareholders, etc.	Positive	201-1 Direct economic value generated and distributed	Horizon 2025
Procurement practices	The support of local suppliers.	Positive	204-1 Proportion of spending on local suppliers	Sustainable Sourcing Charter Carta Achizitiilor Responsabile-EN.pdf (brd.ro)
	The contribution to reduce the negative impacts on people in the supply chain.	Positive	204-1 Proportion of spending on local suppliers	Sustainable Sourcing Charter Carta Achizitiilor Responsabile-EN.pdf (brd.ro)
	The reduction of the environmental impact in the supply chain through green procurement policies/criteria.	Positive	204-1 Proportion of spending on local suppliers	Sustainable Sourcing Charter Carta Achizitiilor Responsabile-EN.pdf (brd.ro)

4.18 GRI Content Index

Statement of Use	BRD Group has reported in accordance with GRI Standards for the period January 1 - December 31, 2023
GRI 1 used	GRI 1: Foundation 2021
Applicable Sector GRI standard(s).	The specific GRI Standard for the financial services sector has not yet been published. For the elaboration of this report, BRD Group used the GRI G4 Sectoral Standard for the financial services sector.

GRI STANDAR D/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIRE MENT(S) OMITTED	REASON	EXPLAN ATION
General disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	I. Our business model - 1.1. BRD Group Presentation. Pg. 5 4.7. Appendices Economic performance – Structure of BRD branches Headquarters Address: BRD Tower 1-7, Ion Mihalache blvd., sector 1, 011171 Bucharest. Pg. 140 The BRD Group carries out its activities in Romania.			
	2-2 Entities included in the organization's sustainability reporting	The entities included in the sustainability report are: BRD - Groupe Société Générale SA; BRD Sogelease IFN SA; BRD Asset Management SAI SA. . Pg. 5 The financial report of the BRD Group includes information on the following companies: BRD - Groupe Société Générale SA; BRD Sogelease IFN SA; BRD Asset Management SAI SA.			
	2-3 Reporting period, frequency and contact point	III. Reporting Methodology. Pg. 124			

2-4 Restatements of information	4.5. Appendices Economic performance – BRD Group Scale of the Group organization. Pg. 139			
2-5 External assurance	III. Reporting Methodology. Pg. 124			
2-6 Activities, value chain and other business relationships Pg. 5	<p>I. Our business model - 1.1. BRD Group Presentation. Pg. 5 2.2. Environmental, Social and Climate Risk Assessment and Sustainable Finance and ESG Investments. Pg. 67, pg. 81 4.1. Appendices Economic performance - BRD products and services. Pg. 125 4.2. Appendices Economic performance - BRD Sogelease products and services. Pg. 137</p> <p>4.4. Appendices Economic performance - BRDAM products and services. Pg. 138 4.5. Appendices Economic performance – BRD Group Scale of the organization 4.6. Appendices Economic performance – Quantity of products or services provided. Pg. 139 4.7. Appendices Economic performance – Structure of BRD branches. Pg. 140</p> <p>2.5. Procurement practices. Pg. 112 https://www.brd.ro/en/about-brd https://www.brd.ro/en/individuals https://www.brd.ro/en/companies https://www.brdam.ro/en/despre-noi/brd-asset-management https://www.brdleasing.ro/produse-si-servicii</p>			

	2-7 Employees	4.10 Appendices Responsible Employer. Pg. 150			
	2-8 Workers who are not employee	4.10 Appendices Responsible Employer. Pg. 150			
	2-9 Governance structure and composition Pg. 9, 10	<p>1.4.1 Corporate governance. Pg. 9 1.4.1 Corporate governance - Committees established in support of the BoDs. Pg. 9 1.4.1 Corporate governance - Management Committee. Pg. 9 4.8. Annexes Governance – Members of the BoDs as of December 31, 2023. Pg. 144 Annual Board of Directors' Report 2023: pp. 11-16</p> <p>Within the organization, there are multiple committees at both the Board of Directors and the Management Committee levels, which are responsible for managing various sustainability-related impacts. Additionally, at the level of the Management Committee, there is a "Climate, Environmental, and Social Change Committee" that supports the Management Committee in managing impacts on people and the environment. The Executive Management reports the most significant sustainability aspects to the Board of Directors.</p>			

<p>2-10 Nomination and selection of the highest governance body Pg. 10, 11</p>	<p>1.4.1 Corporate governance -Selection of candidates for BoDs and Management Committee Annual Board of Directors' Report 2023: page 9-10</p> <p>The process is defined within the "Policy for the suitability of members of the Management Body and of persons holding key and initiating positions and training of the members of the Governing Body." It contains general rules regarding the documentation required when appointing a BoDs and Management Committee member. Additionally, Directives N1D62 and N1D63 provide information on the structure of committees and, in the case of Committees supporting the BoDs, the required expertise.</p> <p>Any appointment of a BoDs or Management Committee member involves an analysis carried out by the Nomination Committee. The conclusions of this committee are presented to the BoDs which makes the final decision regarding the appointment of Management Committee members, provisional administrators, or members of committees supporting the BoDs. The appointment of administrators is within the competence of the General Meeting of Shareholders (AGA). According to the provisions of company law, proposals for the appointment of administrators may come from the BoDs or shareholders.</p>			
<p>2-11 Chair of the highest governance body</p>	<p>4.8. Annexes Governance – Members of the BoDs as of December 31, 2023. Pg. 144 The President of the Board of Directors is a non-executive member.</p>			
<p>2-12 Role of the highest governance body in overseeing the management of impacts</p>	<p>1.4.1. Corporate governance - Board of Directors. Pg. 9 1.4.1. Corporate governance - Management Committee. Pg. 9 1.5. How we manage sustainability. Pg. 40</p>			
<p>2-13 Delegation of responsibility</p>	<p>1.4.1. Corporate governance - Management Committee. Pg. 9 1.5. How We Manage Sustainability. Pg. 40</p>			

	for managing impacts				
	2-14 Role of the highest governance body in sustainability reporting	The sustainability report is reviewed by all departments involved in its preparation, then validated by the Management Committee and approved by the Board of Directors.			
	2-15 Conflicts of interest	1.4.2. Business ethics - Conflict of interest. Pg. 21 Conflict of Interests Policy: https://www.brd.ro/_files/pdf/BRD-Conflict-of-Interest-Policy-Summary.pdf Principles and rules governing the fight against corruption and page 15: https://www.brd.ro/_files/pdf/Principles_and_rules_governing_the_fight_against_corruption-2023.pdf Potential conflicts of interest are reported to the authorities (NBR/ASF).			
	2-16 Communication of critical concerns	1.4.2. Business Ethics - Whistleblowing and grievances channels. Pg. 24			
	2-17 Collective knowledge of the highest governance body	1.4.1 Corporate governance - Developing and strengthening the knowledge of BoDs and Management Committee members. Pg. 11			
	2-18 Evaluation of the performance of the highest governance body	1.4.1 Corporate governance - Evaluating the performance of the BoDs and Management Committee. Pg. 12			

2-19 Remuneration policies	2.3. Responsible Employer - Remuneration Policy Remuneration Policy for executive officers and non-executive directors - https://www.brd.ro/_files/pdf/Directors_Renumeration_policy_2021.pdf			
2-20 Process to determine remuneration	1.4.1. Corporate governance 2.3. Responsible Employer - Remuneration Policy Remuneration Policy for executive officers and non-executive directors - https://www.brd.ro/_files/pdf/Directors_Renumeration_policy_2021.pdf			
2-21 Annual total compensation ratio	2.3. Responsible Employer - Remuneration policy. Pg. 94			
2-22 Statement on sustainable development strategy	CEO Message. Pg. 4			

2-23 Policy commitments	<p>1.4.2. Business ethics. Pg. 21 1.4.4. Respect for human rights. Pg. 37 1.5. How We Manage Sustainability 2.2 Environmental, Social, Governance and Climate Risk Assessment and Sustainable Finance and ESG Investments. Pg. 67</p> <p>- Code of Conduct : https://www.brd.ro/_files/pdf/Group_Code_of_Conduct_English.pdf - Societe Generale Group/s transversal statement on human rights: https://urlis.net/7yz38etj - Environmental and social general principles: https://societegenerale.nc/fileadmin/user_upload/nouvelle_caledonie/pdf/Declaration_sur_les_droits_de_l_homme.pdf - SG Positive Impact Financing Framework : https://www.societegenerale.com/sites/default/files/documents/2021-11/20211104-societe-generale-sustainable-and-positive-impact-bond-framework.pdf - Societe Generale Group/s transversal statement on protection biodiversity: https://societegenerale.nc/fileadmin/user_upload/nouvelle_caledonie/pdf/Declaration_sur_la_protection_de_la_Biodiversite.pdf - Societe Generale Group/s transversal statement on climate change: https://societegenerale.nc/fileadmin/user_upload/nouvelle_caledonie/pdf/Declaration_sur_les_changements_climatiques.pdf</p>			
2-24 Embedding policy commitments	<p>1.4.2. Business ethics. Pg. 21 1.5. How We Manage Sustainability. Pg. 40</p>			
2-25 Processes to remediate negative impacts	<p>1.4.2. Business ethics. Pg. 21 1.5. How We Manage Sustainability. Pg. 40 2.3. Responsible Employer. Pg. 83</p>			
2-26 Mechanisms for seeking advice and raising concerns	<p>1.4.2. Ethics in business. Pg. 24 https://report.whistleb.com/en/brd</p>			
2-27 Compliance with laws and regulations	<p>4.9. Appendices Compliance – Fines and sanctions. Pg. 149</p>			

	2-28 Membership associations	4.14. Annexes Membership Associations. Pg. 159			
	2-29 Approach to stakeholder engagement	1.5. How We Manage Sustainability. Pg. 40			
	2-30 Collective bargaining agreements	All our employees are covered by collective labour agreements. Pg. 151			
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	1.5. How We Manage Sustainability. Pg. 41 III. Reporting Methodology. Pg. 123			
	3-2 List of material topics	1.5. How We Manage Sustainability. Pg. 48			
Economic performance					
GRI 3: Material Topics 2021	3-3 Management of material topics	1.3. Economic Performance. Pg. 8 1.5. How We Manage Sustainability. Pg. 48			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	4.5. Appendices Economic performance – BRD Group Scale of organization. Pg. 45			
Market presence					
GRI 3: Material Topics 2021	3-3 Management of material topics	2.3. Responsible Employer. Pg. 83			
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	4.10. Appendices Responsible Employer. Pg. 153 National legislation establishes the minimum wage level for the entire country. The reporting information refers to operations in Romania.			

	202-2 Proportion of senior management hired from the local community	4.10. Appendices Responsible Employer. Pg. 153 The "senior manager" category includes: executive directors in the Headquarters, Regional Retail Directors, and Business Center Directors. The reporting information refers to operations in Romania.			
Procurement practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	2.5. Procurement Practices. Pg. 112			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	4.11. Appendices Procurement practices. Pg. 155 The reporting information refers to operations in Romania.			
Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	1.4.2. Business ethics. Pg. 21			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	1.4.2. Business ethics. Pg. 22			
	205-2 Communication and training about anti-corruption policies and procedures	1.4.2. Business ethics. Pg. 23 Anti-corruption policies and procedures have been communicated to 100% of business partners			
	205-3 Confirmed incidents of corruption and actions taken	There were no confirmed incidents of corruption in 2023.			
Anti-competitive behavior					
GRI 3: Material	3-3 Management	1.4.2. Business ethics - Anti-competitive behaviour. Pg. 27			

Topics 2021	of material topics				
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	1.4.2. Business ethics - Anti-competitive behaviour. Pg. 27			
Materials					
GRI 3: Material Topics 2021	3-3 Management of material topics	2.6. Direct environmental impact. Pg. 113			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	2.6. Direct environmental impact. Pg. 121			
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	2.6. Direct environmental impact. Pg. 113			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	2.6. Direct environmental impact. Pg. 116			
	302-3 Energy intensity	2.6. Direct environmental impact. Pg. 117			
	302-4 Reduction of energy consumption	2.6. Direct environmental impact. Pg. 116			
Water and effluents					
GRI 3: Material Topics 2021	3-3 Management of material topics	2.6. Direct environmental impact. Pg. 113			

GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	The water consumption of BRD Group is predominantly related to sanitary purposes, and to a much lesser extent, the generation of cool air for air conditioning. Pg. 158			
	303-2 Management of water discharge- related impacts	The activities carried out by BRD Group do not involve significant water usage, generation of wastewater, or significant water-related impacts. Pg. 158			
	303-3 Water withdrawal	The water consumption of BRD Group is predominantly related to sanitary purposes, and to a much lesser extent, the generation of cool air for air conditioning.. Pg. 158			
	303-4 Water discharge	The activities carried out by BRD Group do not involve significant water usage, generation of wastewater, or significant water-related impacts. Pg. 158			
	303-5 Water consumption	4.12. Appendices Direct environmental impact. Pg. 158			
Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	2.6. Direct environmental impact. Pg. 113			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	4.12. Appendices Direct environmental impact. Pg. 157			
	305-2 Energy indirect (Scope 2) GHG emissions	4.12. Appendices Direct environmental impact. Pg. 157			
	305-3 Other indirect (Scope 3) GHG emissions	4.12. Appendices Direct environmental impact. Pg. 157			
	305-4 GHG emissions intensity	4.12. Appendices Direct environmental impact. Pg. 158			
	305-5 Reduction of GHG emissions	2.6. Direct environmental impact. Pg. 115			

Waste					
GRI 3: Material Topics 2021	3-3 Management of material topics	2.6. Direct environmental impact. Pg. 113			
	306-3 Waste generated	2.6. Direct environmental impact. Pg. 121			
	306-4 Waste diverted from disposal	2.6. Direct environmental impact. Pg. 122			
	306-5 Waste directed to disposal	2.6. Direct environmental impact. Pg. 122			
Employment					
GRI 3: Material Topics 2021	3-3 Management of material topics	2.3. Responsible Employer. Pg. 83			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	4.10. Appendices Responsible Employer. Pg. 151			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	2.3. Responsible Employer. Pg. 85 Significant operating locations: all operations in Romania.			
	401-3 Parental leave	4.10. Appendices Responsible Employer. Pg. 180	401-3-a Total number of employees who were entitled to parental leave, by gender.	Information unavailable/incomplete	Currently, this requirement cannot be reported due to difficulties in data collection. We will

					review the issue for the next reporting cycle.
Labor/management relations					
GRI 3: Material Topics 2021	3-3 Management of material topics	2.3. Responsible Employer. Pg. 83			
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	2.3. Responsible Employer			
Occupational health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	2.3. Responsible Employer - Health and Safety of employees. Pg. 98			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	2.3. Responsible Employer - Health and Safety of employees.pg. 98 The occupational health and safety management system is implemented in accordance with the requirements of national legislation. In this regard, compliance with the applicable Romanian legislation ensures conformity with international standards such as OHSAS (Occupational Health and Safety Assessment Series) and ILO (International Labour Organization). Furthermore, the occupational health and safety management system covers both employees and non-employees, ensuring a comprehensive approach to workplace health and safety.			
	403-2 Hazard identification, risk assessment, and incident investigation	2.3. Responsible Employer - Health and Safety of employees. Pg. 98			

	403-3 Occupational health services	2.3. Responsible Employer - Health and Safety of employees. Pg. 102			
	403-4 Worker participation, consultation, and communication on occupational health and safety	2.3. Responsible Employer - Health and Safety of employees. Pg. 102			
	403-5 Worker training on occupational health and safety	2.3. Responsible Employer - Health and Safety of employees. Pg. 101			
	403-6 Promotion of worker health	2.3. Responsible Employer - Health and Safety of employees. Pg. 101			
	403-8 Workers covered by an occupational health and safety management system	100% of the employees of BRD are covered by a health and safety management system.			
	403-9 Work-related injuries	4.10 Appendices Responsible Employer. Pg. 153			
	403-10 Work-related ill health	4.10 Appendices Responsible Employer. Pg. 153			
Training and education					
GRI 3: Material Topics 2021	3-3 Management of material topics	2.3. Responsible Employer - Professional development of employees. Pg. 85			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	2.3. Responsible Employer - Professional development of employees. Pg. 89			

	404-2 Programs for upgrading employee skills and transition assistance programs	2.3. Responsible Employer - Professional development of employees. Pg. 85			
	404-3 Percentage of employees receiving regular performance and career development reviews	2.3. Responsible Employer - Employee Evaluation. Pg. 90			
Diversity and equal opportunity					
GRI 3: Material Topics 2021	3-3 Management of material topics	2.3. Responsible Employer - Diversity and equal opportunities. Pg. 91			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	2.3. Responsible Employer - Diversity and equal opportunities. Pg. 92			
	405-2 Ratio of basic salary and remuneration of women to men	2.3. Responsible Employer - Process for determining the remuneration. Pg. 96			
Non-discrimination					
GRI 3: Material Topics 2021	3-3 Management of material topics	2.3. Responsible Employer - Diversity and equal opportunities. Pg. 91			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	4.10. Appendices Responsible Employer. Pg. 152			
Human rights assessment					

GRI 3: Material Topics 2021	3-3 Management of material topics	1.4.4. Respect for the human rights. Pg. 36			
GRI 412: Human rights assessment 2016	412-2 Employee training on human rights policies or procedures	1.4.4. Respect for the human rights. Pg. 38			
Local communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	2.4. Community Relations. Pg. 103			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	2.4. Community Relations. Pg. 103			
	FS14 Initiatives to improve access to financial services for disadvantaged people	2.4. Community Relations. Pg. 110			
	former FS16 Initiatives to enhance financial literacy by type of beneficiary	2.4. Community Relations. Pg. 110			
Marketing and labeling					
GRI 3: Material Topics 2021	3-3 Management of material topics	2.1. Customer Management. Pg. 55			

GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	2.1. Customer Management. Pg. 59 Specific regulations regarding the mandatory provision and communication of information apply to 100% of the products and services offered by the Group.			
	417-2 Incidents of non- compliance concerning product and service information and labelling	2.1. Customer Management. Pg. 59 In the past three years (2021-2023), BRD Group has not had any incidents of non-compliance regarding information and labelling of products and services.			
	417-3 Incidents of non- compliance concerning marketing communicatio ns	2.1. Customer Management. Pg. 59 In the past three years (2021-2023), BRD Group has not had any incidents of non-compliance regarding information and labelling of products and services.			
	former FS15 Product and Service Labelling	2.1. Customer Management			
Customer privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	2.1. Customer Management. Pg. 55			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.1. Customer Management. Pg. 63			

Product Portfolio					
Product Portfolio	former FS1 - Policies with specific environmental and social components applied to business lines	2.2. Environmental, Social, Governance and Climate Risk Assessment and Sustainable Finance and ESG Investments. Pg. 68, pg. 70			
	former FS2 - Procedures for assessing and screening environmental and social risks in business lines	2.2. Environmental, Social, Governance and Climate Risk Assessment and Sustainable Finance and ESG Investments, pg. 69, pg. 72, pg. 73. Pg. 74			
	former FS3 Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in	2.2. Environmental, Social, Governance and Climate Risk Assessment and Sustainable Finance and ESG Investments, pg. 69, pg. 72,. Pg. 73, pg. 74			
	former FS4 - Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	2.2. Environmental, Social, Governance and Climate Risk Assessment and Sustainable Finance and ESG Investments, pg. 79			

	former FS5 - Interactions with clients / investees / business partners regarding environmental and social risks and opportunities	2.2. Environmental, Social, Governance and Climate Risk Assessment and Sustainable Finance and ESG Investments. Pg. 80			
	FS 7 Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	2.2. Environmental, Social, Governance and Climate Risk Assessment and Sustainable Finance and ESG Investments. Pg. 75			
	FS8 Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	2.2. Environmental, Social, Governance and Climate Risk Assessment and Sustainable Finance and ESG Investments. Pg. 75			
Asset Ownership					

Asset Ownership	FS10 Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	2.2. Environmental, Social, Governance and Climate Risk Assessment and Sustainable Finance and ESG Investments. Pg. 81			
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