



BUILDING TOMORROW

Sustainability Report 2021

THE FUTURE IS YOU



BRD

GRUPE SOCIETE GENERALE

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“As one of the largest financiers in Romania, we want to support our customers in the transition to a more sustainable economy, one that is fairer to people, resources, and to the planet.”

François Bloch
CEO BRD



FINANCIAL RESULTS 2021

Interview with
François Bloch
CEO BRD

CEO MESSAGE

Dear Readers,

2021 was, much like 2020 and in many ways, a year with as many uncertainties. Looking back, I think “resilience” is the word that would best characterize our daily attitude. Economic actors have done their best to return to a normal course of business. They have put to the test their entire arsenal of inventiveness and all their innovative and useful resources so as to support them in this endeavor.

It is obvious that we, BRD, represent one of those actors. Throughout 2021, we have made an exceptional effort to strengthen the trust of our customers, to stay close to them and to support them in fulfilling their plans. This effort has not gone unnoticed, because the indicator that measures customer satisfaction places us on the 2nd position in Romania in our category.

This is the result of sustained work by the BRD team. In 2021 we have seen a solid and tangible continuation of the digitization efforts that began a few years ago. This is true whether we are talking about the YOU platform that is gaining more and more functionality or the 100% digital flows of remote onboarding and online lending, the tokenization of cards issued by BRD through Apple Pay and Google Pay, the development of CreditUp for individuals or the launch of CreditUp for small business.

This work has led to a 48% increase in the number of customers using the bank’s digital channels, compared to 2019.

We are therefore in a rapid evolution, which will remain as strong as it is in 2022. Among other things, we shall move towards proposing customized offerings based on accurate segmentation and the use of advanced data analysis models and we shall provide an increased attention to the Open Banking area.

In the Corporate area, we have been one of the most active banks in supporting clients by implementing government programs such as SME Invest or SME Agro Invest and we have remained very visible throughout the year with the help of communication and support to our customers in the area of SMEs.

We are aware that economic development can no longer be conceived today without concrete actions to slow down climate change and integrate vulnerable people. It is a new world that we must build together, governments, companies, financiers and individuals. As one of the largest financiers in Romania, we see this new world as a huge opportunity to change the way we currently design consumer products, change consumption habits, change business models, and support customers in this transition to a more sustainable economy one that is fairer to people, resources, and to the planet.

“We are aware that economic development can no longer be conceived today without concrete actions to slow down climate change and integrate vulnerable people.”

The Romanian economy gives important signals that it is aware of this change that needs to be made and that there is a great potential for growth. At the end of last year, the level of green financing was 4% of the total loans granted by banks to companies. Against this backdrop, BRD has concluded or completed a volume of transactions of over EUR 500 million, thus marking a series of new premieres on the local market, among which, the largest green credit or the first bond issue correlated with sustainability objectives on the Bucharest Stock Exchange, for which our bank was the sole coordinator.

Although 2022 has begun with new challenges for the society and the economy, the BRD Group is committed to playing an important role in supporting companies in their transition to low-carbon activities. A transition that is fair in terms of social vision, is tolerant of diversity and has a lower impact on natural balance and biodiversity.

The first green products are becoming available to the retail market. As BRD is in synch with the trend, we are launching complete financing offer aimed for the consumer and real estate markets, while accelerating the digitization that would reduce our physical footprint.

Our business goals are doubled by key efforts in the area of human resources, as being a responsible employer

means encouraging and sustaining diversity and gender equity, as well as goals related to reducing our carbon footprint by investing in more environmentally friendly equipment and infrastructure.

And last but not least, we intend to continue with even greater enthusiasm the investment programs in the Romanian society in the fields that we see as fundamental for its future. Education, culture, youth and technology, Romania’s forests and sports are the main axes that have guided our efforts in recent years. Școala9, Alfabetar, Fundația9, Scena9, BRD First Tech Challenge Romania, Romanian handball, along with, of course, our wonderful volunteers from the Ziuav program, are just some of the ways in which we prove to be close to the Romanian society.

Our mission is clear: to build a better and more sustainable future with our customers. We have traveled part of the way; the destination is still in front of us. So, let’s move on!

François Bloch
CEO BRD

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BRD
GROUPE SOCIÉTÉ GÉNÉRALE

GROUP PRESENTATION

BRD Groupe Société Générale

BRD Groupe Société Générale („BRD” or „the Bank”) was established on December 1, 1990, as an independent commercial bank, in the legal form of a joint-stock company, with majority capital held by the Romanian state, by taking over the assets and liabilities of the Investment Bank.

In March 1999, Société Générale (SG) acquired a package of shares representing 51% of the share capital, increasing its holding to 58.32% by buying, in 2004, the package owned by the Romanian state. As of December 31, 2020, SG held 60.17% of the share capital. SG is one of the largest European financial services groups.

Building on a diversified and integrated banking model, the SG Group combines proven financial strength and proven innovation with a strategy of sustainable growth and aims to be a reliable partner in customer relations, dedicated to the positive transformation of the world.

Since 2001, BRD is a joint-stock company admitted to trading on a regulated market, which operates as a Romanian legal entity, pursuant to the Companies’ Act, to the regulations regarding the capital market and to the banking legislation, as well as to the provisions of these Articles of Incorporation and of the 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 structure of the Bank as at 30.11.2021 is the following:

- Société Générale S.A.**, headquartered at 29 Bd. Haussman, Paris, France, French juridical person, registered with the Register of Commerce and Companies in France under no. RCS Paris 55212022215342, holds 419,313,688 shares, i.e., 60.1683% of the share capital, namely RON 419,313,688.
- 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 36,990,849 shares, i.e., 5.3079 %, namely RON 36,990,849.
- Societatea de Investiții Financiare Oltenia S.A.**, Craiova, Str. Tufănele, Bl. 313, jud. Dolj, a Romanian juridical person, holds 27,650,243 shares, i.e., 3.9676%, of the share capital, namely RON 27,650,243.
- Fondul de Pensii Administrat Privat AZT Viitorul Tau** headquartered in Emanoil Porumbaru Street No. 85-87, Bucharest, holds 27,237,648 shares, i.e., 3.9084 %, namely RON 27,237,648.
- Fondul de Pensii Administrat Privat Metropolitan Life** headquartered in Bld. Lascar Catargiu, No. 47-53, Floor 4, Bucharest, Sector 1, Romania, holds 22,091,577 shares, i.e., 3.1700 %, namely RON 22,091,577.
- Societatea de Investitii Financiare Transilvania S.A.** headquartered in Brasov, str. Nicolae Iorga no. 2, jud. Brasov, a Romanian juridical person,

holds 17,583,650 shares, i.e., 2.5231%, of the share capital, namely RON 17,583,650.

- Societatea de Investiții Financiare Banat - Crișana 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.
- Fondul de Pensii Administrat Privat Vital/Aegon SAFPP** headquartered in Floresti, Jud Cluj, Str. Avram Iancu Nr. 506-508 Et.4, holds 10,431,712 shares, i.e., 1.4969%, namely RON 10,431,712.
- Fondul de Pensii Administrat Privat ARIPI** headquartered in Bucharest, Place Charles De Gaulle No.15, Floor 6, sector 1, holds 8,744,054 shares, i.e., 1.2547%, namely RON 8,744,054.
- PAVAL HOLDING S.R.L.** a number of shares 6,649,577 i.e., 0.9283 %, of the share capital, namely RON 6,469,577.
- Other shareholders juridical persons** own together a number of shares 76,277,003 i.e., 10.9452 %, of the share capital, namely RON 76,277,003.
- Other shareholders natural persons** own together a number of shares 30,496,020 i.e., 4.3759%, of the share capital, namely RON 30,496,020.

BRD is a universal bank offering a wide range of products and services for private individuals and companies. In terms of products and services offered to private individuals, BRD has a national coverage offering daily banking products and services, as well as loans for individuals (consumer loans, mortgage loans, overdrafts & credit cards).

Regarding clients represented by companies, either small, medium or top corporates, BRD has a wide offer covering their specific business needs, ranging from flexible current account packages, short/ medium and long-term loans (e.g., working capital, credit ceilings and overdrafts, investment loans, campaign credits), Internet banking services, special accounts, up to cash collection and payment solutions.

BRD is an important partner for companies in domains like trade factoring, Government Programs and European Funds.

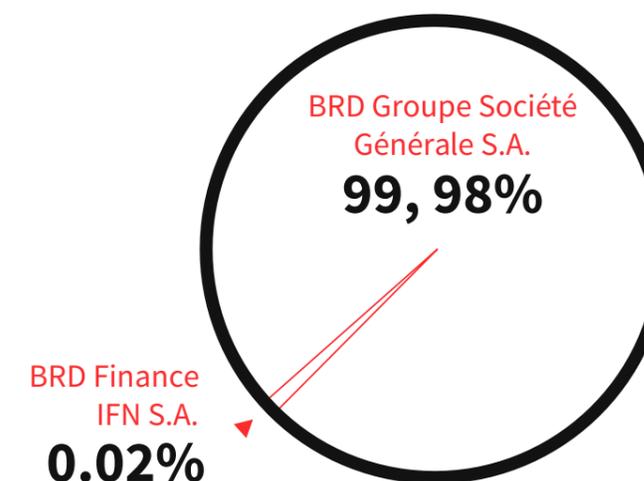
BRD Sogelease IFN S.A.

BRD Sogelease IFN S.A. (BRD Sogelease) is a non-banking financial institution, subsidiary of BRD, specialized in financial leasing and asset-based loan financing for companies and professionals. Since its establishment in 2001, BRD Sogelease offers customized solutions for a large number of clients from various segments (corporations, SMEs, liberal professions) and sectors (transportation and logistics, constructions, agriculture, manufacturing, healthcare and others).

Asset based, leasing financing offered by BRD Sogelease help clients’ implement their development plans and facilitate their access to capital, the flexibility and simplicity of the products generating value especially for SMEs segment.

BRD Sogelease is offering financial leasing for SMEs, large corporates and professionals from all economic sectors and investment loans for SMEs, large corporates and professionals active in particular in sectors like agriculture and transportation.

The shareholder structure of BRD Sogelease



BRD Finance IFN S.A.

BRD Finance IFN S.A. (BRD Finance) is present on the Romanian market since April 2004 and is one of the leaders on the consumer credit market. BRD Finance carries out a diversified lending activity, so that customers can easily obtain the products they want. The offer includes consumer loans: loans for the purchase of goods, credit cards and car loans.

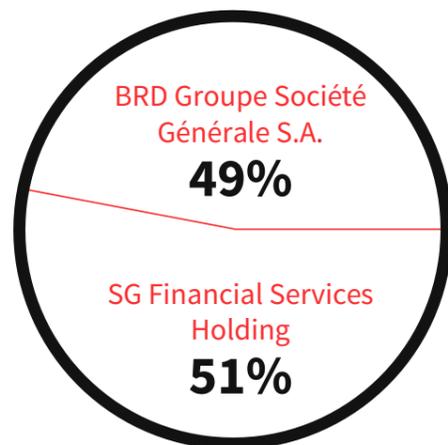
Over time, development strategies have supported the company's strong growth and led to the creation and consolidation of partnerships with major companies in areas such as: hypermarkets (Carrefour), DIY (Dedeman, Brico Depot), electro-IT (Flanco, eMAG, Rombiz), furniture (Elvila, Mobexpert), car (Peugeot, Citroen, Toyota, Hyundai, Fiat, Suzuki, Opel, Dacia, Renault, Nissan).

BRD Asset Management

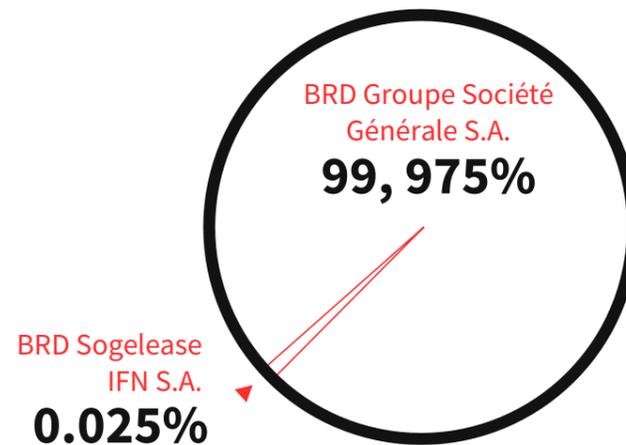
BRD Asset Management (BRDAM) was established in 2000 under the name SG Asset Management SAI, being a subsidiary of Société Générale - Asset Management Paris. In 2008, when BRD Groupe Société Générale becomes the majority shareholder, the company changed its name into BRD Asset Management. The first investment fund launched was BRD Simfonia, in 2001. Over time, BRD Asset Management has consolidated its position in the market through professionalism and constant adaptation of the products to the clients' needs. The clients of the company are private individuals and companies and the main market is UCITS (Collective Investment in Transferrable Securities).

UCITS are investment funds regulated at European Union level. The legislative instrument covering these funds is Directive 2014/91/EU. Due to the intense regulatory process to have a fund approved as UCITS compliant by a regulator, the UCITS label serves as a stamp of quality and reliability for investors.

The shareholder structure of BRD Finance



The shareholder structure of BRD AM



ECONOMIC PERFORMANCE

2021 was a year of economic rebound fostered by better business conditions and sentiment, while the National Recovery and Resilience Plan, with first amounts already disbursed, should be a catalyst for further economic growth.

Within an improved context, BRD Group¹ commercial activity was excellent across the board. Lending activity was intense, while the savings dynamic was marked by increasing volume and higher diversification.

And with a ROE of 15.6%² and a progression of 37% of net profit, BRD Group delivered an excellent financial performance.

As of December 31, 2021, the Bank had 499 agencies³ (31.12.2020: 584 agencies), which ensure the distribution of its products and services throughout the country. BRD had a market share of 10.5% in 2021, compared to 11.0% of total assets on December 31, 2020, according to the Bank's internal calculations.

BRD Group Scale of the organization

Scale of the organization	U.M.	2019	2020	2021
Total number of employees ⁴	no.	8,078	7,508	7,032
Total number of units	no.	648	584	499
Net sales	RON ths.	3,269,908	3,088,006	3,117,689
Direct economic value generated ⁵	RON ths.	3,269,908	3,088,006	2,826,093
Economic value distributed ⁶	RON ths.	1,677,537	1,588,007	1,466,714
Economic value retained	RON ths.	1,592,371	1,499,999	1,359,379
Total market capitalization	RON mn	11,038.92	10,355.96	12,335.16

¹ BRD GROUP („GROUP”) consolidates the following entities: BRD Groupe Société Générale S.A.; BRD Soglease IFN S.A.; BRD Finance IFN S.A.; BRD Asset Management SAI S.A.

² ROE based on equity adjusted with exceptional distribution (from the retained profits of 2019 and 2020).

³ The reduction is the consequence of implementing the strategy of transforming the network of agencies by optimizing the number, increasing the average size, introducing new branch formats adapted to the new sales and service model and promoting a collaborative approach, in line with the banking market trend to move to a hybrid distribution model.

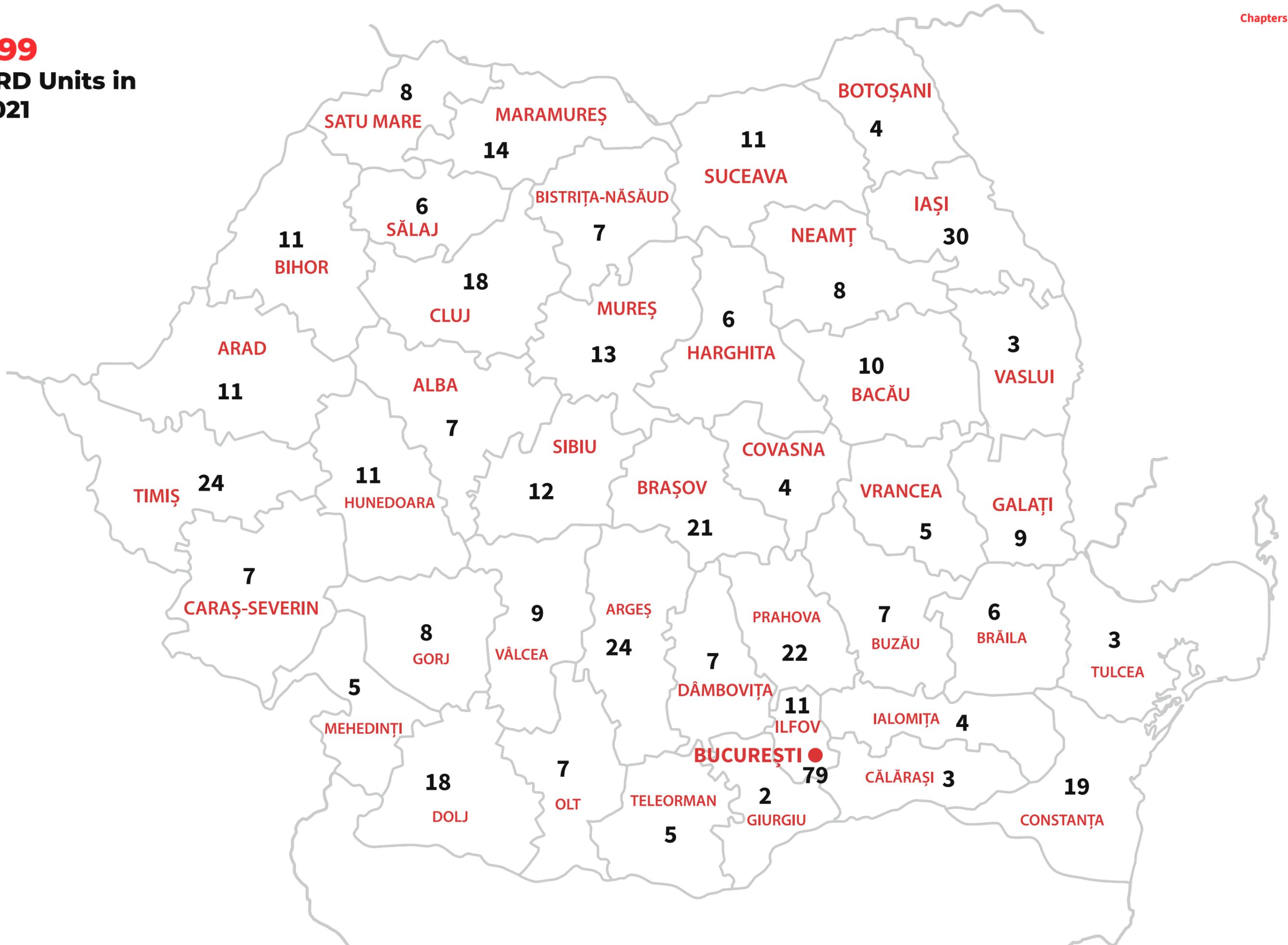
⁴ Number of employees at December 31.

⁵ Net Banking Income.

⁶ Operating expenses and Income tax.

Product/service	U.M.	2019	2020	2021
Customer deposits	RON ths.	45,898,751	49,957,754	52,683,581
Retail	RON ths.	30,352,256	33,708,531	35,988,622
Non-retail	RON ths.	15,546,495	16,249,223	16,694,959
Net loans w/o leasing	RON ths.	30,292,868	29,642,998	32,913,875
Retail	RON ths.	22,070,371	21,691,843	22,719,007
Individuals	RON ths.	21,509,580	21,060,237	21,981,251
Small business	RON ths.	560,791	631,607	737,756
Non-retail	RON ths.	8,222,497	7,951,154	10,194,868
SME	RON ths.	2,162,197	2,645,891	3,379,591
Large corporates	RON ths.	6,060,299	5,305,264	6,815,277
Financial lease (net)	RON ths.	992,665	1,066,899	1,222,595
Guarantees and other credit facilities granted	RON ths.	8,843,043	9,025,364	11,262,122
Letters of guarantee granted	RON ths.	5,192,938	4,877,225	5,427,857
Financing commitments granted	RON ths.	3,650,105	4,148,139	5,834,265
Assets under management (BRDAM)	RON ths.	4,803,146	4,250,131	4,935,469
Digitalization (number of remote banking unique active customers)	ths.	598	734	883

499 BRD Units in 2021



2021 AT A GLANCE



48%

digital active customers from the end of 2019



>2.2mn

individual customers, businesses (SMEs & large corporations) and institutional investors supported in 2021



0

incidents of non-compliance concerning product and service information and labeling (2019-2021)



>100

cultural events, contemporary art exhibitions, debates, workshops for children, film and music events organized by Fundatia9, a BRD Project



7years

supporting the sports performance, being the official partner of the Romanian Handball Federation



12,000

students & 2,050 teachers from 80 cities, involved within all 5 editions of the BRD "First Tech Challenge Romania" program



€ 500mn

sustainable finance deals structured in 2021



The largest

green credit approved for the Romanian market



The first

issue of bonds correlated with sustainability goals



Charter

Sustainable Sourcing Charter - our internal document for responsible procurement



Workshops

sharing best practices in the procurement area at the Group level



CSR

Risk Matrix, our instrument for evaluating environmental and social risks related to our suppliers



255

individual coaching sessions & 80 webinars provided for our employees within the "We Connect" program



All

employees, in 2021, underwent the training course "Combating inappropriate behaviour: Fundamentals"



New

The new BRD initiative "Open Studio program" talks on diversity issues addressed by our employees.



Green

Purchasing green energy for our Bank premises, starting with 2021



700,000kWh

annual energy saving from 2016 until 2021, through our energy efficiency program



22,000kg

of paper and cardboard waste diverted from disposal in 2021

BRD Sogelease Scale of the organization

Scale of the organization	U.M.	2019	2020	2021
Total number of employees	no.	112	114	123
Total number of units	no.	N/A	N/A	N/A
Net sales	RON ths.	57,473	61,023	70,189
Direct economic value generated ⁷	RON ths.	56,932	59,797	70,189
Economic value distributed	RON ths.	22,276 ⁸	24,311 ⁹	26,191 ¹⁰
Economic value retained	RON ths.	34,656	35,486	43,998

⁷ Revenues= net sales + revenues from financial investments + sales of assets

⁸ Depreciation included: 642 ths RON

⁹ Depreciation included: 691 ths RON

¹⁰ Depreciation included: 856 ths RON



BRD Finance Scale of the organization

Scale of the organization	U.M.	2019	2020	2021
Total number of employees	no.	553	440	354
Net sales	no.	716,000	603,103	544,701
Direct economic value generated ¹¹	RON ths.	103,000	100,600	93,000
Economic value distributed	RON ths.	13,604	1,573	18,073

¹¹ Revenues include net sales, revenues from financial investments and sales of assets.

BRDAM Scale of the organization

Scale of the organization	U.M.	2019	2020	2021
Total number of employees	no.	17	18	21
Total number of operations ¹²	no.	238,786	514,646	774,136
Net sales	RON ths.	1,833,186,846	(648,058,107.46)	633,073,284.18
Direct economic value generated ¹³	RON mn	28.36	29.17	37.19
Economic value distributed	RON mn	23.39	24.97	31.37
Economic value retained	RON mn	4.98	4.20	5.82
Total assets under management	RON mn	4,803.1	4,250.1	4,935.5
Number of investors	Clients	72,004	88,816	119,830

¹² Operations include investors subscriptions and redemptions in/from BRDAM Funds

¹³ Revenues include net sales, revenues from financial investments and sales of assets.

ETHICS AND GOVERNANCE

Corporate Governance

The governance of the BRD Group is ensured by the governance structures of each company within the Group. The most significant entity is the Bank.

The Bank has adopted the unitary system of administration in full harmony with the objectives of good corporate governance, of the transparency of relevant corporate information, of the protection of the interests of the various categories of participants and of an efficient operation on the banking market.

The internal governance of BRD is lined up with that of the parent company, Société Générale. BRD has adopted and applies, on a voluntarily basis, the provisions of Corporate Governance Code of the Bucharest Stock Exchange (BSE) and reports annually the compliance with its provisions.

The Corporate Governance model adopted by BRD ensures:

- observance of the shareholders' equal rights and treatment, by protecting and enforcing their prerogatives;
- setting of the role and observance of the rights of the groups of interest, other than the shareholders;
- 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 Management Committee;
- transparency and access to information, by the periodical publication, in a correct and real manner, of the relevant financial and operational information.

Corporate Governance Structures of the Bank

The General Meeting of the Shareholders

The shareholders exercise their rights within the General Meeting of the Shareholders ("GMS" or the "General Meeting"), which is the highest decision-making body in the bank. The bank's shares are indivisible and confer equal rights to their holders, each share entitling to one vote in the General Meeting of the Shareholders. General meetings are called by the Board of Directors at least 30 days before the date set for the meeting.

The general meetings are an occasion for the members of the Board of Directors and the senior management to present to the shareholders the results obtained during their office, based on the responsibilities entrusted to them.

General meetings are ordinary and extraordinary. The Ordinary General Meeting of the Shareholders meets at least once a year, within no more than 4 months as of the end of the financial year, and the Extraordinary General Meeting of the Shareholders meets whenever necessary.

To ensure the equal treatment and the full and equitable exercise of the shareholders' rights, the Bank makes available to them all the relevant information related to the General Meeting of the Shareholders and to the adopted decisions, both by mass communication means and in the special section "shareholders and investors" on its own Internet page, which is easily identifiable and accessible.

General Meetings of the Shareholders are presided

over by the Chairman of the Board of Directors or as the case may be, if the Chairman is in the temporary impossibility to exercise his/her/they duties, by the Chairman of the meeting elected by the Board of Directors to act as Chairman, thus enabling an open and efficient dialogue between the directors and the shareholders.

The rules regarding the works of the General Meeting of the Shareholders are established through the Procedure for organizing and running the general shareholders meetings, approved by the Board of Directors.

The powers of approval of the General Meeting of the Shareholders, the conditions of organization and of validity of its meetings are established in the Articles of Incorporation of the Bank, in compliance with the applicable legal and regulatory framework.

The Board of Directors (BoDs)

The administration of the Bank is entrusted to the BoDs (the management body in its supervisory position), which represents the interface between the shareholders and the senior management and, at the same time, the liaison between the members of the senior management and the categories of participants in the bank activity. The BoDs has 9 members, of whom 1 executive member and 3 are independent non-executive directors. The candidates for the director positions are proposed by the members of the BoDs or by the shareholders in the conditions stipulated by the legal provisions.

The members of the BoDs are elected by the secret vote of the Ordinary General Meeting of the Shareholders for a 4-year mandate and they may be re-elected. The independent directors meet the independence criteria stipulated by Law 31/1990 on companies, the Bucharest Stock Exchange Code of Corporate Governance and NBR Regulation no. 5/2013 on prudential requirements for credit institutions.

The new members of the BoDs may perform their duties after they obtain the approval of the National Bank of Romania. The evaluation of candidates proposed for the director positions is the responsibility of the Nomination Committee and is based on a rigorous and transparent review process detailed in the "The

selection, monitoring and succession policy regarding management body members".

The BoDs meets at least once every three months or whenever necessary. The Chairman of the BoDs calls/ presides over the meetings, coordinates the activity of the board and reports it to the General Meeting of the Shareholders. For the decisions of the BoDs to be valid, the actual presence of at least 5 members is required.

The decisions are made with the majority of the directors, present in person or represented. In case of tie of votes, Chairman of the BoDs shall have the casting vote. The rules regarding the organization and functioning of the BoDs are set up in the Directive "Regulation of organization and functioning of the management body".

The main roles of the BoDs, including those that cannot be delegated to the members of the senior management, are set by the applicable legal and regulatory framework, by the Articles of Incorporation and the internal regulations. The BoDs decides on the bank values and strategy, on the risk management policy, supervises the activity of the Bank and of the senior management.

BoDs Members of BRD

Name of the member	Executive / Non-executive	Independent (Yes/No)	Gender	Competence	Other significant positions and commitments, and the nature of the commitments
Giovanni Luca SOMA	Non-executive	No	Male	Chairman of the Board of Directors	Member of various Committees set up to support of the Board of Directors activity: Audit Committee and Remuneration Committee. He fulfils the conditions regarding the number of mandates in companies established by the applicable law - he holds one executive mandate and one non-executive mandate within Société Générale Group.
François BLOCH	Executive	No	Male	CEO and Member of the Board of Directors	Member of various Committees set up to support the Management Committee (Assets and Liabilities Management Committee - Pdt, Risk Retail Committee, Internal Control Committee, Prices Committee, Project Review Committee, Carrier Committee, Communication Committee, Innovation Committee, Customer Board Committee, Crisis Committee – Chairman, Compliance Committee – Chairman, Climate, Environmental and Social Change Committee - Chairman, Data governance Committee, Benchmarks and Market Conduct Over-sight Committee). He fulfils the conditions regarding the number of mandates in companies established by the applicable law – he holds one executive mandate and one non-executive mandate within Société Générale Group. Member of CPBR’s Board and Treasurer (member since December 2018); Board member and co-coordinator of Financial Services and Technology and Innovation Task Forces at FIC (member since May 2019).
Benoît Jean Marie OTTENWALTER	Non-executive	No	Male	Member of the Board of Directors	Chairman of the Risk Management Committee. He fulfils the conditions regarding the number of mandates established by the law - he holds one non-executive mandate within Société Générale Groupe.
Jean-Pierre Georges VIGROUX	Non-executive	Yes	Male	Independent Member of the Board of Directors	Member of various Committees set up to support of the Board of Directors activity: Chairman of Audit Committee and member of Remuneration Committee. He fulfils the conditions regarding the number of mandates established by the law – two non-executive mandates: he holds one within BRD-Groupe Société Générale and one outside the Société Générale Group.
Liliana IONESCU-FELEAGĂ	Non-executive	Yes	Female	Independent Member of the Board of Directors	Member of various Committees set up to support of the Board of Directors activity: Chairman of Remuneration Committee, member of Audit Committee and Nomination Committee. She fulfils the conditions regarding the number of mandates established by the law - one non-executive mandate within BRD-Groupe Société Générale.
Bogdan-Alexandru DRĂGOI	Non-executive	Yes	Male	Independent Member of the Board of Directors	Member of various Committees set up to support of the Board of Directors activity: Chairman of Nomination Committee and member of Risk Management Committee. 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.
Valerie Marcelle Paule VILLAFRANCA	Non-executive	No	Female	Member of the Board of Directors	Member of BRD Nomination Committee She fulfils the conditions regarding the number of mandates established by the law - one non-executive mandate within BRD Groupe Société Générale.
Maria ROUSSEVA	Non-executive	No	Female	Member of the Board of Directors	Member of Risk Management Committee 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.
Aurore Brigitte Micheline GASPARD	Non-executive	No	Female	Member of the Board of Directors	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.

Committees set up in support of the BoDs

To develop and maintain good practices of business administration, the BoDs set up four committees to assist exercising its prerogatives, chaired by a non-executive member of the BoDs who is able to exercise objective judgment. Each committee consists of at least three members. The delegation of powers by the Board of Directors to the committees set up to support its activity does not exempt the BoDs from fulfilling its tasks and responsibilities.

1. Audit Committee

It is a permanent committee, with consultative role in the field of internal control, financial audit, internal audit, risk management. The committee check the measures adopted by the Management Committee in order to remedy the deficiencies relating to internal control, non-compliance with the legal framework. As at December 31, 2021, the members of the Audit Committee are: Mr. Jean-Pierre Georges VIGROUX (Independent, Chairman), Mr. Giovanni-Luca SOMA (Member) and Mrs. Liliana IONESCU-FELEAGĂ (Independent Member). The Audit Committee meets on a quarterly basis or whenever necessary, at the initiative of the Committee Chairman.

The rules regarding the organization and functioning of the Audit Committee are set up in internal regulations.

The main responsibilities of the Audit Committee are:

- to formulate recommendations to the Board of Directors regarding the risk and business strategy and the policy of the credit institution in the field of internal control, as well as for the appointment/dismissal of financial auditor of the bank and the related remuneration terms;
- to check the timely adoption by the Management Committee of corrective actions to remedy the deficiencies relating to internal control, non-compliance with the legal framework;
- to monitor the financial reporting process, being informed by the external auditor on the significant deficiencies of the internal control in this field and sends recommendations to ensure the integrity of the financial reporting process;

- to examine, with the help of the financial auditors and independently from the bank management, the drafts of financial statements (half-yearly, annual and consolidated annual statements), as well as the conditions for their drafting by the bank (relevance of the accounting principles, methods and standards applied, as well as of the internal data collection procedures);
- to verify and monitor the independence and objectivity of the statutory financial auditor of the bank;
- to supervise the activity of the financial auditor of the Bank, to assess and to monitor its independence, informs the BoDs about the results of the financial audit and explains how it contributed to the integrity of the financial reporting and what was the role of the Audit Committee in this process;
- to present to the BoDs notes about the main aspects analyzed in the Audit Committee;
- to evaluate the conflicts of interests in Bank's transactions and its subsidiaries with the related parties and to submit to the BoDs its opinion on the related party transactions stipulated in the Board of Directors specific power;
- to assess the quality of internal control, especially regarding the assessment of risk and of risk control and to propose, if necessary, the measures to be taken.

2. Remuneration Committee

It is a permanent committee with advisory role, assisting the BoDs in fulfilling its responsibilities relating to the remuneration policy. As at December 31, 2021, the members of the Remuneration Committee are: Mrs. Liliana IONESCU-FELEAGĂ (Independent Chairman), Mr. Giovanni-Luca SOMA (Member) and Mr. Jean-Pierre Georges VIGROUX (Independent Member). It meets annually or any time this is necessary. The rules regarding the organization and functioning of the Remuneration Committee are set up in internal regulations.

The main roles of the Remuneration Committee are:

- reviewing the policy of remuneration of the bank which also includes the identification of personnel whose professional activities have a significant impact

on the Bank's risk profile and submits to the Board of Directors for approval;

- making proposals on the individual remuneration of non-executive members of the BoDs, as well as the additional individual remuneration of the directors entrusted with specific functions within the Board of Directors, and the individual remuneration of the officers;
- directly overseeing the remuneration of risk management and compliance managers;
- supervising the application of the principles of the bank personnel remuneration and informs the BoDs regarding the results of the supervision.

3. Risks Management Committee

It is a permanent committee with advisory role that provides advice to the BoDs on risk appetite and global management strategy of current and future risks of the bank and assists in overseeing the implementation of such strategy by the Management Committee. As at December 31, 2021, the members of the Risk Management Committee are Mr. Benoit Jean Marie OTTENWALTER (Chairman), Mr. Bogdan-Alexandru DRĂGOI (Independent Member) and Maria ROUSSEVA (Member).

The meetings of the committee take place on a quarterly basis or any time it is necessary. The rules regarding the organization and functioning of the Risk Management Committee are set up in internal regulations.

In performing its duties, the Risk Management Committee:

- checks whether the prices of products offered to clients take into full account the business model and strategy of the Bank in terms of risk management and submits to the management body plans to remedy the deviations / inconsistencies identified;
- checks (without prejudice to the duties of the remuneration committee) whether the incentives offered by the remuneration system take into account the risks, the capital, the liquidity and the likelihood and timing of profits;
- it is involved (without prejudice to the tasks of the

Remuneration Committee) in the process of identifying personnel whose professional activities have a significant impact on the Bank's risk profile in terms of responsibilities and related activities and submits its proposals to the Remuneration Committee;

- sets the risk management framework and ensures through adequate procedures, risk management standards and methods that the risks are managed within the limits set forth. The recommendations adopted within the Risk Management Committee will be documented and approved by the Management Committee and the Board of Directors, as applicable;
- oversees the implementation of measures, standards and methods of enforcement of the risk management framework, ensures that the risk is prevented and proposes risk mitigation and control measures;
- submits to the Management Committee and the Board of Directors, at least annually, a synthesis regarding the aspects that could significantly impact the risk profile of the bank.

4. Nomination Committee

It is a permanent advisory committee assisting the BoDs in achieving its responsibilities regarding the selection, evaluation and sequencing of the management body members (Management Committee and BoDs). As at December 31, 2021, the members of the Nomination Committee are: Mr. Bogdan-Alexandru Drăgoi (Independent Chairman), Mrs. Liliana IONESCU-FELEAGĂ (Independent Member) and Mrs. Valerie VILLAFRANCA (Member).

The Nomination Committee meets half-yearly or whenever necessary. The rules regarding the organization and functioning of the Nomination Committee are set up in internal regulations.

In exercising its powers, the Nomination Committee:

- identifies, makes proposals and submits for approval by the BoDs or the General Meeting of Shareholders the nominees to fill positions within the management body;
- is involved in formulating the policy on the selection, monitoring and sequencing of the management body members of the bank and the policy on the assessment

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of key personnel which is submitted to the Board of Directors for approval;

- assesses the balance of knowledge, skills, diversity and experience within the management body, prepares a description of roles and skills required for nomination on a particular position, and assesses the fulfilment of the commitments undertaken by the members of the management body in terms of time allocated for the exercise of their responsibilities;
- assesses periodically and at least once a year, the knowledge, skills and experience of each member of the management body and of the management body as a whole and reports to the BoDs accordingly;
- periodically revises the selection, monitoring and succession policy of the members of the management body as regarding the selection and the nomination of the members of the Management Committee and makes recommendations to the BoDs;
- participates, on an ongoing basis, in the process of identifying personnel whose professional activities have a significant impact on the Bank's risk profile, by providing the Remuneration Committee with adequate information regarding the members of the management body, including by reporting their responsibilities.

5. Management Committee

The operational management and the coordination of the daily activity of the bank are delegated by the BoDs to the executive officers. The executive officers of the bank are elected by the BoDs among the directors or from outside the Board, and together they represent the Management Committee. The Management committee is made up of 8 executive officers, of whom a Chief Executive Officer (CEO). The Management committee is run by the CEO. Each executive officer is vested with all the powers to act on behalf of the Bank and to represent it in the relationships with third parties, in any circumstances related to the activities they coordinate, in compliance with the legal provisions and Articles of Association.

To ensure a management that is as efficient as possible, and a good cover of the business fields of the bank, each executive officer has authority over certain activities of the bank and directly coordinates internal structures of the bank, set by the Board of Directors.

The meetings of the Management Committee take place at least once every two weeks, or any time the activity of the bank requires it. For the validity of the decisions of the Management Committee, the presence of at least 5 members of the Management Committee is required. The decisions of the Management Committee are made with votes "FOR" of at least half of the members of the Management Committee. The CEO shall have the casting vote in case of tie of votes. The Executive Officers attend to the meeting personally. Voting cannot be delegated within the meetings of the Management Committee.

The members of the Management Committee may also attend to the meeting by remote communication means (videoconference, conference call, etc.). In exceptional cases, justified by the emergency of the situation and by the interest of the Bank, the decisions of the Management Committee may be made by the written vote of the members, under the conditions of paragraphs 2 and 6 of the article 34 of the Bank's Articles of Incorporation, without it being necessary to call a meeting of the respective body, after they have been completely informed on the issues on the agenda. The rules regarding the organization and functioning of the Management Committee are set up in internal regulations.

Roles and responsibilities:

- the Management Board is in charge of the executive management of the bank, of the management and control of its activities and operations;
- ensuring the implementation of the strategic lines approved by the BoDs regarding the development of the bank, the management and control of the risks associated to its activity;
- maintaining an adequate organizational structure and information flow required in the bank and makes proposals for the amending thereof, which it submits to the BoDs for approval;
- ensuring adequate and effective monitoring of the functioning of the internal control system, with the responsibility to establish a detection system of internal control deficiencies and undertake measures for solving such deficiencies;
- notifying the BoDs of the Bank's activity on a permanent basis;

Committees set-up to support the Management Committee

The committees set up to support the Management Committee assist it in performing its attributions on various business lines, particularly on the operational activity of the Bank. The members of these committees are: the members of the Management Committee and the management of the structures interested.

The most important committees are:

1. Internal Control Committee is a permanent consultative committee, which has as main task to analyze and to monitor the adequacy of the Internal Control activity, including the business continuity and the crisis management through the perspective of the organizing/functioning, the results obtained and the deficiencies found in the internal control activity. In order to fulfil its mission, the main themes submitted to the debate in the Committee are: operational risks, the activity continuity and the crisis management, managerial supervision, managerial supervision of accounts, audit, risk of conformity and reputational, IT security, the deficiencies found through the supervision reports/minutes of the authorities, protection of personal data.

2. Assets and Liabilities Committee is a permanent consultative committee, which assist the Management Committee in performing its attributions related to the management of the assets and liabilities, of the liquidity and sources of financing, of the structural risk (interest rate risk and exchange rate risk outside the trading portfolio) and capital management, both at the Bank and at the BRD's Group level.

3. New Products Committee is a permanent consultative committee that ensures the identification, the analysis and the reliable measurement of the risks associated to the new products, offered to the Bank's clients, including the changes of the existent products.

4. Pricing Committee is a permanent consultative committee whose mission is to analyze and propose measures to the Bank's decisional bodies on policy and pricing strategy (commissions, interest) regarding the bank's products, taking into consideration the budgetary targets, the competitive environment, the commercial strategy and market developments.

5. Risk Retail Committee is a committee whose mission is to formalize the measures proposed by Bank's structure in order to improve the bank's retail lending activities.

6. Customer Board is a permanent consultative committee dedicated to customer experience, which aims to ensure at the level of the whole Bank the efficiency of the process of improving the quality of the experiences offered to the clients, from the perspective of the feedback received from the clients.

7. Compliance Committee is a permanent consultative committee whose main mission is to analyze the way in which the compliance risk is managed, including the presentation of the deficiencies found in the compliance control activity.

8. Climate Change, Environmental and Social Committee is a permanent consultative committee whose main mission is to carry out strategic CSR analysis by reporting to the Bank's objectives, in order to present to the Management Committee, the measures for implementing the CSR strategy in this area. The mission includes making proposals for setting the Bank's objectives, 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. The Committee has been held three times in 2021, with topics discussed as follows: ESG roadmap, CNSM Report on Green Finance, UNEP FI Report on testing the applicability of EU Taxonomy to core banking products, EU Taxonomy preparation, etc.

In order to implement the CSR Group policy and to ensure a follow-up of its performance, there are more structures established at the Bank level. Details about these structures and their attributions are available in section "[Sustainability Strategy](#)".

Other committees: Crisis Committee, Safety and Occupational Health Committee, Tracking of the Projects Portfolio Committee, Follow-up Committee, Career Committee, Communication Committee, Innovation Committee, Data Governance Committee and Benchmarks and Market Conduct Oversight Committee.

Members of the Management Committee

Name of the member	Executive / Non-executive	Independent (Yes/No)	Gender	Competence	Other significant positions and commitments, and the nature of the commitments
François BLOCH	Executive	No	Male	CEO and Member of BoDs	Please see the section “Board of Directors” of the present Report at p. 24-25.
Yves Jean Guenole LALLEMAND	Executive	No	Male	Deputy CEO	Member of various Committees set up to support the Management Committee (Assets and Liabilities Management Committee, Internal Control Committee, Prices Committee, Crisis Committee, Project Review Committee, Carrier Committee, Communication Committee, Innovation Committee, Customer Board Committee, Data Governance Committee, Compliance Committee, Climate, Environmental and Social Change Committee). He fulfils the conditions regarding the number of mandates in companies established by the applicable law - one executive and one non-executive mandate within BRD Group.
Alexandru-Claudiu CERCEL-DUCA	Executive	No	Male	Deputy CEO	Member of various Committees set up to support the Management Committee (Assets and Liabilities Management Committee, Internal Control Committee, Prices Committee, Crisis Committee, Project Review Committee, Carrier Committee, Communication Committee, Innovation Committee, Customer Board Committee, Data governance Committee, Compliance Committee, Climate, Environmental and Social Change Committee, Benchmarks and Market Conduct Oversight Committee- Chairman). He fulfils the conditions regarding the number of mandates established by the law- one executive mandate within BRD-Groupe Société Générale.
Mihai Tiberiu SELEGEAN	Executive	No	Male	Deputy CEO	Member of various Committees set up to support the Management Committee (Work Health and Security Committee - Chairman, Follow-up Committee – Chairman, Internal Control Committee, Crisis Committee, Projects Review Committee, Carrier Committee, Innovation Committee, Communication Committee, Customer Board Committee, Data Governance Committee, Climate, Environmental and Social Change Committee). He fulfils the conditions regarding the number of mandates established by the law- one executive mandate within BRD-Groupe Société Générale.
Stéphane Benoit FORTIN	Executive	No	Male	Deputy CEO	Member of various Committees set up to support the Management Committee (Assets and Liabilities Management Committee, Internal Control Committee, Prices Committee, Crisis Committee, Projects Review Committee, Carrier Committee, Communication Committee, Innovation Committee, Customer Board, Data Governance Committee, Climate, Environmental and Social Change Committee). He fulfils the conditions regarding the number of mandates established by the law- one executive mandate and two non-executive mandates as follows: one non-executive mandate within BRD Group and one non-executive mandate outside Société Générale Group.
Radu Octavian TOPLICEANU	Executive	No	Male	Deputy CEO	Member of various Committees set up to support the Management Committee (Assets and Liabilities Management Committee, Risk Retail Committee, Internal Control Committee, Prices Committee, Crisis Committee, Project Review Committee, Carrier Committee, Communication Committee, Innovation Committee, Customer Board Committee, Data Governance Committee, Compliance Committee, Climate, Environmental and Social Change Committee). He fulfils the conditions regarding the number of mandates established by the law- one executive mandate within BRD-Groupe Société Générale.
Philippe Yves Henri Pierre Marie THIBAUD	Executive	No	Male	Deputy CEO	Member of various Committees set up to support the Management Committee (Assets and Liabilities Management Committee, Risk Retail Committee, Internal Control Committee, New products Committee – Co-Chairman, Crisis Committee, Project Review Committee, Carrier Committee, Communication Committee, Innovation Committee, Customer Board Committee, Data Governance Committee, Compliance Committee, Climate, Environmental and Social Change Committee). He fulfils the conditions regarding the number of mandates established by the law- one executive mandate within BRD-Groupe Société Générale and two non -executive mandates outside Société Générale Group.
Mirela Virginia MEDELEAN	Executive	No	Female	Deputy CEO	Member of various Committees set up to support the Management Committee (Internal Control Committee, Crisis Committee, Project Review Committee, Carrier Committee, Communication Committee, Innovation Committee, Customer Board Committee, Data Governance Committee, Compliance Committee, Climate, Environmental and Social Change Committee). She fulfils the conditions regarding the number of mandates in companies established by the applicable law - one executive mandate within BRD Groupe - Société Générale.

The selection of candidates for positions within the BoDs and the Management Committee, also named Management Body is made through a rigorous process as defined in “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 main objective of the selection process is to ensure the suitable candidates for the vacant positions in the Management Body or to ensure the succession of the existing members.

“The selection of the candidates excludes any discrimination on gender, age, ethnicity or any other kind of discrimination, stipulated by the law. Criteria such as reputation, theoretical knowledge and practical professional experience in specific areas of BRD’s activities, diversity, ensure a suitable structure of the management body.”

The selection of independent directors is subject to compliance with the criteria stipulated by the Companies’ Law no. 31/1990, the NBR Regulation no. 5/2013 on prudential requirements for credit institutions and by the Bucharest Stock Exchange Code of Corporate Governance.

The responsibility for the selection processes, monitoring and planning of the succession for the Members of the Management Body is at the Nomination Committee which actively contributes to the conduct of these processes. In the assessment or continuous reassessing of the

suitability at individual and collective level of the members of the Management Body, the Nomination Committee will evaluate, with the potential contribution of Human Resources Department (DRU), Risk Management Department (RISC) and General Secretariat, as the case may be, the development and quality of the induction and training process provided to the Management Body in accordance with this policy and the objectives set. The responsibilities of this committee are defined in Directive on Organization / functioning and responsibilities of committees set up to support the BoDs activity.

Developing and strengthening the knowledge of the members of BoDs and Management Committee

The Group is implementing different workshops and training to ensure the development and strengthen the knowledge of the members of the BoDs on a wide range of topics that may be of interest to it and that can support it in the efficient management of the activities carried out at Group level, such us:

- workshops on organizational culture with BoDs and Top management to propose values and cultural statement of the organization;
- on line trainings: Fight against corruption, Combating inappropriate behavior: fundamentals, Code of conduct, International sanctions, Competition law - contact with competitors, Anti-money laundering/counter terrorist financing-awareness, Combating the financing of terrorism, Information security group, Understand the disciplinary framework, Building AI Powered Chatbots Without Programming, Measures and rules for the protection and prevention of Covid, Principles of Sustainable Finance /Coursera;
- coaching for the top management.

Evaluating the performance of the BoD and Management Committee

The evaluation process considers monitoring the activity of the BoDs and Management Committee members and the Management Body as a whole, in order to achieve performance indicators and competencies, planning development actions to improve activity and planning the succession of the members.

The Bank through the Nomination Committee, under the final responsibility of the BoDs, continuously monitors adequacy of the Management Body members to identify, in the context of any relevant new element, the situations in which it has to re-evaluate their adequacy.

The Bank through the Nomination Committee, under the final responsibility of the BoDs, continuously monitors adequacy of the Management Body members to identify, in the context of any relevant new element, the situations in which it has to re-evaluate their adequacy. The Nomination Committee must carry out an adequacy reassessment at least annually.

The Bank documents each assessment and reassessment, including their outcome, and any action taken as a result of the assessment/reassessment, and the outcome of the assessment/reassessment, the reasons for initiating the reassessment, and any recommendations for identified deficiencies are documented and presented to the Management Body.

When the Bank’s assessment or reassessment of adequacy identifies minor deficiencies in meeting the knowledge, skills and experience requirement of the assessed or reassessed persons, the Bank promptly takes appropriate remedial measures to eliminate deficiencies. If the assessment or reassessment shows that the Management Body is not adequate at collective level, the Bank immediately takes the necessary remedial measures.

To evaluate/re-evaluate the adequacy, at individual and collective level, of the persons proposed as members of the Management Body/who hold the status of members of the Management Body, the Nomination Committee may request input, including relevant information received from other committees, such as the Risk Management Committee and the Audit Committee, as well as other functions such as the internal control functions, the human resource function, the legal function.

As well, the General Secretariat (SEGL) supports the Nomination Committee in order carry out the evaluation / re-evaluation process of the Management Body and its members. The Board of Directors is responsible for establishing the final evaluations / re-evaluations regarding suitability.

The Nomination Committee assesses the suitability, at individual level, of members of the Management Body when significant changes occur in the composition of the Management Body, including:

- a) the appointment of new members of the Management Body, including as a result of direct or indirect acquisition or an increase in qualified holding in a credit institution. This evaluation is limited to newly appointed members;
- b) at a new appointment of the members of the Management Body, if the requirements of the position have changed or if the member is appointed to a different position within the Management Body. This assessment is limited to members whose positions changed and to the analysis of relevant issues, taking into account any additional requirements for that position. Nomination Committee re-evaluates the suitability at individual level of the members of the Management Body in the following cases:
 - a) when there are concerns about the suitability, 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;

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- 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 suitability of the member of the Management Body.

The Nomination Committee re-evaluates the allocation of sufficient time by a member of the Management Body if that member assumes an additional mandate or begins to carry out relevant new activities, including political activities.

The Nomination Committee assesses or reassesses the suitability, at collective level, of the Management Body, in particular when there are significant changes in the composition of the Management Body, including:

- a) the appointment of new members of the Management Body, including as a result of a direct or indirect acquisition or an increase in qualified holding in a credit institution;
- b) a new appointment of the members of the Management Body, if requirements of the position have changed or if the members are appointed for another position within the Management Body;
- c) when the appointed or reappointed members cease to be members of the Management Body.

The Nomination Committee assesses or reassesses the suitability, at collective level, in particular in the following cases:

- a) when there is a significant change in the Bank's business model, risk appetite or risk management strategy or individual or Group structure;
- b) as part of the review of the activity management framework by the Management Body;
- c) in any other situation that may significantly affect the suitability, at collective level, of the Management Body.

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 and reports to the Board of Directors accordingly.

If a person holds several positions in the Management Body, the evaluation will be performed for each of them. The evaluation / re-evaluation process of the suitability for Members focuses on at least the following aspects:

- a) assessment of the understanding degree of the structure and activity of the Bank and group companies;
- b) the evaluation of the effective contribution of each Member, of the constructive involvement in the discussions carried out and the decisions adopted, as well as their presence in the meetings of the Management Body and of the committees of which they are part;
- c) the evaluation of the activity taking into account the evolution of the Bank's activity and of the banking environment;
- d) behavioral and managerial evaluation in accordance with the rules of a prudent and healthy banking practice;
- e) knowledge improvement.

The evaluation/ re-evaluation process of the Management Body focuses on at least the following aspects:

- a) the evaluation of the performance of the Management Body, of the way in which it works, of the committees set up in its support, as well as of the efficiency of the 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 activity, as well as deficiencies in individual and collective suitability, 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) diversity assessment within the Management Body;
- e) verifying the manner in which the important aspects of the Bank's activity are prepared and discussed, including the verification how the Management Body acts in the interest of the Bank and focus on the important strategic objectives;
- f) analyzing the independence of the members of the Management Body, including the requirement that the decision-making process is not dominated by any individual or small group of persons and the compliance by the members of the Management Body of the conflict-of-interest policy;

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

- a) the efficiency of the Management Body's work processes, including the efficiency of information flows and reporting lines to the Management Body, taking into account the contributions of the internal control functions, including any monitoring actions or recommendations made by these functions;
- b) the effective and prudent administration of the Bank, including whether the Management Body acted in such a way as to pursue the interests of BRD;
- c) the capacity of the Management Body to focus on the important aspects from a strategic point of view;
- d) the adequate number of meetings held, the degree of participation, the allocation of sufficient time and the intensity of the involvement of the members of the Management Body during the meetings;
- e) any change in the composition of the Management Body and any deficiencies in terms of suitability at 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 the Management Body;
- g) independent thinking of the 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 meets the objectives set out in the policy on promoting diversity;
- i) any events that may have a significant impact on suitability, at individual or collective level, of the members of the Management Body, including changes in the business model, strategies or organization of BRD.

The General Secretariat (SEGL), under direct authority of the CEO, is the structure responsible for proposing for approval the CSR governance at 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 the sustainability reporting for the Bank (including to SG). In that respect, it coordinates the setting of progress indicators on sustainability.

To streamline communication within Bank's structure, a CSR correspondents' group has been created. The representatives of each structure are the ones responsible (yet not fully) for CSR activities within their own structure. In order to ensure its CSR strategy and actions are in line with latest developments, the Bank has created a Committee for Climate Change, Environment and Social topics. More information about this committee is available at p. 29.

Corporate Governance structures of BRD Finance

BRD Finance IFN SA is a non-banking financial institution and a payment institution and it operates according to the provisions of the Companies' Law no. 31/1990, the Law no. 93/2009 and the NBR Regulation 20/2009 on non-banking financial institutions, as well as according to the provisions of the Law 209/2019 on payment services and the NBR Regulation no. 4/2019 on payment institutions.

The General Meeting of the Shareholders (GMS) is the deliberative body and it represents all the shareholders of the Company. The Ordinary General Meeting of the

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Shareholders meets at least once a year, within no more than 5 months from the end of the financial year, and the Extraordinary General Meeting of the Shareholders meets whenever it is necessary to make a decision for the topics specifically pertaining to it. The roles, organisation and operation of the GMS are stipulated in the Articles of Association of the BRD Finance and in the applicable legislation.

The Board of Directors (BoDs) ensures the management of the company, in charge of strategic decisions. The BoDs can delegate their roles to the Company's Leadership for running and coordinating the daily activity of the Company, in the limits set out in the Articles of Association.

BoD is made up of 5 members, natural persons, elected by the General Meeting of the Shareholders. The members of the Board of Directors and its Chairman may be foreign citizens.

The members of the Board of Directors are elected for a mandate of four years and they may be re-elected. The roles and manner of operation of the Board of Directors, as well as the obligations and responsibilities of the directors are established in the Memorandum and Articles of Association of BRD Finance IFN S.A and the applicable legislation. The Board of Directors elects, from among its members, the Chairman of the Board of Directors.

BoDs Members of BRD Finance

Name of the member	Executive / Non-executive	Independent (Yes/No)	Gender	Competence
François BLOCH	Non-executive	No	Male	Chairman of the Board of Directors and member of the Audit Committee of BRD Finance
Marc Claude Christophe REY	Executive	No	Male	Member of the Board of Directors of BRD Finance
Mariana Flavia POPA	Non-executive	No	Female	Member of the Board of Directors and member of the Audit Committee of BRD Finance
Aurelian DOCHIA	Non-executive	Yes	Male	Member of the Board of Directors and Chairman of the Audit Committee of BRD Finance
Eric DHOSTE	Non-executive	No	Male	Member of the Board of Directors of BRD Finance

Company's Leadership is represented by two Managers (a General Manager and a Deputy General Manager), who are mandated to run and coordinate the daily activity of the Company, according to the provisions of the applicable legislation and Articles of Association.

The following regulatory committees are running in the support of the BoDs: Audit Committee, Risk Management Committee and Committee for Security and Health at Work, each one having dedicated prerogatives.

Corporate Governance structures of BRD Sogelease

The General Meeting of the 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 with this Articles of Incorporation. The General Meetings are ordinary and extraordinary.

The Company is managed in a unitary system by the BoDs in accordance with the provisions of the law and of the Articles of Incorporation. The BoD consists of 5 (five) members, elected by the Ordinary General Meeting of the Shareholders for a period of 4 (four) years, with the possibility to be re-elected. The BoDs may assign some of its powers to the Executives and it may use experts to study certain issues. The members of the BoDs may be natural or legal persons, Romanian or foreign citizens. The appointment and replacement of the directors shall be exclusively done by the General Meeting of the Shareholders.

The Chairman of the BoDs coordinates the activity of the Board and reports on it to the General Meeting of Shareholders. He oversees the proper functioning of the organs of society. The Chairman shall be appointed for a term not exceeding its mandate as Director.

Decisions regarding the appointment or dismissal of the Chairman of the BoDs shall be taken by a majority vote of the members of the Board of Directors present.

The Managers of the Company are the three Executives Officers (the CEO and 2 Executive Officers) elected and approved by the BoDs, who may be Romanian

and/or foreign natural persons, who are empowered to manage and coordinate the daily activity of the Company and they are invested to represent the Company, in accordance with art. 5 let. b) of Law no. 93/2009 on non-bank 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 activity of the BoDs is supported by two committees: Audit Committee and Risk, Internal Control & Compliance Committee.

The Audit Committee is a permanent committee with advisory role, which 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 Chair 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 & Compliance Committee is a permanent committee, with advisory role, established by the decision of the BoDs, which manages significant risks, risks with 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 the risk of compliance, internal control and the risks associated with outsourced activities.

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

BoDs Members of BRD Sogelease

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 BoD
Stephane Benoit FORTIN	Non-executive	No	Male	Member of the BoD and Audit Committee of BRD Sogelease
Ionela COSTICA	Non-executive	Yes	Female	President of the Audit Committee of BRD Sogelease and Member of BoD
Yves Jean Guenole LALLEMAND	Non-executive	No	Male	Chairman of the BoD and of the Audit Committee of BRD Sogelease
Reinhold Günther Manfred KNÖDL	Non-executive	No	Male	Member of the BoD

Corporate Governance structures of BRDAM

The Governance structure of BRDAM is including the General Shareholders Meeting, the BoDs, three supporting committees - Audit Committee, Remuneration Committee, and Nomination Committee - and Executive Management.

The BoDs has the obligation to establish relevant criteria for monitoring the results of the activity of the Executive Management.

The Executive Directors are responsible also for ESG decisions across the company. There are two persons involved in ESG-related initiatives: Deputy CEO and Product Manager that are directly responsible to the BRDAM BoDs. Mihai Purcarea is the Chairman of the BRDAM BoD and CEO. The Nomination Committee at BRDAM level is the structure with specific legal regulation on nomination and selection processes for both governance bodies and key functions.

BRDAM’s current remuneration policies and practices are based on the following principles:

- take into account individual and collective performance;
- aligns the interests of the company, customers, employees and shareholders and ensures the avoidance of conflicts of interest;
- encourages sound and efficient risk management and consideration of investors’ interests, as well as their fair treatment.

Remuneration decisions take into account the performance assessment on the basis of quantitative and qualitative objectives of assessing behavior in terms of compliance with applicable regulations, including internal rules and, in particular, those relating to professional ethics.

The Remuneration Committee:

- has unlimited access to all the data and information regarding the design and implementation of the remuneration system;
- has unlimited access to the information and data coming from the control functions;
- provides, where appropriate, information to the General Shareholders’ Meeting regarding the activities carried out;
- is responsible for monitoring the implementation of the Remuneration Policy.

According to the remuneration policy mentioned in fund prospectuses, BRDAM establishes and implements a Remuneration Policy that is compatible with the sound and effective management of risks, including in terms of sustainability risks, which does not encourage taking on risks that are incompatible with the risk profile of the Managed Funds. Remuneration policy is not self-assessed, but is annually audited.

All fund documentation is notified to Financial Supervisory Authority (KID is updated at least annually).

The last audit did not result in any measure for the remuneration policy and no other actions conducted to modifications of organizational practices.

The remuneration of non-executive members of the BoD is approved by the General Meeting of Shareholders and consists of fixed monthly allowance.

Furthermore, an additional remuneration could be paid to independent non-executive members of the BoD. Non-executive members of the BoD do not receive variable remuneration. Non-executive members of the BoD form the Remuneration Committee.

Executive Management is described as “Identified staff” according to ESMA guide and strict provisions regarding variable remuneration, malus and claw-back issues are applicable (deferral period, fund units equivalent payable after a 1-year period). No guaranteed termination payments are in place.

Members of the governing bodies

Name of the member	Executive / Non-executive	Independent (Yes/No)	Gender	Competence
Mihai PURCAREA	Executive	No	Male	CEO of BRD Asset Management S.A.I. S.A., Chairman of the Board of Directors
Marius STOICA	Non-executive	No	Male	Member of BoD, Remuneration and Audit Committees
Iancu GUDA	Non-executive	Yes	Male	Member of BoD, Chairman of the Remuneration, Audit and Nomination Committees
Mihaela UNGUREANU	Executive	No	Female	Deputy CEO of BRD Asset Management S.A.I. S.A., Member of Investment Committee

ETHICS AND GOVERNANCE

Risk Management

The Group's risk management governance is based on the following dimensions:

- Risks are taken within the defined risk appetite approved by the BoD;
- Strong involvement of the Bank's management body in the risk management system and promotion of risk culture, throughout the entire organizational structure, from the BoD down to operational teams;
- Clearly defined internal rules and procedures;
- Communication of information regarding risk management across the organization in a timely, accurate, comprehensible and meaningful manner;
- Continuous supervision by an independent risk function to monitor risks and to enforce rules and procedures.

Risk governance relies on the three lines of defense model, which reinforces segregation of duties between various control functions.

The first line of defense is represented by the business units, which are primarily responsible for the ongoing management of the risks arisen in conducting their daily activities, taking into account the Bank's risk appetite and its policies, procedures and controls. The Business Integrity Support Division provides support to business units for the implementation of managerial supervision, ensuring monitoring and reporting of results at Bank wide level.

The second line of defense is represented by the

independent functions overseeing risks, which are responsible for further identifying, measuring, monitoring, and reporting risks, ensuring compliance with internal and external requirements and providing support to the business/operational functions in executing their duties. The second line functions, which perform the management of significant risks, are as follows:

- **Risk Management Structures** – responsible for direct management of credit risk, risks associated with credit risk, market risk and operational risk and oversee the evolution of all significant risks as implied by normative frame within BRD.
- **Finance Department** – manages liquidity risk, structural risks (interest rate risk and FX risk in banking book), strategic risk and excessive usage of leverage effect risk. As coordinator of the budgeting and capital planning processes, it ensures that the liquidity, capital and business strategy are consistent with the risk appetite statement.
- **Legal Department** – is accountable for the management of legal risks.
- **Information Systems Department and Information legal risk Security Division** – manages IT risks (as components of operational risk).
- **Compliance Department** – manages the compliance and reputational risks.
- **GDPR /PDPO** (Persona Data Protection Cell).

Although the responsibility for the management of



risks within the Bank is shared between the structures of the second line of defense (as mentioned above), Risk Management Structures perform the role of the centralized risk management function, by delivering the Bank's wide holistic view on all risks, ensuring that the risk strategy is complied with.

The third line of defense is represented by the internal audit function, which provides independent review and objective assurance on the quality and effectiveness of the Bank's internal control system, the first and second lines of defense and the risk governance framework.

Internal audit function reports to and operates under the mandate of the BoD. Risk management is governed by the Management Body of the Bank and assisted by the Audit Committee and the Risk Management Committee. Specialized committees also assist the Executive Committee in accomplishing their risk management and control responsibilities.

The risk and business strategy of BRD is approved by the BoD, which sets the risk appetite and tolerance levels and ensures that the Management Committee properly transposes them at operational level.

The Audit Committee plays a crucial role in the assessment of the quality of the internal control. It is responsible for examining the internal framework for risk monitoring to ensure its consistency and compliance with procedures, laws and regulations in force. The Risk Management Committee advises the BoD with regard to Bank's overall current and future risk appetite, oversees senior management's implementation of the risk strategy, reports on the state of risk culture in the Bank and interacts with and oversees the activity of the centralized risk management function.

The BoD delegates the day-to-day management of BRD to the Management Committee. This is responsible for the implementation of the strategies approved by the BoD and ensures that a proper organization and informational flows are in place. Main specialized committees assisting the Executive Committee in managing the risks are: the Assets and Liabilities Committee, the Crisis Committee, the New Products Committee, the Internal Control Committee, the Retail Risk Committee and the Data Governance Committees.

More information about the activity of the supporting committees of the Management Committee is available in section "Corporate Governance" at p. 29.

Climate Change Risks

Physical Risks	Transitional Risks	Liability Risks
<p>This risk category refers to acute risks (event driven) or chronic (long-term shifts) temperature-related, wind-related, water-related or solid waste-related risks.</p>	<p>This risk category refers to potential financial impact from the low carbon transition. Transition risk means the financial risks which could result from the process of adjustment towards a lower-carbon economy. Changes in policy, technology and physical risks could prompt a reassessment of the value of a large range of assets as costs and opportunities become apparent.</p>	<p>This risk category refers to the impacts that could arise if parties who have suffered loss or damage from the effects of climate change seek compensation from those, they hold responsible.</p>

The main risks managed by BRD Group are presented in detail in [the Annual Report 2021 at p. 55](#).

BRD Group implemented in 2021 a materiality process presented in detail in the section [“Materiality Process”](#).

One of the results of this process was the identification of the sustainability risks, but these do not have a significantly influence on the performance and development of the BRD Group.

Climate Risks

The sustainability challenges that the world is facing are huge, as reflected by the recent [IPCC report](#), many of the changes observed in the climate are unprecedented in thousands, if not hundreds of thousands of years, and some of the changes already set in motion—such as continued sea level rise—are irreversible over hundreds to thousands of years. On the environmental front, climate change, land-use change, biodiversity loss and depletion of natural resources are destabilizing the earth system.

Next, poverty, hunger and lack of healthcare show that many people live below minimum social standards. Thus, the case for an active contribution of the financial sector to the transition to a low carbon and

more circular economy is becoming more and more compelling. In terms of the climate change risks - transition risks, physical risks and liability risks -, SG Group and BRD have adopted the definitions given by the Task Force on Climate-related Financial Disclosure (TCFD).

The Group does not view the risks associated with climate change as a new risk category but rather an aggravating factor for those categories already covered by the Bank’s risk management system (credit risks, operational risks, reputational risks, insurance risks, etc.).

BRD manages its direct impact on climate, via its own operations and through its activities. For its activities related to corporate clients, the climate-related risk is part of the Environment and Social (E&S) risk management process approved by the Management Committee, covering clients and transaction risk assessment process, within the defined perimeter of application.

More details about E&S risk assessment are available in the report section [“Environmental, social and climate risk assessment and Sustainable financing and ESG investments”](#).



ETHICS AND GOVERNANCE

Business Ethics

BRD Groupe Société Générale

The Bank is committed to a high level of compliance with relevant legislation, regulation, banking standards as well as internal directives/procedures/instructions and sound corporate governance principles. The Bank monitors the anti-bribery and corruption risks via dedicated tools such as annual assessments, periodic controls and by periodic indicators, all of them being reported to the BoDs as well as in different committees of the Bank (Internal Control Committee, Audit Committee, and Compliance Committee).

The Bank measures the risk of misconduct by setting up a conduct dashboard and indicators reported periodically in Compliance Committee. The Bank also has a staff training program, which is including ABC (Anti-Bribery and Corruption) learning and a dedicated training session for staff which is mostly exposed to corruption and bribery risks and requires its staff to be vigilant and enforce zero tolerance policy on corruption matters, including by prompt incident reporting and whistleblowing channels.

SG Group performs its activity in an ethical manner, in accordance with all applicable laws, including anti-corruption, anti-bribery, the Code of Conduct and influence peddling regulations, in all the countries where the Group operates. As part of SG Group, all the companies within BRD Group joined mirrored those in [BRD Principles](#).

The Group Code of Conduct sets out our Values and Commitments. These values form our management model, and it defines the behaviors and competencies expected of us as managers and employees. It is everyone's responsibility to apply these values in their daily activities. Each of our actions is part of the Code of Conduct and complies with all of our Group's Directives,

Instructions and Guidelines. Compliance with the Code of Conduct is ensured in particular by applying the internal rules of the Group and its entities.

While encompassing the SG Group ABC standards, BRD Group has consolidated the governance framework on anti-corruption by organizing dedicated governance structures as well specific roles in this area. In concurrence with governance strengthen, the internal framework in the ABC field has been further elaborated, as several ABC initiatives have been implemented starting 2019 (internal regulations, controls, reviews, IT applications, etc.).

BRD monitors the ABC risks via dedicated tools such as annual assessments and by periodic indicators, which are periodically reported to the management via different committees. It also trains the employees on ABC topics, in order to fight corruption and requires its staff to be vigilant and enforce zero tolerance policy on corruption matters, including by prompt incident reporting and whistleblowing channels. Any act of corruption or any act of traffic of influence is strictly forbidden in BRD.

The Bank has a secure web-based whistleblowing channel that provides for the protection of personal data and strict confidentiality. The channel is also accessible to BRD staff and service providers who will be able to report alerts by filling out a web form on the BRD website .

Furthermore, the Group maintains a secure web-based whistleblowing platform that provides for the protection of personal data and strict confidentiality. For Bank's personnel, the right to 'blow the whistle' should also be exercised by using the employee's direct or functional (indirect) line of authority or by directly reporting to the Chief Compliance Officer (CCO).

Within the Compliance Department, the Ethics Office ensures advice to all employee about ethical and lawful behavior, and organizational integrity .

Compliance is a permanent member in New Products Committee, all the new products being assessed from the risks related to corruption. The role is to assess all the new products and outsourced activities from compliance perspective, including ABC risks. No significant ABC risks were identified during the reporting period.

To ensure the respect of the BRD Group procedures and policies for managing anticorruption, these are communicated to all staff, including the Management Body. Also, regular training is ensured to the employees and all Management Body, especially to the categories of staff which are most exposed to corruption risks. For suppliers and business partners, the procedures and policies regarding the anticorruption are ensured by dedicated clauses in the signed contracts.

Also, no significant ABC risks were identified during the reporting period at BRD Group level.

Regarding the anticompetitive behavior, BRD has in place a Competition Policy Directive according with the recommendations of the competent authorities, supplementary to the competition internal norms in force at SG Group level. The internal Competition Directive deals with the principles of Competition Law, as well as some specific topics from potential competition-risk areas given the specifics of the BRD activity.

All the structures of the Bank acknowledge and obey the provisions of the internal regulatory documents concerning competition, respect the competition principles stated therein and request compliance and legal advice whenever they find themselves in a high competition risk situation.

The Compliance function is also involved in the topic, given their role within the Bank, as well as the Legal Department/Competition Compliance Programme Officer, who deals with the legal aspects of any competition topic. The Compliance Department should be notified about any 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 anticompetitive situations encountered during the daily activities should suspend making any decision and ask clarification in the command hierarchy, from the Compliance Department or to the Competition Compliance Programme Officer appointed within the Legal department.

The following steps were either taken or envisaged regularly to ensure effective implementation:

- Trainings for all high-competition risk BRD personnel – in this respect, tailor-made trainings 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.

BRD Sogelease was sanctioned in an investigation launched by the Competition Council in 2017. The decision was communicated in April 2021 and the deed and the fine are contested in court by the company, the case is currently pending. For the other companies within the BRD Group there no other legal actions for anti-competitive behavior, anti-trust, and monopoly practices.

The BRD Group has in place specific rules regarding the avoidance of the conflict of interests.

Furthermore, at the Bank level, the members of the BoDs/Management Committee shall only act in the best interest of the Bank and shall make decisions without being influenced by any interests of their own that can occur while performing their duties. No member of the BoDs/Management Committee shall use in their own interest the business opportunities they become aware of in the normal course of their business. The members of the BoDs/Management Committee who, in a certain operation, whether directly or indirectly, has interests that are contrary to the interests of the bank shall notify the other members of the BoD/Management Committee in this respect, by written statements as per the law and shall not take part in any deliberation

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regarding the said operation. Also, to avoid the occurrence of conflicts of interests, the Bank has established a set of rules of conduct to be complied with both by the members of the BoDs and by the Management Committee of the bank.

To avoid conflicts of interest and protect the interests of shareholders, the BoD has adopted the Policy on related party transactions. Under this policy, the related party transactions are concluded on fair terms that respect competition law are subject to the same pricing rules and competences applicable to the transactions with non-affiliated parties.

The transactions with related party whose value places them in the competence of the Board of Directors' approval are prior the approval reviewed by the Audit Committee from the conflict of interest perspective.

Also, to set a preventive and secured action framework for market operations performed by persons who, on account of their position within the Bank, have access to privileged information, the bank established a series of professional ethics rules which must be observed by the directors, officers and the other persons with access to privileged information, in order to avoid the breach of the legal framework applicable to trading with financial instruments issued by BRD. This framework also includes setting periods during which it is forbidden to perform transactions using financial instruments issued by BRD before the periodical reports of the Bank are published, as well as establishing the obligation to report those transactions.

BRD Sogelease

The internal procedure "Conflict of interest" implemented at BRD Sogelease level, according to the Group principles, define the rules of managing possible circumstances of conflicts of interest, in which BRD Sogelease and the employees can be involved during (The procedure provides, based on the guidelines established in the BRD Code of Ethics, 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 may be applied to ensure the proper management of conflicts of interest). This procedure is in line with the provisions of Directive Code of Ethics of BRD in force, applicable to BRD Sogelease by internal decision no. 5/24.06.2016, as well as in line with the instructions of SG Group regarding

the prevention and management of conflicts of interest (SG Guidelines for Conflict of Interest Mapping and Conflict of Interest Register, including relevant templates).

The provisions of this procedure apply to all staff of BRD Sogelease. The definitions set out in BRD Code of Ethics apply accordingly in this procedure as well.

BRD Finance IFN

"Conflict of Interest" internal procedure sets out the grounding rules and measures related to proper handling the potential conflicts of interest in which BRD Finance and its employees can be found in their current activities and the principles that have to be followed by them as BRD Finance staff. This instruction is in line with the local legislation and Group's instructions on the prevention and management of conflicts of interest.

The conflict of interest policy consists of the provisions regarding the administration of conflicts of interest found in the Deontological Code, Conflict of Interest Mapping, Covering vacancy and Internal Regulation.

BRDAM

The board approves all regulations regarding management of conflict of interest . Regulations reveal any potential conflict of interest and mitigating factors. On a case basis, as well as annually, there are declarations to be submitted by all employees and members of the board. Each professional activity performed outside BRDAM must be validated by Compliance Division.

Two of the responsibilities of the entity:

- 1) in managing the funds' performance consists of avoiding any conflicts of interest, and, where they cannot be avoided, making sure that the managed funds enjoy fair and impartial treatment.
- 2) Identifying and managing potential conflicts of interest that could harm investors' interests. The remuneration policy is also designed to avoid conflict of interest.

BRDAM has the obligation to ensure compliance with transparency requirements by publishing different kind of information on the website.

ETHICS AND GOVERNANCE

Preventing financial crime, cyber security and data protection

Preventing financial crime

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 Groupe.

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 Groupe 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 polices / 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 analyzed / investigated.

Compliance functions worldwide are under pressure to do more work and provide greater assurance with limited resources. The answer is to make the

investment in compliance go further by managing the right blend 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.

The effects of the COVID-19 pandemic affected numerous aspects of most of the businesses, including the compliance risk and their compliance programs. A modernization of the compliance program that combines new technologies and new approaches, keeping both of them in alignment with bank goals, can generate a measurable value proposition for the compliance function.

AML (anti-money laundering) area is amongst the top concerns of regulators, with increasing requirements and also 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.

The **top financial crime trends for 2021** are:

- **COVID-19 frauds** – the crisis created an environment where fraudsters easily target individuals and financial institutions.
- **Drug trafficking** - In June 2020, the United Nations Office on Drugs and Crime released a report saying nearly 300 million people worldwide used drugs, a 30% increase from a decade earlier.
- **Crypto frauds** - Beyond separating victims from their money with promises of spectacular low-risk gains, schemes will include hacking of cryptocurrency exchanges and wallet theft.
- **Digital payment risk** - With lockdowns worldwide, the use of cash in 2020 fell, while digital payments doubled in some countries. Digital payments are easy and fast, making them convenient to consumers and attractive to fraudsters who apply their experience with social engineering, phishing, and identity schemes to e-payments.

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, 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. And by organizing live training sessions

On the correspondent banking activity side, we implemented a tool which has already gone through some fine-tuning actions to better isolate on alerts related to money laundering patterns concerning transactions in which BRD is a transitory bank.

In prior years, the Bank has taken the first steps for developing artificial intelligence algorithms with promising results. The bank aims at implementing

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such models into the day-to-day processes. Such models can be used either in the alerts analysis process (treatment of alerts, thus reducing the number of false alerts) or to generate alerts themselves and also during periodic account review of customers.

For 2021, we organized training sessions discussing on practical money laundering cases, for regional and group management teams, as well as business centers.

Know Your Customer (KYC) and Sanctions & Embargo (S&E) areas are vital components of a bank's compliance program. Banks and other financial institutions experienced record-breaking fines (> 300 billion EUR in the last 10 years worldwide) for breaching the KYC/S&E laws this leading to damaged business reputation, loss of customers and even the suspension of the operating license.

Besides the wave of increased global regulation on the Know Your Customer (KYC) area, the pandemic context came over and added a significant pressure on using alternative channels for the customer onboarding and KYC data review processes.

Emerging trends on KYC and CFT areas:

- Due diligence has become a lot more focused and stringent for each category, e.g. retail, corporate, small & medium enterprises (SMEs), money service businesses (MSBs), charities, correspondent banks and so on.
- Facial recognition, OCR, and forensic scan based digital identification and verification (IDV) solutions got accelerated with COVID-19 induced proliferation of digital services.
- From external data collation to comparison with customer provided data, verification from source (e.g., Company Registries) or third party databases, generation of corporate and ownership structures, ultimate beneficial owners, network graphs, risk scores and other insights, the solutions will look to integrate with the bank due diligence workflow and will eliminate the need for analysts to spend time on data gathering and allow them to make intelligent decisions based on the analytical insights.
- In today's dynamic digital world, waiting for 1, 3 or 5 years to review and refresh customer data exposes the bank to risks of outdated customer

information in the interim. The present decade is aiming at conducting near-real time reviews of customers and their activities, based on dynamic event-based triggers. This mechanism of incremental updates to customer profile every time there is an identified material change, gathered from internal or external data sources, promises to keep customer risk profiles dynamically current.

- Data stands at the ground of running compliance. And given the exponential volume, variety and velocity of data that needs to be processed for conducting dynamic KYC of millions of customers in any bank, AI based solutions are the only way forward. From contextual matching of adverse media, to insights generation from integrated internally and externally sourced data, visualizing complex ownership structures and beneficial owners, niche digital solutions will form the building blocks of dynamic KYC platforms.
- Indirect transactions with sanctions nexus – sharing identified risks in a regulated manner within the local market has become vital, as risk of contamination between financial institutions is high.

The measures taken to address these risks are:

- a. Calibrate screening mechanism to reduce false positives and focus on real exposures;
- b. Integration of multiple tools used in the KYC process into one single platform for easy usage and improved customer experience;
- c. Support digitalization of onboarding and periodic review process;
- d. Focus on data quality issues from inception until remediation;
- e. Improve time to answer by further optimizing the KYC business model by automation.

All the three pillars of compliance – people, process, technology – are set to undergo a paradigm shift across the industry as we step into the new decade and will be strongly driven by data and powered by AI. Human oversight will get more sophisticated, shifting from data collation and review to decision based on visualizations and analytical insights.

Cyber security

In Digital Security, BRD Group is fully aligned to the global SG Group policies implemented for managing cybersecurity.

In BRD, the activity is managed by CISO – Director of Information Security Direction. Information Security Division is the governance and level II team for Information Security. A team dedicated for Operational Security is reporting to the Chief Technology Officer. To fight cybercrime, the Bank has implemented solutions 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.

BRD Group constantly strives to adapt its security measures to enhance the protection of its customers against information security threats. Thus, there have been significant improvements in the prevention, detection and response to cyber-attacks, which are growing significantly internationally, accentuated by the context of the pandemic.

As an example, BRD Group is one of the few Romanian commercial banks offering a free security solution for its 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 and through the BRD institutional website.

During 2021, the Information Security Division has been engaged in raising awareness on information security topics for internal users (regular Onboarding training for newcomers to the Bank, organized together with Human Resources Department; “Security hours” awareness sessions for BRD Headquarter; dedicated training for IT and Financial departments; presentations for GDPR training sessions, organized in conjunction with Data Protection and Legal) and periodically anti phishing exercises for BRD and Affiliates.

During 2021 also, BRD has contributed to increasing its partners' responsibility for information security, by strengthening the specific information security clauses systematically included in the contracts in which BRD is the beneficiary, from the moment of selection. Periodic information of the customers on the phishing and malware attack campaigns, through multiple channels:

SMS, e-mail, applicative push messages, institutional sites and newsletters. Starting December 2015, BRD Groupe Société Générale SA has a PCI DSS certification as “Service Provider Level 1”.

Also in 2021, the IT Pole of BRD Groupe Société Générale has documented and renewed two important certifications for the Bank: ISO27001:2013, regarding the secure management of information and PCI DSS, essential for the relationship with the authorities and traders in Electronic Cards activity.

Data Protection

In the last years, BRD Group went through a complex process for GDPR implementation and continuously improves its operations involving the processing of personal data in order to comply with European and national data protection legislation. The main purpose is to be compliant with law requirements, to avoid financial losses as a consequence of fines applied by the authority (ANSPDCP), reputational losses, and possible negative impact on data subjects. For the management of data protection, the Bank has in place internal policies (<https://bit.ly/3wMG0lc>) which are reviewed annually and are submitted to the BoD and/or Management Committee's approval. This policy is aligned with the SG Group policy (<https://bit.ly/3wMG0lc>).

Personal data collected from data subjects (e.g., customers, potential customers, collaborators, partners, employees, candidates for open positions within the bank, etc.) is processed only for specific purposes on which data subjects were clearly informed. When necessary, the Bank collects the consent from data subjects.

The Bank has implemented processes aimed to efficiently respond to exercising of rights requests and to manage potential data breaches.

A Data Protection Officer (DPO) has been appointed since the application of GDPR, monitoring the compliance of Bank's operations 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 business structures. Data Protection Correspondents ensure the operational tasks of the

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activity carried out by the DPO, including the following: providing necessary information to keep the Processing Register up to date, support for preparing responses to requests for exercise of rights received from data subjects, providing advice and support to business departments regarding the assessment of the impact on data protection, analysis and documentation of security breaches, involvement of DPO in all activities that require this thing. For local affiliates, even they have appointed their own DPO or not (for the latter case being nominalized only a Data Protection Correspondent with the above responsibilities), the activity is closely monitored and Group's rules and principles are applicable. From the projects performed during the last year may be considered personal data update online through BRD site.

Also, at Bank's level is developed a GDPR Program, monitored quarterly by BRD's Top Management through a dedicated Steering Committee, program within which are assured the implementation, improvement of different privacy requirements, and the management of transversal projects involving privacy aspects. Some of these tasks are linked to performance assessment.

The Bank has taken measures to continuously improve the security of its applications in order to keep pace with technological developments. Moreover, the selection process of services/goods providers that could have access to Bank's data considers only the third parties that have implemented adequate technical and organizational measures to keep Bank's data secure.

The technical and organizational measures implemented by the Bank to secure the personal data include the following:

- Information notice made available both in agencies and published on Bank's website;
- Offering the possibility for data subjects to express consent and exercise their rights through various channels (bank units, website, email, etc.);
- Implementation of cookies consent on Bank's website ;
- Encryption of data at rest and in transit;
- Developing a comprehensive training program including on-line and e-learning for all employees;

- Implementation of privacy by design/by default process, including performance of privacy impact analysis for sensitive processing and minimization of data;
- Granting access to data to employees based on a need-to-know basis;
- Periodic revision of access rights;
- Performance of penetration tests in order to timely detect vulnerabilities of exposed applications;
- Implementation of a normative framework aimed to the protection of personal data;
- Set up of data protection unit within the Bank in order to monitor compliance with regulation and spreading the privacy culture by appointing data protection correspondents within each structure, etc.

The data subjects may exercise their rights regarding the personal data as granted by GDPR through the communication channels provided by the Bank (agencies, contact center, complaints, electronic form available on the Bank's website, by contacting directly at dataprotection@brd.ro or pdpo@brd.ro in the case 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. Data subjects may be clients, former clients, legal representatives, employees, candidates, guarantors, etc.

BRDAM has common procedures and policies related to personal data with BRD GSG.

BRDAM and BRD Sogelease had no incidents regarding data privacy in the reporting period. BRD Sogelease implemented internal procedures and policies related to personal data in line with BRD GSG and legislation in force.

Complaints concerning breaches of customer privacy and losses of customer data	U.M.	2019	2020	2021
Number of complaints concerning breaches of customer privacy received from outside parties and substantiated by the organization	Number	4	24	12
Number of complaints concerning breaches of customer privacy from regulatory bodies	Number	17	5	1
Total number of identified leaks of customer data	Number	21	10	4
Total number of identified thefts of customer data	Number	48	51	16
Total number of identified losses of customer data	Number	approx. 10,800	approx. 8,300	approx. 5,350

ETHICS AND GOVERNANCE

Respect for human rights

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

For the BRD Group, respect for human rights is one of its main values, developing and implementing a clear framework of procedures and norms that ensure their observance both within all the organizations in the Group and at the level of its suppliers. For this reason, the respect of human rights is one of the BRD Group CSR policy priorities and to ensure that it is fully grounded in the way the entity operates, specific training being regularly organized for most employees. Another notable example is the Code of Conduct, to

which BRD is committed for respecting human rights and the rules established by the International Labor Organization. The Code of Conduct sets out our Values and Commitments.

These values form our management model, and they define the behaviors and competencies expected of us as managers and employees. It is everyone's responsibility to apply these values in their daily activities. Each of our actions is part of the Code of Conduct and complies with all of our Group's Directives, Instructions and Guidelines. Compliance with the Code of Conduct is ensured in particular by applying the internal rules of the Group and its entities. The BRD Group pursues the same policies and



BRD Employee training on human rights policies or procedures	U.M.	2019 ¹⁴	2020 ¹⁵	2021	
Total number of hours devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations	No	18,709	27,448.5	18,713.5 ¹⁵	12,293 ¹⁶
Percentage of employees trained period in human rights policies or procedures concerning aspects of human rights that are relevant to operations	%	61.47	97.33	96.82	98.02

¹⁴ Some training courses started in 2019 and were finalized in 2020
¹⁵ Training module related to Code of Conduct.
¹⁶ Training module related to "Combating inappropriate behavior: Fundamentals."

processes developed by Société Générale in relation to respect for human rights.

As part of Société Générale Group, BRD Group conducts its business with the utmost respect for the values under:

- the Universal Declaration of Human Rights and its additional commitments;
- the fundamental conventions of the International Labour 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 the rules of the SG Group, BRD Group undertakes to inform its partners about its CSR policy and to conduct business relations only with those partners who respect the principles of CSR of BRD or who express their willingness to work on the implementation of similar standards. Specifically, this means including specific contractual clauses

by which the partners take note of the provisions of the Code of Conduct and the Charter of Responsible Procurement and undertake to comply with provisions at least similar to those of these documents. The insertion of these clauses is mandatory for all contracts with a value higher than 50,000 euros.

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. Risks of environmental and social nature 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).

[More information about E&S risk management process are available at p.74.](#)

BRD is committed to maintaining and improving the systems and processes that enable it to ensure respect for human rights in operations and human resources management, in its supply chain and its products and services.

SUSTAINABILITY STRATEGY

As a part of SG Group which is a signatory to the United Nations (UN) Global Compact since 2003, BRD Group is fully committed to integrate these principles relating to human rights, working conditions and the fight against corruption in all its activities and to actively promote the principles within the value chain.

Furthermore, BRD Group supports and contributes meeting the UN Sustainable Development Goals (SDGs), recognising their importance in addressing the biggest societal challenges of the world.

Additionally, by the transactions concluded in 2021 and presented in the section “Environmental, social and climate risk assessment and Sustainable financing and ESG investments”, BRD has brought its contribution to the following SDGs: SDG 3 - Ensure healthy lives and promote wellbeing for all at all ages, through the healthcare sustainability linked loan financing; SDG 7 - Ensure access to affordable, reliable, sustainable and modern energy for all; SDG 11 - Make cities and human settlements inclusive, safe, resilient and sustainable, through green buildings and energy efficiency projects and clean transportation transactions and SDG 13 -

Climate action, through the renewable energy.

In the following year, BRD Group wants to increase its contribution to these global objectives and establish more actions through which will better contribute to their achieving. Within the report, the Group contribution to the UN SDGs is correlated with the specific sustainability aspects, presenting also more details about its involvement.

Through the Corporate Social Responsibility (CSR) Policy established, BRD reinforces its assumed role in society: a reliable partner for its employees, customers and suppliers that the Group support to achieve their dreams and goals and a factor of progress for the economy, the environment and the future Romanian society. Through the CSR policy the BRD supports development, innovation and sustainability for both the Bank and its internal and external stakeholders.

In developing and implementing its CSR Policy, BRD builds on seven values and principles and the above-mentioned UN SDGs.



UN SDGs Supported	SDG Targets	Competence
SDG 3. Ensure healthy lives and promote wellbeing for all at all ages.	3.2.	Employees benefits – more details in the section “Responsible employer”.
	3.3.; 3.6.	Employees health and safety – more details in the section “Responsible employer”.
	3.9.	GHG emissions – more details in the section “Direct environmental impact”.
SDG 4. Quality education.	4.3	Employees number of training hours – 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”. Total number of employees that 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 non-renewable and renewable sources - more details in the section “Direct environmental impact”. The amount of 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 all.	8.1.	Direct economic value generated and distributed – see section “Economic performance”.
	8.6	Total number and rate of new employee hires - more details in the section “Responsible employer”.
SDG 9. Industry, innovation and infrastructure.	9.1	Direct economic value generated and distributed – see 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 the total energy consumption - more details in the section “Direct environmental impact”.
SDG 13. Climate action.	13.1	The financing and investments supported – more information in the section “Environmental, social and climate risk assessment and Sustainable financing and ESG investments”.

The 7 BRD Values and Principles

CLIENT 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

WE ARE COMMITTED TO OUR VALUES

For BRD Group and SG Group mitigating climate change is one of the most important global objectives to which it can contribute considering the financing products and solution it 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 Climate Change Agreement and the EU climate targets.

As a consequence, SG Group become a stronger supporter and a direct contributor to the main international initiatives that fight against climate change and encourage climate change mitigation measures. Thus, in 2017, SG adopted the Principles for **Positive Impact Finance (UNEP-FI)** and become a supporter of the recommendations of **TCFD**.

In 2019, SG Group adhered to the **Katowice commitment** to align financing portfolios with global climate objectives and joined, as the first French bank, 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. 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, Group is aligned with the Paris Agreement and helped found the Net Zero Banking Alliance in April 2020. As part of the SG Group, BRD Group supports and acknowledges all these international initiatives, striving to contribute to the achievement of these ambitious objectives.

In addition to the fight against climate change, the BRD Group also supports other environmental issues, such as biodiversity. SG Group has implemented a special cross-sector policy on biodiversity conservation which applies to all Group banking and financial operations and involves procedures for reviewing dedicated transactions (for which the underlying asset is known and fit in the perimeter of evaluations) and customers.

As a direct consequence, Environmental and Social (E&S) standards apply to all activities carried out by the Bank. The principles of sustainable financing with a positive impact are based on BRD's vision and commitments in the field of CSR.

Beyond the E&S risk assessment activities (more details are available at p.74 within the report in the section

E&S risk assessment and sustainable financing and ESG investments), the Bank is committed to promoting sustainable investments and financing with a positive impact.

Implementation of the CSR Policy

In order to implement the CSR Policy and ensure a follow-up of its performance within BRD, the structures of the Bank directly involved in the interaction with stakeholders fulfill the attributions 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.

The obligations of the bank's structures for the implementation of the CSR Policy are the following:

- implements, depending on the specifics of the activity and business objectives, the principles related to CSR Policy in relation to employees, customers, suppliers and other third parties;
- adapts, as far as possible, the products and services offered to internal and external clients, as well as to the partners to the principles of positive impact financing taking into account the principles of the Bank's CSR Policy;
- communicates to the Communication Service the relevant information on the actions taken to implement the CSR Policy and their results, upon request and within the deadlines set by SEGL;
- establishes, together with the Corporate Affairs Directorate, the annual indicators for assessing progress.

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

General Secretariat (Corporate Affairs Division)

- Coordinates the manner in which the CSR Policy is established, with the support of the banks structures involved in this activity and in consultation with the Climate Change,

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- Environmental and Social Change Committee;
 - Represents the Bank, in this field, in relations with professional organizations and associations and with specialized bodies and plays the role of interface with the outside world in CSR issues;
 - Coordinates the information centralization process and carries out annually, or whenever necessary, the reports requested by the SG regarding the CSR activities carried out at BRD level;
 - Advises the structures of the Bank, at their request, on the CSR clauses within the contracts signed by the Bank with external suppliers;
 - Establishes annually, together with the Bank's structures, the annual indicators for evaluating the progress on CSR related topics;
 - Monitors periodically, taking into account the annual progress indicators fulfillment of CSR policy obligations by other Bank structures;
 - Prepares, with the support of the Bank's structures, the Sustainability Report, for its approval by the management;
 - Together with the Communication 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.
- In relation to various communities (NGOs, sports and / or cultural associations, etc.) - defines and implements the policy of sponsorship and support of communities;
 - Defines criteria on the basis of which it 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 to internal and external stakeholders the CSR projects carried out and their results;
 - Provides the Corporate Affairs Directorate support in the realization of the report on Sustainability RESPONSIBILITY (CSR) - sustainability report - of BRD.

Human Resources Department (DRU)

- Carries out, in collaboration with the Communication Service, 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.

Director for Social, Environment and Positive Impact Financing (ESPIF)

- Provides support to business departments in assessing customer E&S factors and transactions and in structuring sustainable financing transactions with a positive impact.

BRD is planning to draft a specific sustainability strategy in the next period so as to take into account the latest developments in the field, the general strategy of the bank and stakeholders' expectations.

In addition, in order to strengthen the general approach of the group in this field of sustainability, there are other initiatives at the level of each entity.

BRDAM is aware of the sustainability-related legislature changes that directly impacts its activity.

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 this regard, it is undergoing adherence actions to become a UNPRI member, and is working on launching a UCITS fund under Article 8 of 2019/2088 EU Regulation.

- Most important risks:
- limited access to issuers' ESG data;
 - unstandardized industry practice and understanding of regulatory requirements;
- Most important opportunities:
- investing in companies which promote ESG principles;
 - creating investment opportunities for new clients aware of /interested in sustainability topics;

BRD Sogelease is supporting its clients by means of financing the acquisition of fixed assets (equipment and vehicles) and mainly deals with customers in transportation, logistics, construction, agriculture and manufacturing sectors.

Main trends affecting the business are digitalization of financial services, transition to green energy/circular economy and change of mobility models.

“BRD Group is fully committed to integrate these principles relating to human rights, working conditions and the fight against corruption in all its activities and to actively promote the principles within the value chain.”

MATERIALITY PROCESS

The BRD Group is one of the main economic players at national level. The management of sustainability is thus, very important for BRD Group because of the significant impacts it can have on the economy, society, and the environment. Analyzing these impacts and their significance, as well as understanding BRD Group stakeholder's expectations regarding various sustainability topics, are key elements for an efficient management of sustainability.

In 2021, BRD Group conducted a materiality process to fine-tune its sustainability impacts with the stakeholder's expectations, as well as understanding potential risks which could affect their performance – double materiality in accordance with the specific requirements of the EU Directive 95/2014 regarding the reporting of non-financial information. The materiality process involved structures from all the Group entities, a wide and varied sample of stakeholder categories, as well as an external consultant to ensure complete confidentiality and impartially. The process was structured in the following steps: identifying and

prioritizing stakeholders, relevant sustainability topics identification, stakeholder's consultation process, impacts and risks prioritization.

Identifying and prioritizing stakeholders

Knowing all the categories and subcategories of stakeholders, allows the BRD Group to better understand which are the stakeholders that have the capacity to most influence its performance and development, as well as to efficiently configure a consultation process. The quality of this process will have a direct impact on correctly identifying the most important expectations of stakeholders. An important element in the identification and prioritization process, besides the influence level of each category on the performance and development of the BRD Group, was the impact the organization has on each stakeholder category. Thus, the process followed these two variables and was implemented with the participation of representatives from all companies within the Group.

Categories of stakeholders identified:



Understanding sustainability sector trends at global level is an important step in a materiality process. Based on a comparative analysis, which included also the Annual Report of SG Group for 2020, as well as other peers from national and international level, allowed BRD Group to extract a first list of sustainability topics list which could be relevant for their activities, too.

These results were integrated with international reporting standards and methodologies' analysis (GRI Standards, GRI-G4 Financial Services Sector Disclosures, SASB, S&P Global and EU Non-binding Guidelines for Non-financial reporting).

Furthermore, various on-line workshops were organised with the representatives of different departments covering companies within the Group to discuss the sustainability topics identified in the previous step. In each workshop, the participants analyzed the relevance to BRD Group of each sustainability topics, the way it is managed, the impacts and the risks associated.

Stakeholder's consultation process, impacts and risks prioritization

The BRD Group is implementing its activities in a responsible and ethical manner, two core values for any organization in the financial sector. This requires periodical engagement with stakeholders at the local and national levels. As a significant player of the Romanian economy, an enterprise with a complex, intricately connected value chain, BRD Group success depends on the effectiveness with which it listens to and respond to the needs and expectations of all its stakeholders who, directly or indirectly, affect the activities of the Group or are impacted by them.

The different stakeholders communication channel and initiatives, supports the BRD Group to better identify main stakeholders expectations, to adapt their strategies and products/services portfolio to the real needs of its customers and to better manage all the risks and opportunities, including the one from the sustainability area.

Client Relations

Within the Bank, there operates a dedicated structure that coordinates the activity of ensuring the quality of the banking products and services. In order to facilitate the communication on the quality of the services,

a free phone number - 021 302 6161 (for complaints and suggestions regarding quality) is made available to the clients. Likewise, particular attention is paid to the clients' complaints; there are internal procedures for taking over and analyzing complaints, which permit, on the one hand, to follow up the clients' incomprehensibility and dissatisfaction, and on the other hand, to constantly improve the quality of the services based on the 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 by 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 investors

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 communication strategy of the bank relies on the following principles:

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

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 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 correctly and promptly inform the shareholders and the investors. 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' queries.

Relation with supervision and control authorities

The relation of the Group 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;
- Observing the ethical principles in the relation with the supervision and control authorities;
- Ensuring the framework necessary for the exchange of information between the bank and the authorities.

Within the bank, there are dedicated structures that ensure the bank's relation with the control and regulatory authorities, as well as the compliance

of the internal framework of the bank with the legal regulations. The compliance function identifies and reports the non-compliance risks and monitors the enforcement of adequate prevention systems.

The relation with other banks

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

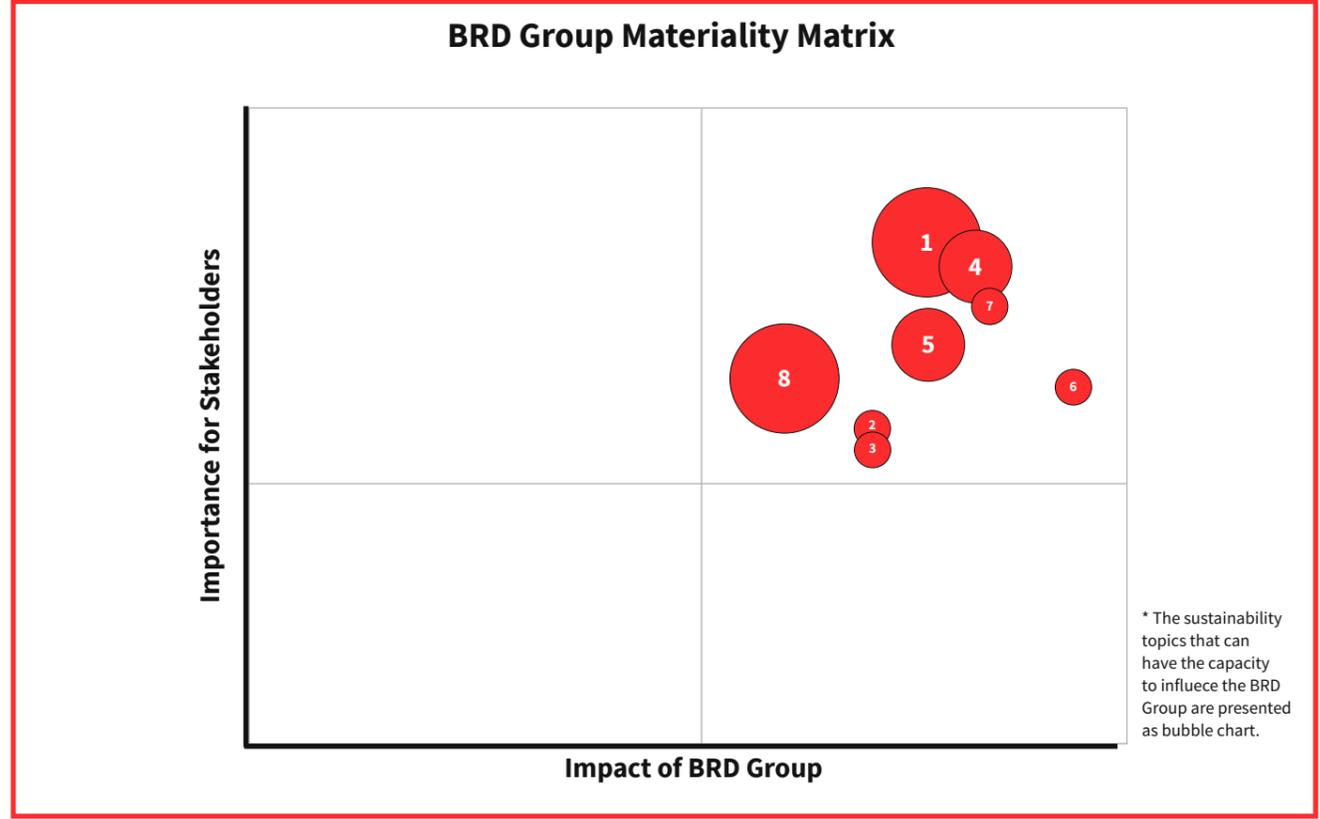
The Bank actively participates in defending the interests of the credit institutions, encourages cooperation between banks and the identification of joint solutions for the problems that the banking community are facing in different business sectors. The bank is an active member of the Romanian Banking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

At the same time, the bank promotes loyal competition in the business relations and acts for:

- Discouraging the monopolist or unfair competition in its own or other banks' business;
- 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.

For 2021, BRD Group decided to publish a separate Sustainability Report to present its sustainability performance and their commitment to support the transition to a low carbon economy in line with the objectives of the European Green Deal. For the realization of this report, BRD Group conducted a stakeholder consultation process in accordance with the principles of the GRI Standards and Accountability AA1000 Stakeholder Engagement Standard. In this process, BRD group engaged more than 2,000 internal and external stakeholders at national level through an online survey about sustainability topics.

The survey supported the Group to determine which sustainability topics are material for the stakeholders and also to gather valuable information about the sustainability areas which requires additional intervention from the Group. In order to complete the information collected and to establish the final list of material issues, a group of key representatives



representing all the entities in the Group analyzed and prioritized a series of impacts and risks associated with each relevant aspect of sustainability.

The results of this process will also support the Group in harmonizing and updating internal management procedures, as well as in identifying effective measures to improve sustainability performance. In addition to the results from the stakeholder engagement activities, the determination of materiality also took into account strategic priorities and corporate values.

An analysis of the scope of each material topic confirmed that the BRD Group impacts – potential or actual, positive or negative - are throughout the entire organization, across all companies and also all topics have impacts outside the organization in geographical areas where the Group operates and for almost all the stakeholder categories identified. Within this report the identified impacts are detailed within the section where each sustainability topic is disclosed.

As for the identified sustainability risks (e.g., non-compliance with laws or the Group's E&S commitments;

IT systems failure (cybercrime), E&S issues that could affect the Group's reputation, Stakeholder Relation Risks, etc.) they do not have a significantly influence on the performance and development of the BRD Group. These impacts and risks have been integrated into the overall risk management system.

The sustainability material topics for BRD Group are:

1. Customer Management;
2. Environmental, Social and Climate Risk Assessment;
3. Sustainable financing and ESG investments;
4. Business Ethics & Governance (presented in section "Ethics and Governance");
5. Responsible Employer;
6. Community Development;
7. Procurement Practices;
8. Direct environmental Impact.

2. OUR IMPACTS

CUSTOMER MANAGEMENT	68
ENVIRONMENTAL, SOCIAL AND CLIMATE RISK ASSESSMENT	74
RESPONSIBLE EMPLOYER	82
COMMUNITY DEVELOPMENT	96
PROCUREMENT PRACTICES	100
DIRECT ENVIRONMENTAL IMPACTS	102

CUSTOMER MANAGEMENT



48% digital active customers
from the end of 2019



>2.2 million individual customers, businesses (SMEs & large corporations) and institutional investors supported in 2021



ZERO incidents of non-compliance concerning product and service information and labeling (2019-2021)



BRD Group constantly strives to create lasting relationships with customers, focusing both on the quality of the products and services offered and on the entire experience of the customers in all their interaction with the Group personnel.

BRD Group is one of the most important facilitators of the Romanian economy development, both at national and local level, supporting in 2021 more than 2.2 million individual customers, businesses (SMEs and large corporations) and institutional investors.

The positive impact of the Group derives from the diversity of products and services offered on the market, their quality, but also from the attention that BRD Group pays to customers, employees and other relevant stakeholders, and the constant preoccupation for innovation and development.

BRD participates in various governmental and European financing programs for businesses, supports the development of specific economic sectors, including the local economy by financing innovative products, providing loans for the development of specific

businesses, such as those in the medical field. It also play an important role in environmental protection by funding activities and projects that reduce the negative impacts on the environment.

The BRD Group financing solutions offered to individuals contribute to the improvement of living conditions by making available to them products specific to their needs, supports the educational and professional development of young people by providing specific products, such as study credit, credit 10, and youth cards.

BRD Group is in a permanent relationship with its clients, being aware of their needs, by organizing regular consultation processes with them, as well as measuring their level of satisfaction. Retail clients' needs and expectations are monitored within Customer Experience Monitoring Program (CXM), namely NPS Barometer 2019-2021. The Barometer measures yearly the Net Promoter Score (NPS – meaning the propensity to recommend the bank to other people) for BRD and its main competitors. The performance measured within the Barometer places BRD on the second

position on the market with a NPS of 61 (on a scale from 0 to 10) in 2021, at statistical equality with BT (score 60), and after ING, the market leader (score 72). In 2021 BRD increased its performance in terms of NPS & customer satisfaction from 55 in 2020 and in 2019 to 61. This allows them to identify the products and services that their customers and potential customers would need to improve their quality of life.

Thus, in order to reduce the negative effect on the community generated by the lack of government lending programs for individuals, BRD Group focuses on providing specific products accessible to as many people as possible, such as: home loans and personal loans.

The general sustainable development strategy of the SG Group and BRD Group focuses on the clients and the clients' needs. Present on the retail, SME and large corporate markets, the Group has an innovative and comprehensive offer of products and services. The bank respects and protects the consumers' rights by high quality products and services that meet the market requirements. To this effect, BRD offers its

clients and the large public complete information about the products and services it provides and about the conditions under which such products and services can be contracted.

Responsible Marketing

Marketing for BRD Group products and services is based on the foundation of responsibility and reliability for their clients and potential customers. The Group is committed to a fully transparent and accurate communication, which contains all necessary product information without any misleading parts.

The communication channels that BRD Group is using to inform their clients are: Institutional website, emails, online banking (BRD @ffice, YOU, MyBRD), SMS, letters, social media accounts, BRD agencies and we use each as per specific regulation for each project, in accordance with GDPR rules.

The Group ensures the advertisements for their products and services have all the necessary terms and conditions required by the law, are balanced between

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benefits and possible risks, without misleading or guaranteeing possible outcomes. All communications, in all formats, on all mediums, and addressed to any audience, must comply with regulatory requirements, including the necessity of communication in specific cases and under specific conditions.

As per European and local regulation, BRDAM products must be accompanied by a prospectus, rules of the fund, and DICI (summative doc of fund objectives, risks and performance). These documents are approved by the local legislator (ASF) following a detailed revision process. Additionally, all investors must fill 2 MIFID questionnaires in order to ensure that they choose the funds which are suitable for their risk appetite and knowledge-level.

“In the last three years (2019-2021), BRD Group had no incidents of non-compliance concerning product and service information and labeling or any incidents of non-compliance concerning marketing communications.”

Policies for the fair design and sale of financial products and services

BRD Group has in place specific procedures to ensure the transparency in terms of conditions and pricing and in line with the laws and regulations.

All BRD products and services are transparent and compliant with legal and regulatory requirements. Through a multitude of parameters (such as client’s history and experience or knowledge about the product, risk indicators, objectives, regulatory requirements) BRD proposes relevant products and services to the client according with their needs, prudent and foresight advice which makes them aware on potential opportunities and risks. Each loan application includes an analysis of the client’s individual situation to protect our clients, mainly retail clients, from over-indebtedness. Accordingly, we offer

loans only if there are not expected financial difficulties for the client in connection with paying interest and repaying the loan. BRD loan processes and training of staff reflect this commitment. The Bank takes a variety of steps to mitigate hardship in conjunction with non-performing loans, including by early notification of the clients who fail to repay loans or repay late.

From compliance perspective, the control framework and related processes are adapted to ensure the proper compliance with the legal framework protecting the clients’ interests. The control framework is periodically revised to be permanently adjusted based on the risk assessment exercises performed at bank’s level or risks identified during the control missions conducted by various internal control levels or by relevant authorities.

In this respect, BRD has in place, for financial markets area, specific normative framework and dedicated processes covering:

1. Clients protection topic related with MIFIDII (EU Directive 2014/65)

- conflict of interest topic that has been aligned with the SG normative framework (Conflict of Interest normative and register; Conflict of Interest provisions in the impacted Business Lines normative; pre-clearance system; specific controls etc.);
- appropriate creation and distribution of financial instruments/performance of financial services based on clients’ knowledge and experience etc., as well as in a manner to avoid any Conflict of Interest suspicions.

2. Market integrity:

- specific rules implemented for specific activities that prevent the risk of market abuse, regardless if the abuse form is materialized on acting in the market or wrongly-managing inside and confidential information.

BRDAM has also a policy on managing new and existing products which sets the framework, due diligences and responsibilities for all actors involves.

Focus

#Dreptul la banking is a common initiative of the banks from Romania, under the coordination of the Romanian Association of Banks (ARB). BRD is part of this program and its contributions consists in financing, expertise in defining the actions and communicating the program.

The scope of the program is to increase the awareness among Romanian citizens about the importance of banking in creating prosperity for everybody.



At BRD Sogelease level there are established policies and other measures in order to ensure that the interests of the organization and its employees are aligned to the interests of existing and potential customers, such us: policy on conflict of interest, personal conduct code, new product procedure, credit risk strategy and policies, regular training of staff on conflict of interest and anti-corruption risk.

Financial Inclusion

BRD Group is an important enabler in reducing poverty and boosting prosperity in less development regions of Romania and an important player in supporting local business, by facilitating the access to useful and affordable financial products and services that meet the needs of individuals and business.

In all the areas, where the Group is present, special attention to the needs of all its customers is ensured by conducting focused surveys and by promoting specific products and services, such us: products for young people and students (study credit, credit 10, and youth cards), products for elderly (dedicated current account package) and loans for the development of specific businesses, such as those in the medical field. Financial inclusion means also access to a bank account for people which are in remote areas, less-educated, in areas with high poverty or other people part of vulnerable categories. BRD Group acknowledges its important role in facilitating access to banking activities for a large number of people so that they can live better every day, and to assist families and local businesses in planning for all expected or unexpected events from their lives and activity. For these reasons, BRD Group tries to offer a more diversified and affordable range of products, to be present through agencies or branches in as many

areas in Romania as possible and to have the widest possible network of ATMs.

However, in exceptional situations, in which the Bank would have to reduce its presence in certain areas, there are plans to continue to ensure the access of the population to the Bank’s ATMs which are maintained or when this would not be possible to establish partnerships with other organizations which could allow the access to the banking activities (e.g., money transfer, payments, etc.).

The Bank’s approach to facilitating financial inclusion also includes the organization of personalized negotiation sessions with those clients who face special financial problems due to which they can no longer afford to pay their installments. The purpose of these negotiations is to identify with all parties the necessary solutions so that these people can continue to benefit from the products purchased without affecting their quality of life.

And last but not least, by fulfilling the strategic objectives of the BRD Group in terms of digitalization, it contributes to increasing the degree of financial inclusion of the Romanian population. Thus, in 2021 the Group achieved its proposed plan for digital transformation, the launch of customer enrollment and distance consumer lending, as well as the growing adoption of digital channels, with the number of digitally active customers up 48% from the end of the 2019.

Another important and efficient measure that can significantly contributes to the financial inclusion is represented by financial education. Thus, BRD Group is aware of the role it can play in improving the financial competencies of people by direct implication in educational programs.

Focus

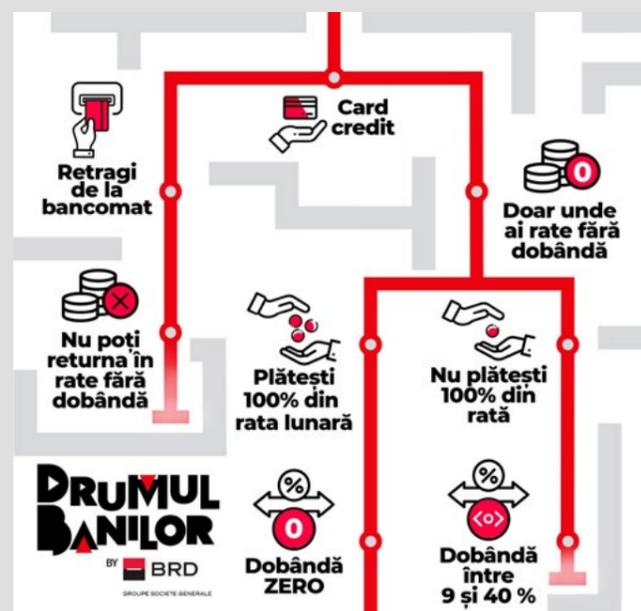


In October 2021, BRD launched the podcast **“Money Road”**, which contains financial stories and advises easy to be applied.

The pandemic has caused many Romanians to spend more time online and has increased their openness to exploring and adopting new digital technologies and services. It helped them to work remotely, to communicate, to shop and pay online, but also to relax. This is how a new type of media took off in Romania: the podcast - stories, dialogues, book reviews or thematic shows in digital audio format. In July 2020, the Romanian Joint Industry Committee for Print and Internet (BRAT) conducted the study “Podcast in Romania” and identified 3.2 million podcast listeners in our country, of which 1 million in rural areas.

“We are launching the “Money Road” podcast to address, in a modern and friendly format, a growing need for financial service users to receive answers to some of the questions that concern them in the face of the uncertainty caused by the pandemic, and more. Why the “Money Road”? Because life is a journey that - whether we like it or not - we carry on with money. For every person, it is very important not only to make money, but also to use it as efficiently as possible”, said **Flavia Popa, Secretary General of BRD.**

This podcast discusses various financial topics in several episodes, in a simple and understandable way, avoiding sophisticated or specialized language, it talks about money, rates and interest, about the advantages and disadvantages of different financial products, or about how to better manage your money and what to do when you have problems.



The “Money Road” podcast can be listened on the online streaming platforms present in Romania (Anchor, Spotify, Apple Podcasts, Google Podcast) and is made with the support of BRD Groupe. Each episode will be uploaded weekly on the web pages (<https://brd.ro/drumulbanilor>) and FinZoom.ro (<https://finzoom.ro/podcast>), along with relevant articles, with the stories and information addressed in the audio version.

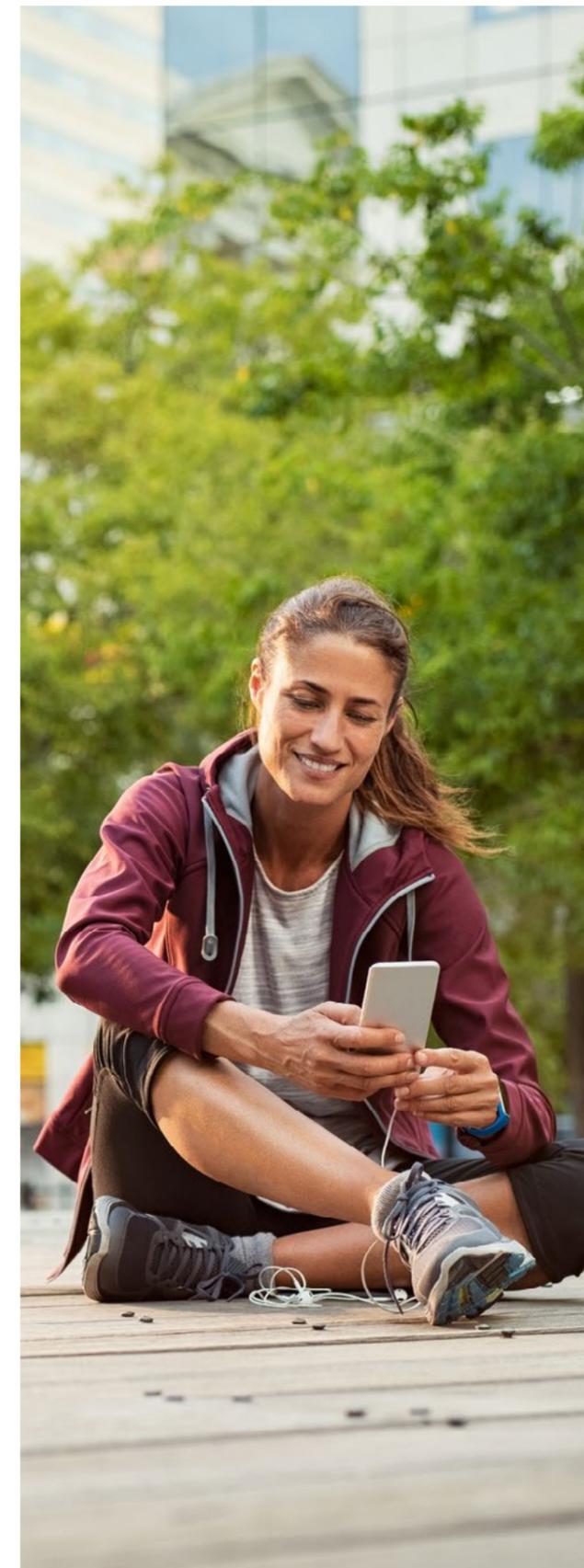
Who is realizing the “Money Road” podcast? Irina Chițu - journalist, financial analyst and founder of FinZoom.ro comparator, where she writes about financial products, talks to consumers about their rights and helps them manage among the offers of banks. Irina participates in TV and online debates, conferences, holds financial education courses, and is actively involved in education projects with the specialized press, consumer associations and financial institutions.

Innovation and digitalization

The Bank is focused on reducing the carbon footprint by investing significantly in innovation and digitalization, to make banking more accessible and user friendly from the comfort of one’s home, thereby reducing the need to visit a regular unit for banking needs.

In 2021 BRD developed in-house and released digital flows to facilitate 100% remote onboarding as a new bank customer, 100% remote lending for personal needs, 100% remote data update process, which were readily accepted by our clients, particularly in the pandemic context. We also took action on dematerializing documents within our units to lessen the impact on the environment.

The Bank also invested in bringing more functionalities to its first in-house fully developed mobile app, in order to better provide clients with fingertip control over their accounts and transactions. YOU BRD expanded with foreign payments and exchanges between own and other bank accounts, empowered accounts, opening and closing deposits, opening current accounts and savings accounts and many more useful features to make the app a trusted remote banking partner.



ENVIRONMENTAL, SOCIAL AND CLIMATE RISK ASSESSMENT AND SUSTAINABLE FINANCING AND ESG INVESTMENT



500 million € sustainable finance deals structured in 2021



The largest green credit approved for the Romanian market



The first issue of bonds correlated with sustainability goals



BRD Group is committed to play an important role in the journey of companies in their transition towards less carbon intensive activities, in a socially just transition and with a lower impact on the biodiversity.

BRD Group acknowledges that sustainability can play a crucial role in the development of the Romanian economy and its competitiveness and as well as the transition to a safe, climate-neutral and resilient, and also more resource-efficient.

In line with the action plan on financing sustainable growth published by the European Commission in March 2018, regarding a strategy on sustainable finance, BRD Group is determined to support in redirecting the capital flows towards sustainable investment. Through their activities related to environmental, social and climate risk assessment, as well as sustainable financing and ESG investment, BRD Group can play a major role in the transition to a responsible, low-carbon economy and to contribute to environmental protection by including environmental, social and climate risk assessment at the product and

transaction level. By implementing the provision of the EU Regulation no 852/2020 on the establishment of a unified classification system for sustainable activities, the Group can contribute to the identification of the exposure of certain economic sectors to climate risks (physical and transitional risks).

Furthermore, assessing social risks, including the respect for human rights, at the client and transaction level, BRD can contribute to the improvement of the living conditions, thus being a strong and efficient promoter of the UN SDGs.

Environmental, social and climate risk assessment

The Bank is likely to generate directly or through the activities it finances environmental and social (E&S) impacts. As E&S breaches may pose risks to the Bank, these are subject to a process to identify, assess, prevent and/or mitigate them. Risks of environmental and social nature are defined as the risks of serious harm (actual or potential) or negative impact on:

- human rights and fundamental freedoms;
- health and safety of individuals (employees, individuals, clients);
- environment (climate, air, water, soil).

These risk factors may trigger or aggravate compliance, reputational and credit risks. The risk of non-compliance with laws governing E&S issues, or non-compliance with the Group’s E&S commitments (voluntarily assumed and publicly communicated), may arise from the inadequacy or insufficiency of the E&S risk management system or from failings in its implementation. These risks could also trigger a reputational risk for the Group. Reputational risk may also arise from a negative perception of the Group’s handling of E&S issues by stakeholders, particularly external stakeholder. In order to manage such risks, and following the 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. The process implemented for corporate clients started in 2019 and enhanced further, leading to a third version of the internal normative framework.

The E&S risk management is organized according to the “three lines of defense” model with a dedicated E&S expert function, as support for the first line of defense.

The E&S risk assessment of clients or transactions in the perimeter of evaluations is carried out in three steps:

- identification of the risks of E&S nature;
- E&S assessment of these risks;
- defining an action plan to prevent or mitigate the identified risks (if the case).

The Bank uses a set of tools in order to assess such risks, comprising the **E&S General Guidelines**, applied to all financial transactions and services provided by SG Group entities and **12 sector and cross-sector policies of SG Group**, some of them from climate change perspective, as follows: coal thermal power, oil and gas, thermal power sector, agriculture and agribusiness, fishing, forestry, dams and hydropower, renewable, shipping, mining, biodiversity, nuclear power.

E&S policies are established on the basis of a common framework that identifies the E&S impact risks, lists the sectoral or thematic reference standards, explains the scope of the activities concerned (sub-sectors and banking and financial products and services) and defines the criteria that cover the activities of the clients, companies of the Group and underlying activities of dedicated transactions and services. E&S policies define exclusion criteria, priority assessment criteria and supplemental criteria. The scope of the E&S clients risk assessment process includes only corporate clients and the clients in the perimeter are subject to E&S analysis during the onboarding and when reviewing KYC files, as well as when a trigger event (defined) occurs.

BRD performs an E&S assessment of the transactions which falls in the scope of Equator Principles (“EP”) and dedicated transactions for corporate clients, as per a defined perimeter. At the end of the assessment process a risk category is attached to a client as “Very High”, “High”, “Medium” and “Low” (rating scale changed at the end of 2021), or transaction. A transaction under EP is categorized as A, B or C.

For assessing the transition risk, BRD applies the Group’s Climate vulnerability indicator, implemented in 2020, represented on a 7-notch impact scale from high negative to high positive for the following portfolios: Oil & Gas, Power Generation, Metals & Mining, Automotive, Shipping, and Aircraft, considered to be most exposed to these type of risk on long term. The indicator is set at group level of the clients falling within the perimeter and are the direct responsibility of the front-office unit that assures the management of the client.

At the end of 2021, BRD has graded with a Climate Vulnerability Indicator several group of companies (according to a specific methodology), delivering either no impact or a highly positive one.

As concerning the physical risk, the Bank follows the approach of the Group, which is working on furthering its understanding of this particular type of risks.

The sector identified by the BNR report on Climate Change Risks in 2021 is agriculture, exposures indicated at the level of the whole banking system as representing 4.56 % (at the end of June, 2021), in the areas with such risks. At the level of BRD, exposure towards the agriculture sector is in line with the average on the banking sector.

BRD has also established a sectoral limit of Agriculture, as a way of managing risks related to this sector (including climate change) and is constantly monitoring its inclosing within the alert limits). On Agriculture sector the bank follows the provisions of the E&S Agriculture and Agribusiness Sectoral Policy, which is publicly available and it is used in the dialogue with the client’s active in this sector.

“At the end of 2021, BRD has graded with a Climate Vulnerability Indicator several group of companies (according to a specific methodology), delivering either no impact or a highly positive one.”

The process of deploying the E&R risks standards of assessment is a continuous process. Resources are made available by the management and training sessions on E&S assessments are organized with internal or external resources. In 2021 a number of 1,288 persons benefited of training sessions.

Sustainable financing and ESG investments

As part of SG Group, considered by Robecosam in 2019 being #1 worldwide on environmental matters, having clear commitments aligned with Paris Agreement towards a zero-carbon economy and UN SDGs, BRD Group has embraced the sustainable development and set up a framework for sustainable finance and ESG investments.

E&S assessments training performed in 2021	Number of people trained
Clients and transactions analysis from the environmental & social risks perspective	3
Managing environmental and social risks	1,235
ESRM refreshing training organized by SG	50
Total enrollments - ESG	1,288

First step in the process of considering and implementing the above-mentioned objectives, for its part on the Romanian market, was the deployment of the E&S Risk management process. Implementation of E&S Standards for loans origination and execution, and incorporation of environmental and social risks conducted to identification of potential financing opportunities and thus, turning risks into opportunities.

BRD could provide green loans, sustainability loans, social loans, sustainability-linked loans, and advise on green bonds, sustainability-linked bonds, for different classes of assets and transactions, based on recognized international standards like Loan Market Association (“LMA”) and International Capital Markets Association (“ICMA”) Principles, transactions representing a novelty on the local market.

For structuring and implementing such transactions, a dedicated team is in place, acting as a support to the corporate origination teams, front-office relationship managers covering both large clients segment and SMEs clients segment, structured finance, corporate finance or trade finance teams.

To these, is complemented the expertise of the SG Group, comprising an identified population of CSR correspondents and technical specialists, including at the level of supervising unit. At the level of head-quarter, BRD has a process of validation and escalation of certain categories of risks at the level of the Group.

In order to support the roll out of these products, important resources have been deployed and intensive training have been carried out in 2021 for this particular purpose. BRD has defined a business plan for sustainable

and positive impact financing, following the guidelines of the Group and aiming to contribute to the commitments assumed by the Group, including reaching a EUR 120 billion energy transition financing by 2023.

Tacking also into account the objective of supporting those activities that prove over time to be sustainable, protect the environment and assure social positive impact, the first step was to set up a road map for the sustainable financing promotion, drafted in November 2019, which was followed by the 2020 Business Plan.

The business plan for 2021 has been 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 have been envisaged to be used either as reference, deal origination source, or proxies in segmentation, sector approach, and structuring of the financing.

Furthermore, the **SG Positive Impact Financing Framework** has been implemented in 2021, in the local internal regulatory framework.

BRD’s main objective is to play a pioneering role in sustainable financing locally and thus, to contribute to the channeling of funds with priority towards the activities, companies and transactions that proves to be sustainable, with a positive impact on environment, society and business.

Sustainable financing and ESG investments	Number
Introduction to energy transition - module 1	119
Introduction to energy transition - module 2	46
Green/sustainable financing framework	80
Energy efficiency	9
Total	254

The approach is 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.

“In 2021, BRD has concluded a volume of EURO 500 mn sustainable finance transactions, making a number of premieres on the local market”



SUSTAINABLE BANKING

Interview with **Bogdan Badea, CEO Hidroelectrica**



Focus

BRD granted **Hidroelectrica S.A. a green loan of EUR 257mn** (RON denominated) for the acquisition of participations in renewable energy projects (solar and wind) - the largest bilateral green loan on the Romanian market and first structured based on LMA Green Loans Principles.

Hidroelectrica is a leader in the production of energy and the main provider of ancillary services

necessary in the National Energy System and is a vital company for a strategic sector with implications in national security. With a production in an average hydrological year of over 17 TWh generated in branches located strategically on the territory of the country, Hidroelectrica supplies about 30% of the total production of energy of the country, depending on the hydraulicity of the year.



real estate market, operating 52 retail properties in 9 countries, 20 of them in the most important cities across Romania, with an advanced sustainability strategy aiming to apply the best market practices having objectives aligned with the UN SDGs.

Its sustainability strategy is based on four major pillars addressing all areas of sustainability, like sustainable resource management, sustainability through certified green buildings, community engagement and people and business integrity with clearly defined targets.

It also supports the client in achieving its sustainability strategy and contributions to the achievement of the UN SDGs.

An increased performance of the borrower reflected in its ESG rating will represent a lower impact on the environment and a contribution to the societal aspects.

Focus

BRD arranged in favor of **NE Property BV** (part of NEPI Rockcastle Group) in June 2021 an unsecured syndicated **ESG loan of EUR 120mn** (with an accordion option of EUR 120m). BRD also assumed the ESG structuring role and provided a final participation of EUR 100m. This ESG linked

loan is a financing instrument that incentivizes the borrower to achieve agreed sustainability performance objectives, as measured via the ESG score issued by Sustainalytics.

NEPI Rockcastle is a leading company in the CEE



The ESG loan structured by BRD assures coherence of the sustainability strategy of the company with the financing and applies the best practices in the field, as reflected by the Loan Market Association Sustainability-Linked Loans Principles.

Focus

BRD Group acted as Sole Coordinator, Bookrunner and Structuring Agent for the first local Programme with a total ceiling of EUR 250 million and the first issue of the bonds under the Sustainability-Linked Bond Framework on the Romanian Market in 2021, of **EUR 48mn** in favor of **Autonom Services S.A.**, a provider of mobility services.

This is **the largest financing of a Romanian**



entrepreneurial company through a private placement of bonds.

The bonds have a maturity of 5 years, a fixed coupon of 4.11% payable annually, with the possibility of adjustment through a step-up mechanism, depending on the fulfillment of some performance objectives in the sustainability strategy.

Focus

In October 2021, BRD won the tender organized by Argeş County Council for a new investment loan for pre- and co-financing various projects of county public interest, benefitting of EU funds, in total amount of max 43.227.000 RON (equiv. EUR 8.77 mn).

Taking into consideration that all of the 11 projects financed by the loan have a positive impact on the local community and on the environment, together with the KPIs already monitored as per the requirements under the EU funds financing (POR), enabled this loan to be qualified as both green and social financing.

The financed social projects will ensure access to:

- affordable basic transport infrastructure (by modernization of two county roads);
- access to essential services, such as education, public health/healthcare and socioeconomic advancement and empowerment (e.g., Restoration of Rudolf- Schwitzer Cumpăna Art Gallery, Arges County Museum, Conservation and consolidation of Poienari Fortress and extension and modernizations for County

Emergency Hospital and Pitesti Pediatrics Hospital).

The main social indicators that will be monitored are:

- the number of cultural restored objectives;
- number of visitors after modernization works;
- number of persons getting access to health services;
- number of people getting access to infrastructure which ensures access to TEN-T corridors, among others.

The two green projects will ensure the increase of energy efficiency of buildings.

The main environmental related indicators reported are reduction of GHG emissions (in tons of CO₂) and energy consumption (KWh and non-renewable energy).



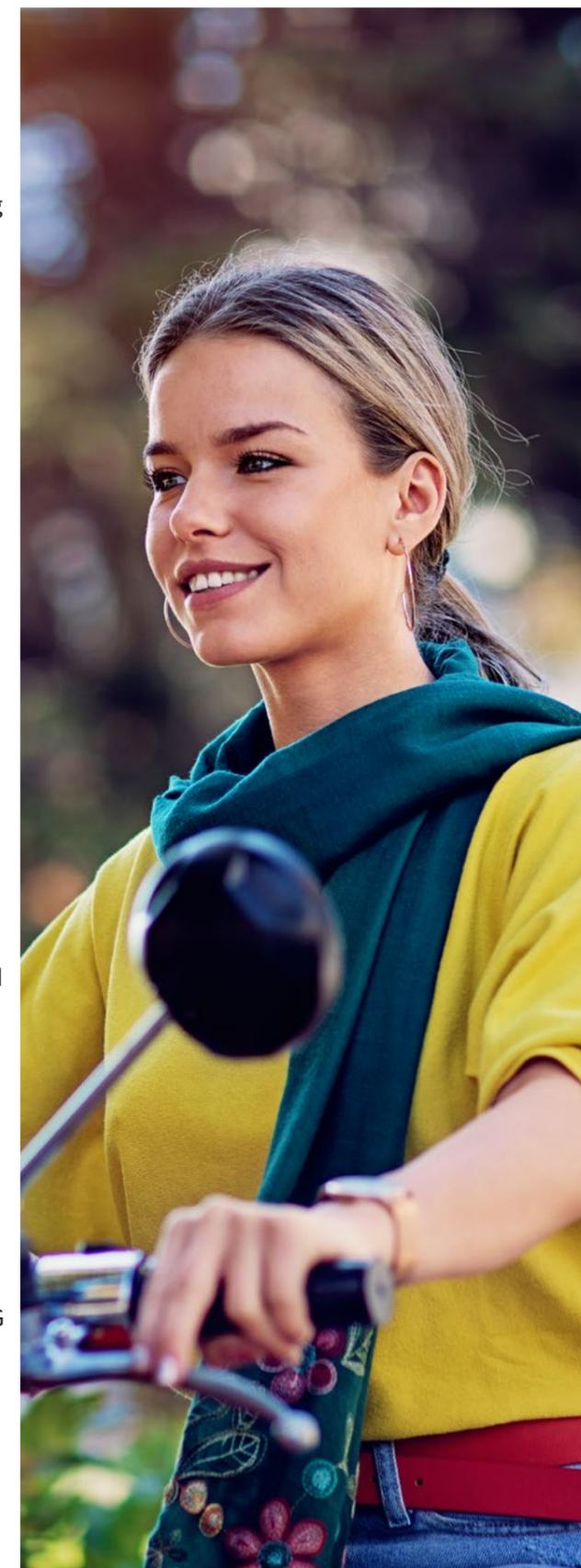
BRD is also committed to contribute to the increased awareness of its clients with respect to sustainable agenda, referring to actions aligned with the Paris Agreement aiming to keep the global warming well below 1.5 degrees Celsius by the end of the century and reach net zero by 2050, with the UN Sustainability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

In these respects, in 2021 BRD had an important contribution to the increased awareness among its clients and public at large, through dedicated sessions on sustainability topics. BRD presented within a series of 5 webinars sustainability finance instruments for an audience of 240 SMEs companies, delivered a joint presentation within Societe Generale Positive Impact Financing Week with Hidroelectrica, at the level of DGA coordinator of Corporate Clients and CEO of the borrower, for an international audience, with respect to the first largest green loan on the Romanian market.

There were other events to which the Bank contributed with speeches and presentations, contributing to an increased awareness of the local market, like the ones for ZF, Business Review.

Through its representatives, the bank assumed important roles in different working groups dedicated to the sustainable finance development on the local and international market. A representative of BRD, on behalf of the Romanian Banking Association, jointly coordinated one of the sub-groups of the National Macro-stability Committee's working group that drafted the Report on Green Finance Development in Romania, contributing to the best practices development with respect to this type of financing. BRD actively participates in different working groups or task forces groups dedicated to green finance, ESG aspects (CCIFER, FIC, AmCham, etc.).

At BRDAM level, there are also specific tasks implemented regarding ESG investment, such as: calculating and disclosing ESG risk at portfolio level; 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 find 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.



RESPONSIBLE EMPLOYER



80 webinars & 255 individual coaching sessions provided for our employees within the "We Connect" program.



All employees underwent the training course "Combating inappropriate behaviour: Fundamentals" in 2021.



The new BRD initiative "Open Studio program" talks on diversity issues addressed by our employees.



The BRD Group employees represent the strategic factor through which a sustainable Group development can be achieved.

The quality of the BRD Group products and services are ensured by the efforts made by all the employees to provide to our customer the best experience they can have with a financial service provider. For this reason, the BRD Group is fully committed to create a work environment in which all its employees can express their fully potential during their professional career.

During these particular times caused by the Covid-19 pandemics, the preoccupation of the BRD Group to create a trustfully relationship with its employees was constantly maintained by promoting diversity and inclusion, supporting employees in developing the Bank's business lines, creating a culture of responsibility, recognizing the individual contribution to the Bank's performance and by encouraging a work environment that supports employee involvement.

The Group human resources policies are focused on the employee professional development and on

maintaining a favorable social climate that encourages the diversity and the manifestation of talents for reaching the common Group objectives.

The Human Resource Department has established specific and clear procedures for the whole human resource process: recruitment, promotion, remuneration, career management, performance management, dismissal. In each phase of the process are taken into account the needs of the Group: qualification, professional experience, professional performance, technical, commercial, and managerial skills, professionalism, team spirit, and innovation.

In order to ensure a balance between professional and personal life, the Human Resources Department continued the projects: "We Connect" and "Horizon".

In order to ensure a balance between professional and personal life, the Human Resources Department continued the projects:

- **The BRD ID card Matters!** – through which discounts are negotiated for BRD employees,

formalized under a series of agreements;

- **Bookster** is a modern library that delivers books directly to the office but also an online platform where the employees can borrow books, read case studies online or watch TED videos or courses taught at top universities. They can choose among thousands of books on professional and personal development areas, social affairs, finance, success stories, hobbies, time management, literature, etc.;
- **Open Studio** – organize online seminars with a focus on information of interest (Covid-19: 6 conferences with occupational medicine partner, anti-tobacco webinar, etc.) and webinars with specialists;
- **Work and study environment** – training methods adapted for different populations in the current context, impacted by the Covid-19 pandemic.

In 2021, we also launched our future hybrid work model with a mix of telework and office (ideally between 1-3 days of telework /week), as long as the

nature of the work allows it, implemented after the end of the alert state period.

Labour Relations

The BRD, through its representatives, maintains a permanent connection with the unions that represents the rights of the employees both during the annual negotiations for the signing of the Collective Bargaining Agreement and by periodical meetings.

At the Bank level, a special function, within the Human Resource Department, is responsible with the management of labour relations – the Social Relation Department. According to the Collective Bargaining Agreement and the Internal Regulation, BRD employees are free to associate.

It's recognized the free exercise of the Trade Union right according to the legislation in force, as well as the freedom of opinion of each employee. At the same time, the employees can be associated in various professional organizations (e.g., CCIFER, etc.) with the mention that they must respect the confidentiality requirements.

Focus



“**We Connect**” a program that aims to provide employees with tools and opportunities to stay connected, in a period of uncertainty, as well as resources for learning, and personal and professional development.

The program has meant so far over 80 webinars provided with the participation of almost 694 (1,084 participations) employees and 255 individual coaching sessions. The 10 topics of the webinars ranged from professional development, anxiety and stress management, resilience

development to distance work management, time management and communication.

“**Horizon**”, a program dedicated to the development of managerial skills, which includes webinars on seven relevant topics: communication and performance, remote work, feedback, managerial roles, organizing attractive online meetings and managing remote teams.

In order to ensure full protection of employees and union members, the Human Resources Department, department directors / departments / branches work with union leaders on any issue related to the provisions of the Collective Bargaining Agreement.

The members elected in the governing bodies of the Union, who have the quality of employees, have the right to reduce the working hours, for the development of trade union activities, without affecting the salary rights (President of the Union - 44 days a year, but not more than 5 days / month; Members of the Executive Board of the Union - 33 days / year, but not more than 5 days / month; Management of the branches of the Union - 22 days / year, but not more than 3 days / month; The Censors Commission of the Union - 3 days / year).

The Union activities benefit also of the BRD material resources that are free of charge (space, office, car for travel - including maintenance and repair expenses, access to the use of the Bank’s electronic messaging system for trade union purposes). The elected representatives in the management bodies of the Union benefit from protection against dismissal, in accordance with the law. The BRD Bank ensures, free of charge, the collection on the payroll of the union contribution, in accordance with the law.

All the employees have the right to present a complaint regarding the violation of the right of association

according to the Internal Regulation. The complaint can be presented by sending an alert through the warning channel alerte_confidentiale@brd.ro, by direct notification to the Human Resources Department or by notifying a manager who will contact the person in charge of the Human Resources Department.

The BRD Group ensures compliance with the rules on working conditions and will not resort to forced labour or child labour, in accordance with the International Labour Organization Conventions, even if local law allows it. This commitment is also underlined in the SG Group’s Code of Conduct which is also applied within the BRD Group.

In order to raise awareness of the employee rights, annual training campaigns are implemented at the Bank level. For example, in 2021, all employees underwent the training course “Combating inappropriate behaviour: Fundamentals”, and annually from 2018 until now, the training campaign on the Code of Conduct of the S G Group is carried out, according to which a strong focus is put on the Group commitment to respect the human rights.

According to the Collective Bargaining Agreement, the employer initiates the collective bargaining at least 45 calendar days before the expiry of the contracts collective bargaining agreements or the expiry of the period of applicability of the clauses stipulated in the addenda to the collective bargaining agreements. If

the Bank is put in a position to perform collective dismissal, the provisions on collective dismissal from the Labour Code shall apply.

People Development

In order to understand which is the the working atmosphere within the Bank, periodical employee satisfaction surveys and organizational diagnosis studies are organized. The results of are transposed into specific action plans that have the objective to increase the employees’ satisfaction and to improve the human resource management system in order to ensure to a strong professional development within the Bank.

Thus, the Human Resources Department places particular emphasis on the employees’ engagement, something that improves team performance.

“Recognizing each person’s contribution to the long-term performance of the Group, ensuring well-being in the workplace and using the benefits of diversity in teams are essential to maintaining employee relationships within the organization and improving efficiency.”

Within the Bank it is implemented a rigorous employee performance management system that is founded on three main pillars: clear and measurable objectives based on the appropriate job description; continuous feedback and individual development plan; a serious and transparent process of evaluating the employee, both in terms of results and in terms of how they were achieved. The performance of each employee is evaluated each year.

The assessment process is a way to manage and develop skills aimed at: discussions on the expected level of achievement of the objectives depending on

the deadlines and means defined at the beginning of the year, as well as in relation to the working environment; evaluating the results and the way in which they were achieved, taking into account the responsibilities and objectives set for that year; identifying acquired skills and identifying training needs and ensuring the conditions for professional development. The evaluation of individual and collective performance takes into account the qualitative and quantitative performance criteria measured with KPIs. The role of the KPI system, a key element of performance management, is to set challenging but achievable goals with relevant performance indicators. Achieving these goals is a key element in the organization and is linked to continuous improvement of services and the achievement of goals, objectives and priorities.

Employees Benefits

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, temporary incapacity by work accidents. Furthermore, the BRD offers also a life insurance that covers: accident or professional diseases, convalescence after hospitalization (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 the employees are eligible for PMAS (Planul Mondial de Deținere Acțiuni de către Salariați), LTI (Long term Incentives), Group Insurance, special conditions for banking products & service; BRD ID counts - special discounts for a list of suppliers of services and products; transport expenses from home to the workplace; discounts to BRD affiliated hotels. According to eligibility criteria, the employees can benefit also of: “Bank Day” Bonus (100% of gross base salary for the employees with minimum 1 year in the Bank), private pension funds Pillar III, gift sums (8 March); payments for different work conditions, social aids for special events (birth, marriage, death, etc.); social aid for serious disease in family; geographical mobility bonus, cash gifts for children under 18 of employees.

Training

The BRD training strategy is built in accordance with the Bank's strategy and in order to provide support in the evolution of the Group business model. The purpose is to ensure efficient and dynamic structures, in order to maximize the results obtained and to respond to the needs of the clients. The training strategy aims at developing both commercial skills, technical skills (according to the business strategy), managerial development skills, and specific regulations through risk management and compliance courses for BRD employees. The Bank has a diversified training offer that covers the training needs of the employees, in a format adapted to all profiles (juniors, seniors, experts / specialists), correlated with the support and development of the competencies aimed at each role, in a mix of theoretical and experiential learning with direct involvement of the employees in the choice of training actions, identifying their training needs together with the managers.

In order to adapt to the rapid changes in the business environment, strategic workforce planning projects have been implemented in the retail and corporate areas. Employee skills are a major asset in the Bank's success. The objective is to promote the permanent adaptation of employees' skills to the rapid changes in the business environment and to allow them to access motivating career paths. In this sense, was developed an e-learning project together with CPBR (The Council of Banking Employers in Romania), with the representatives of the trade unions (through FSAB - Federation of Insurance and Banking Trade Unions) and with other 4 Romanian banks (BCR, Raiffeisen, ING and Unicredit). The main project objective is to develop the skills of the employees so that they can adapt more easily to the labour market changes and the digital future. The course catalogue in the new platform (BRD IKNOW LMS) focuses on 3 major topics that address digital technology:

1. **Digital skills** (digitization awareness, PC and reporting skills, analytical skills and numerical);
2. **Collaboration** through digital channels (sales, cashless operations, customer orientation from a digital perspective);
3. **Customer satisfaction** and approach in the context of digitization (remote work, tools of messaging and

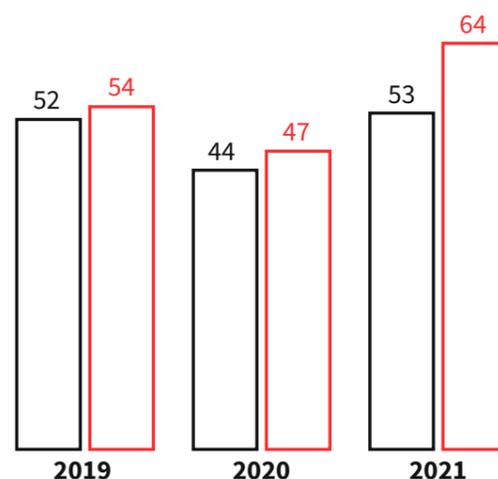
collaboration such as video conferencing, distance learning, etc.).

During 2021, constantly taking into account the situation generated by the Covid-19 pandemic context, the training courses continued to be adapted to the distance/online interaction format.

The main axes of development were:

- **Developing a risk culture awareness in BRD** through mandatory e-learning programs prepared in cooperation with SG Group ("Code of Conduct", "Information security", "Market abuse", "Fatca", "Anti bribery and corruption", "Environmental risk management", "Anti-money laundering", etc.) and local e-learning (SSM – health and safety at work, "Physical security events", "GDPR"), increasing the number of case studies presented during virtual/face-to-face trainings;
- **Developing of specific competences of social and corporate responsibility (CSR)** with a focus on the area of ESG (Environment, Social Impact, Governance) due to e-learning training using training platforms;
- **Integrated training programs** for the new employees.

Average hours of training per year per employee BRD Group



□ Average hours of training for all employees
 □ Average hours of training for women

Integrated Training Programs for New Employee

“Welcome to BRD week” Program	The “Induction” Program	Business Academies
This is a program in which the new employees have access to general information about the Bank, BRD values, basic knowledge regarding compliance, credit risks, as well as human resources issues regarding training, career management.	This is a program for front office sales teams - focuses on knowledge of specific products and applications, related risks, behavioural skills, and the development of specific business skills, through an experiential approach to learning.	This is a program adapted to the Bank's client segments: Retail - individuals, Retail - small companies, as well as for the corporate segment.

These trainings are modular programs, on levels of knowledge and expertise, adapted to the roles in the organization (both for managerial functions and for operational teams), having different degrees of complexity, and covering as main directions: offer, financial and risk analysis, skills - sales, customer portfolio management, communication, and negotiation.

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

Behavioural training programs (topics such as: customer relationship management, communication, sales and negotiation techniques, stress management, conflict management, teamwork, feedback - a tool for development and performance, how to make a team meeting more attractive, hybrid management etc.) which were completed in 2021 by the development of the webinars & coaching sessions program dedicated to employees, starting from the need to stay connected to each other: “We Connect”, and for managerial roles through the “Horizon” program.

Other training programs, based on business requirements and regulations:

- certification-trainings in the field of insurance and private pensions for front-office employees;

- initial and continuous training courses in e-learning format for MiFID II.

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

Diversity and Equal Opportunities

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 Diversity Charter. By signing the Charter, the signatory publicly commits itself to supporting, protecting and developing diversity within the organizational framework.

Bringing together the most diverse co-interested groups at the same table, the Charter is an excellent collaborative platform for debating diversity management. The commitment facilitates the signatory's access to the resource platform, good practices and tools developed under the Charter and those made available through the European Diversity Platform.

Within the Group, any form of direct or indirect discrimination against an employee is prohibited. Compliance with this principle is regulated in a specific internal regulation which include also the description of the alert mechanism. The structure responsible for establishing policies & commitments for this aspect

...

is the Human Resource Department through all its functions (recruitment, career management, learning & development, compensation and benefits) so as to ensure that the principle of non-discrimination is respected.

Through the daily consultancy offered to the employees, the department contributes and ensures the proper application of the Collective Bargaining Agreement provisions, including the fight against any forms of possible discrimination.

At the Group level, different projects and measures are implemented in order to promote among all the employees the importance of diversity and equal opportunities. BRD has launched the Open Studio program (series of open talks) tackling issues related to diversity - maternity leave and support for integration of mothers returning from maternity leave.

In 2021, BRD launched an awareness campaign regarding the gender balance (communications in our newsletter, e-learning training catalog update for this topic). Regarding the support measures for people who have returned from parental leave (regardless of gender), they are invited to the Welcome BRD integration program. For gender equality were removed where necessary the unjustified pay gaps.

Remuneration policies

The remuneration of Executive Directors is broken down into two components: fixed remuneration (FR) and variable remuneration (VR). It ensures an appropriate balance between these two components, in the general interest of the Bank.

FR rewards experience and responsibility taking into account Group and market practices. It accounts for a significant proportion of overall remuneration and serves as the basis for calculating the maximum percentages for annual variable remuneration.

VR rewards both financial and nonfinancial performance over the year, which is consistent with the Bank's strategy and aligned to shareholders' interests, as well as the contribution of Executive Directors towards the success of the Bank. VR should reflect a sustainable and risk adjusted performance as well as performance in excess of that required to fulfil the Executive Directors' activities and responsibilities.

Granting VR is not guaranteed. In accordance with European and local legislation in force and the Bank's risk appetite targets whilst promoting alignment with shareholders' interests, vesting of at least 60% of the VR is deferred over five years, on a pro rata basis. At least 50% from any VR must be composed of share equivalents, which are under an adequate deferral and retention policy, designed to align the incentives with Bank's long-term interests.

The remuneration policy for the Executive Directors aligns the interest of the Bank and of its clients, employees and shareholders, prevent conflicts-of-interest situations and ensure compliance with the applicable legal framework rules of conduct, not encourages risk-taking that exceeds the level of tolerated risk of the Bank, is gender neutral and respects the principle of equal pay for male and female Executive Directors for equal work or work of equal value and "Pay for performance".

The policy provides to only grant variable remuneration if and when it is justified both by financial performance and nonfinancial aspects related to corporate social responsibility and compliance with the Bank's leadership model.

VR is subject to application of malus or clawback arrangements signed agreements. Finding of fulfillment of the malus and clawback agreements' criteria is made with the approval of the BoDs. VR awarded, either granted but not yet vested or paid, either already vested or paid, is object of the total or partial subsequent withdrawal in case it is proven that evaluation of performance is based on information significantly flawed, including when variable remuneration beneficiary prevented, in any form, the evaluator's access to real and accurate information, required in the annual evaluation process.

BRD's payment obligation concerning the VR portion already granted but not yet vested or paid, is cancelled in case of fraud, perpetrated by or with the complicity of the remuneration beneficiary or in case of serious misconduct.

Moreover, if the Board observes, after the departure of an Executive Director, that a decision taken during his/her term of office has particularly significant consequences for the Bank's results or image, it may decide to apply either the malus or the clawback clause.

Ratio of basic salary of women to men		U.M.	2019	2020	2021
Top management	ratio		0.84	0.84	0.84
Middle management	ratio		0.92	0.94	0.90
Lower management	ratio		0.91	0.91	0.92
Operative staff	ratio		0.91	0.91	0.90

Ratio of remuneration of women to men		U.M.	2019	2020	2021
Top management	ratio		0.86	0.86	0.84
Middle management	ratio		0.93	0.94	0.90
Lower management	ratio		0.92	0.91	0.92
Operative staff	ratio		0.90	0.91	0.90

Executive Directors do not benefit from discretionary pension benefits.

Process for determining remuneration

The remuneration recognizes the individual and collective performances, in the conditions of encouraging the team spirit. The Bank ensures a correct and competitive remuneration, by strictly complying with competences and performances, with 2 components correctly proportioned: fixed and variable remuneration.

Fixed remuneration consists mainly of base salary to which other fixed incomes can be added and remunerates the corresponding fulfillment by the employee of the position attributions, through its professional competencies, defined in the job description.

The main component of BRD remuneration is fixed remuneration, constituted based on the base salary. The fixed remuneration is permanently adapted to the market context and regularly compared with the market practice, through salary studies, handled annually, that confer a benchmark for each job.

The fixed remuneration level is strictly correlated with the relevant work experience, professional skills and organizational responsibility, accomplishing, under internal equity conditions, the offering of a

competitive base salary and and/ or fixed incomes or benefits that meet the conditions of fixed remuneration, in accordance with the market level.

In addition to the fixed remuneration, the employee may obtain a variable remuneration, mainly as a bonus, that may be calculated as a percentage from the base salary.

Variable remuneration recognizes and rewards, according to specific activity criteria: the collective performance (of the Bank or of a structure) and the individual performance.

At BRD level, are performed monthly controls regarding the salaries of leasing employees to ensure that they are paid above the minimum wage in the economy.

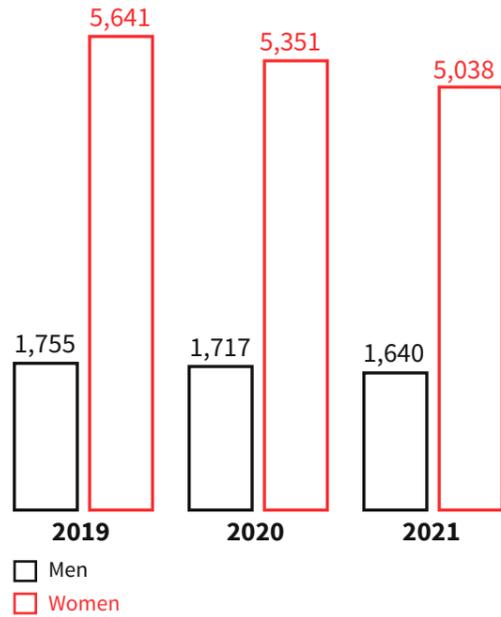
The minimum wage is unique and established through Collective Bargaining Agreement at the bank level.

Shareholders' involvement in remuneration

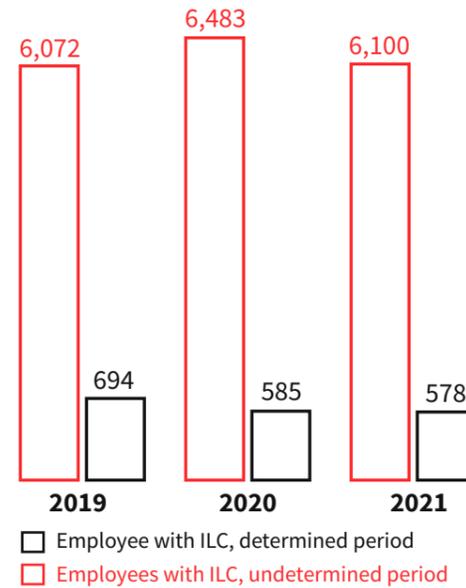
The shareholders vote the Remuneration Policy for Executive and Non-executive Directors. Further, shareholders will vote in April 2022 the remunerations report for Executive and Non-executive Directors.

The Union is involved through the negotiation of the Collective Labor Contract. The shareholders voted in 2021 the Remuneration Policy for Executive and Non-executive Directors and approved it.

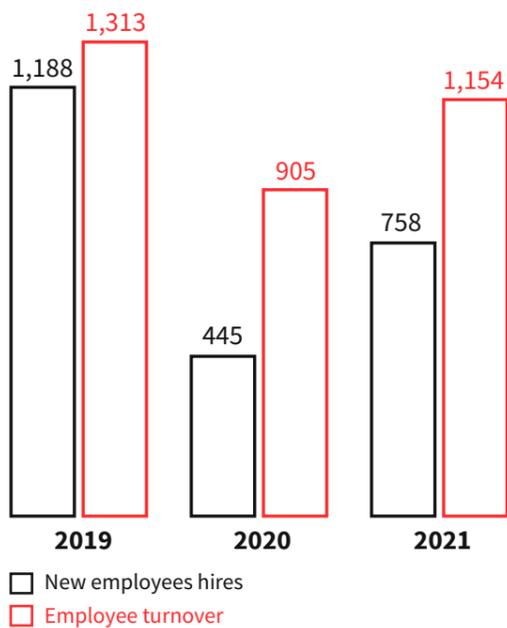
Number of employees



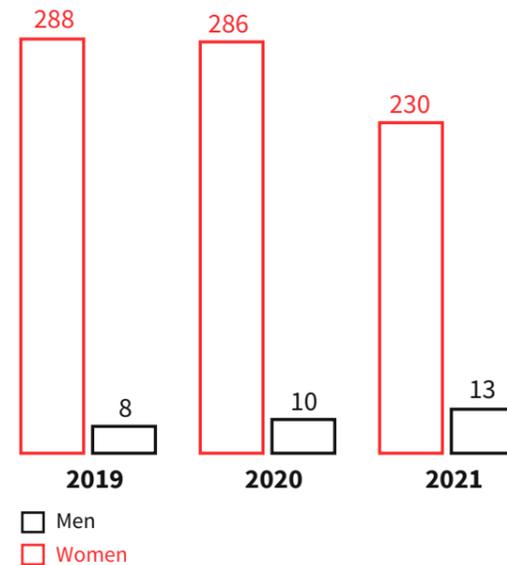
Employees per employment contract



New employee hires and employee turnover



Employees that took parental leave



Note: This data does not include BRD Finance.

Health and Safety of employees

Ensuring a working environment in which the employees can safely perform their tasks and correctly respond to the needs of our customers is essential for the activities implemented by the Group.

At the BRD Group level are implemented specific working procedures that guarantee the employees physical safety and psychological well-being.

The management system of this aspect is ensured by the Human Resources Department - Internal Prevention and Protection Service that ensure the application of the national legislation and other voluntary standards .

In order to successfully manage all the aspects related to the health and safety of employees, the identification and evaluation of work-related hazards is the first step that is constantly performed by the BRD Group experts. The implementation of this activity strictly follows the provision of the Romanian Law No 319/2006.

The assessment is realized by the internal Health&Safety Service specialists, which are certified for professional risk assessment through a specific post university program authorized by the Romanian Ministry of Education, and the occupational health doctor.

The assessment is realized based on the methodology certified in Romania by the “Alexandru Darabont” National Research-Development Institute for Labor Protection. This methodology evaluates the risk on four components of the work system: worker, work environment, work equipment and work tasks. The assessment is up-graded if the work conditions are modified or new or emergent risks appear (e.g., the COVID-19 pandemics), if occur changes in operating procedures or equipment, based on the results of incident investigations, following worker complaints or referrals, if occur changes in workers or workflow, based on the results of surveillance of work environment and worker health, including the evaluation of exposure monitoring (e.g., exposure to noise, vibration, dust). The Work incidents and professional illness are investigated according to the Law No 319/2006 and HG No 1425/2006.

Focus



2 years of COVID-19 Pandemic – The measures taken to protect the people and the business

Since the COVID-19 pandemic began, the main preoccupation of BRD Group was to ensure the safety and health of all its employees and ensure the continuity of the business activities. Thus, to manage as effectively as possible and limit the effects of the COVID-19 crisis, the BRD team updated starting with January 2020 the crisis documentation and actions plan for the pandemic scenario.

A dedicated watch cell was set up starting with February 2020 and, in early March 2020, the BRD CEO activated a country watch cell to more efficiently share information on the topic between the different business lines, align as much as possible on the actions plan, get use of synergies and support each other. Immediately after, also in March 2020, the BRD CEO as Crisis Director declared the crisis situation and a Crisis Committee was activated for its management.

Due to the measures taken, during all the crisis situation up to now, the bank continued all the activities, providing all the banking products and services as per our global offer.

Strategy for post-COVID is defined as well. Detailed plans taking into consideration the group strategy, health doctrine, the recommendations issued by EU Commission on Safety and Health at Work and those of our occupational health services provider were established.

The main measures taken to face the COVID-19 crisis and ensure the business continuity, permanently adapted to comply with local regulations, have been the following:

Hygiene and safety measures

- Disinfection of all spaces, gradually increasing the frequency according to the pandemic status and the confirmed cases, supplementary disinfection of branches/offices in situation of suspicion/confirmation of a positive case, frequent cleaning/disinfection of ATM, ROBO park, vehicles.
- Regularly providing protecting masks (medical or FFP2), disinfectant gel and gloves to the staff.
- Plexiglas barriers to all potentially exposed employees.
- Isolation of vulnerable staff at home, isolation at home of employees who have been exposed to the risk of contamination with coronavirus, as per the regulations in force
- Protocol of actions in case a client or employee of the Bank presents symptoms, intervention plans and adapted internal and external communication; constant update of protocols in link with occupational medicine provider, medical authorities (Health Ministry, National Committee of Emergency Situation, National Public Health Institute) and legislative changes.
- Preventive testing for the most exposed categories of personnel or in multiple cases, at the cost of the Bank.
- Ensure safe transport by company taxi shuttles for employees exposed to the risk of contamination, reducing the number of persons coming to the office by public transportation.
- Cancellation or strict limitation of all business trips, trainings, closing of all bank' training centers; internal meetings only using the IT&C

- tools online and video-conference.
- Limiting the access of the visitors to the HQ's buildings and in the buildings with over 50 employees.
- Limiting the number of clients entering in the branches, allowing legal distance and the implementation of other measures to comply with government decisions, on demand security services for specific branches and/or periods.

Human Resource measures to ensure financial security and business continuity, including measures as imposed by the law

- Payed days off for the employees who are parents, according to the legal framework.
- Intensive communication to the staff on health and safety measures started in very early stage, at beginning of February 2020.
- Health and Safety e-learning activities, including protective COVID-19 measures for all staff.
- Conferences (webinars) on the protection measures and vaccination, supported by articles in the internal newsletter.
- Permanent information on vaccination possibilities and updates / reminders on the official platform.
- Additional days off for vaccination purpose, according to the law.
- Large extension of work from home program, mandatory wherever the activity allows it.
- Separation of teams into several locations/floors, using also the user recovery sites, to disperse the risk of contamination, while implementing flexible work schedules, to avoid exposing the staff to crowds of people (during transport and in office);
- Psychological support cell (in specific cases such as death of an employee caused by COVID-19 infection).

Business continuity and support for clients: very detailed business continuity plan adapted

to COVID-19 crisis

- Increasing Contact Center team and split in several locations to provide extended clients' services & support.
- Encouraging clients to use more intensively remote banking products: special offer of 3 months free of charge service and all payments (in Romania & SEPA). Clients were able to subscribe remotely through the BRD Contact Center.
- Developing new working flows to simplify and facilitate the clients access to banking products.
- Sustaining clients in difficulty with moratorium solutions for their credit facilities.
- Proactive external communication on the topics of most interest for our clients.
- A more frequent supply of ATMs with cash, especially during the weekends, specific market operations to ensure liquidity.

Specific BCP (Business Continuity Plan) for the BRD network of branches: temporarily closing branches, organization by shifts, providing staff to Contact Center and keeping operational backup teams.

Business Continuity Management related actions

- Crisis cell meetings held whenever necessary, even twice a day to swiftly made the necessary decisions on the actions plan.
- Organization of country crisis cell with all subsidiaries, even twice per week: share of information, experience, equipment, access to different resources between BRD and subsidiaries.
- Permanent communication with the SG Group crisis cell, daily and weekly reporting to SG concerning crisis evolution & country status.
- Communication with the local authorities and coordination within the professional associations on the specific COVID-19 topics.

The flow is described in the Health and Safety Internal Regulation, published on the health and safety dedicated Intranet page. The global professional risk level is 3, according to methodology used, in a scale from 1 to 7.

The risk level is classified as acceptable which means that the measure of prevention implemented must be maintained. All the workers can report the risks directly to their managers, to Health and Safety Service or by their representatives in the Health and Safety Committee.

“All employees are trained about the health and safety risks related to the work places and which is the communication flow in case of work accidents and professional illness. These training activities are performed annually and can include also e-learning and face-to-face training course.”

All the employees are trained on health and safety matters at the employment and periodically – each six months for execution positions and each year for managers). A dedicated e-learning course related to occupational health and safety is ensured to all the employees. The employees must follow this e-learning course during the working hours. After following this e-learning course, the employee must go through an evaluation that requires a minimum of 70% correct answers. Furthermore, supplementary training course are ensured after the work accidents.

To the staff in leasing are applied all the health and safety provisions applied for the employees. The employees of the contractors (cleaning and security services) have to participate to an introductory health and safety training at the beginning of the activity in the bank sites regarding the rules and specific risks.

All the employees are also informed that they have the

right to remove themselves from work situations that they believe could cause them or another person injury or ill health, based on the principle “Safety first”. This principle is applied in each company within the BRD Group and at all levels of responsibility.

Each work-related incident is carefully investigated in conformity with the GD (Government Decision) no 1425/2006. For each incident is realized a specific file regarding the investigation of work injuries that includes declarations, photos, relevant documents, risk identification, cause of the event, measures to avoid other similar events. The file is approved by the local Labor Inspection Office. In case of accidents which generates invalidity or death, or in collective accidents, the investigation is done by the local Labor Inspection Office.

In the hazard identification process and in the investigation of work accidents the involvement of the employees is ensured by their direct participation or by their representatives within the Health and Safety Committee. The employees can discuss about the work condition any time directly to their managers, Health and Safety Service, occupational doctor and their representatives in Health and Safety Committee. The Health and Safety Committee is composed by 8 representatives of the employer, 8 representatives of the employees and one occupational doctor, and is organized at central level according to the Law no 319/2006, HG no 1425/2006 and internal regulations. The committee meets quarterly. The minutes of the meeting are published on the Health and Safety Intranet page and are sent to the local Labor Inspection Office. Annually, the president of the Health and Safety Committee presents a report related to the status of employee health and safety within the Group.

The BRD Group ensure to all its employees specific occupational health services in conformity with the national legislation. These services are ensured by a specialized medical service provider that is identify by a specific procurement process. Through these services, the Group can evaluate the compatibility of the employees with the work position.

This evaluation is realized before the employment and periodically, by annual medical check-ups. Each employee has the obligation to present himself at the annual medical check and this obligation is clearly

specified in each job description. The medical checks are paid by the Group BRD, free of any fees for the employees. Specific investigations are established by the occupational doctor for each type of professional risk (shiftwork, driving etc.) according to the HG no 355/2007. he employees are programmed to the annual check by the health service provider and the Human Resource Department, only during the working hours. In the branches with a large no of employees (county branches) the medical team come on-site. In Head Office location Tower and City Office, there are on-site medical offices. After the medical check, a file is provided by the occupational doctor to the Health and Safety Service and Human Resource Department, which includes a conclusion of the exam (if the employee is able or not for the workplace) and includes recommendations to organize the workplace. All the information related to the health status of the employees is strictly confidential and are implemented specific procedures that ensure this. The flow is described in Health and Safety Internal Regulation and published on the Health and Safety dedicated Intranet page.

The BRD Group offers also to all its employees’ preventive medical packages which include free medical consultation, imagistic investigations, blood analysis, physiotherapy/kineto-therapy, psychology. Furthermore, different webinars are organized on specific health subjects, such as vaccination, COVID-19, smoking, etc. Also, the Group BRD offers life insurance for decease, invalidity, surgery, work accidents incapacity after a work accident, health insurance policy and financial help in case of serious or incurable disease.



COMMUNITY DEVELOPMENT



>100 cultural events, contemporary art exhibitions, debates, children's workshops, film and music evenings organized by Fundatia9, a BRD Project.



7 years of supporting the sports performance, being the official partner of the Romanian Handball Federation.



3,000 students & 800 teachers from 80 cities, involved since 2016 within all 5 editions of the BRD "First Tech Challenge Romania" program.



For BRD, culture, education and technology are essential for building a sustainable future, but also for facilitating the access of younger generations to complementary resources, through which they can develop. Therefore, BRD continuously supports education and technology, culture and volunteering, for the benefit of the communities where it operates.

As a result of all the actions implemented over time by BRD in these areas, the organization has become a significant contributor to the promotion of culture, young generation, to reducing educational disparities and illiteracy and to the protection of the environment.

To maximize the effects of its involvement in social responsibility projects, the Bank will continue to focus on supporting projects in the following areas: culture, sports, social, education and environment.

Additionally, BRD encourages the involvement of its employees in volunteer projects with beneficial effects within the local community. Therefore, it will support, with priority, projects that allow the participation of the Bank's staff.

Building together the future for Romanian society

Whether sharing team spirit and the values of sport and fair play, supporting the young generation in contemporary art and classical music, or working for a truly educated and inclusive society, our commitments are always held over the long term. They illustrate our confidence in a united and sustainable future.

Cultural Patronage

In 2021, BRD continued to invest in supporting contemporary culture and young creators. The cultural sector was still affected by the closure of theaters, museums and cultural spaces.

Fundația9 which works with more than 300 visual artists, curators, musicians, journalists each year, to produce and promote the new Romanian culture, continued its programs - **Scena9**, the online and printed cultural journalism platform and **BRD Scena Residence** - the cultural center in Bucharest dedicated to the new generations of creators. Together, the Foundation's programs have reached over 1 million

consumers, especially young people, and over 100 cultural events, contemporary art exhibitions, debates, children's workshops, film and music evenings.

Classical music continued in 2021, BRD partners managing to schedule all planned concerts, even in special conditions. We had over 60 music concerts in all regions of the country, the most important partnerships being Sonoro Conac, Sonoro Musikland, Violoncellissimo, TAM TAM Festival, Stradivarius Tour or Euphonia.

Sport

BRD has been, for seven years, the official partner of the Romanian Handball Federation, the sponsor of the Romanian national handball teams. In this capacity, BRD is next to Romanian handball, a proud supporter of all the performances obtained during this period - the bronze medal at the World Women's Handball Championship in 2015, the 4th place at the European Handball Championship in 2018, both obtained by the senior women's national team, as well as the gold medal at the World Junior Championships, won by the

Under 18 women's national team in 2014.

The bank also encourages people with disabilities to play sports by supporting handball and tennis competitions.

Technology and Innovation

In the field of technology and innovation, BRD supports the training of key players (new generation of tech creators - students, teachers, entrepreneurs, NGOs) for a digital society.

The projects that BRD developed are focusing on education in STEM disciplines, R&D in AI and machine learning and tech entrepreneurship: **BRD First Tech Challenge Romania** (5th edition) involving 12,000 students and 2,050 teachers in 80 cities, **robotics laboratories** within the Polytechnic University of Bucharest (supported by BRD since 2016), **Innovation Labs** - accelerator for tech start-up (5th year of partnership), partnership with Applied Data Science Center (3rd year of partnership).

In 2021, these programs took place mainly online, bringing together important actors: pupils, students, teachers, young entrepreneurs, experts and impacted over 50,000 beneficiaries.

MINDCRAFT Stories, our media platform for the public passionate about technology and science had over 450,000 visitors in 2021. We open conversations about technological discoveries, inventions, paying particular attention to the Romanian scientific landscape, COVID-19 Reports, scientific discoveries related to the pandemic, environment and biodiversity.

Modern Education and Inclusion

In Romania, 42% of kid's age 15 are functional illiterates. An OECD study shows that this situation has a huge impact on Romania's GDP. Eliminating illiteracy would have an impact of + 200% in country's GDP. An impactful solution needs to address this issue for the teacher's perspective and provide instruments, training and constant support so they work with every child to overcome the educational gaps. A solution is **Alfabetar**, a digital platform with more than 10 NGOs participating, with resources for teachers, developed by **Asociația pentru valori în Educație**, an NGO working to transform education in Romania.

Together we launched the platform in 2021 and in few months, 100 schools were involved in a "deep dive" literacy on-boarding program, working directly with literacy experts, hundreds of resources refined / produced (after being tested in classroom) by teachers. Other results: 30,000 pupils were tested in order to determine literacy gaps and 650 supported to close significant education gaps, 10 schools have reading corners and ~900 books were delivered to teachers and schools for reading corners set up.

Another platform for journalism for education, is "**Școala9**", which had over 1.5 million readers in 2021. Launched in 2018, the publication aims to support the modernization of pre-university education, it has become, in a short time, a space that brings together ideas and launches a challenge to dialogue to all actors - teachers, parents, students, decision makers (institutions), education specialists - with regarding the direction in which the Romanian education is heading.

BRD has an ongoing editorial partnership with the

Ringier group, which led to an increase in the number of readers.

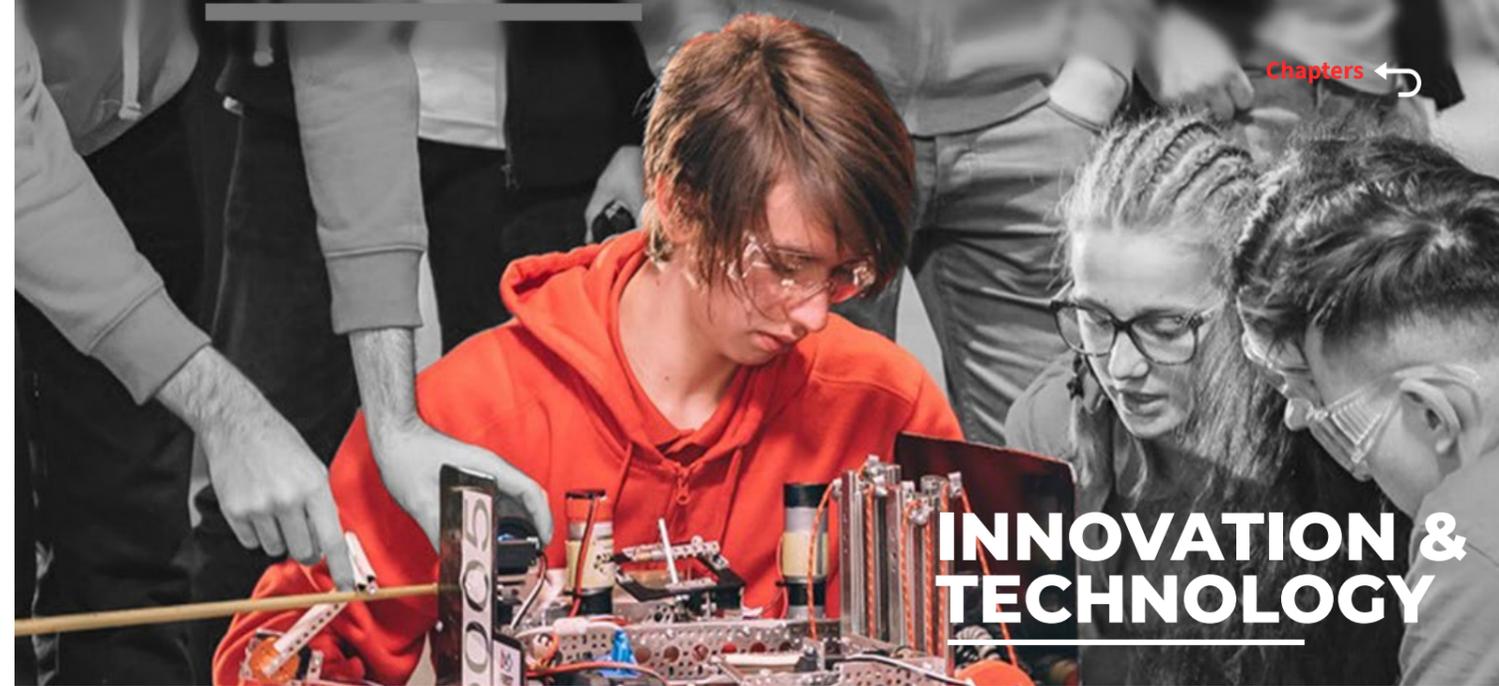
Solidarity & Volunteering

Ziua V, BRD internal volunteering program stimulates the involvement of our colleagues in volunteering projects that generate change in local communities. Even more, the Bank facilitates their involvement and allocates 1 day/ year/ employee for volunteering actions. Launched in 2018, the program is based on a special online platform, where 2,550 employees registered to access volunteering opportunities in different areas and intervention domains.

In 2021, more than 1,250 BRD employees participated to 16 volunteering programs and 806 new employees were registered on the platform. Our colleagues were involved in programs such as: mentorship in benefit of children in foster care system, charity races, blood donation campaigns, and money donations to support single moms, poor families and programs for children in hospital, Christmas Gifts for children in disadvantaged communities.

Environment and Biodiversity

The forests in Romania and the biodiversity represent an important cause for us. In 2021, through **BRD Forests Fund** we were involved in a program monitoring and protecting a valuable forest in the Sibiu area, together with the WWF Romania Foundation and a reforestation project in Deleni (Iasi County), on an area of 60 hectares. The latter project is a joint venture with several entities in the SG Group in France and Romania. The program carried out by the French company EcoTree involves the restoration of the soil, forest lakes and the reforestation. 40,000 trees were planted, by local people. The project is important precisely because of the multiple effects it has on the environment, people and the local economy.



PROCUREMENT PRACTICES



Sustainable Sourcing Charter – our internal document promoting responsible procurement among the entire Societe Generale Group.



Sharing best practices in the procurement area at the Group level, by organizing internal workshops.



CSR Risk Matrix, our instrument for evaluating environmental and social risks related to our suppliers.

Within the BRD Group, the Procurement Department is strategic for the achievement of sustainability objectives considering the impact it has in pursuing our principles and values among all the Group’s business partners.

Specific measures are in place to grow the awareness of sustainability among all the suppliers that are working with the BRD Group and also with the potential suppliers that want to start a business relationship with the Group. The objective is to maintain close business relationship based on trust and respect with all the business partners. At the Group level, the BRD Procurement Department is responsible for defining the procurement policy and procedures. Each company within the Group has own responsibilities in implementing procurement actions based on their needs.

For procurements over EUR 50,000 and significant outsourced services, the BRD Procurement Department is involved for input and validations according to its own management. Executive Directors validate all procurements, and depending on the financial

threshold, upper governance bodies are consulted. Compliance Department validates all contracts.

Specific procedures are as well in place for the due-diligence of the suppliers before entering into relation with the BRD Group, as well as for monitoring during the implementation of the contracts. The supplier assessment is executed by collecting identification documentation from the supplier, as well as cross-checking the data from different databases. During the procurement process the main roles are covered by the internal budget owner, the Compliance Department, the BRD Procurement Department – for values over 50.000, and executive management.

The BRD Procurement Department is also responsible for sharing best practices in the area of procurement within all the BRD Group, by organizing internal workshops.

Starting with 2019, any procurement act performed on behalf of BRD Group must comply with the principles and commitments of responsible procurement included in the **Sustainable Sourcing Charter**.



The Charter sets out the Group’s sustainability commitments, obligations and expectations with respect to its suppliers.

Since 2019, all procurement contracts over EUR 50,000 include mandatory CSR clauses. In case of need of a derogation regarding CSR contractual clauses, this is done only after the budget owner consults the dedicated compartment within the General Secretariat of the Bank. At the BRD level, in 2021 42% of the supplier contracts had CSR clauses.

Starting with October 2020, for the procurements over EUR 50,000, environmental and social risks related to products and services are evaluated based on the CSR Risk Matrix. For the acquisitions of products and services included in the “very high risk” category, evaluation criteria of the suppliers and minimum CSR requirements are established, transposed in the selection process, respectively in the contracting part. During the selection process, the suppliers are also verified within the SG Group CSR exclusion lists – “CSR Watch List & CSR Exclusion Risk”. The Procurement Department has also a crucial role

in achieving the Group environmental objectives. The Group is committed to reduce carbon emissions by 50% between 2019 and 2030 by improving the energy efficiency aspects for the Group premises and the IT scope, or by rethinking the usage model of air travel and car fleet categories. On these last two items, the Procurement Department has an advisory and steering role with the Group’s entities in order to help them to achieve the proposed objectives.

The Procurement Department works with the Sourcing Network on different streams to support business units in the identification of levers and to monitor local targets achievement for carbon footprint (Energy / Air Travel / Car Fleet) and single use plastics (Catering / Vending machines / Events / Goodies / Office supplies). An important step was made in this direction by the Procurement Department that was able in 2021 to provide green energy for the BRD.

Project Source to Pay purpose is to introduce/ update all letter contract documents in Oracle and launch orders from in-application contracts (release), without launching standard orders.

DIRECT ENVIRONMENTAL IMPACT



Purchasing green energy for our Bank premises, starting with 2021.



700,000 kWh annually energy saving from 2016 until 2021, through our energy efficiency program.



22,000 Kg of paper and cardboard waste diverted from disposal in 2021.

As one of the largest Romanian players from the financial sector, the BRD Group is well aware of the direct impacts on the environment deriving from its activities.

Even if, in general, the bank activities are not classified as harmful for the environment, in order to comply with the ambitious environmental objectives established at the SG Group level, the BRD Group seriously manages all the relevant aspects (such as: energy consumption, GHG emissions, water consumption, waste generation, etc.) that can contribute to reduce its negative impacts on the environment.

With a national presence of almost 500 agencies/branches, the most important direct impacts on the environment derive from the operational activities that are essential for the functioning of all the services the Bank is offering to its clients.

Thus, the Group implemented a system that allows the constantly monitoring of specific environmental key performance indicators established for the relevant environmental aspects: energy, emissions, water,

wastes, transport, and management of buildings. This mechanism, aligned with the SG Group, allows to measure the effectiveness of the programs implemented to reduce the BRD Group environmental footprint.

In order to improve the energy efficiency performance at SG Group level and reduce by 50% the carbon footprint until 2030, a specific program will be implemented.

The program aims to define the SG Group path to reduce the global carbon emissions, in order to reach a Net-Zero carbon by 2050. Based on the International Energy Agency (IEA) scenario, and aligned with the Paris Agreement, were defined the targets for short/mid/long term, for each stream of the program:

- energy (about 62% of our carbon emissions included in Scopes 1 and 2);
- automobile fleet (about 8% of Group carbon emissions);
- travels (about 15% of Group carbon emissions);
- others (about 15% of Group carbon emissions).

Additionally, at the BRD level it started a process to

update the energy management system and certify an energy manager that will be responsible of the regional team and for the identification and implementation of the specific projects.

Starting with 2012, BRD is implementing, at the Bucharest headquarter, an energy efficiency program that consists in optimizing the LED lighting system. Until now, by implementing this project, at Company level we were able to obtain an annually energy saving of 686,620 kWh.

Also, between 2019 and 2020, at the Bucharest headquarter, the Company has implemented a project to modernize the cooling production system by replacing two chiller units with other units that

are able to ensure a much better seasonal efficiency. The two new units are equipped with the free cooling module that ensures minimum costs for cooling in the cold period of the year. Furthermore, primary and secondary heat pumps and Heat exchanger were replaced. The old pumps were replaced with pumps equipped with frequency converters. By implementing this project, we have obtained an annual energy saving of 1,200,000 kWh.

In addition to the projects presented above, in all the projects regarding branches modernization energy efficiency and carbon footprint reduction represent a very important component.

BRD Real estate	U.M.	2018 - 2019	2019 - 2020	2020 - 2021
Buildings	No.	680	617	576
Occupant	No.	7,488	5,807	5,106
Surface	m ²	263,156	257,343	240,611



Energy Consumption ¹	U.M.	2018 - 2019	2019 - 2020	2020 - 2021
Total fuel consumption within the organization from non-renewable sources ²	KWh	590,971	605,756	533,557
Total electricity consumption ³	KWh	29,745,579	28,111,612	26,027,438
Total heating consumption ⁴	KWh	23,362,909	22,833,795	25,393,051
Total steam consumption ⁵	KWh	2,963,749	2,472,647	2,627,524
Total energy consumption within the organization	KWh	56,663,208	54,023,810	54,581,570

¹ The reported data refers to the period October – September. The data reported refers only to the buildings owned or leased by BRD Group.

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

³ Include total cooling consumption.

⁴ Gas

⁵ District heating

The BRD Group is also committed to optimize the fuel consumption of its fleet by reducing car travels and by introducing in our fleet electric cars. Also in 2021, the BRD applied for eco-vouchers within the “Program on reducing greenhouse gas emissions in transport, by promoting clean and energy efficient road transport vehicles 2020-2024”. Through this program 4 cars were purchased (2 full electric and 2 hybrid). During 2021, the project that facilitates the automation of roadmaps in the management of the BRD fleet continued to be implemented.

Another important element that it is carefully considered by the BRD Group in reducing its environmental impacts is the management of the material resources necessary to carry out its day-by-day activities. The paper consumption is closely monitored and specific project are implemented in order to reduce it.

For this reason, at the Group level has started the project that promote the electronic signing of documents and the implementation of an electronic archiving project. The digitalization of all the document process will help us to improve the BRD Group

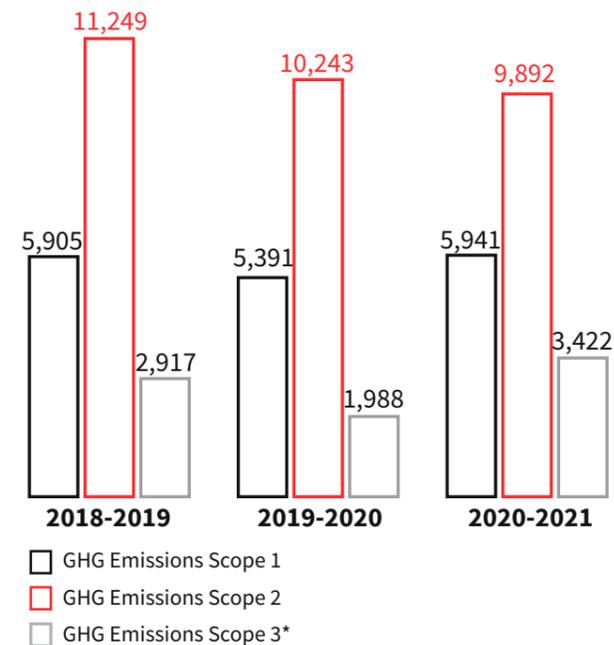
sustainability performance with a direct impact also in reducing its indirect emissions deriving from the courier services. Of course, the Group is well aware that while growing digitalization needs within all the companies, a bigger demand of energy will be necessary. For this reason, the project “Green IT” is under implementation. In all the companies within the BRD Group is implemented the selective collection of waste and, at the Bucharest headquarter a household waste compactor is in place. The entire generated quantity of WEEE cardboard and paper waste is diverted from disposal.

BRD has implemented a program for collecting and recycling waste from electrical and electronic equipment, in partnership with the associations Recolamp and Ateliere fără Frontiere (AFF). In 2021, BRD handed over 80 kg of light bulbs free of charge to Recolamp and 5.2 tons of electrical and electronic waste to the Ateliere fara Frontiere Association and other WEEE waste collector. Another project implemented was the installation of a waste compactor in the BRD headquarter in September 2021 which reduce the volume of miscellaneous waste by 40%.

Energy Intensity	U.M.	2018 - 2019	2019 - 2020	2020 - 2021
Energy intensity ratio ¹	KWh/occupant	7,567	9,303	10,690
	KWh / m ²	215	210	227

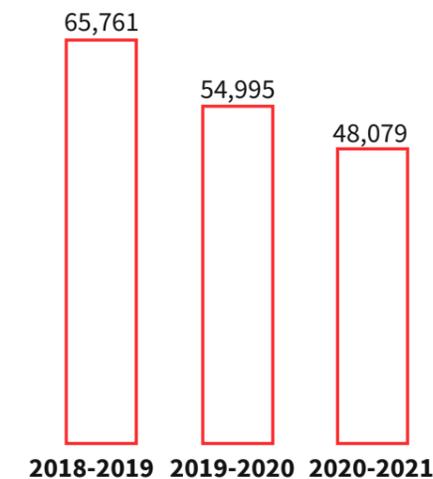
¹ The data regarding the energy intensity ratio are not extremely relevant having in view that during the years 2020 and 2021, employees worked mostly from home due to enforced state of alert given by the COVID pandemic.

GHG Emissions (tCO₂)

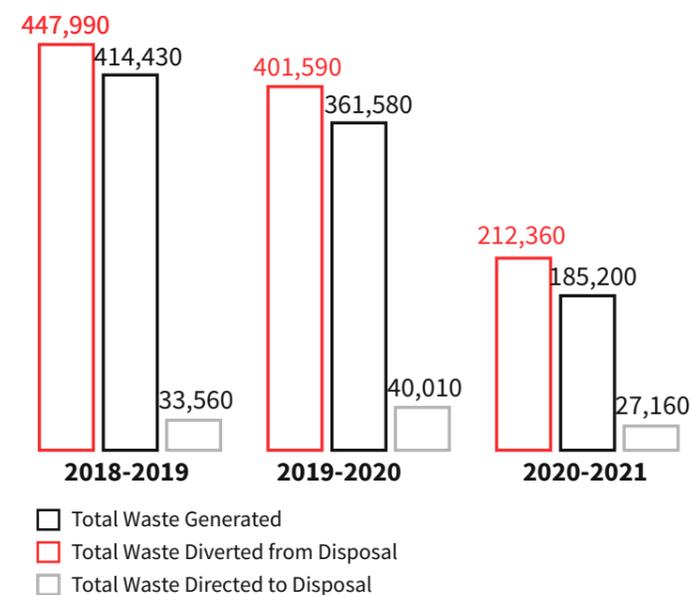


*GHG Emissions Scope 3 do not include the credit portfolio.

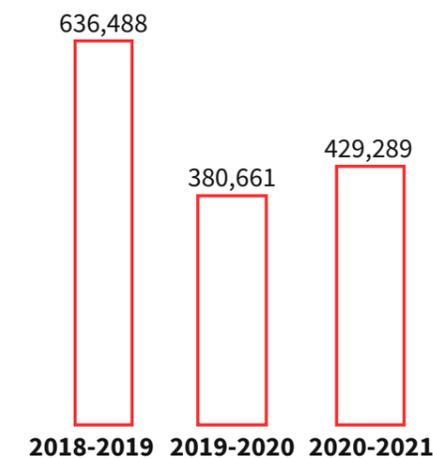
Water consumption (m³)



Waste generated, diverted and directed to disposal (kg)



Total Quantity of paper used (kg)



3. ABOUT THE REPORT

REPORT METHODOLOGY

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Report Methodology

The “**Sustainability Report 2021 - Bulding Tomorrow**” is the first separate sustainability report published by BRD Group.

The report was elaborated in accordance with the requirements of the Romanian legislation regarding the non-financial reporting, National Bank of Romania (NBR) Order No. 7/2016, the Ministry of Public Finance (MPF) Order No. 2844/2016 and the Ministry of Public Finance (MPF) Order No. 3456/2018. Also, this report has been prepared in accordance with the GRI Standards: “Core Option” and GRI G4 Financial Services Sector Supplement.

The GRI Standards Disclosures presented within the report exceed the disclosures indicated by the GRI Standards necessary to comply with the “Core Option”. This was made in order to offer to the BRD Group stakeholders a comprehensive understanding of its development, performance, position and impacts of its activities related to the material topics identified through a materiality analysis carried out in 2021. The material topics are presented in details within the report section “Our Impacts” and the GRI Standard Disclosures reported are summarized within the section “GRI Content Index.”

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

- BRD Groupe Société Générale
- BRD Sogelease IFN S.A.
- BRD Finance IFN S.A.
- BRD Asset Management S.A.I. S.A.

Almost all the data presented within the report refers to the financial year 2021 (01.01.2021 - 31.12.2021). Where necessary, exceptions are clearly explained in order to

give a correct view of the reality. In the elaboration of this report the principles stated within the GRI Standard 101: Foundation were taken into consideration. Thus, the principles of Materiality, Stakeholder Inclusiveness, Sustainability Context and Completeness were considered to identify the content of the report and the principles of Balance, Comparability, Accuracy, Timeliness, Clarity and Reliability were considered for ensuring the quality of the report.

The methodology applied to carry out the materiality analysis integrates the double materiality perspective - impact and financial materiality - as it is recommended by the latest “Guidelines on non-financial reporting” published by the European Commission.”

In drafting the report, BRD Group has benefited from the support of INNOVA Project Consulting as an external sustainability consultant.

Date of publication

09.05.2022

Assurance

The content of the report has not been audited by a third party through an assurance process. The existence of this report was verified by the Company auditor, Ernst & Young Assurance Services S.R.L. as per art. 48 of MPF Order No. 2844/2016.

Contact point for sustainability issues

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

Economic Data

Economic data related to the “Scale of the organization” is presented separately for BRD Groupe Société Générale, BRD Sogelease IFN S.A., BRD Finance IFN S.A., BRD Asset Management. Economic data related to “Products and Services” is presented aggregated at the BRD Group level.

Environmental Data

Environmental data related to energy consumption, GHG emissions (scope 1, scope 2, scope 3), paper consumption, waste generated, waste diverted from disposal, waste directed to disposal and water consumption refers to the period October 2018 - September 2019, October 2019 - September 2020, October 2020 - September 2021. This choice was made having in view that the BRD Group reports this data also to SG Group via the platform Planethic for the same period. The data related to the GHG Emissions generated are not extremely relevant considering that during 2020 and 2021, employees worked mostly from home due to enforced state of alert given by the COVID pandemic. The data related to the waste generated, waste diverted from disposal, waste directed to disposal refers only to headquarters. This data are not extremely relevant considering that during the 2020 and 2021, employees worked mostly from home due to enforced state of alert given by the COVID pandemic.

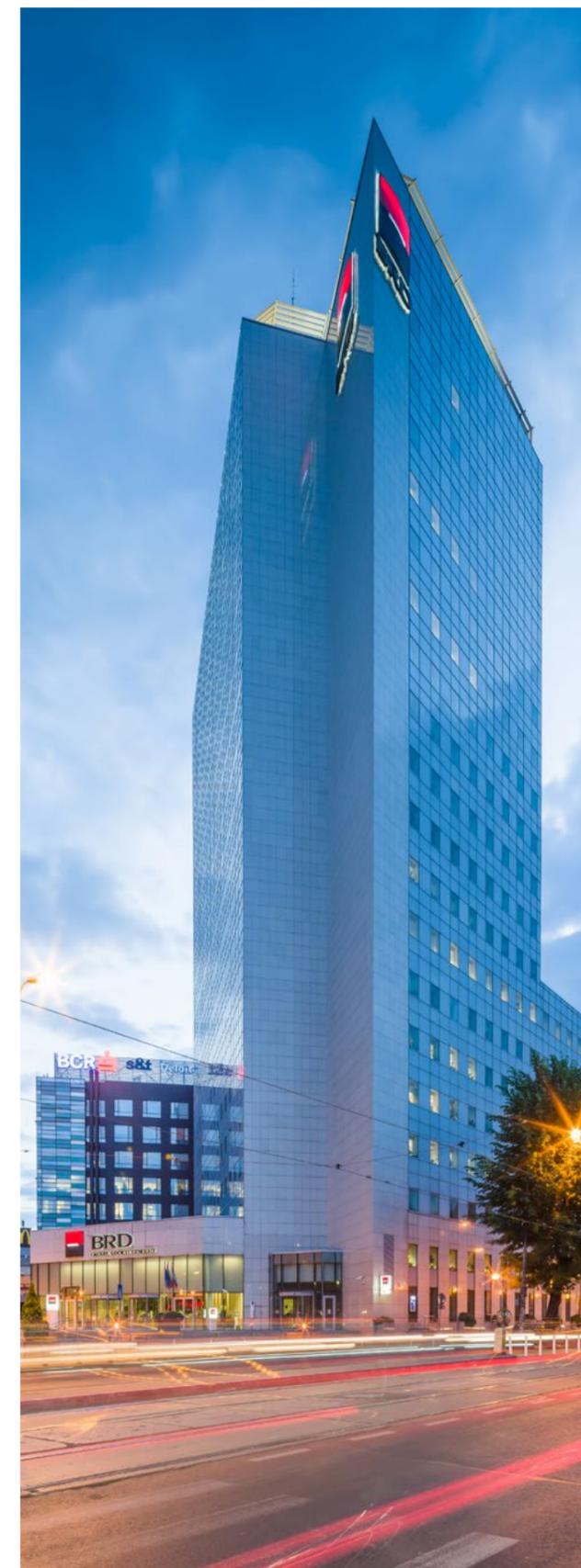
Social Data

Data related to human resources are at 31 December. **Data related to the number of employees, number of employees per type of employments contract, new employee hires, employee turnover, parental leave include only BRD, BRD Sogelease, BRDAM. BRD Finance is not included.**

EU Taxonomy

The information related to EU Regulation 852/2020 will be reported by SG Group for all its subsidiaries.

We would like to thank all the partners and staff of BRD Groupe Société Générale who contributed to this report.



4. ANNEXES

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PERFORMANCE TABLES

Economic Performance

BRD Products and Services

Product / Services	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-to-day payments and incomings.	Retail customers - Private Individuals and Small Business
Current account packages	Daily Banking Products offered by BRD to all Retail customers 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. Offered by BRD to Private Individuals.	Retail customers - 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

Product / Services	Description	Sector and type of customers
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.	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 progressive interest rates dedicated to Private Individuals ("Progresso" term deposits).	Retail customers - Private Individuals
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

Product / Services	Description	Sector and type of customers
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@office	Internet banking.	Retail & Non-Retail customers - Small Business & Corporate
MultiX	Payment App.	Non-Retail customers - Small Business & Corporate
e-Trezor	Payment service for customers with Treasury accounts.	Retail & Non-Retail customers - Small Business & Corporate
e-Customs	-	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 / Services	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	Repo operations – liquidity providing 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. Reverse repo operations - liquidity-absorbing transactions whereby the counterparty sells eligible assets with the commitment to repurchase the assets at the date and the price agreed on the date the transaction was concluded.	Financial institutions
Interest Rate Swap	Represents 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

Product / Services	Description	Sector and type of customers
Brokerage Services	Intermediation services for client orders on regulated markets for listed instruments (equities, fixed income, structured products, ETPs).	Retail, corporate and financial institutions
Depository Services	Certification of net asset value, net asset unit value and issue/ redemption price for each business day.	Depository Services
Custody Services	Safekeeping and settlement of trades performed by clients for local market and external foreign markets.	Custody Services
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 centralization of financial transactions related to these services on behalf of issuers.	Issuers of securities, listed or not listed companies
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

Product / Services	Description	Sector and type of customers
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; cash deposits in BRD accounts; cash supply at working points (only on request).	Retail & Non-Retail customers - Small Business & Corporate
Simplis Facturi	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.	Retail & Non-Retail customers - Small Business & Corporate
SogeCash	The possibility to send payment instructions to BRD, 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).	Retail & Non-Retail customers - Small Business & Corporate
Incasso-Export	Export documentary collection.	Retail & Non-Retail customers - Small Business & Corporate
Incasso-Import	Import documentary collection.	Retail & Non-Retail customers - Small Business & Corporate

Product / Services	Description	Sector and type of customers
MyBRD SMS	The banking service 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 & Non-Retail customers - Private Individuals, Small Business & Corporate
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
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

Product / Services	Description	Sector and type of customers
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) offered to Small Businesses and Corporate Clients.	Retail customers & Non-Retail customers - Small Business & Corporate
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

Product / Services	Description	Sector and type of customers
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 supplier (the beneficiary) to honor to pay, provided that the supplier submits a complying presentation.	Retail customers & Non-Retail customers - Small Business & Corporate
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
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 and advisory services for bond issuances.	Non-retail clients

BRD Sogelease Products and Services

Product / Services	Description	Sector and type of customers
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

BRD Finance Products and Services

Product / Services	Description	Sector and type of customers
Loans for the purchase of goods	Loans for the purchase of goods from partner stores.	Retail customers
Car loans	Loans for the purchase of new or used cars.	Retail customers
Financial leasing	Financial leasing for the purchase of cars.	Retail customers

BRDAM Products and Services

Product / Services	Description	Sector and type of customers
FDI Simfonia	UCITS	Private individuals & Companies
FDI Simflu	UCITS	Private individuals & Companies
FDI Actiuni	UCITS	Private individuals & Companies
FDI Global	UCITS	Private individuals & Companies
FDI Diverso	UCITS	Private individuals & Companies
FDI EuroFond	UCITS	Private individuals & Companies
FDI USDFond	UCITS	Private individuals & Companies
FDI Obligatiuni	UCITS	Private individuals & Companies

Supply Chain

BRD	U.M.	2019	2020	2021
Total number of suppliers of the organization engaged (local&external)	No.	4,061	3,497	3,446
Out of which local suppliers of the organization engaged	No.	3,927	3,369	3,323
Out of which external suppliers of the organization engaged	No.	134	128	123

BRD	% from the total procurement in 2019	% from the total procurement in 2020	% from the total procurement in 2021
Expenditures with local suppliers	40%	39%	41%
Expenditures with other suppliers	13%	13%	10.4%

Data cover only the 53% of suppliers within the perimeter of Procurement Department

Proportion of spending on local suppliers ^{xxx}	U.M.	2019	2020	2021
Local suppliers	No.	225	192	169
Other suppliers	No.	34	29	25

Social Performance

Information on employees and other workers

BRD Group	U.M.	2019	2020	2021
Total number of employees	No.	7,396	6,936	6,534
<i>out of which women</i>	No.	5,641	5,351	5,038
With ILC, undetermined period, full time+ part-time	No.	6,072	6,483	6,100
<i>out of which women</i>	No.	5,061	4,881	4,570
With ILC, determined period, full time and part-time	No.	694	585	578
<i>out of which women</i>	No.	580	470	468
Number of workers who are not employees ¹	No.	328	145	274

Data refers to the number of employees at 31.12 and does not include BRD Finance.

¹ The people who are not employed are interns, collaborators (e.g., in IT, collaborating lawyers, etc.) or employed through staff leasing.

New Employees hires

BRD Group	2019		2020		2021	
	No.	%	No.	%	No.	%
Total number and rate of new employee hires during the reporting period, by age group, gender	1,188	16%	445	6%	758	11%
Total number and rate of new employee women hires <30 years old	542	7%	185	3%	348	5%
Total number and rate of new employee women hires 30-50 years old	378	5%	135	2%	203	3%
Total number and rate of new employee women hires >50 years old	21	0%	14	0%	25	0%
Total number and rate of new employee men hires <30 years old	129	2%	59	1%	108	2%
Total number and rate of new employee men hires 30-50 years old	105	1%	42	1%	69	1%
Total number and rate of new employee men hires >50 years old	13	0%	10	0%	5	0%

Data does not include BRD Finance.

Employee turnover

BRD Group	2019		2020		2021	
	No.	%	No.	%	No.	%
Total number and rate of employee turnover during the reporting period, by age group, gender.	1,313	17%	905	12%	1,154	17%
Total number and rate of employee women turnover <30 years old	394	5%	223	3%	292	4%
Total number and rate of employee women turnover 30-50 years old	504	7%	331	5%	470	7%
Total number and rate of employee women turnover >50 years old	95	1%	145	2%	131	2%
Total number and rate of employee men turnover <30 years old	120	2%	58	1%	87	1%
Total number and rate of employee men turnover 30-50 years old	170	2%	95	1%	108	2%
Total number and rate of employee men turnover >50 years old	30	0%	53	1%	66	1%

Data does not include BRD Finance.

Parental leave

BRD Group	2019	2020	2021
Total number of employees that took parental leave	296	296	243
<i>out of which women</i>	288	286	230
<i>out of which men</i>	8	10	13
Total number of employees that returned to work in the reporting period after parental leave ended	298	336	276
<i>out of which women</i>	288	324	265
<i>out of which men</i>	10	12	11
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	200	310	82
<i>out of which women</i>	193	298	82
<i>out of which men</i>	7	12	0
Retention rate of employees that took parental leave	67%	92%	30%
<i>out of which women</i>	67%	92%	31%
<i>out of which men</i>	70%	100%	0%

Data does not include BRD Finance.

Average hours of training per year per employee

BRD	2019	2020	2021
Average hours of training that the organization's employees have undertaken during the reporting period	52	44	53
<i>out of which women</i>	54	47	64

BRD Board of Directors Structure

BRD	U.M.	2019	2020	2021
Women	%	2 ¹	3 ⁴	4
Men	%	7 ¹	6 ⁴	5
under 30 years old	%	0	0 ⁴	0
30-50 years old	%	3 ²	3 ⁴	3
over 50 years old	%	6 ³	6 ⁴	6

¹ Mr. Philippe Laurent Charles Heim renounced to his mandate as member of the Board of Directors starting with November 6, 2019. The Board of Directors on November 5, 2019, decided, according to art. 137 alin.2 of the Companies Law 31/1990 republished, with subsequent amendments, the nomination of Mrs. Valerie Marcelle Paule Villafranca as Interim Member of the Board of Directors, starting with the date of issuance of the prior approval by the NBR, until the first Ordinary General Shareholders Meeting is held.

² 3 starting with the nomination of Mrs. Valerie Marcelle Paule Villafranca. 2 until her nomination.

³ 6 starting with the nomination of Mrs. Valerie Marcelle Paule Villafranca. 7 during Mr. Philippe Laurent Charles Heim.

⁴ Mr. Jean-Luc André Joseph PARER renounced to his mandate as member of the Board of Directors, starting with December 11, 2020, for personal reasons. The Board of Directors on December 10, 2020, decided, according to art. 137 alin. 2 of the Companies Law 31/1990 republished, with subsequent amendments, the nomination of Mrs. Maria ROUSSEVA as Interim Member of the Board of Directors, on the vacant position existent in the Bank's Board of Directors starting with December 11, 2020, until the first Ordinary General Shareholders Meeting is held.

Incidents of discrimination and corrective actions taken

BRD Group	U.M.	2019	2020	2021
Total number of incidents of discrimination during the reporting period.	No.	0	0	0

The ratio between the minimum wage in the company for entry level employees and the minimum wage in the economy

		Women	Men
BRD	2019	120%	144%
	2020	112%	112%
	2021	109%	130%

Work related injuries

Employees	U.M.	2019	2020	2021
Fatalities as a result of work-related injury	No.	0	0	0
High-consequence work-related injuries (excluding fatalities)	No.	14	8	2
Recordable work-related injuries	No.	14	8	2
The main types of work-related injury	text	Fractures	Fractures	Fractures

Environmental Performance

GHG Emissions - Scope 1, Scope 2 and Scope 3

GHG emissions Scope 1	U.M.	2018 - 2019	2019 - 2020	2020 - 2021
Total GHG Emissions Scope 1	tCO ₂	5,905	5,391	5,941
<i>out of which CO₂ emissions related to fuel oil consumption (excluding cars)</i>	tCO ₂	191	196	173
<i>out of which CO₂ Emissions from gas consumption</i>	tCO ₂	5,701	5,183	5,764
Total CO ₂ emissions due to fluorinated gases.	tCO ₂	13	11	4
Please specify the fluorinated gases and the quantities.	tCO ₂	Freon R 407C	Freon R 407C	Freon R 407C

The reported data refers to the period October – September. The data regarding the emissions generated are not extremely relevant having in view that during the years 2020 and 2021, employees worked mostly from home due to enforced state of alert given by the COVID pandemic.

GHG emissions Scope 2	U.M.	2018 - 2019	2019 - 2020	2020 - 2021
Total GHG Emissions Scope 2	tCO ₂	11,249	10,243	9,892
<i>out of which CO₂ emissions due to electricity consumption</i>	tCO ₂	10,230	9,415	8,985
<i>out of which CO₂ emissions due to externally produced iced water consumption</i>	tCO ₂	NA	NA	NA
<i>out of which CO₂ emissions due to consumption of externally produced steam or superheated water</i>	tCO ₂	1019	828	907

The reported data refers to the period October – September. The data regarding the emissions generated are not extremely relevant having in view that during the years 2020 and 2021, employees worked mostly from home due to enforced state of alert given by the COVID pandemic.

GHG emissions Scope 3	U.M.	2018 - 2019	2019 - 2020	2020 - 2021
Total GHG Emissions Scope 3	tCO ₂	2,917	1,988	3,422
<i>out of which CO₂ emissions due office paper consumption</i>	tCO ₂	1,113	638	736
<i>out of which CO₂ emissions due to business trips by train</i>	tCO ₂	2	2	0
<i>out of which CO₂ emissions due to business trips by plane</i>	tCO ₂	347	96	4
<i>out of which CO₂ emissions due to business travel by car</i>	tCO ₂	1,099	962	1,259
<i>out of which CO₂ emissions due to goods transport</i>	tCO ₂	2	2	1.205
<i>out of which CO₂ emissions related to non-office paper consumption</i>	tCO ₂	190	141	143
<i>out of which CO₂ emissions related to electricity consumption of data centers hosted</i>	tCO ₂	NA	NA	NA

The reported data refers to the period October – September. The data regarding the emissions generated are not extremely relevant having in view that during the years 2020 and 2021, employees worked mostly from home due to enforced state of alert given by the COVID pandemic. GHG Emissions Scope 3 do not include the credit portfolio.

GHG emissions intensity	U.M.	2018 - 2019	2019 - 2020	2020 - 2021
GHG emissions intensity ratio	tCO ₂ /pers	2.68	3.03	3.77

The reported data refers to the period October – September. The data regarding the emissions generated are not extremely relevant having in view that during the years 2020 and 2021, employees worked mostly from home due to enforced state of alert given by the COVID pandemic. In the calculation of this indicator the following type of emissions were considered: GHG emissions Scope 1, GHG emissions Scope 2, and GHG emissions Scope 3.

Paper consumption

Materials used by weight or volume	U.M.	2018 - 2019	2019 - 2020	2020 - 2021
Quantity of office paper (classic and recycled paper) bought ¹	Kg	542,730	311,244	358,995
Total Quantity of paper used	Kg	636,488	380,661	429,289
Quantity of paper used for customer statements of account and quantity of personalized envelopes	Kg	8,906	9,190	12,726
Quantity of paper used for business documents, including letterhead and personalized envelopes	Kg	82,145	59,231	56,535
Quantity of unmarked envelopes	Kg	1,566	280	294
Quantity of chequebooks and cheque deposit slips produced	Kg	1,141	716	739

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

Waste generated

Waste generated	U.M.	2018 - 2019	2019 - 2020	2020 - 2021
Total waste generated	Kg	447,990	401,590	212,360
<i>out of which WEEE Waste</i>	Kg	10,510	12,680	5,160
<i>out of which Cardboard</i>	Kg	6,900	8,600	8,000
<i>out of which Paper</i>	Kg	16,150	18,730	14,000
<i>out of which other types of waste (miscellaneous)</i>	Kg	414,430	361,580	185,200

The reported data refers to the period October – September. Data refers only to headquarters. The data regarding the waste generated are not extremely relevant having in view that during the years 2020 and 2021, employees worked mostly from home due to enforced state of alert given by the COVID pandemic.

Waste diverted from disposal

Waste diverted from disposal	U.M.	2018 - 2019	2019 - 2020	2020 - 2021
Total non-hazardous waste diverted from disposal	Kg	33,560	40,010	27,160
<i>out of which WEEE Waste</i>	Kg	10,510	12,680	5,160
<i>out of which Cardboard</i>	Kg	6,900	8,600	8,000
<i>out of which Paper</i>	Kg	16,150	18,730	14,000

The reported data refers to the period October – September. Data refers only to headquarters. The data regarding the waste generated are not extremely relevant having in view that during the years 2020 and 2021, employees worked mostly from home due to enforced state of alert given by the COVID pandemic.

Waste directed to disposal

Waste directed to disposal	U.M.	2018 - 2019	2019 - 2020	2020 - 2021
Total non-hazardous waste directed to disposal	Kg	414,430	361,580	185,200
<i>out of which other types of waste (miscellaneous)</i>	Kg	414,430	361,580	185,200

²The reported data refers to the period October – September. Data refers only to headquarters. The data regarding the waste generated are not extremely relevant having in view that during the years 2020 and 2021, employees worked mostly from home due to enforced state of alert given by the COVID pandemic.

Water consumption

Water Consumption	U.M.	2018 - 2019	2019 - 2020	2020 - 2021
Total water consumed	m³	65,761	54,995	48,079

The reported data refers to the period October – September. The data regarding the water consumption are not extremely relevant having in view that during the years 2020 and 2021, employees worked mostly from home due to enforced state of alert given by the COVID pandemic.

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 Programme Finance Initiative (UNEP-FI);

2003

Joined the United Nations Global Compact, which encourages companies to integrate principles relating 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 during 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 the Principles for Positive Impact Finance (UNEP-FI);

2017

Supporting the recommendations of the Task Force on Climate-related 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

Signs Poseidon principles 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 with the Paris Agreement and helped found the Net Zero Banking Alliance in April 2020. BRDAM is undergoing adherence to UN Principles for responsible investment which is scheduled to be finalized by mid-2022.

MEMBERSHIP OF ASSOCIATIONS

- | | |
|--|---|
| 1. Council of Banking Employers in Romania (CPBR); | 18. Chamber of Commerce and Industry of Brasov; |
| 2. Romanian Association of Banks (ARB); | 19. Center for Alternative Banking Dispute Resolution (CSALB); |
| 3. Foreign Investors Council (FIC); | 20. Francophone Business Club Cluj; |
| 4. Chambre Française de Commerce, D'Industrie et D'Agriculture en Roumanie (CCIFER); | 21. Timiș Chamber of Commerce, Industry and Agriculture; |
| 5. Chambre de Commerce Suisse-Roumaine; | 22. Chamber of Commerce and Industry of Mures; |
| 6. Electronic Payments Association (APER0); | 23. Chamber of Commerce and Industry of Bistrița-Năsăud; |
| 7. Romanian Association for Privately Administered Pensions (APAPR); | 24. Arges Businessmen Association; |
| 8. Factors Chain International (FCI); | 25. Banat German Economic Club; |
| 9. National Committee of Foreign Trade Advisers of France; | 26. Francophone Business Club Brașov; |
| 10. Petroleum Club Association; | 27. Chamber of Commerce and Industry of Prahova; |
| 11. Bucharest Chamber of Commerce and Industry; | 28. ANEIR (National Association of Romanian Exporters and Importers). |
| 12. American Chamber of Commerce in Romania AmCham); | |
| 13. British Romanian Chamber of Commerce; | |
| 14. Romanian Factoring Association; | |
| 15. Chamber of Commerce and Industry of Covasna; | |
| 16. APERO (ghiseul.ro); | |
| 17. German-Romanian Chamber of Industry and Commerce (AHK); | |

BRD Sogelease

29. Romanian Association of Financial Companies (ALB).

BDRAM

30. AAF - Association of Fund Administrators.

AWARDS & RATING



Acknowledged performance in banking, leasing and alternative savings

Best ROA, Best ROE
awarded to BRD

Best NPL dynamic
awarded to BRD

Bank of the Year in Risk Management
awarded to BRD

Best Bonds Fund (BRD Obligatiuni)
awarded to BRD Asset Management

Best in Financial Leasing
awarded to BRD Sogelease



Recognized know-how in cash management, custody and trade finance

Best Treasury & Cash Management Bank in Romania



Best Sub-custodian Bank in Romania



Best Trade Finance Provider in Romania



ESG RISK RATING
19.2 LOW RISK



ABBREVIATIONS

ABC	Anti-Bribery and Corruption	ILO	International Labour Organization
AFF	Ateliere fara Frontiere (AFF)	IT	Information Technology
AI	Artificial Intelligence	IT&C	Information Technology and Communication
AmCham	American Chamber of Commerce in Romania	Kg	kilogram
ANSPDCP	The National Supervisory Authority for Personal Data Processing	KYC	Know Your Customer
ARB	Romanian Association of Banks	KWh	Kilowatt-hour
ATM	Automated Teller Machine	LMA	Loan Market Association
BCP	Business Continuity Plan	m³	Cubic metre
BoDs	Board of Directors	MIFID	Markets in Financial Instruments Directive
BRAT	Romanian Joint Industry Committee for Print and Internet	MSBs	Money Service Businesses
BSE	Bucharest Stock Exchange	NGO	Non-Governmental Organization
CCIFER	French Chamber of Commerce in Romania	No	number
CEE	Central Eastern Europe	NPS	Net Promoter Score
CEO	Chief Executive Officer	NRB	National Bank of Romania
CCO	Chief Compliance Officer	OCR	Optical Character Recognition
CISO	Director of Information Security Direction	OECD	Organization for Economic Co-operation and Development
CO₂	Carbon Dioxide	PCI DSS	Payment Card Industry Data Security Standard
CPBR	The Council of Banking Employers in Romania	PDPO	Persona Data Protection Cell
CSR	Corporate Social Responsibility	POR	Regional Operational Program
CXM	Customer Experience Monitoring Program	RISC	Risk Management Department
DICI	Summative doc of fund objectives, risks and performance	SDGs	Sustainable Development Goals
DPO	Data Protection Officer	SEGL	General Secretariat
DRU	Human Resources Department	S&E	Sanctions & Embargo (S&E)
E&S	Environmental and Social	SME	Small & Medium Enterprises
EP	Equator Principles	SSM	Health and Safety at Work
ESG	Environmental, Social and Governance	TCFD	Task Force on Climate-related Financial Disclosure
ESMA	European Securities and Markets Authority	TEN-T	Trans-European Transport Network
ESPIF	Director for Social, Environment and Positive Impact Financing	TWh	Terawatthour
EU	European Union	UCITS	Collective Investment in Transferrable Securities
FIC	Foreign Investors Council	UN	United Nations
FR	Fixed Remuneration	UNPRI	Principles for Responsible Investments
FSAB	Federation of Insurance and Banking Trade Unions	VR	Variable Remuneration
GDP	Gross domestic product	WEEE	Waste from Electrical and Electronic Equipment
GDPR	General Data Protection Regulation	ZF	Ziarul Financiar
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 the Shareholders		
HQ	Headquarter		
ICMA	International Capital Markets Association		
ILC	Individual Labour Contact		

GRI CONTENT INDEX

GRI Standard	Disclosure	Page number(s) and/or URL(s)
GRI 101: Foundation 2016		
GRI 102: General Disclosures 2016		
GRI 102: General Disclosures 2016	Organizational profile	
	102-1 Name of the organization	Group Presentation: p. 10 - 11
	102-2 Activities, brands, products, and services	Group Presentation: p. 10-12; 112-121
	102-3 Location of headquarters	Cover
	102-4 Location of operations	Group Presentation: p. 14-15
	102-5 Ownership and legal form	Group Presentation: p. 10 - 12
	102-6 Markets served	Group Presentation: p. 112-121
	102-7 Scale of the organization	Group Presentation: p. 14-15; 20-21
	102-8 Information on employees and other workers	Responsible employer: p. 90-91; 123 Data related to human resources are at 31 December.
	102-9 Supply chain	Procurement Practices: p. 100-101
	102-10 Significant changes to the organization and its supply chain	No significant changes
	102-11 Precautionary Principle or approach	Environmental, social and climate risk assessment and Sustainable financing and ESG investments: p. 74-81
	102-12 External initiatives	External Initiatives: p. 130
	102-13 Membership of associations	Membership of associations: p. 131
	Strategy	
	102-14 Statement from senior decision-maker	CEO Letter: p. 6-7
	102-15 Key impacts, risks, and opportunities	Risk Management: p. 42-43
Ethics and integrity		
102-16 Values, principles, standards, and norms of behavior	Business Ethics: p. 44-45	
102-17 Mechanisms for advice and concerns about ethics	Business Ethics: p. 44-45	

GRI Standard	Disclosure	Page number(s) and/or URL(s)
GRI 101: Foundation 2016		
GRI 102: General Disclosures 2016		
GRI 102: General Disclosures 2016	Governance	
	102-18 Governance structure	Corporate Governance: p. 22-39
	102-19 Delegating authority	Corporate Governance: p. 28-29
	102-20 Executive-level responsibility for economic, environmental, and social topics	Corporate Governance: p. 34-35, 38-39
	102-21 Consulting stakeholders on economic, environmental, and social topics	Materiality Process: p. 62-63
	102-22 Composition of the highest governance body and its committees	Corporate Governance: p. 24-25; 36-37; 38-39
	102-23 Chair of the highest governance body	Corporate Governance: p. 24-25; 38-39
	102-24 Nominating and selecting the highest governance body	Corporate Governance: p. 32-33; 36-37; 38-39
	102-25 Conflicts of interest	Business Ethics: p. 44-45; 47
	102-26 Role of highest governance body in setting purpose, values, and strategy	Corporate Governance: p. 22-23
	102-27 Collective knowledge of highest governance body	Corporate Governance: p. 32-33
	102-28 Evaluating the highest governance body's performance	Corporate Governance: p. 32-33
	102-29 Identifying and managing economic, environmental, and social impacts	Corporate Governance: p. 28-29; 64-65
	102-30 Effectiveness of risk management processes	Risk Management: p. 40-41
	102-31 Review of economic, environmental, and social topics	Materiality Process: p. 64-65
	102-32 Highest governance body's role in sustainability reporting	The Sustainability Report is approved together with the Annual Report. The report is advised by all the Departments involved in the preparation, then it is validated by the Management Committee and approved by the Board of Directors.
	102-34 Nature and total number of critical concerns	Sustainability Strategy: p. 59
102-35 Remuneration policies	Corporate Governance: p. 38-39 Responsible Employers: p. 88-89	

GRI Standard	Disclosure	Page number(s) and/or URL(s)
GRI 101: Foundation 2016		
GRI 102: General Disclosures 2016		
GRI 102: General Disclosures 2016	102-36 Process for determining remuneration	Responsible Employers: p. 88-89 The indicator is partially reported. Only the requirement a 102-36-a is addressed.
	102-37 Stakeholders' involvement in remuneration	Responsible Employers: p. 89
	Stakeholder engagement	
	102-40 List of stakeholder groups	Materiality Process: p. 62-63
	102-41 Collective bargaining agreements	Responsible Employers: p.
	102-42 Identifying and selecting stakeholders	Materiality Process: p. 62-63
	102-43 Approach to stakeholder engagement	Materiality Process: p. 62-63
	102-44 Key topics and concerns raised	Materiality Process: p. 62-63; 64-65
	Reporting practice	
	102-45 Entities included in the consolidated financial statements	About the Report: p. 108-109 Annual Report 2021: p. 3
	102-46 Defining report content and topic Boundaries	About the Report: p. 108-109
	102-47 List of material topics	Materiality Process: p. 64-65
	102-48 Restatements of information	Being the first Sustainability Report, restatements of information can not be applied.
	102-49 Changes in reporting	Being the first Sustainability Report, changes in reporting can not be reported.
	102-50 Reporting period	About the Report: p. 108-109
	102-51 Date of most recent report	This is the first separate Sustainability Report for BRD Group. Previously, the Group reported sustainability information within its Annual Report.
	102-52 Reporting cycle	About the Report: p. 108-109
	102-53 Contact point for questions regarding the report	About the Report: p. 108-109
	102-54 Claims of reporting in accordance with the GRI Standards	About the Report: p. 108-109
	102-55 GRI content index	GRI Content Index: p. 134-144
102-56 External assurance	The report is not assured by an external party.	

GRI Standard	Disclosure	Page number(s) and/or URL(s)
GRI 200 Economic Standard Series		
GRI 201: Economic Performance 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality Process: p. 64-65
	103-2 The management approach and its components	Annual Report 2021: p. 44-54
	103-3 Evaluation of the management approach	Annual Report 2021: p. 44-54
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic Performance: p. 14-15; 20-21
	201-2 Financial implications and other risks and opportunities due to climate change	Risk Management: p. 42
GRI 202: Market Presence 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality Process: p. 64-65
	103-2 The management approach and its components	Responsible Employer: p. 82-95
	103-3 Evaluation of the management approach	Responsible Employer: p. 82-95
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Responsible Employer: p. 88-89 Performance Tables: p. 126
GRI 204: Procurement practices 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality Process: p. 64-65
	103-2 The management approach and its components	Procurement Practices: p. 100-101
	103-3 Evaluation of the management approach	Procurement Practices: p. 100-101
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	Performance Tables: p. 122
GRI 205: Anti-corruption 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality Process: p. 64-65
	103-2 The management approach and its components	Business Ethics: p. 44-47
	103-3 Evaluation of the management approach	Business Ethics: p. 44-47

GRI Standard	Disclosure	Page number(s) and/or URL(s)
GRI 200 Economic Standard Series		
GRI 205: Anti-corruption 2016 (continued)		
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	Business Ethics: p. 44-45
GRI 206: Anti-competitive behavior 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality Process: p. 64-65
	103-2 The management approach and its components	Business Ethics: p. 44-47
	103-3 Evaluation of the management approach	Business Ethics: p. 44-47
GRI 206: Anti-competitive behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Ethics: p. 44-45
GRI 300 Environmental Standards Series		
GRI 301: Materials 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality Process: p. 64-65
	103-2 The management approach and its components	Direct environmental impact: p. 102-105
	103-3 Evaluation of the management approach	Direct environmental impact: p. 102-105
GRI 301: Materials	301-1 Materials used by weight or volume	Performance Tables: p. 128
GRI 302: Energy 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality Process: p. 64-65
	103-2 The management approach and its components	Direct environmental impact: p. 102-105
	103-3 Evaluation of the management approach	Direct environmental impact: p. 102-105
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Direct environmental impact: p. 104-105
	302-3 Energy Intensity	Performance Tables: p. 104-105
	302-4 Reduction of energy consumption	Direct environmental impact: p. 102-103

GRI Standard	Disclosure	Page number(s) and/or URL(s)
GRI 300 Environmental Standards Series		
GRI 303: Water 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality Process: p. 64-65
	103-2 The management approach and its components	Direct environmental impact: p. 102-105
	103-3 Evaluation of the management approach	Direct environmental impact: p. 102-105
GRI 303: Water and Effluents 2016	303-5 Water consumption	Performance Tables: p. 129
GRI 305: Emissions 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality Process: p. 64-65
	103-2 The management approach and its components	Direct environmental impact: p. 102-105
	103-3 Evaluation of the management approach	Direct environmental impact: p. 102-105
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Performance Tables: p. 126-127
	305-2 Energy indirect (Scope 2) GHG emissions	Performance Tables: p. 126-127
	305-3 Other indirect (Scope 3) GHG emissions	Performance Tables: p. 126-127
	305-4 GHG emissions intensity	Performance Tables: p. 126-127
GRI 306: Waste 2020		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality Process: p. 64-65
	103-2 The management approach and its components	PDirect environmental impact: p. 102-105
	103-3 Evaluation of the management approach	Direct environmental impact: p. 102-105
GRI 306: Waste 2020	306-3 Waste generated	Performance Tables: p. 128-129
	306-4 Waste diverted from disposal	Performance Tables: p. 128-129
	306-5 Waste directed to disposal	Performance Tables: p. 128-129

GRI Standard	Disclosure	Page number(s) and/or URL(s)
GRI 300 Environmental Standards Series		
GRI 307: Environmental compliance 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality Process: p. 64-65
	103-2 The management approach and its components	Business Ethics: p. 44-47
	103-3 Evaluation of the management approach	Business Ethics: p. 44-47
GRI 307: Environmental compliance 2016	307-1 Non-compliance with environmental law and regulations	In 2021, the BRD Group did not receive fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations.
GRI 400 Social Standards Series		
GRI 401: Employment 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality Process: p. 64-65
	103-2 The management approach and its components	Responsible Employer: p. 82-95
	103-3 Evaluation of the management approach	Responsible Employer: p. 82-95
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Responsible Employer: p. 90-91; 123
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Responsible Employer: p. 84-85
	401-3 Parental leave	Performance Tables: p. 124
GRI 402: Labor Management Relations 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality Process: p. 64-65
	103-2 The management approach and its components	Responsible Employer: p. 82-95
	103-3 Evaluation of the management approach	Responsible Employer: p. 82-95
GRI 402: Labor management relations 2016	402-1 Minimum notice periods regarding operational changes	Responsible Employer: p. 84-85

GRI Standard	Disclosure	Page number(s) and/or URL(s)	
GRI 400 Social Standards Series			
GRI 403: Occupational Health and Safety 2018			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality Process: p. 64-65	
	103-2 The management approach and its components	Responsible Employer: p. 91-95	
	103-3 Evaluation of the management approach	Responsible Employer: p. 91-95	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Responsible Employer: p. 90-91	
	403-2 Hazard identification, risk assessment, and incident investigation	Responsible Employer: p. 90-91	
	403-3 Occupational health services	Responsible Employer: p. 94-95	
	403-4 Worker participation, consultation, and communication on occupational health and safety	Responsible Employer: p. 94-95	
	403-5 Worker training on occupational health and safety	Responsible Employer: p. 94-95	
	403-6 Promotion of worker health	Responsible Employer: p. 94-95	
	403-9 Work-related injuries	Performance Tables: p. 126	
	403-10 Work-related ill health	In the last 3 year no events reported	
	GRI 404: Training and Education 2016		
	GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality Process: p. 64-65
103-2 The management approach and its components		Responsible Employer: p. 82-95	
103-3 Evaluation of the management approach		Responsible Employer: p. 82-95	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Responsible Employer: p. 86-87; 125	
	404-2 Programs for upgrading employee skills and transition assistance programs	Responsible Employer: p. 86-87	
GRI 405: Diversity and Equal Opportunity 2016			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality Process: p. 64-65	
	103-2 The management approach and its components	Responsible Employer: p. 82-95	
	103-3 Evaluation of the management approach	Responsible Employer: p. 82-95	

GRI Standard	Disclosure	Page number(s) and/or URL(s)
GRI 400 Social Standards Series		
GRI 405: Diversity and Equal Opportunity 2016 (continued)		
GRI 405: Diversity and Equal Opportunity 2018	405-1 Diversity of governance bodies and employees	Performance Tables: 125
	405-2 Ratio of basic salary and remuneration of women to men	Responsible Employer: p. 88-89
GRI 406: Non-discrimination 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality Process: p. 64-65
	103-2 The management approach and its components	Responsible Employer: p. 82-95
	103-3 Evaluation of the management approach	Responsible Employer: p. 82-95
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Performance Tables: 125
GRI 412: Human Rights Assessment 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality Process: p. 64-65
	103-2 The management approach and its components	Respect for Human Rights: p. 54-55
	103-3 Evaluation of the management approach	Respect for Human Rights: p. 54-55
GRI 412: Human Rights Assessment 2016	412-2 Employee training on human rights policies or procedures	Respect for Human Rights: p. 54-55
GRI 413: Local Communities 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality Process: p. 64-65
	103-2 The management approach and its components	Community Development: p. 96-98
	103-3 Evaluation of the management approach	Community Development: p. 96-98

GRI Standard	Disclosure	Page number(s) and/or URL(s)
GRI 400 Social Standards Series		
GRI 413: Local Communities 2016 (continued)		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Community Development: p. 96-98
GRI 417: Marketing and Labeling 2016		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality Process: p. 64-65
	103-2 The management approach and its components	Customer Management: p. 68-73
	103-3 Evaluation of the management approach	Customer Management: p. 68-73
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Customer Management: p. 68-69
	417-2 Incidents of non-compliance concerning product and service information and labeling	Customer Management: p. 70-71
	417-3 Incidents of non-compliance concerning marketing communications	Customer Management: p. 70-71
GRI 418: Customer Privacy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality Process: p. 64-65
	103-2 The management approach and its components	Preventing financial crime, cyber security and data protection: p. 51-53
	103-3 Evaluation of the management approach	Preventing financial crime, cyber security and data protection: p. 51-53
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Preventing financial crime, cyber security and data protection: p. 51-53
GRI 419: Socio-Economic compliance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	Materiality Process: p. 64-65
	103-2 The management approach and its components	Business Ethics: p. 44-47
	103-3 Evaluation of the management approach	Business Ethics: p. 44-47

GRI Standard	Disclosure	Page number(s) and/or URL(s)
GRI 400 Social Standards Series		
GRI 419: Socio-Economic compliance (continued)		
GRI 419: Socio-economic compliance	419-1 Non-compliance with laws and regulations in the social and economic area	In 2021, the BRD Group did not receive fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area.
FS14	Initiatives to improve access to financial services for disadvantaged people	Customer Management: p. 70-71
Former FS15	Policies for the fair design and sale of financial products and services	Customer Management: p. 70-71
Former FS16	Initiatives to enhance financial literacy by type of beneficiary	Customer Management: p. 70-71

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