



More than Banking

BANCA  TRANSILVANIA®

Sustainability Report 2019-2020

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#WeAreWhatWeDo, Welcome Message

Dear BT shareholders, customers, partners, and team members,

As the leader of the banking sector and the main entity financing the Romanian economy, we have a great responsibility, while expectations our stakeholders have from Banca Transilvania are proportional. We contribute to the development of the banking industry, offering access to products and services for more than 3 million customers through BT Financial Group. We acknowledge that non-financial performance is just as important as financial performance, which is why responsible growth is embedded in our commitment. As a responsible member of the community, we strive to continuously support the entrepreneurial spirit and enhance the development and transformation of the economic and business environment in Romania. Prosperity is the result of economic growth, digital and technological innovations, and it must be built with the future in mind.

Our sustainability endeavours began years ago, with our actions gathered under the **Thinkumbrella**. Why Think? Because we must have the right mentality and the #COURAGE to change things. Starting 2021, we will

present our progress in an annual report about people, performance, and the environment.

I invite you to go through the next pages about our actions in 2020, a year that will be marked by the beginning of the COVID-19 pandemic, but also a year characterized by solidarity: with our customers, investors and business partners. This sustainability report is displaying our progress, while also providing details about what we do, beyond banking, for Romania, people, business and the environment.

Thank you for supporting BT in our journey for sustainability, as this is the way we generate a positive impact on the economy and society, while our stakeholders help us multiply our impact.

We are what we do. Let us do good!

Ömer Tetik

CEO Banca Transilvania



About BT's Sustainability Report

Chapter by chapter, this report lays out details about our approach beyond banking, between January 1st, 2019 and December 31st, 2020 and about our impact on the economy, society and the environment.

The report provides information encompassing specific sustainability indicators needed to understand the development, performance, and impact of our business. The information presented throughout this report incorporates environmental, social and personnel-related topics, aspects about human rights, anti-corruption and bribery matters, including: a brief description of our business model, a description of our policies in relation to the previous topics, the due diligence processes implemented and their the results, the main risks related to these aspects arising from our operations, non-financial performance key indicators relevant to our activity and a description of where our impact occurs on the economy and society.

We want to present an exhaustive sustainability report of the Banca Transilvania Financial Group, in accordance with the Global Reporting Initiative (GRI) Standards. This report is the result of an extraordinary teamwork. Almost 20 employees covering key areas of our activity - through experience, expertise, and certification for non-financial reporting according to GRI Standards – contributed to this report.

- For the preparation of the report, we considered the requirements of the Order of the Ministry of Public Finance no. 3456/2018 and the Order of the National Bank of Romania no. 7/2016. This report has been prepared in accordance with the GRI Standards: Core option.

The process was carried out with the support of The CSR Agency's consultants.

- The content of the report is based on the result of the materiality analysis carried out in November-December 2020, revealed through an internal analysis of the economic, social and environmental impacts of the BT Group and a stage of stakeholder consultation – employees, customers, shareholders, regulators, financial institutions, investors/analysts, suppliers, business partners, non-governmental organizations, etc.
- The Report covers Banca Transilvania and its representative subsidiaries in Romania, while the financial information was presented in a consolidated manner at the level of the entire BT Financial Group, in order to be consistent with the IFRS financial statements.
- The information in the report refers to the following companies of the BT Financial Group: Banca Transilvania, BT Mic, BT Leasing, BT Asset Management, BT Capital Partners, BT Direct and Improvement Credit Collection. Where the information presented is relevant to a single BTFG company, a mention was made in that section.
- To facilitate the presentation of numerical information, some of the indicators presented in the report have been rounded or converted from one unit of measurement to another or from euro to lei. Therefore, it is possible that in certain situations, there may be small differences between the values presented and the absolute figures. The conversion factors used were mentioned throughout the report in the relevant sections.

We look forward to receiving questions or suggestions regarding the content of this report at: ESGreporting@btrl.ro

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8 George Barițiu Street, Cluj-Napoca, Romania
www.bancatransilvania.ro

Conținut interactiv

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Contents button: link to the report Contents page



Throughout the report, at the beginning of each chapter, we highlighted our contribution to achieving the Sustainable Development Goals (SDGs).

The SDGs that we contribute to can be viewed by clicking the button available on the first page of each chapter.

At the same time, our contribution to the Goals was mapped across the GRI Content Index.

Each Goal icon contains a link that when clicked, it redirects the reader to the official page of the SDG at sdgs.un.org.

1. #ThinkBig

Banca Transilvania Financial Group, Market Leader in Romania

- Our Story
- Key Figures and Achievements in 2019-2020
- Our Shareholders
- Corporate Governance
- Etică și responsabilitate în afaceri
- Business Ethics and Responsibility
- Awards and affiliations

CONSILIERI CLIENȚI



Our story

The story of Banca Transilvania started almost 30 years ago at the initiative of a few businessmen from Cluj. We turned the challenges encountered along the way into opportunities and we grew step by step, together with the Romanian business environment, guided by the desire to do things properly, with responsibility for our customers and partners. BT became the largest bank in South-Eastern Europe and the main financing partner of the Romanian economy.



1993

The Bank was founded in Cluj-Napoca, with a capital of 2 million dollars.

1994

BT starts its activity with the opening of the Cluj Branch, with a team of 13 people.

1997

Banca Transilvania becomes the first bank listed on the Bucharest Stock Exchange.

1999

First collaboration with the European Bank for Reconstruction and Development (EBRD) to support local SMEs.

2001

EBRD becomes a significant shareholder (15%) of the Bank.

2003

Banca Transilvania consolidates as a financial group (Banca Transilvania Financial Group); Starting 2003, BT's first rebranding process takes place, along with national expansion, growing from 40 to 500 agencies.

2008

The second reinvention of BT; The Bank adapts its business model to the international financial crisis.

2012

BT enters the top 3 banking players, based on its assets.

2015-2016

The third reinvention of BT: the acquisition and integration of Volksbank Romania.

2016

BT becomes the second largest bank on the Romanian market.

2017-2018

Bancpost is acquired and integrated.

2018

BT becomes the largest bank in Romania, forming the largest financial group in South-Eastern Europe (based on its assets).

2020

The fourth reinvention of BT: adapting the business model to the challenges posed by the COVID-19 context.

Mission

Our mission is to support the business environment and our communities, anywhere and anytime, online and through the territorial network, providing positive experiences and helping them turn their dreams into reality.

Vision

We want to have a strong impact and contribute to the sustainable development of Romania, through responsible financing and banking, and all this cannot be achieved without a strong set of values, deeply rooted in the culture and tradition of BT:

- Respect**

we know that everything starts and moves forward with respect for people and their aspirations

- Courage**

we always go further, no matter what obstacles we encounter on our way

- Responsibility**

as a leader of the banking system, we are very aware of the role we have for our stakeholders and the Romanian society as a whole

- Friendly bank**

we are open and honest with all our partners, aware that banking works better with a smile

Banca Transilvania Financial Group (hereinafter "the Group" or "BTFG") comprises Banca Transilvania S.A. and its subsidiaries based in Romania and the Republic of Moldova.

The main fields of activity of the Group are: banking, Banca Transilvania S.A. (hereinafter "the Bank" or "BT") and Victoriabank S.A., leasing, and consumer lending and microfinancing, BT Leasing Transilvania IFN S.A., BT Direct IFN S.A., BT Microfinancing IFN S.A. and BT Leasing MD S.R.L., asset management, BT Asset Management S.A.I. S.A. and financial investment services, BT Capital Partners SA. In addition, the Bank controls over five investment funds, included in the consolidated financial statements.

BTFG structure

Subsidiary	Present in	Included in the sustainability report	Reason for non-inclusion
Banca Transilvania S.A.	Romania	✓	-
BT Microfinanțare IFN S.A.	Romania	✓	-
BT Leasing Transilvania IFN S.A.	Romania	✓	-
BT Direct IFN S.A.	Romania	✓	-
BT Asset Management S.A.I. S.A.	Romania	✓	-
BT Capital Partners S.A.	Romania	✓	-
Improvement Credit Collection S.R.L.	Romania	✓	-
BT Building S.R.L.	Romania	*	insignificant activity
BT Solution Agent de Asigurare S.R.L.	Romania	*	insignificant activity
BT Asiom Agent de Asigurare S.R.L.	Romania	*	insignificant activity
BT Safe Agent de Asigurare S.R.L.	Romania	*	insignificant activity

BT Intermedieri Agent de Asigurare S.R.L.	Romania	*	insignificant activity
Timesafe S.R.L.	Romania	*	insignificant activity
BT Pensii SAFPF	Romania	*	insignificant activity
BT Investment	Romania	*	insignificant activity
VB Investment Holding	Netherlands	*	insignificant activity
Victoriabank S.A.	Republic of Moldova	*	Operates in the Republic of Moldova (EU third country) and is subject to different non-financial reporting regulations
BT Leasing MD S.R.L.	Republic of Moldova	*	Operates in the Republic of Moldova (EU third country) and is subject to different non-financial reporting regulations

Detailed information on the activity of BTFG subsidiaries can be consulted by accessing the Report of the Board of Directors Banca Transilvania 2019 [📄](#), pages 15-18, and the Report of the Board of Directors Banca Transilvania 2020 [📄](#), pages 33-36.

*were included only in the presentation of financial information

Banca Transilvania

Banca Transilvania S.A. is a joint stock company, registered in Romania, listed on the Bucharest Stock Exchange. The Bank started its activity in 1993, being authorized by the National Bank of Romania ("NBR") to conduct banking activities. The Bank started its banking activity in 1994 and its operations involve banking services for legal entities and individuals.

At the end of 2020, the Bank operated through a network of 509 agencies (508 in Romania, 1 in Italy), serving more than 3,000,000 private individuals, micro-enterprises, small and medium enterprises and medium and large corporate clients.

■ 2019 ■ 2020

Territorial units

509 | 509

ATMs

>1,600 | >1,738

POSs

>59,800 | >72,000

e-Commerce Terminals

>1,200 | >2,300

Cards

>4.1 M | >4.3 M

Customers using BT Pay & other wallets

>550,000 | >1.1 M

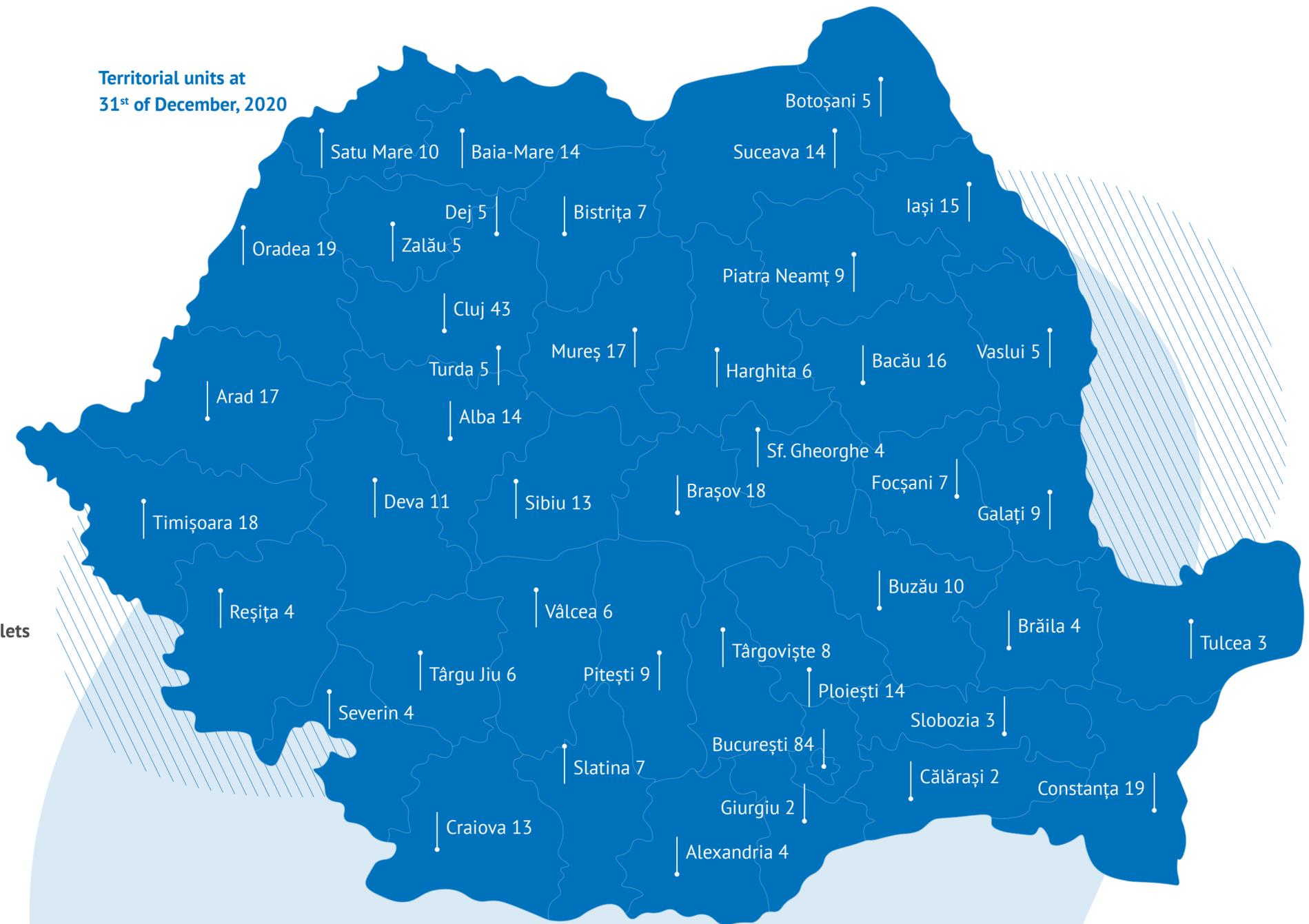
Internet & Mobile Banking users

>1 M | >1.3 M

Multifunctional ATMs

498 | 542

Territorial units at 31st of December, 2020



Key Figures and Achievements in 2019-2020

#ThinkBig

509
territorial units

42.9%
proportion of **women** on
the Leaders' Committee



★ **10/10**

maximum rating obtained when
evaluating communication with
investors through the **Vektor**
methodology

\$441 M

the value of the BT brand in 2020,
according to Brand Finance

#HumanBanking in 2020

we launched
>20
online banking
facilities

we maintained the
recruitment rate:
~70
new jobs/month

we were the first bank to announce
support measures for customers
impacted by the pandemic

we launched **7 campaigns**
to support and promote
local entrepreneurs




we supported
>38
hospitals

we donated
>€2 M
for **campaigns** supporting doctors
and the vulnerable population
affected by the coronavirus pandemic

1.700
current accounts for social
capital were opened
online by companies


500,000
clients made their **first online**
card transaction

>70,000
cards were **delivered to**
customers at home

>41,000
customers benefited from
moratorium

41%
of the companies
applying to the IMM
Invest program chose BT
as the funding source

Key Figures and Achievements in 2019-2020

#GrowingRomania

■ Retail Customers



retail customers:

2019

>2.9 M

2020

>3 M



BT

launch of **green real estate/mortgage loans** for purchase of superior energy performance real estate



4.39 M

cards in the portfolio at the end of 2020

1.7 M

unique customers digitalized in 2020

Green loans for individual customers in partnership with the EBRD for the purchase of superior energy performance properties or goods:

2019

1,346

loans in the portfolio

2020

1,226

loans in the portfolio

■ Companies



corporate customers:

2019

>327,000

2020

>358,000

2019

37,223

2020

33,607

customers benefited from the **Contul Primul An Gratuit**, providing free of charge current account services to newly established companies



59%

of the value of loans granted to electricity production companies, represented financing for **renewable energy projects**



~RON364 M

the value of loans granted for real estate projects with **BREEAM energy certification**

2019

37,223

2020

33,607

customers benefited from the **Contul Primul An Gratuit**, providing free of charge current account services to newly established companies

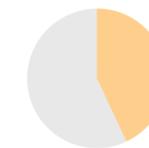
78.09% și 77.31%

the share of **loans with low environmental and social risk** out of the total number of loans in 2019 and 2020

2020

43%

of BT Mic customers were companies where the majority of associates were women



2020

21%

of BT Mic customers had an administrator under the age of 30



■ Healthcare Lending

~RON107 M

the total portfolio value

20%

increase in the new loans production during 2020 as compared with 2019

RON97 M

granted to **doctors** through the **IMM Invest** program

Key Figures and Achievements in 2019-2020

#PeopleOfBT



employees:

2019

9,240

2020

9,623



26,16%
men
73,84%
women



25,24%
men
74,76%
women

~16

training hours
offered to
each employee,
on average

In 2020 we
developed and
implemented **the Policy
on Equal Opportunities
and Treatment**

#BusinessesWithSoul



total value of the **community
investment budget:**

2019

RON25 M

2020

RON24 M

projects supported:

2019

154

2020

105

2019

94.2%

of total supplier expenditures
were directed towards the

96.7%

local suppliers

2020

93.9%

of total supplier expenditures
were directed towards the

96.3%

local suppliers

#ThinkGreen



the amount of paper saved:

2019

85,880 kg

2020

93,580 kg

6.64%

decrease in energy intensity in
2020 compared with 2019



~16.18%

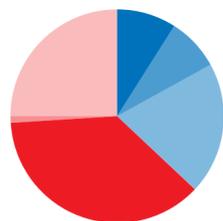
decrease in Scope 1 GHG emissions
in 2020 compared with 2019

Our Shareholders

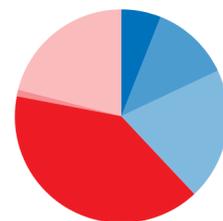
Banca Transilvania is the first bank in Romania listed on the Bucharest Stock Exchange, since 1997.

Shareholders	2019	2020
European Bank for Reconstruction and Development (EBRD)	8.60%	6.87%
NN Group*	8.12%	10.14%
Romanian private individuals	19.79%	20.47%
Romanian companies	37.36%	40.10%
Foreign private individuals	1.06%	1.09%
Foreign companies	25.07%	21.33%
Total	100.00%	100.00%

*NN Group N.V. and pension funds managed by NN Pensii SAFPAP S.A. and NN Asigurări de Viață S.A.



2019



2020

There are no government authorities in the Bank's shareholding structure. The way we communicate with our shareholders, as well as the information regarding the General Shareholders Meetings are presented in detail in *Stakeholder Engagement* section.

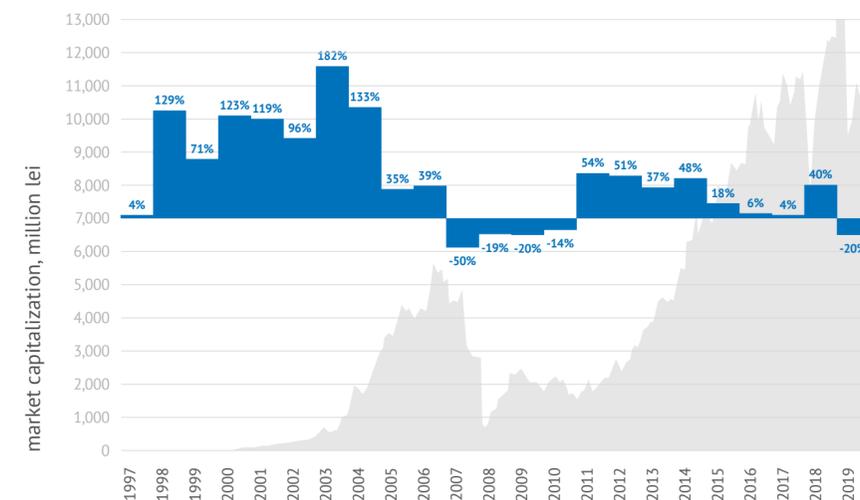
Share capital

The nominal share capital of the Bank registered with the Trade Register on December 31, 2020 consisted of 5,737,699,649 ordinary shares with a nominal value of 1 RON each (on December 31, 2019 it consisted of 5,215,917,925 ordinary shares with a nominal value of 1 RON each).

In 2020, the capital increase came from the following sources: incorporation of the reserves constituted from the statutory profit amounting to 521,609,059 lei, bonds to shares conversion in the amount of 172,655 lei, which was registered at the Trade Register in 2020.

In 2019, the capital increase came from the following sources: incorporation of the reserves constituted from the statutory profit (2018) amounting to 400,824,754 lei, bonds to shares conversion in the amount of 9,829 lei and 2,602,278 lei by shares conversion at the merger, which was registered at the Trade Register in 2019.

The market capitalization of the bank grew, on average, by 49% each year



+ Detailed information on the shareholding structure, share capital and other specific financial indicators can be found in the Consolidated and Individual Financial Statements, available on the BT website: 2019 and 2020.

Transparency in Investors Relations

As a public interest entity, listed on the stock exchange, we carefully monitor shareholders' rights and ensure that our relations with them are governed by best practices. Transparency goals in relation to shareholders include:

- the accurate disclosure of shareholders' rights, in full compliance and within the limits of the minimum requirements set out in the applicable legislation and the corporate deed;
- continuous information on the activity carried out, with the correct management of privileged information;
- maintaining common classes of shares (excluding any non-participating preferred shares);
- observance of the right to vote based on the one share – one vote principle;
- monitoring the equal rights of shareholders in accordance with the provisions of the corporate deeds;
- upholding best communication practices, including Vektor index standards. This rating can be consulted on the BT page on the Stock Exchange's website. Vektor (the measure of communication of listed companies with investors) is assigned to the Bank by the Romanian Investor Relations Association (ARIR). This score is calculated annually based on a methodology that includes criteria defined in line with international best practices in the field. BT received the maximum rating (10 out of 10 points) at the first edition of this indicator, an achievement that was repeated in 2020.

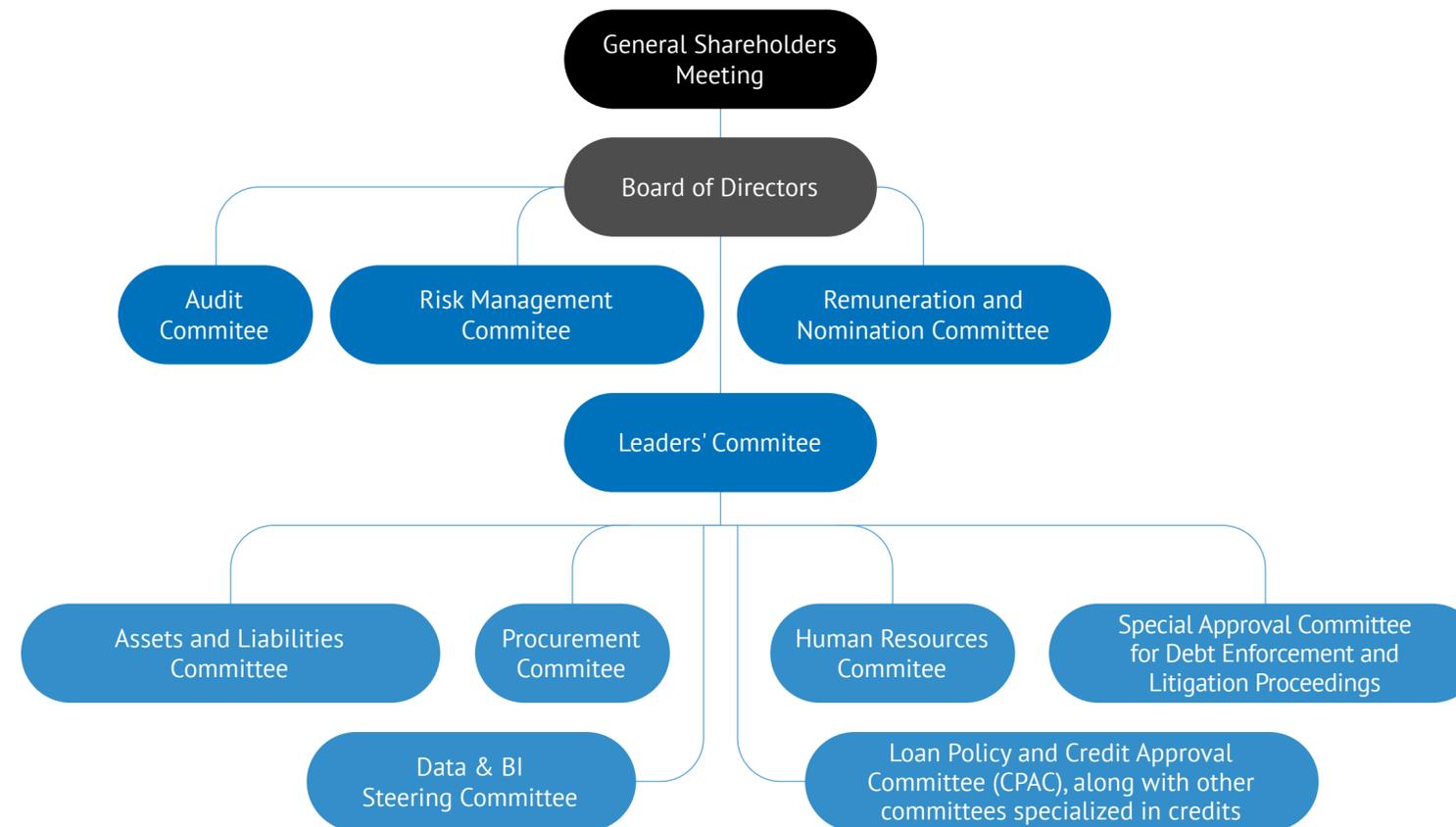
+ More information about the Bank's relationship and communication with shareholders/investors can be found in the Report of the Board of Directors Banca Transilvania 2019, pages 10-11, și Report of the Board of Directors Banca Transilvania 2020, page 27.

Corporate Governance

For us, governance plays a key role in increasing performance. It is what gives us a strategic direction, what helps achieve goals, properly manage risks, and use resources efficiently and responsibly. It is the foundation of our business model: sustainable, with a positive impact.

In other words, the set of policies, practices and responsibilities of the company's management represent the corporate governance mechanisms, which aim to provide a strategic direction and ensure that the proposed objectives will be achieved, respectively ensuring that risks are properly managed and that the company's resources are used responsibly, while behaving fair towards third parties.

As a listed company, Banca Transilvania adheres to and complies with the provisions of the [Corporate Governance Code of the Bucharest Stock Exchange](#), applying the principles and recommendations defined by it. There are currently no provisions of the Code for which Banca Transilvania does not ensure compliance with.



The **General Shareholders Meeting** ("GSM") is the authority that ensures strategic management of the Bank, responsible for setting the strategic organizational goals and for allocating the necessary resources for their achievement. The General Shareholders Meeting represents all shareholders, while its decisions, taken in accordance with the relevant legislation and the provisions of the Articles of Incorporation, are binding on all shareholders, including those who did not attend the meetings.

+ More details on the tasks and responsibilities of the GSM can be found in the [Report of the Board of Directors Banca Transilvania 2019](#), pages 60-62, and [Report of the Board of Directors Banca Transilvania 2020](#), pages 63-65.

The management structure in Banca Transilvania includes the supervisory management body – the Board of Directors and the top executive management – the Leaders' Committee.

The top management of the Bank is ensured by individuals who are mandated with the current management activity of the credit institution and are responsible for the fulfilment of these responsibilities towards the management body, based on the management agreements, the relevant NBR regulations, the legal requirements of Law 31/1990 and the internal rules.

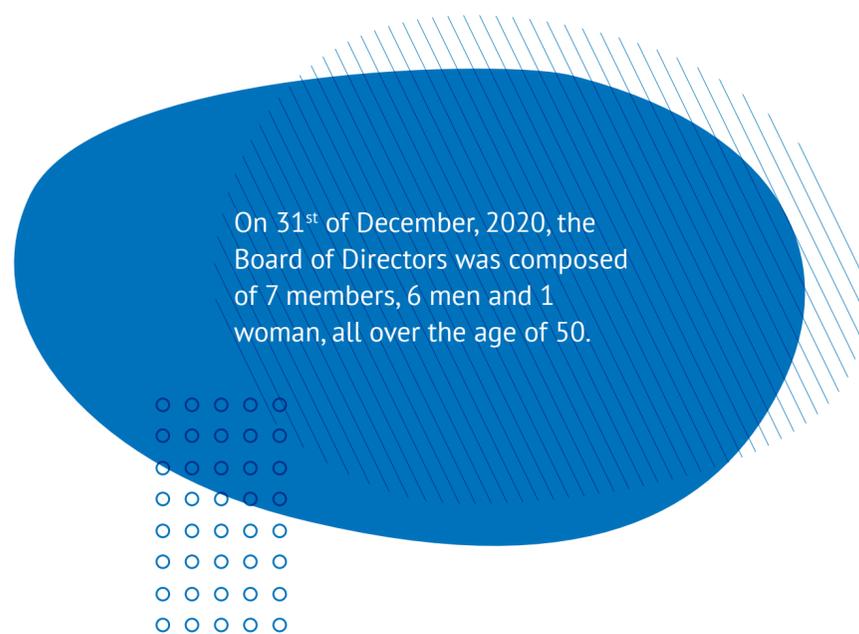
Board of Directors

BT's management is entrusted by the General Shareholders Meeting to a Board of Directors elected for a mandate of four years, consisting of seven directors, elected by the shareholders at GSMs, either upon the mandate expiry or on a case-by-case basis, in case of one or more vacancies. The Board of Directors is responsible for the guidance, coordination, supervision and control of the Bank, in accordance with the provisions of the specific regulations issued by the NBR.

Banca Transilvania's Board of Directors has the following structure:

- Chairman
- Vice-chairman
- 5 members

The eligibility criteria are set out in the specific legislation (Law no. 31/1990 on companies, Government Emergency Ordinance No. 99/2006 and the specific regulations of the NBR) and the provisions in Banca Transilvania's Articles of Association.



The Board of Directors meets at least once a month and whenever necessary, in the presence of at least half of its members and may also exercise its specific attributions through committees set up at the level of the Board of Directors and is composed of 3 members, on the basis of the mandate and in compliance with the legal requirements applicable to that body. The committees set up at the level of the Board of Directors are: Audit Committee, Remuneration and Nomination Committee, Risk Management Committee.

Board of Directors membership on 31.12.2020

Name
Position / Member type / Nationality (Citizenship)
Horia Ciorcilă Chairman / Non-executive Director / Romanian
Thomas Grasse Vice-chairman / Independent Non-executive Director / German
Costel Lionachescu Member / Independent Non-executive Director / Romanian
Mirela Bordea Member / Independent Non-executive Director / Romanian
Vasile Pușcaș Member / Independent Non-executive Director / Romanian
Costel Ceocea Member / Independent Non-executive Director / Romanian
Ivo Gueorguiev Member / Independent Non-executive Director / British

Committees' membership at 31.12.2020

Committee	Audit Committee	Risk Management Committee	Remuneration and Nomination Committee
Total number of members	3	3	3
Name of members	Ivo Gueorguiev Thomas Grasse Costel Lionachescu	Thomas Grasse Ceocea Costel Ivo Gueorguiev	Vasile Pușcaș Horia Ciorcilă Ivo Gueorguiev
Number of executive members	0	0	0
Number of independent members	3	2	2
Number of non-executive members	3	3	3
Number of women	0	0	0
Number of men	3	3	3
Belonging to minority groups (by nationality)	2	2	1

The members of the Audit Committee have competencies to verify compliance with internal regulations on ESG standards (as appropriate). The members of the Risk Management Committee have competencies to align the healthy risk management policies with the ESG standards. The members of the Remuneration and Nomination Committee have competencies to approve the remuneration and nomination policies, in accordance with the ESG standards.

- + Detailed information on the responsibilities of the Board of Directors and of the existing Committees at Board level can be consulted in the [Report of the Board of Directors Banca Transilvania 2019](#), pages 63-73, și [Report of the Board of Directors Banca Transilvania 2020](#), pages 65-75.

Leaders' Committee

The members of the Leaders' Committee are appointed by the Board of Directors and they must fulfill the applicable legal conditions, respectively to be authorized by the NBR prior to the effective exercise of function. The Leaders' Committee is responsible for organizing and managing the Bank's activity. The rules and procedures of the Leaders' Committee are approved by the Board of Directors.

Leaders' Committee membership at 31.12.2020, by age and gender

Leaders' Committee	Women		Men		Total	
	no.	%	no.	%	no.	%
30-50 years	1	14.3	3	42.9	4	57.1
>50 years	2	28.6	1	14.3%	3	42.9
Total <i>gender</i>	3	42.9	4	57.1%	7	100.0



The Leaders' Committee analyses, endorses, approves, or submits for approval to the Board of Directors the following: internal regulations, cost monitoring reports, the budget of revenues and expenses project, investment programs, balance sheet, profit and loss account, report on the Bank's activity.

+ Detailed information on the responsibilities of the Leaders' Committee and the mentioned Committees can be consulted in the Report of the Board of Directors Banca Transilvania 2019, pages 74-77, and the Report of the Board of Directors Banca Transilvania 2020, pages 76-78.

Leaders' Committee membership at 31.12.2020

Name	Position / Member type / Nationality (Citizenship)
Ömer Tetik	Chief Executive Officer (CEO) / Executive member / Romanian
Luminița Runcan	Deputy CEO / Executive member / Romanian
George Călinescu	Deputy CEO / Executive member / Romanian
Leontin Toderici	Deputy CEO / Executive member / Romanian
Mihaela Nădășan	Deputy CEO / Executive member / Romanian
Gabriela Nistor	Deputy CEO / Executive member / Romanian
Tiberiu Moisă	Deputy CEO / Executive member / Romanian



Assessing the Suitability of the Management Body Members

The policy regarding the process of assessing the suitability of Banca Transilvania's management body members is intended to establish the principles that govern the way in which the management body members are assessed, from an individual point of view regarding each person in question, as well as from a collective perspective, when assessing the entire management body. The policy settles aspects such as the assessment process and the selection and assessment criteria, with the latter being divided between criteria regarding professional proficiency, reputation, and governance. The Remuneration Committee is responsible for the annual assessment of the knowledge, skills, and experience of the management body. It assesses the suitability of the members of the management body prior to their appointment.

In order to assess the suitability of the management body's members, Banca Transilvania will take into consideration the following:

- collecting the necessary information regarding the suitability of the assessed individuals, including their reputation, integrity, honesty, and independence of mind, through different channels and instruments, like diplomas and certificates, letters of recommendation, Curriculum Vitae, interviews, questionnaires, etc.;
- requesting the assessed individual to:
 - attest that all the information provided is accurate and to provide proof of information, where necessary.
 - disclose any possible conflict of interest, either actual or potential.
- validating, as far as possible, the authenticity and accuracy of the information provided by the assessed individual;
- evaluating the results of the suitability assessment of the management body members within the Remuneration and Nomination Committee;
- adopting all the necessary corrective measures to ensure the suitability of the management body's members, whenever such measures are entailed (e.g., adjusting duties between members of the management body, replacing certain members, recruiting additional members, possible measures to mitigate conflicts of interest, training single members or training for the management body collectively).

The Remuneration and Nomination Committee will ensure the ongoing assessment of the management body members and will fill out an annual report regarding the results of the assessment which is communicated to the Board of Directors and the summary of results is presented in the Annual Report of the Board of Directors.

If facts that can potentially impact the requirements regarding the knowledge, skills or experience of a management body member, their reputation, honesty, or integrity, as well as their independence of mind and time commitment emerge, the Committee can re-assess the individual suitability of the management body member in question, as well as, if considered necessary, the collective suitability of the management body the individual is a member of.

When carrying out the suitability assessment, the Committee can also consider aspects regarding the diversity of the management body, to ensure a proper balance between the members' educational and professional background, their age, gender and geographical provenance, with a particular importance being given to the representation of both genders, male, as well as female.

The members of Banca Transilvania's management body can be Romanian or foreign citizens in any given percentage, who:

- (i) **individually:**
- have to hold a good reputation, a level of knowledge, skills and experience that is adequate with the nature, size and complexity of BT's activity, and the duties the individual is entrusted with, in accordance with the criteria set forth below and they also have to be independent of mind and ensure a sufficient commitment of time, to have performed their previous professional activity in accordance with the rules of a prudent and healthy practice and should hold and exercise the capacity of performing their activity in BT's best interest and in accordance with prudent and healthy banking practices;
 - have to be approved by the National Bank of Romania before starting to exercise their responsibilities, in accordance with the requirements of NBR's Regulation No. 6/2008 (currently, in accordance with the requirements of the NBR Regulation

no. 12/2020) regarding commencing the activity and the modifications in the situation of credit institutions, Romanian legal persons as well as Romanian branches of credit institutions from third party states;

- trebuie să fie aprobați de către BNR înainte de începerea exercitării responsabilităților, în conformitate cu cerințele Regulamentului BNR nr. 6/2008 (în prezent, în conformitate cu cerințele Regulamentului BNR nr. 12/2020) privind începerea activității și modificările în situația instituțiilor de credit, persoane juridice române, și a sucursalelor din Romania ale instituțiilor de credit din state terțe;
- need to effectively exercise the administrative duties they hold.

(ii) **collectively** the management body members should possess the adequate level of qualification and proficiency, in accordance with the criteria set forth below, in order to be able to knowingly decide regarding all matters related to the Bank's activity, which are part of their responsibilities.

The management body has to be considered as being sufficiently adequate and the criteria taken into consideration for the selection and assessment process are as following:

- criteria regarding professional proficiency.
- criteria regarding reputation (such as achievement of professional standards and sound financial situation);
- criteria regarding governance (such as sufficient time commitment to exercise responsibilities and assessing the level of independence, honesty and integrity).

During its meetings, the Remuneration and Nomination Committee analyzed and ensured that the general principles and policies for staff nomination correspond to the business strategy, objectives, values, and long-term interests of Banca Transilvania, meaning that it assessed the the knowledge, skills, and experience for each member of the management body and for the latter as a whole, and it will report accordingly to the management body in its supervisory function. In the process of assessing suitability, knowledge of sound ESG principles and practices was also considered.

Promoting Diversity within Governing Bodies

To achieve sustainable and balanced development, Banca Transilvania perceives the increased leadership diversity as an essential element in supporting the achievement of its strategic objectives. In designing the management body structure taking into account the diversity considerations, the following were included by BT, but without being limited to: gender, age, cultural and educational profile, ethnicity, professional experience, skills, knowledge and working experience. All appointments within the governing body are based on meritocracy, and candidates will be considered based on objective criteria, taking into account the benefits brought by diversity of this body.

Although the diversity and variety of experiences and views represented in the management body should always be considered, a candidate should not be selected or excluded, either exclusively or largely on the grounds of race, colour, sex, national origin or sexual orientation. When selecting a candidate, the Remuneration and Nomination Committee shall prioritize the skills, national and international experience or cultural profile that would complement the existing governing body, recognizing that the Bank's activities and operations are diverse and of a national nature with a global impact. We consider that a possible eligible member of the management body should be able to work in a collegial way with people from different educational, cultural, and business backgrounds and must have skills that complement the attributes of existing members.

Business Ethics and Responsibility

We are one of the most important Romanian brands, valued by Brand Finance at 441 million dollars, an increase of 19% compared with 2020. This also comes with a great responsibility: to maintain the trust of over 3.2 million customers, shareholders, partners, and the Romanian society.

BT's growth is based on strong mechanisms, built on solid ethical principles, which guide the actions of the entire team in relation to all our stakeholders.

The set of fundamental principles that employees must observe in their relations with the Bank's stakeholders are defined in the Code of Ethics and Conduct, which has the role of guiding employees in their daily activity. The Code does not set out a complete set of rules or guidelines for conduct and does not provide solutions for each situation, which are the subject of specific internal Policies, which elaborate on and provide guidance in specific directions.

Fundamental principles:

- moral integrity
- impartiality, non-discrimination and avoidance of denigration
- professionalism and transparency
- compliance with the provisions of the legislation in force
- confidentiality and professional secrecy
- preventing and combating corruption, money laundering and terrorism financing
- exercising prudent activity
- social responsibility
- protection of the reputation of Banca Transilvania and its subsidiaries

Anti-corruption and Money Laundering

Corruption is a phenomenon with serious negative implications for the development of society and contributes to increasing population poverty, environmental damage, human rights abuses, misdirected investments, violations of democratic principles and much more.

We know that the responsibility of being the main financing provider of the Romanian economy entails strict measures in this direction, therefore, within the companies of Banca Transilvania Financial Group, acts of corruption or bribery are not tolerated in any form.

It is strictly forbidden for any employee or member of the management bodies within the Group to accept or grant inappropriate benefits of any kind (incentives), regardless of whether the person offering or requesting such an advantage works in the public or private sector. It is also forbidden to offer or receive any form of bribe or to engage in influence peddling practices, directly or through intermediaries. At the same time, it is strictly forbidden to receive money or other benefits from customers or third parties for the performance of duties or to intervene with an employee/manager to do or not do something that falls within his duties, to pay or offer a benefit that violates domestic laws or regulations, to pay or provide a benefit for "getting" a business or any payment facilitated*.

We also pay special attention to the partners with whom BTFG companies work, so we select and collaborate only with partners who assume compliance with the principles of anti-corruption, monitoring their activities properly, in accordance with applicable internal procedures.



The specialized departments within the Group provide training and are responsible for assessing the knowledge level of these issues by persons in relevant positions. In addition, whenever the regulatory framework in this area is updated, those concerned are informed and the regulations are made available to them.

In 2019, we provided training courses on anti-corruption practices offered by third parties for staff specialized in the field. Thus, in 2019, 53 employees benefited from such professional courses, out of which 40 people from the headquarters and 13 employees from the territorial network.

2020

Training and information on anti-corruption policies and procedures**	Number of people informed about anti-corruption policies and procedures	Number of people informed about anti-corruption policies and procedures	
		online training	on-site training
Board members	All persons targeted in the analyzed categories	25	4
Regional Branch Directors		6	6
Headquarters employees		1,612	57
Network employees		4,835	59
Total		6,478	126

Our requirements for anti-corruption conduct are very strict, and this has been demonstrated over the years through the positive results we have achieved in this direction. We make sure that our employees know the internal policies, by organizing regular trainings. Because we want to expand the number of trained employees, in 2020, internal training platforms were developed to also include the online course module on anti-corruption policies and procedures.

In 2020, a total of 6,604 employees were trained on anti-corruption policies and procedures.

During 2019-2020, at the level of Banca Transilvania Financial Group:

- there were no confirmed incidents of corruption involving employees and leading to their dismissal or disciplinary action.
- there were no confirmed incidents of corruption leading to the termination or suspension of collaboration with business partners.
- there were no legal actions against Group companies or their employees alleging corruption

*Facilitated payments are "acceleration payments" or "additional fees", usually small, informal amounts of money offered to public or government officials in order to obtain, expedite or postpone a routine action, to which someone has access under a legal right (e.g., issuing a permit, license, agreement or immigration visa, scheduling an inspection associated with the performance of the contract, providing services or releasing products detained at customs).

**The information provided in the table above refers only to the activity of Banca Transilvania, given that only this activity is considered to have a significant impact on Banca Transilvania Financial Group, considering the position of the credit institution in the Romanian financial sector.

Regarding money laundering, 100% of the transactions made through our Bank are monitored to identify potential suspicion with an impact in this area.

To protect against money laundering activities, the Bank monitored transactions through the AML Mantas application (supplied by Oracle) until November 2020; starting December 2020 the new monitoring application Siron AML, provided by Fico Tombeller through Printec Romania, was implemented. Money laundering preventing and combating activities are also followed by a process of internal control of the client portfolio, based on pre-established criteria.

Conflict of Interest

Conflict of interest and the way it is managed are governed internally by the Policy on the Prevention and Management of Conflicts of Interest, last revised in June 2020. The aim of this policy is to establish, implement and maintain effective criteria in identifying current and potential conflicts of interest, by identifying the Bank's relationships, services, activities, or transactions in which situations of conflict of interest may arise, as well as how to report and manage them. It is mandatory for all employees and members of the management structures to comply with the provisions included in this policy and to inform the Compliance Department of any situation that could represent a potential conflict of interest.

In 2019 and 2020 there were no situations that could constitute conflicts of interest.

*Spălarea de bani este considerată un indicator de corupție.

Involvement in Activities and Political Causes

Employees can carry out individual political activities, outside the Bank, after business hours, provided that the employee does not position himself as the Bank's representative in these relations and does not obtain benefits from this activity deriving from the quality of being a Bank employee.

Any candidacy for positions in the local or central administration, on political grounds, sponsorship, or participation in election campaigns as a candidate from a particular political party must be declared by the employee before applying, endorsed by his/her superior and brought to knowledge to the Compliance Department. The Compliance Department assesses the potential impact and formulates an opinion on the risk of conflict of interest or damage to the image of the Bank associated with the declared situation, the opinion being forwarded to the competent body in order to issue a resolution of approval or rejection.

[At the same time, according to the internal Compliance rules, the Bank has not supported and does not support political causes or parties.](#)

Compliance with Competition Law

Compliance with competition rules is a priority throughout the activity of BTFG, in order to maintain a healthy competitive environment to the benefit of consumers' interests and in order to prevent and sanction behaviors that hinder, restrict or distort competition.

The policy regarding compliance with the competition norms follows the fundamental values on which all entities of Banca Transilvania Financial Group were built. It regulates our firm position on strict compliance with competition law provisions, listing the principles that all employees and collaborators must adhere to, to ensure high standards of professional conduct and integrity of the work carried out for or on behalf of the BTFG.

In 2020, there was a situation involving a subsidiary of the BT Financial Group, which was the subject to a competition investigation, an investigation that targeted the entire leasing sector in Romania – not particularly targeting the anti-competitive behavior of BTFG staff, detailed below.

By Order of the President of the Competition Council no. 1,149/20.11.2017, the Competition Council launched an investigation regarding the possible violation of art. 5 paragraph (1) of the Competition Law no. 21/1996 and of art. 101 paragraph (1) of the Treaty on the Functioning of the European Union by the Association of Romanian Financial Companies, the Federation of Romanian Financial Services Employers, the Romanian Leasing and Credit Employers, the IFN Credit Employers, their members, and by Diplomat Consult S.R.L. on the financial leasing services and consumer lending markets. Following these investigations, the Group's subsidiary – BT Leasing Transilvania IFN S.A., as a member of the Association of Romanian Financial Companies – ALB, was sanctioned along with 15 other member companies for violating competition law by participating in a commercially sensitive information exchange. The value of the fine amounts to 4,327,225.22 lei. As a result, ALB adopted measures to comply with competition law, implementing a "black box" project, and contracted a consulting firm that will centralize and process only information related to past periods (not future intentions of the companies), and then present them in an aggregated form (which does not allow the identification of the strategic information of the participants). More information about the decision of the Competition Council can be consulted [here](#) .



Reporting Mechanisms

The internal mechanisms that the Bank provides for employees to report incidents, to file complaints or notify the existence of unethical or illegal behavior that may affect organizational integrity are described in the Warning Procedure designed to ensure an appropriate framework for managing the Group's activity, updated in 2018.

The procedure aims to:

- provide support for the internal grievance mechanism, which can be used by BTFG staff to communicate legitimate and solid concerns;
- provide information and guide employees in reporting violations of internal regulations or irregularities within the Bank;
- support the company's commitment to efficient management, in which managers and employees adhere to the highest ethical standards;
- encourage the reporting of behaviors/situations that may have serious consequences for the BTFG, while ensuring the confidentiality and security of employees who report situations of risk, to avoid repercussions on them.

The available channels for employees to report incidents of unethical or illegal behavior are:

- **dedicated e-mail address, MyAlert**
- **MyAlert**
internal application, accessible from the BTFG network

All notifications received on these channels are analyzed by a group consisting of the General Manager – CEO, the Deputy General Manager – Chief Risk Officer and the Senior Executive Director of the Corporate Governance and Litigation Department. They receive, analyze, and send each case for settlement to the competent structure within the organization.

The concerned department presents the result of the verification to the members of the Group in a report containing all the information regarding the refutation/confirmation of the reported incident and the activities/evidence, as well as the necessary recommendations/proposals to facilitate a fair and objective decision or decisions/measures taken. The result of the verification and the recommendations are included in the MyAlert application by the Director of the Anti-Fraud Department.

In 2019, 38 complaints were registered on the MyAlert channel, out of which 9 were regarding inappropriate (unethical) behavior of employees or superiors towards their colleagues. In 2020, 32 complaints were received, of which 8 referred to the same type of behavior.

All complaints were verified and resolved according to internal procedures.

Shareholders and investors are provided with the e-mail address investor.relations@bancatransilvania.ro to submit notifications, complaints, and grievances, as well as the alternative communication channels available on the Bank's website.

In 2019 and 2020 there were no complaints received on these channels.

Compliance with Legislative Requirements

We strictly adhere to the legislative requirements in force, both national and international. We adopt the highest standards specific to the financial sector and, where possible, implement frameworks of best practice.

We aim to meet all our customers' needs with a product offer developed upon responsible principles. That is why we pay great attention to the way we promote our products and services, but also to the information provided within the contractual conditions, so that they can make informed decisions.

Thus, during 2019-2020 there were no:

- incidents of non-compliance with regulations and/or voluntary codes on labeling and information regarding the Bank's products and services;
- incidents of non-compliance with regulations and/or voluntary codes regarding marketing communications, including advertising, promotion and sponsorship of products and services.

Despite the efforts of the entire Group team to strictly comply with the legislative framework in force, there have been a number of situations that have resulted in disputes, fines or non-financial sanctions received by the Bank, as follows:

*The information provided in the tabs refers only to the activity of Banca Transilvania, given that only this activity is considered to have a significant impact on Banca Transilvania Financial Group, considering the position of the credit institution in the Romanian financial sector.

**amount paid

***The Bank is in the immediate range of the weighted market average for ongoing legal proceedings, with a higher average of legal actions concluded during the reporting period, which shows relatively low complexity, along with the clear way in which the Bank proceeded to address the situations created to resolve the disputes promptly.

Sanctions and fines for non-compliance with laws and regulations on the provision and use of financial products and services (National Authority for Consumer Protection)*

Sanctions and fines		2019	2020
Fines	No.	12	10
	Value	22,500 lei**	11,500 lei**
Sanctions (non-financial)/Warnings	No.	3	3
Cases submitted through alternative dispute resolution mechanisms	No.	232	249

Number of legal actions (total during the reporting period)*

For non-compliance with laws and/or regulations in the social and economic field***	2019	2020
Legal actions in progress	1,683	1,459
Legal actions concluded	1,353	799

Actions in 2019, as well as those in 2020, represent litigations regarding potentially abusive clauses, various claims, enforcement appeals, payment claims, actions on the conversion and stabilization of the exchange rate of loans granted in foreign currency, requests for non-credit banking operations as well as other various categories.

In 2019, the litigations won in favor of the Bank represented approximately 55% of the total, and in 2020, 73%. In terms of potential abusive clauses, enforcement appeals, payment claims and actions on the conversion and stabilization of the exchange rate of loans granted in foreign currency, the success rate being around 73% in 2019 and 76% in 2020.

Information Security

Information security is an extremely important issue for the banking sector, especially as given the evolution of the market and recent events, more and more customers are migrating to digital channels, and transactions and payments are moving online.

All internal regulations on information security at Bank level are developed in accordance with the ISO 27001 standard, and the Information Security Management System is developed in accordance with these requirements.

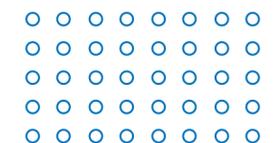
Responsibilities in information security are assigned to a dedicated Department, subordinated to the CRO (Chief Risk Officer), a department that has the following organizational components:

- Cyber Security
- Vulnerability Management
- Information and Security Governance
- Digital identity management

To secure online payments through 3DS, SCA e-Commerce, payments using POSs through SCA POS, the Bank complies with Strong Customer Authentication standards, part of the European directive on PSD2 payment services.

Access to banking applications – BT Pay, NEO, BT24, BT Visual Help – is granted securely, in compliance with high security standards. Cards enrolled in the BT Pay application and in other wallets (Apple Pay, Google Pay, Fitbit Pay, Garmin Pay) are tokenized.

Also, the cards issued by BT comply with security standards regulated internationally by Visa/Mastercard, the chips being recertified according to their rules.



Personal Data Protection

Personal data confidentiality and protection are extremely important issues for us and help us strengthen the trust that partners and customers have in our products and services.

Banca Transilvania, as well as each entity of the Group, have developed a public policy on the processing and protection of personal data (Privacy Policy), made available to the general public through the website of each entity of the Group. BT's privacy policy can be found [here](#).

Through the privacy policy, each entity of BTFG informs persons concerned about issues related to the processing of their personal data, in accordance with the provisions of art. 13-14 of the General Data Protection Regulation (GDPR).

There is also a distinct policy on the processing and protection of personal data belonging to employees of BTFG companies, made available to them.

Within these policies or, as the case may be, separately from them, general or specific information notes are made available to data subjects for certain processing operations, in order to ensure the highest possible transparency in relation to the processing of personal data.

The Bank and the entities of the BT Group have also implemented a series of internal regulations to ensure compliance with the legal provisions on the processing of personal data, as well as the provisions requiring adequate security of personal data and other information subject to professional secrecy in the financial sector.



The main internal regulations refer to:

- General rules on the processing and protection of personal data within the activity of each entity in the BTFG;
- Procedures on the management of security incidents and personal data breaches, respectively;
- Procedures regarding the regular training of employees of BTFG entities in the field of personal data processing and protection;
- Strict rules regarding the obligations of BTFG entities employees to maintain the confidentiality of personal data and information subject to professional secrecy;
- Regulations on the management of applications by which the data subjects exercise their rights provided by the GDPR;

- Rules on the personal data processing in the direct marketing activity;
- Procedures on the management of relations with contractual partners of the BTFG entities regarding processing and protection of personal data;
- Procedures to establish the need to develop, implement and approve an impact assessment on the protection of personal data (PDIA);
- Regulations on the preparation and record keeping of personal data processing activities, as well as for the identification, analysis and management of risks related to personal data processing activities;
- Strict rules on information security, including ensuring access, access and control of access of employees and collaborators to information in the IT network of BTFG entities, access and remote work;

- Regulations and measures regarding information categorization;
- Anti-virus measures and policies;
- Information security policies regarding the acquisition and development of IT solutions, as well as for IT system updates;
- Logging/journaling, backup and archiving procedures and measures;
- Business Continuity Plans and procedures and disaster recovery plans;
- Procedures and measures to ensure physical security in the premises and equipment of the Bank and/or other entities in the BTFG.

At Bank and other entities of BTFG level, requests were registered mainly by persons exercising various rights provided by GDPR (access, opposition, deletion, rectification, etc.). In some cases, reports/complaints were also received related to customer suspicions regarding unauthorized access and/or disclosure of confidential information. The status of the two categories of requests/notifications/complaints resolved in favor of the customers/data subjects is presented broken down in the table below.

Type of complaint	Total number of complaints received	
	2019	2020
Complaints received from third parties and considered substantiated by the organization*	6,518	6,925
Reports/complaints regarding unauthorized access/disclosure of personal data/confidential information resolved in favor of customers/data subjects	2	2
Complaints received from regulatory bodies (NBR)	1	1
Investigation addresses** received from ANSPDCP ***	7	4

Personal data protection	2019	2020
Total number of data leaks identified at BTFG level	1	7

*Complaints derived from GDPR, Exercise of rights section, resolved in favor of the customer (they also include exercise of rights regarding the data processed in the records of the Credit Bureau). Part of the cases registered in the internal systems as Solved in favor of the customer are represented by situations in which, although they are not considered substantiated by the Bank, an attempt was made to offer a solution for the client. Because at this time, our system does not allow the registration of these situations in a different category, they are added to the count of cases resolved in favor of the client.

** Investigation addresses represent information requests sent to the Bank/other entities of the BT Financial Group by this authority, as the case may be, as a result of: submission by the Bank/entities of the BT Financial Group of personal data breach notifications according to art. 33 GDPR, receipt by the authority of complaints from data subjects by which they claim the improper processing/protection of their data by BT/other entities of the BT Financial Group, receipt by the authority of notifications from third parties regarding non-compliant data processing/protection of persons concerned by BT/other entities of BT Financial Group.

***ANSPDCP = National Authority for the Supervision of Personal Data Processing

In 2019, no entity of the Group was sanctioned with fines or significant warnings for violating the legislation on personal data processing and protection.

In 2020, Banca Transilvania was sanctioned with a fine in the amount of 487,380.00 lei, the equivalent of 100,000 Euro, for an incident involving one of the Bank's employees.

Our employee took a photograph and shared it publicly, revealing a series of e-mails classified as "internal use", which contained personal data (of a customer and three employees of the Bank), contrary to the provisions of the internal regulations. The photo was intensely distributed in the public space. The Bank notified ANSPDCP regarding the incident, according to the provisions of the GDPR, and was sanctioned by the authority with a fine in the specified amount. Currently, the sanction has been challenged by BT, the payment of the fine being suspended until the final settlement of the case by the competent court.

During 2019 and 2020, no thefts or other losses of personal data were identified.

Human Rights

We recognize that respect for human rights is a fundamental responsibility in all the business relationships we have with our stakeholders – employees, customers, and business partners – so we attach significant importance to this issue in all our activities. At the same time, we demand the same from them, and any violation of human rights is considered unacceptable.

We comply with European and national rules on the protection of human rights, including but not limited to the rights established in the European Convention on Human Rights. We take all necessary measures to ensure the continued monitoring of fundamental human rights, encouraging and continuously developing good practices in this field.

At employee level, we discourage any internal practices that could affect and/or harm the fundamental rights of the people in the BTFG team. We also encourage the development of employees' knowledge of human rights, to ensure that these requirements are met in their interactions with customers and beyond.

Commitments to ensure respect for human rights include:

- respect for freedom of association and effective recognition of the right to collective bargaining (through the collective bargaining agreement and employee representatives);
- the elimination of all forms of forced or compulsory labor (including the effective abolition of child labor); elimination of discrimination in respect of employment;
- taking measures to assert these rights through dissemination and access to information and training (through dedicated trainings);
- promoting a corporate culture of awareness and respect for human rights;
- employees have access to grievance mechanisms, which are in line with human rights principles, through which complaints and disputes are effectively resolved.

Any violation of fundamental human rights by employees of the BT Financial Group is sanctioned in accordance with the legal provisions and internal rules of the Bank.

Regarding business relations with contracted companies, maximum attention is paid in the selection process of third parties, in order to initiate collaborations only with those entities assuming principles of adherence to human rights, their activities being monitored appropriately, in accordance with the applicable legal provisions.

Commercial relations with customers are subject to human rights requirements and include: the process of accepting the customer, the provision of financial products and services by Banca Transilvania and its subsidiaries. In addition, we ensure that human rights principles are also considered in acquisition or merger initiatives.

Ensuring that human rights are not violated during the activity is a process that involves: identifying and assessing the actual and potential impact of human rights; integration and action on results; monitoring the effectiveness of the response and communicating ways to address human rights.

The process varies in complexity depending on the context of the operations, the size of the entity (customer, collaborator, partner, etc.), the risk of a severe impact on human rights and nature and focuses on adverse effects on individuals and communities and their rights, in addition to their own risks (challenging or contributing to a potential negative impact on respect for human rights through activities).

In the event that, despite the principles and policies we follow to ensure respect for human rights, we cause or contribute to a negative impact, we undertake measures and cooperate in order to remedy the impact caused by legitimate processes.

Economic Performance

Throughout the years we grew gradually, but with commitment and responsibility, thus becoming the leader of the Romanian banking sector. Our economic performance generates value not only for the Bank's shareholders, but also at the level of the entire value chain, through the salaries and taxes we pay, through the acquisitions we make and at the same time through the community investment projects.



*Dividends paid in 2019 corresponding to the results of the 2018 financial year: 818,565,850 lei.
 **Dividends approved to be paid in 2020 from the profit of 2019: 600,000,000 lei.
 ***Community investments in 2019 of 25,000,000 lei and 24,000,000 lei in 2020.

Description	consolidated, at the level of BT Group	
	2019 <i>thousand lei</i>	2020 <i>thousand lei</i>
Direct economic value generated:	4,314,320	2,247,714
Net operating income as depicted by the Financial Statements	4,606,966	4,537,632
Impairment allowance as depicted by the Financial Statements	-292,646	-865,840
Total	4,314,320	3,671,792
Economic value distributed	2,466,427	2,247,714
Operating expenses	1,144,448	951,873
Employee wages and benefits (including paid salary contributions: social protection, payroll tax etc.)	1,038,289	1,097,491
Payments to shareholders	*	**
Payments to government/state budget	283,690	198,350
Community investments***	-	-
Economic value retained	1,847,893	1,424,078

Awards and Affiliations

We believe in collaboration as an engine for sustainable growth, which is why we often join initiatives that have values synonymous with the principles that stand at the foundation of the BTFG.

The Bank and the Group's entities are part of the following sector associations:

Banca Transilvania

- [A.R.I.R.](#) – Romanian Investors Relations Association
- [A.P.E.R.O.](#) – Association of Electronic Payments in Romania
- [A.F.R.](#) – The Romanian Factoring Association
- [A.N.E.I.R.](#) – National Association of Exporters and Importers in Romania
- [A.R.B.](#) – The Romanian Association of Banks
- [Spherik Accelerator Association](#)
- [The Council of Banking Employers in Romania](#)
- [The Aspen Institute Romania ASP90](#)
- [ELEC Romania](#)
- [Transylvania Creative Industries Cluster Association](#)

BT Capital Partners

- [Brokers Association](#)

BT Asset Management

- [OPPC](#) – Capital Market Professionals Organization
- [AAF](#) – Fund Managers Association

Improvement Credit Collection

- [AMCC](#) – Trade Receivables Management Association

BT Mic

- [European Microfinance Network](#)
- [Romania Microfinance Association](#)

BT Direct

- [ALB](#) – Association of Financial Companies

BT Leasing

- [ALB](#) – Association of Financial Companies

Achievements and awards received by the Group during 2019-2020:

February 2019

- Banca Transilvania gains almost 50 positions in the *Brand Finance Banking 500 2019* ranking, published by The Banker, with a 39% increase in brand value, up to 242 million USD, respectively in rating from A+ to AA. BT is the only Romanian banking brand in the 2019 ranking.
- During the *Opening Gala of the Stock Exchange Year*, held by the Bucharest Stock Exchange (BVB) on February 19, BT Capital Partners receives the award for **Most active brokerage company for bonds in 2018**, and Banca Transilvania receives the award for **Most traded stock**.

March 2019

- During the *Business Review Gala*, in its 14th edition, Banca Transilvania is awarded in two categories, receiving the titles **Deal of the Year** for the merger of Bancpost-Banca Transilvania and **Excellence in Business** for the organic growth registered by the Bank, investments in digital solutions and replication of the business model in the Republic of Moldova, within Victoriabank.
- Banca Transilvania is awarded three titles at the *Gala of Excellence in Human Resources Awards* organized by HR Club: **Special Award for prevention program "Screening saves lives"**, **Award for CEO – HR Manager team of the Year**, **Special Generation Z Award**.

April 2019

- The Bank receives three awards at the *Mastercard Bank of the Year Gala* for supporting entrepreneurs and popularity: **BT Pay – Mobile Application of the Year**, **BT – Financial Institution for SMEs**, **Banca Transilvania – The Most Popular Bank**.
- Banca Transilvania also wins three awards, this time at the *Online Banking Gala*, in the *Best Performances in Internet Banking* category – for **the largest number of entrepreneurial users and the most significant increase in the total number of active customers**. It also receives the award for **the highest total value of transactions and the highest total number of transactions**, in the *Best Performances in Mobile Banking* category.

May 2019

- In May, at the *No Cash Gala*, Banca Transilvania is awarded the titles of **Bank of the Year on the cards market**, **Shopping Card of the Year** for BT Visa Electron and **Pioneer** in the electronic payments industry for BT Pay.

June 2019

- Banca Transilvania is named **The largest bank in South-Eastern Europe**, according to the *Top 100 Commercial Banks in South-Eastern Europe*, produced and published by SeeNews.
- In 2019, Banca Transilvania is **The most valuable banking brand in Romania**, according to the *Brand Finance Romania 50* ranking, which includes the most valuable Romanian brands.

August 2019

- BT is included in the **top 10 employers**, according to the ranking made by Capital Media Production, *100 best employers in the economy*, in its first edition.

September 2019

- Banca Transilvania is **One of the strongest Romanian brands** in 2019 also, according to the ranking made by Unlock Market Research for BIZ magazine. BT climbs 5 places compared with 2018, reaching the 19th position in the ranking.

November 2019

- Banca Transilvania receives two awards at the *Wall-Street "30 years of capitalism in Romania" gala*, **All-in** on capitalism and **Supporter of financial education and saving**, for its contribution to the development of capitalism in Romania.
- Banca Transilvania is included in the **top 10 most valuable companies in Romania**.
- Banca Transilvania receives the **Silver PR Award** for external and internal communication within Bancpost's integration into the BT Financial Group, the Bank's most ambitious program in 2018, which ended with the December 31st, 2018 merger.
- During the first gala organized by the Association for Investor Relations on the Stock Exchange in collaboration with Institutional Investor, BT is named the **Best company for investor relations**. During the same event, Ömer Tetik is named the **Best General Manager 2019**, George Călinescu the **Best Financial Director 2019**, and Mihaela Nădășan and Diana Mazurchievici receive the title of **Best Professional in IR** (investor relations).

January 2020

- Banca Transilvania earns **10 points out of 10** in the evaluation carried out by the Association for Investor Relations on the Romanian Stock Exchange (ARIR) regarding the communication of the companies listed on the Regulated Market.

February 2020

- BT is recognized again, through the international certification **Best Place to Work for Romania**, following an internal survey and a complex assessment of the Bank on criteria related to leadership, employee involvement, compensation and benefits, professional and personal development, team and team relationships, BT community involvement, human resources policies, respectively well-being – the well-being of employees.
- **BT Mic** obtains certification on the *European Code of Good Conduct for Microcredit Provision/European Commission*.

June 2020

- Banca Transilvania remains in the **top of the most desired employers** ranking, conducted by Catalyst Solutions, occupying the 11th place. The study measures the level of attractiveness of Romanian employers and at the same time provides details about the behavior of candidates and their expectations in relation to companies.

July 2020

- For the results in 2019, the Bank receives the title of **Best Bank in Romania**, from the Euromoney publication.
- In 2020, Banca Transilvania Financial Group receives three awards from the Bucharest Stock Exchange, for the performances recorded in the previous year: BT for **The most traded stock on the main market of BVB in 2019**, respectively **The issuer with the highest increase in liquidity in 2019**, and BT Capital Partners for **The most active broker on BVB's Main Market in 2019**.

October 2020

- For supporting Romanians in the context generated by the coronavirus pandemic, the Bank is recognized through an award received at the *Sustainability Awards Gala*, organized by BIZ magazine.
- BT receives the **Pioneer Award** at the *NOCASH Gala*, for launching the option to withdraw money from the ATM by phone, through the BT Pay and Apple Pay applications.
- BT receives **Best use of technology in banking** award for BT Pay at *Financial Leaders' Hall of Fame Awards Gala 2020*, Business Arena Magazine.
- Our colleague Mihaela Nădășan is recognized for the second consecutive year at the *ARIR Gala*, at the **Best Professional in IR** (Best IRO 2020) category.

November 2020

- Horia Ciorcilă, Chairman of the Board of Directors of Banca Transilvania, Ömer Tetik, CEO of BT and Aurel Bernat, General Manager of BT Asset Management, are named among the **most admired people in business** at the *CEO Awards Gala 2020*.

December 2020

- Ömer Tetik, Banca Transilvania CEO, is named **Banker of the Year for 25 years on the Financial Market**. During the same event, Banca Transilvania receives **The bank of the year award**, and BT Asset Management, the **BT Index Romania ROTX fund performance award**.

2. #HumanBanking

in the context of COVID-19

- Business: What We Did to Ensure Business Continuity
- Team: The New Reality: Banking at the Bank, Banking at Home
- Front line: Supporting the Healthcare System and Our Communities
- Remote banking: BT, Online Banking Solutions Accelerator
- Customers: Solidarity with Our Customers



Business: What we Did to Ensure Business Continuity

March 2020 layed in front of us a very difficult period that no one anticipated. Faced with an unprecedented situation, just as the entire business environment, we had to rethink our business model: postpone certain projects and initiatives and accelerate the implementation of others, make fast decisions, and come to the aid of those affected by the crisis.

In addition to the firm commitment we have made to our customers, employees and partners through the support measures and initiatives developed for them, we actively got involved in identifying and addressing the needs of the community, helping the most affected sectors and people by the outbreak of the coronavirus pandemic: the medical sector and staff, but also people from vulnerable backgrounds or severely affected industries.

At business level, we quickly realized that important changes and disruptions in the economy would follow and that these disruptions would have consequences. We anticipated delays in companies' cash flow, declining consumption in certain sectors and changes in behavior. That is why we immediately considered the needs of our customers and therefore we were the first bank to announce a set of comprehensive measures to address them.

- **The Bank rallied in the first wave of the medical crisis** donating money and equipment. During 2020, it accelerated the launch of over 20 online banking facilities, so as to allow permanent access to its products and services.
- **BT was the first bank in Romania to announce measures to support customers** affected by the pandemic and launched the most consistent support package for their loans, the measures implemented by the Bank far exceeding the mandatory legal framework.
- In parallel, **the day-to-day activity went on**: BT ensured business continuity, launched commercial campaigns, and maintained the pace of network modernization projects and diversification of customer interaction options with the Bank.
- **Our communication was open and constant** with all our stakeholders. All news regarding the Bank's involvement was presented in the BT Newsroom, in the information categories Communication in the context of COVID-19 and Together against COVID-19; the latter was updated in real time with information on sponsorships granted to hospitals.

We prepared for the period ahead of us, being aware that it will be one characterized by constant change, in which legislative regulations will be updated at short intervals. We adapted our way of working, constantly maintaining a proactive attitude, oriented towards the rapid identification of the best solutions for employees, customers and partners. Our entire activity in 2020 took place with the same common interest in mind: the well-being of Romania today and tomorrow.



Team: The New Reality – Banking at the Bank, Banking at Home

The year 2020 brought many challenges, including within the BT team, but throughout this period one of our main concerns was the physical safety and emotional health of our colleagues.

Given the important role played by the financial sector in this context, the Bank's offices remained open, to meet the customers' needs and the requirements of the authorities. We took quick measures to protect our colleagues, especially those for whom the job involves direct interaction with customers.

Among the main measures we took for the people on the GFBT's team were:

- **Physical security of our colleagues:** by providing them with disinfectant solutions, gloves, masks, protection panels for colleagues in the network and implementing a set of standard safety measures addressed to customers; During this period, BTFG invested approximately 15 million lei for protective equipment for employees, but also for donations. Also, the costs for COVID detection tests and for flu vaccines, amounting to 330,000 lei, were covered for our employees.
- **The emotional security of the team:** the Kit for launching emotional balance, through which we offered colleagues access to a series of workshops, video tutorials and online courses to help them get over the difficult period;
- For extra protection, **demarcation strips have been placed inside the units** to keep the minimum safety distance;
- **We adapted the business hours of the agencies** between March and June, and starting April, it was decided to introduce a half-hour break dedicated to disinfecting the premises in all units;
- **We continued to ensure the physical access of customers in branches and agencies**, limiting their number according to the number of available employees and respecting the minimum safety distance;
- All BT units were **equipped with thermometers**;
- **We divided the teams into groups**, who worked in different locations, thus reducing the risk of activity interruption if isolation measures were required;

- **We redistributed the work tasks** for colleagues whose activity was postponed, relocating them to areas where the workload increased greatly, such as call centers;
- **We canceled any internal or external trips**, physical training courses and meetings involving the participation of a larger group of colleagues;
- **We have accelerated the implementation of the Telework program.** Thus, a number of 3,491 colleagues benefited from this program during the state of emergency and subsequently, until the end of 2020.

At BTFG level, we registered a number of 997 colleagues infected with this virus, colleagues who benefited from significant support offered by GFBT's subsidiaries. The Human Resources department coordinated all the steps taken for our colleagues, maintaining constant contact with the family and doctors in more serious cases that required hospitalization and getting involved in the rental of specialized medical equipment and allocation of funds for medication.

Despite the pace of business connected with this period and being aware that we the need to adapt quickly, taking immediate action, we continued employment, both for branches and agencies and for Headquarters, especially in IT & Digital teams, operations, retail sales and call center. This was also facilitated by the Bank's experience in online, remote interviews. We had the same trend in employment as in the same period last year, with almost 70 new jobs/month, throughout the country. Continuing recruitment at BT was a way to support customers, the activity volume, and the growth of the Bank, as well as to contribute to the labor market and to the Romanian economy, including during the pandemic.

Front Line: Supporting the Healthcare System and Our Communities

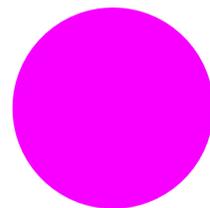
Our involvement during the pandemic entailed both projects with national coverage and the timely support of local needs, through our territorial network. Thus, we were constantly connected to the needs of the community, responding quickly to requests from hospitals and non-profit organizations that joined us in this fight.

We have donated over 2,000,000 euro, either directly or through our partners, supporting over 38 hospitals in over 30 localities. We have sponsored initiatives of organizations such as Dăruiește Viață Association, SMURD Cluj-Napoca, Untold Association, Emag Foundation, Beard Brothers Association, Cluj Medical Students Organization, CERT Transilvania and many others, with which we collaborated to cover the urgent needs of the Romanian healthcare system and of those affected by the crisis we are in. The rapid mobilization and extraordinary efforts of civil society have shown us all this time how important it is to work together, highlighting the solidarity of the people around us and the desire to get involved to do good.

Also, out of solidarity with doctors, in March we launched the **#Jursafiuom** campaign, through which we show solidarity with the voices of Romanians in a thank you message for doctors, for all their effort and dedication. Also, doctors who needed information from BT, as customers, and called the Call Center team were granted priority starting with April 2020.

Details of all the measures we have taken and the initiatives we have developed in this context are available on the company's website, in the news section: [Together against Covid-19](#) .

PENTRU A RESPECTA CE FAC MEDICII,
E TIMPUL SĂ DEPUNEM ȘI NOI UN
JURĂMÂNT.



>2 milioane de euro
donați pentru peste
38 de spitale



Campaigns and Initiatives to Support Local Entrepreneurs

In addition to those in the front line, who have fought and continue to fight the hardest battle in this confrontation, the economic sector has also been severely affected by the restrictions and measures taken to stop the spread of the virus. Thus, in order to support local entrepreneurs, we developed a series of campaigns and tools to help them and facilitate their constant adaptation, necessary to ensure their continuity during the pandemic.

#VreauOnline

We joined forces with partners such as Blugento, Frisbo, FAN Courier, Retargeting.biz, SMSO, Newsman, MOCAPP, Zea, Canopy, Eliade Rotariu, Pluriva, SmartBill, Vivre, Total PR, TargetWeb and Salesfox and laid the foundations of the **#VreauOnline** platform, an initiative that supports merchants, helping them move from the offline store to the online store. We wanted to join small entrepreneurs in their efforts to relaunch or maybe even reinvent the entire business model.

#Directlatine

The initiative, launched at the beginning of April 2020, aims to connect Romanians with small local entrepreneurs, who are BT customers. From food, beverages, supplements, teas or tinctures and including pet products, all directly at home. An online shopping hub launched out of solidarity, where there is no competition.

#InMiscare

Once out of isolation, we came up with the idea of another online hub, where BT customers can sell environmentally friendly urban mobility solutions as transportation alternatives. Here, BT customers with STAR cards have the opportunity to shop in interest-free installments.

Cumpără de la o afacere mică

Through BT Mic we launched the **Buy from a small business** campaign, to encourage people to support the local economy through purchases from small businesses. We wanted to encourage as many people as possible to choose to buy locally from companies which are just kicking-off their activity.

#Cumpărădelângătime

It was more than a campaign – it was a challenge in which we invited all BT employees, and not only, to promote a business through a video message, as an urge for people to buy from businesses near them, from their street, to support the economy and the local community. Over 1,000 colleagues entered the game, and it was one of BT's biggest online campaigns. We had 12 simultaneous TV spots watched by 2.5 million Romanians, registering over 15 million views online, on social media platforms and BT pages.

Blogul BT Mic

The blog presents the stories of Romanian entrepreneurs with small businesses who talk about beginnings, ideas, challenges, passion, and reinvention. We thought they could inspire both entrepreneurs and future customers. People can reach them easily, because in each article, the website, the social media profile or the address of the respective company is at hand.

Mergem mai departe

An initiative belonging to start-up.ro and Banca Transilvania, **Mergem mai Departe** is a series of online dialogues with Romanian entrepreneurs about the solutions they have found, their future plans and how to reinvent themselves to develop the post-crisis strategy. At a time when communication, access to information, adaptation and lifelong learning are essential, we have tried to answer questions about what and how we can get out of the crisis and especially how we can move forward in this context.

Campaigns and Initiatives to Support Romanians' Plans

Although the period was still full of challenges, we noticed that **Romanians still have plans and aspirations. As the largest retail bank in Romania, it is our role to support them regardless of the circumstances.** We have done this through online banking initiatives, through which we have offered customers discounts on their favorite products, such as consumer and housing loans. It is important for the economy and population that banks also support consumption.

Thus, we had a series of online banking shopping campaigns, culminating with **#GoodVibesOnly**, held in early June, and continuing throughout the year with **#SummerVibes**, **#HappyHomeDays**, **#MissionPossible**, **#BankFriday**. All came with discounts and other benefits on BT products and services. More than 90,000 people applied to these campaigns, of which 22% were not customers of the Bank at the time.



Remote banking: BT, Online Banking Solutions Accelerator

We started the year 2020 mobilized by the good results obtained in the previous year. In February, however, the first signals came that we need to change our entire mindset, and in March it was clear to all of us that an unpredictable route was following.

The pandemic has highlighted more than ever the importance of technological innovation and the role that digitalization plays in the life of a community: from obtaining information in real time, communication in the context of restrictions imposed by the state of emergency to online shopping, digital services, all having represented essential solutions throughout this period.

The speed of change and adaptation was extremely important throughout the past year. Being agile, we saw that, in addition to challenges, the pandemic led to a change in behaviors and forming of new consumption habits, manifested in the way we do banking – from home and having more confidence in online solutions. Our marathon started in March. A human banking marathon, in which remote banking solutions were launched, to overcome the pandemic more easily.

We have constantly informed our customers on how to conduct online operations, launching dedicated communication sections on the company's website. Here, throughout the year, we posted press releases and information to answer their questions and make it easier for them to manage their money. On the [BT Help](#) page, we put together all the online banking solutions we have for remote banking, both for individual customers for entrepreneurs and for companies.

We offered them easy-to-access solutions from your phone, computer or laptop, through applications, Internet Banking, Mobile Banking or with the help of BT chatbots, non-stop:

- **BT Pay**
- **Mobile Banking & Internet Banking**
- **BT Visual Help**
0264 30 80 00
- **Chatboți**
- **Call-center (0264 30 80 28) & e-mail (contact@btrl.ro), to which the Customer Care team answered 24/24**

+ Details about the online banking solutions made available to Banca Transilvania customers are presented in detail in the section in Chapter 4: *Our focus: online banking.*

Răspunsuri la tine acasă



Întreb BT (Asking BT)

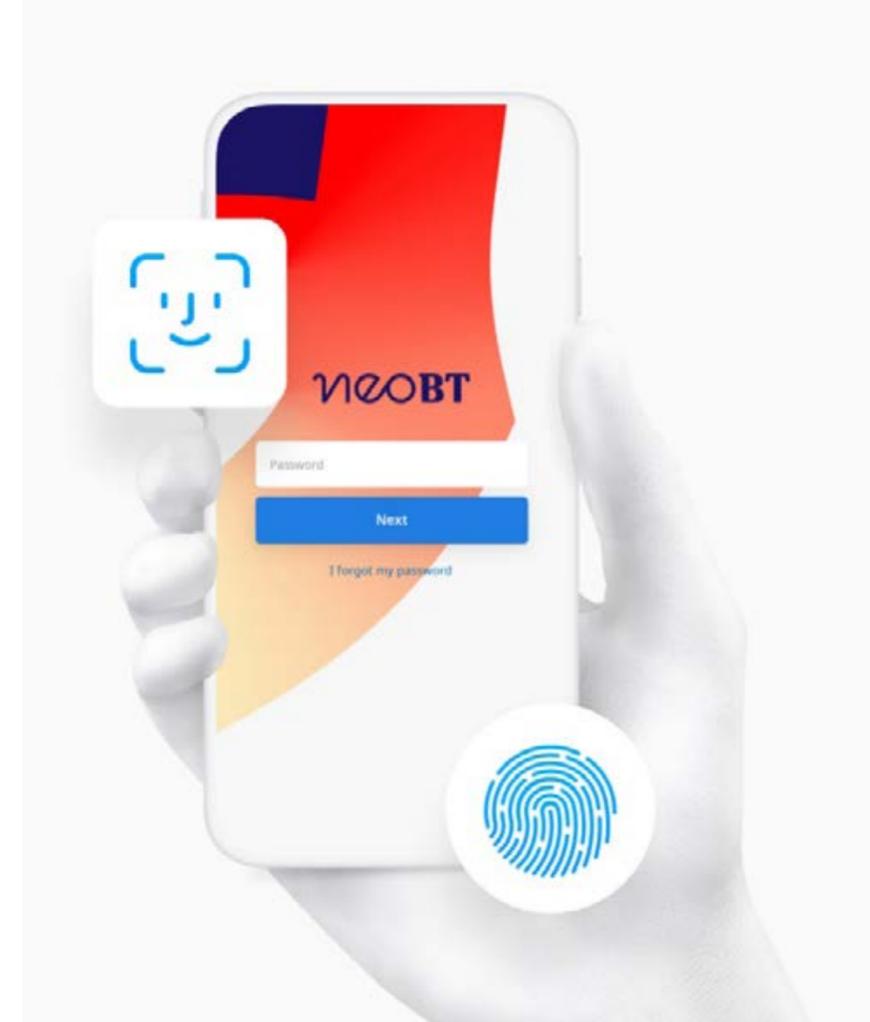
The largest financial education program of Banca Transilvania also experienced a significant increase in 2020. Through **Întreb BT**, people were able to find answers to the most looked-up topics in the banking field, offered by Banca Transilvania and supplemented by the BT community.

- In 2020, over 3 million people were informed through **Întreb BT**;
- More than 8,200 users visited the platform every day, a maximum being recorded on April 14, when the site had almost 23,000 visitors;
- The trends we noticed starting in 2018 continued within the platform: more and more people accessed **Întreb BT** on the phone (76%), most visitors are 25 to 34 years old (33%);
- The greatest interest was shown to information about cards, current accounts, **BT Pay** application, **BT24 Internet Banking and Mobile Banking** and loans.

Online Banking Solutions for Retail Customers

The digital solutions offered by the Bank have contributed to the forming of new behaviors for retail customers: from paying contactless at merchants, transfers and donations, confirmation of online purchases, card management, to the ability to withdraw money from ATM without the need of a physical card, all by phone. Thus, in 2020:

- **500,000 customers** made their first online card transaction;
- more than **1.77 million customers** (approximately 59% of active customers) used the digital solutions we offered: **BT Pay, BT24, Neo, Apple Pay, Fitbit Pay, Google Pay, Garmin Pay**;
- **BT Pay** was in a speed race, with an extremely accelerated adoption, the number of users doubling compared with the end of 2019 and reaching **1.1 million people**;
- **1.4 million digital cards** were added to **BT Pay, Apple Pay** and **Google Pay**;
- we launched the possibility to onboard, open an account and issue debit cards 100% online, through **NEOcont**; **over 12,000 customers** have opened an account, issued a card or subscribed online to **Neo**, through **NEOcont**;
- we launched the online payment authentication option and thus, we registered **over 7 million online transactions** confirmed through **BT Pay**;
- we launched the option to donate from **BT Pay**, customers making **over 13,000 donations** through the application;
- the use of **BT Visual Help** has increased almost 4 times in the last three months of 2020, compared with the first part of the year; **over 890,000 sessions** were initiated, with an average of 105,000 sessions/month in the 4th quarter, and approximately 70% of the monthly sessions initiated by new clients;
- e-Commerce increased from 18-20%, to almost **40% average share of total volumes**;
- **we launched** BT Tichet, a web application for ordering and managing meal cards; over 23,000 meal cards were ordered..



Online Banking Solutions for Corporate Customers

It was clear to us from the beginning that the economic sector will need support to overcome the many challenges that 2020 will bring. Thus, in addition to the financing solutions offered, we also focused on developing solutions that would facilitate their interaction with the Bank. Therefore, in 2020:

- approximately **1,700 current accounts for social capital** were opened online; the Bank registered a significant increase in the 4th quarter, 4.24 times more accounts being opened compared with the first months of the year;
- NEO enrollments increased **4.5 times** in the 4th quarter compared with the 3rd quarter, when the option was launched;
- **over 5,500 customers** sent us more than 100,000 documents through the Filesharing solution offered by the Bank;
- digital communication with virtual assistants by phone increased, with an usage rate **5.6 times higher** in the 4th quarter than in the 1st quarter;
- communication with customers via WhatsApp meant **over 1,000** messages received daily, in addition to those received via Facebook; in total, since the launch of the option, we have answered **over 850,000** questions received from more than 15,000 users;
- the number of e-Commerce merchants and the volumes processed through BT e-Commerce terminals have **doubled** in 2020.



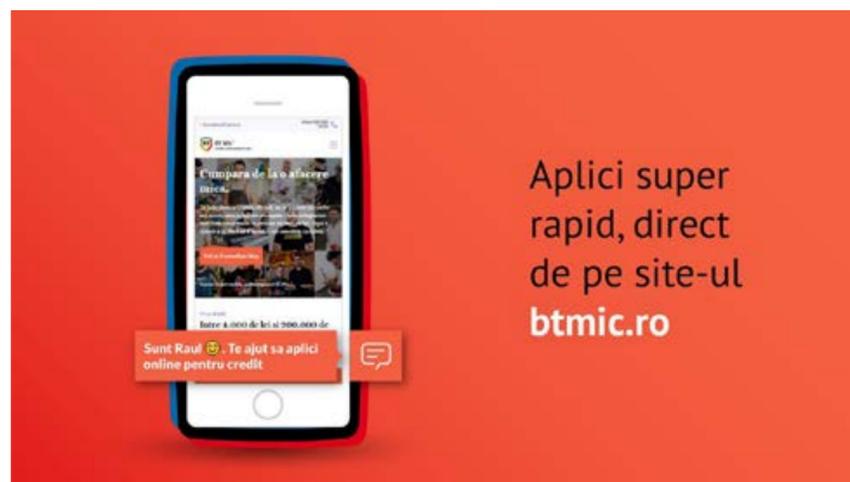
Online Banking Solutions Offered by BTFG Subsidiaries

Digitalization was the watchword during the pandemic for BT subsidiaries too. Numerous measures were taken to meet customers, depending on the specifics and needs of each category.

BT Mic

The main measures taken and solutions offered by **BT Mic** to facilitate customer interaction were:

- System updates, in just one month from the approval of Government Emergency Ordinance 37/2020, to allow the implementation of moratoriums.
- Adapting workflows in the communication area and facilitating the transmission of documents using online solutions: email requests, remote signing, providing customers with online alternatives for sharing documents to avoid visiting our headquarters.
- **Raul WhatsApp** and **BT Express** have offered and continue to offer BT Mic customers the opportunity to easily consult information about their ongoing loans.
- **Raul Online** – online credit applications with the following features: credit simulation, uploading financial documents, electronic signature.



BT Capital Partners

For **BT Capital Partners** customers:

- Digital solutions were developed to enable customer identification, opening and updating online trading accounts, with great attention being paid to regulatory requirements. Customers were guided to resort in particular to trading through the new platform;
- Most of the meetings were held through online platforms.

Improvement Credit Collection

In the period since the beginning of the pandemic, a series of specific measures were taken to increase the comfort of customers and employees:

- Setting up a virtual telephone exchange that included instructions for the online payment option in the script of collection calls, implementing specific measures for deferred payments established by public and private moratoria through the call center, phone confirmation by registered calls of the data and options of credit participants (holders/guarantors) of alternative contact methods (e.g., e-mail);
- Developing a digital solution by creating a business intelligence tool, based on the functionalities of the work application of the Bailiffs Offices – "Executor-IT", which limited trips made at the bailiffs' offices to pick up execution files leading to higher employee safety (by limiting travel).

BT Direct

Among the digitalization initiatives that have been taken to support consumers in the pandemic are:

- dedicated line in the BT Direct call center and creating a separate stream on the **BT Direct** call center line;
- option to defer instalments directly on the **BT Direct** website;
- providing an email address dedicated to sending payment deferral requests;
- implementing a SMS notification at the end of the payment deferral period;
- updating loan applications to include the digital signature option and interfacing with digital platforms (online end-to-end flow finalized in 2020) of the merchants.

BT Leasing

For **BT Leasing** customers, we have accelerated the finalization of the "myLeasing" platform to allow access to leasing products entirely online.

BT Asset Management

At the **BT Asset Management** level, we made sure that we maintain correct and prompt communication (via phone or email) with the fund unit holders.

Customers: Solidarity with Our Customers

We were the first bank to announce customers' support measures from the first days after a state of emergency was declared in our country. We are committed to support Romanians, individuals, entrepreneurs and companies to overcome all the challenges that would arise, identifying the best solutions to get through the crisis.

In mid-March we announced the extension of the grace period for credit cards until May. We took this measure to meet the needs of over 400,000 customers, to reduce the financial pressure caused by the pandemic, as well as to exempt them from having to make trips to the bank. The series of measures continued in May with the interest rate cut by 50%.

At the same time, during the state of emergency, over 70,000 cards were delivered to customers at home, free of charge. This option was offered to customers whose card had expired, in order for them to avoid going to the bank.

We offered customers affected by the pandemic context, the opportunity to defer up to 3 installments on individual loans, before the

entry into force of the Emergency Ordinance on deferring installments, which allowed the deferral of payment obligations for up to 9 months. From an operational point of view, the implementation of the deferral solutions meant providing an extension to the loan tenor, without any additional costs, with the corresponding number of months.

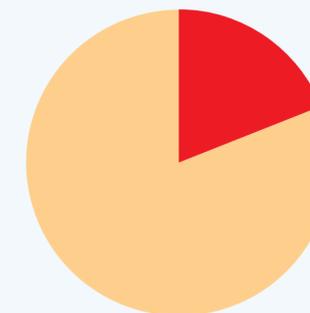
Payment deferral – proposing the solution, managing and communicating with customers – was one of the key topics that concerned us during 2020. Therefore, we chose to transparently present the current situation on the BT website, which included: number of requests received from customers to defer payments, number of settlements, positive and negative responses.

Thus, over 41,000 individual and corporate customers benefited from moratorium (both public and private) and over 400,000 credit card lines were exempted from the payment of the minimum monthly obligation for 3 months.

>41,000

customers in moratorium in 2020

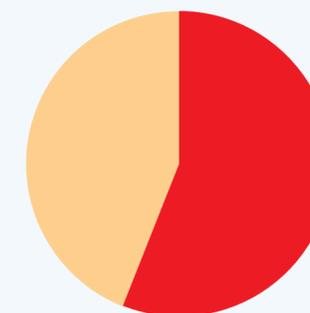
19% Companies
81% Individuals



RON5.81 billion

loans in moratorium

56% Companies
44% Individuals



In addition to payment deferral and suspending foreclosures (in accordance with applicable legal regulations), we provided financing to our corporate clients, joining government programs to support entrepreneurs.

IMM Invest

The **IMM INVEST ROMANIA** program allows SMEs, that are significantly affected by the COVID-19 crisis, to ensure their liquidity for the current activity or for investments, by accessing one or more loans for investments and/or one or more credit lines for working capital, guaranteed by FNGCIMM* in the name and account of the Romanian state, through the Ministry of Public Finance.

At BT, over 2,000 colleagues were actively involved in solving the requests from the over 29,000 companies that chose us to be their partner during this period, working together with the applicants to the IMM Invest program

- **41% of 72,690 companies applying for IMM Invest chose Banca Transilvania.**

IMM Invest 2020

Customer type	IMM	Micro	Corporate	Large Corporate	Total
Amount granted <i>thousand RON</i>	1,080,477	915,955	1,497,029	4,061	3,497,522
Exposure** <i>thousand RON</i>	1,011,550	830,144	1,338,126	1,561	2,352,067
Provisions <i>thousand RON</i>	14,475	9,816	29,271	70	53,631
No. of approved loans	2,538	5,859	1,326	3	9,726
No. of unique clients with approved IMM Invest facilities	2,345	5,513	1,085	3	8,946

*National Credit Guarantee Fund for Small and Medium Enterprises
 **includes principal and interest

Grants program

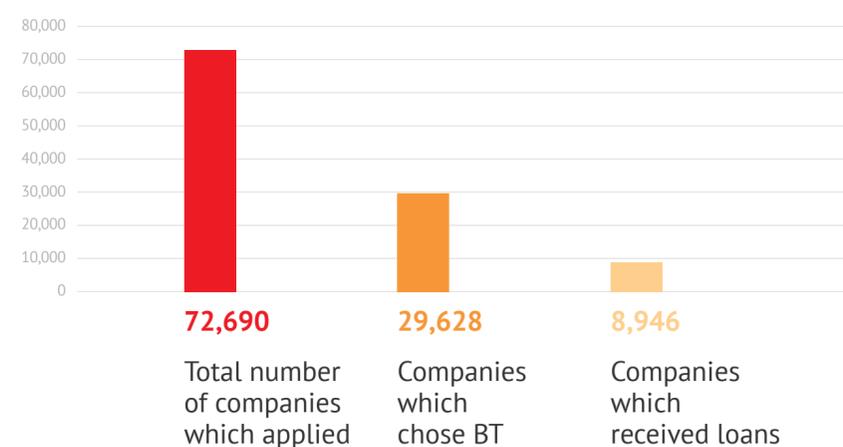
The irredeemable grant program developed by the Ministry of Economy, Energy and Business Environment (MEEMA) through the Competitiveness Operational Program 2014-2020, allows PFAs (Authorized Physical Person), micro, small and medium enterprises to access grants from European funds, totaling over 1.7 billion euro through three funding schemes: micro-grants, working capital grants for SMEs and investment grants for SMEs.

We prepared for the distribution of grants from European funds to support entrepreneurs and we have ensured the rapid development of the program. We have aligned with the government's initiative to run this program online, by applying BT best practices from other government programs and mobilizing the necessary resources. We have informed, and will continue to inform, entrepreneurs in real time about each stage of the program. Because we know how vital the financial resources are for businesses affected by the restrictions caused by the pandemic, we transfer the money from the Ministry of Economy, Energy and Business Environment to eligible entrepreneurs in a maximum period of 7 days.

- **Around 51,500 companies enrolled in the microgrants program, Measure 1 and 2, almost 31,250 chose Banca Transilvania.**
- **BT was the preferred option for about 50% of micro-grant applicants and 57% of working capital grant applicants (Measure 2).**
- **These customers made over 11,000 payments, amounting to 533 million lei, for the period up to the end of 2020.**

In addition to the actions carried out at BT level, **BT Mic** was actively involved in the process of informing customers about the possibility of accessing state grants. Specifically, over 1,000 customers were called and assisted in the grant application/electronic signature process, given the novelty of the process.

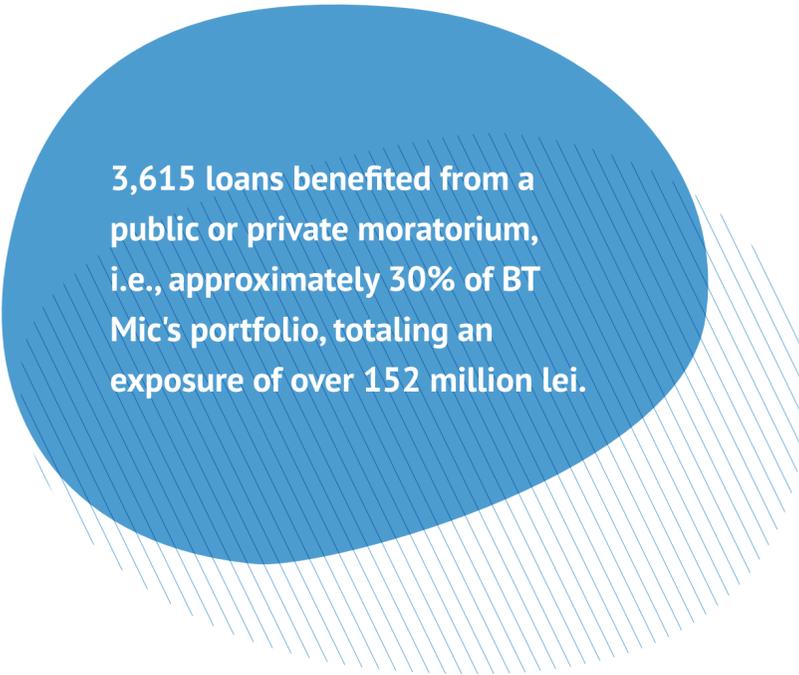
IMM Invest



BT Mic

From the first days of the state of emergency, without waiting for legislative measures, **BT Mic** supported its customers, offering solutions to relax installments payment. **BT Mic**'s first concern was to focus on the clients in the portfolio; each of them was contacted by phone and was assured that, regardless of the situation, together we can find optimal solutions. Thus, in March 2020, more than 11,000 customers were called (the entire portfolio at that time), and by the time the legislative measures to deferr payments were published, more than 1,000 customers already had modified repayment plans in place, fully postponing or reducing the loan installments.

Throughout 2020, more than 3,000 customers benefited from measures to reduce or postpone payments related to ongoing loans, **BT Mic** quickly adapting the internal service structure and creating a team dedicated to dealing with these customers. Starting June 2020, **BT Mic** became active on the market again and started financing over 1,800 businesses, without associating material collaterals, on the traditional model. It was a courageous initiative for 2020 that had a real and visible impact on our customers.



3,615 loans benefited from a public or private moratorium, i.e., approximately 30% of BT Mic's portfolio, totaling an exposure of over 152 million lei.

BT Direct

Throughout 2020, numerous measures were taken to support its customers. Lending policies were amended to make concessions during the pandemic.

- **At the level of BT Direct, a number of 2,288 requests for postponing installments were implemented (both on public and private moratorium), representing approximately 3.23% of the total number of facilities.**

BT Leasing

BT leasing reacted promptly to the constraints during the pandemic by implementing an effective customer support program and addressing specific portfolio management measures. The first step was to adopt a proactive attitude, manifested by opening a dialogue with lessees in order to identify appropriate measures to support customers affected by the COVID-19 pandemic.

- **Between March 16 and April 30, following an individual analysis, we granted principal payment deferrals of 2-3 months to a number of 2,607 customers, with interest being serviced or non-collection of late penalties for delayed payments.. Of these, 99.5% were legal entities.**
- **Between April 1 and June 16, based on GEO 37/2020, BT Leasing received and approved requests to defer the payment of installments from a number of 832 customers, for 1,299 leases, which represents approximately 8% of the total BT Leasing customers, and approximately 14% in terms of total exposure. The requested deferral periods ranged between 3 and 8 months.**

IMM Leasing, prin BT Leasing

We continued the measures to support local entrepreneurs by getting involved in the government program IMM Leasing for equipment and machinery. State guarantees, partially subsidized interest and the possibility to purchase second-hand goods are the main advantages of the program. Interested contractors could and can apply directly on the [BT Leasing](#) website.

The initiative was and is an opportunity for small and medium enterprises with activity in production, trade and services, to invest in capacities that can contribute to increased sales and/or cost efficiencies by a higher level of digitalization and by automating the activity.

Regarding the IMM leasing program, in 2020 only 2 contracts were finalized, **BT Leasing** being in fact the only leasing company that signed contracts on this program, which will continue in 2021.

Banca Transilvania is committed to transferring to **BT Leasing** its best practices and experience from IMM Invest initiatives and the grant program.

Improvement Credit Collection

For **Improvement Credit Collection** customers, we ordered the suspension of the auctions in the forced execution for a period of about 3 months, according to the regulations in force, and the adoption of partial payment solutions for those debtors activating in sectors severely affected by the pandemic.

3. #MoreThanBanking

Our Commitment for Responsible Growth

- Manifesto and Pillars
- Sustainability Landscape
- Our Commitment to a Sustainable Future.
Thinking Ahead
- Materiality Analysis
- Material Topics
- Stakeholder Engagement



Manifesto and Pillars

We took a firm commitment Romanians and local entrepreneurs in building on their dreams, Banca Transilvania always being a reliable partner to start the journey with.

We went through great transformations and crisis situations together, but all these obstacles encountered

along the way did not stop or derail us from our mission. We saw them as a lesson to be better, closer to customers and partners and even more determined to be one of the support pillars for the sustainable construction of the country and a shield of defense in difficult times.

The concern for offering services and products tailored to our clients and supporting the development of the Romanian entrepreneurial

sector were the principles that guided us on our path, from the establishment of the Bank to the current position as leader of the Romanian banking system.

Our entire business strategy entails incorporating sustainability principles in any activity and approach, aspects that are fundamental in order to grow in the long run, but also for our progress. The role we have today makes us proud, but at the same time it places a great responsibility on our shoulders: for all our stakeholders, for a healthy and clean environment and for society as a whole.

Our sustainability policy is based on three pillars:

People

Diversity, human rights or consumer protection, but also corporate governance concerns such as management structure, recruitment, remuneration of staff and management bodies are considered in detail in each of our business objectives.

Performance

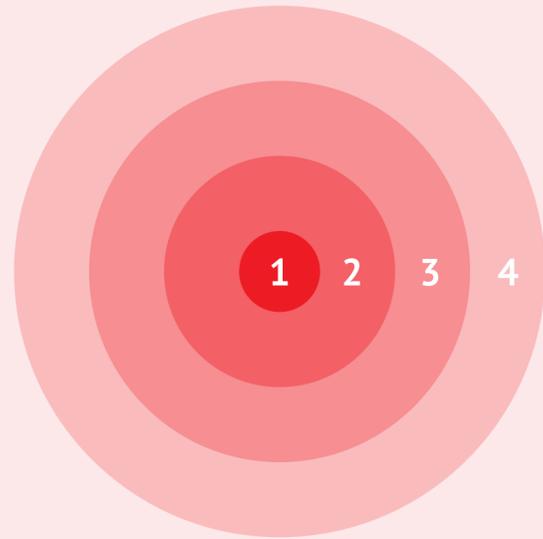
As a leader of the banking sector and main funding provider of the Romanian economy, we know what our responsibility is and the expectations that people have of us: we contribute to the growth of the banking industry, we invest in digitalization and financial education, we include responsible financing principles in our loaning policies and we focus on developing funding portfolios in sustainable areas where we can stimulate innovation and positive impact on communities.

Environment

We assess our direct environmental impact and integrate environmental protection principles in our lending policies. Our priorities are guided by the desire to reduce our environmental footprint and minimize our contribution to climate change.



Sustainability Landscape



1. Banca Transilvania

Good business
Human banking
Sustainable financing

2. Community

BT gives something back to the community
BT is a good citizen and a good neighbour
BT acts with care for the environment

3. Banking industry

BT contributes to the growth of the banking industry
Access to products and services
Trendsetter

4. Societate

BT supports the Romanian entrepreneurial spirit
BT contributes to the development and transformation of many industries
BT invests in financial education

Our Commitment to a Sustainable Future. Thinking Ahead

We are aware that we have the power to drive change, to amplify the positive impact we have had so far through our business model, but also to be better at protecting the environment and closer to our communities.

Thus, because we are one of the forces able to set in motion the Romanian transition to a greener economy, we set a series of objectives that strengthen our commitment to a sustainable future, in line with the three pillars of our sustainability policy.

Performance

Corporate governance

- Integrate specific ESG criteria (KPIs), regarding both objectives and reporting process, in the process of assessing the individual and collective suitability of the management body, including at the level of the BoD committees. Although an ESG component has been integrated into the current suitability assessment process, enhancing this assessment will ensure a better ongoing verification of the governing body's expertise to reflect relevant changes in economic activities, sustainability/ESG strategies and the risk profile of the institution.
- Integrate a minimum of one specific ESG criteria (KPI) into the list of individual performance targets set for each member of senior management as well as executive ones in order to determine the amount of variable remuneration paid. Each individual criteria will relate to the ESG objectives that are set in the member's area of activity and expertise, so as to ensure the alignment of remuneration with the Bank's sustainability objectives, facilitating an organic growth of ESG initiatives to achieve specific sustainability objectives.

Ethics and compliance

- Training in the field of personal data processing and protection of all employees of the BT Group, at least once every calendar year, through a course followed by knowledge testing, in order to train and continuously improve their knowledge in the field, to ensure the highest possible level of protection of personal data and to prevent security breaches of this type of data.
- We are committed to establishing clear criteria necessary for collaboration with our suppliers to pursue compliance with high social and environmental standards, by developing and implementing an assessment methodology by the end of 2021.

Portfolio and products

- Use of the CAFI application (Climate Assessment for Financial Institutions) to verify the funding eligibility for green financing - investment financing, with potential characteristics for green financing, above a certain threshold (100 thousand lei) will be tested to verify the eligibility for inclusion in the areas defined in the evaluation methodology.
- Increasing the expertise of the team of credit and risk analysts in non-financial risk analysis:
 - the environmental analysts team from the headquarters will attend at least one specialized external training in 2021;
 - each member of the risk and credit analysts team will attend an internal course organized by the team of environmental risk analysts of the headquarters in 2021
- Extension of the detailed ESG risk analysis model currently used for transactions over 5 million euro in the eligible portfolio, by the end of 2023.
- Launching dedicated products and adding green financing, financial education, and a positive social impact component to the current range of products (in 2021).
- Launching responsible marketing campaigns for promoting our products, including those with green funding components and positive social impact.

People and community

- Facilitate the recruitment of staff from communities through internship programs and partnerships with educational institutions.
- Implementation, in 2021, of a program to raise awareness of issues of diversity and equal opportunities through campaigns and training sessions.
- Maintaining the eNPS level at 50, at a participation rate of at least 70%.
- Carrying out an impact study to measure the positive impact that the Bank has generated through community investments by 2023.
- Awareness campaigns and promotion of a healthy lifestyle in 2021 through the wallet application.

Environment

- Reduction of greenhouse gas emissions associated with the BTFG car fleet (Scope 1 emissions) by 20% by 2023, compared with the 2018 reference year.
- Increasing the share of renewable energy in the total electricity consumption of BTFG up to 75% (reducing Scope 2 emissions) by 2021, reaching the threshold of 85% by 2023.
- Conducting an indirect emissions inventory (Scope 3) by 2023.
- Reducing paper consumption by 10% by 2023, by implementing digital flows to obtain products, digital signatures, etc.
- In 2021 we will start issuing cards made from recycled materials.
- Ensuring the infrastructure at the level of the BTFG units and carrying out information and awareness campaigns on the importance of selective waste collection, in 2021.



Materiality Analysis

We want to continue to be an important part of the Romanian economic environment, to work together for the sustainable development of the country, to grow together with our partners and to do more, beyond banking. In order to constantly evolve, it is necessary to know where we stand now and what is the economic, social and environmental impact we generate, as well as what expectations our stakeholders have in relation to us.

Thus, between November and December 2020, we carried out the first materiality analysis process, in order to assess the impact of BTFG, through BTFG experts (members of the Board of Directors, the Leaders' Committee and specialists) and to find out the opinions of external stakeholders, grouped into 11 categories. The list of topics included in this analysis was developed with the help of The CSR Agency consultants, based on a research at industry level, in accordance with the GRI Standards methodology. 30 topics were subject to evaluation, grouped into three categories: economic, environmental, social.

203

BTFG experts, specialists and representatives of the management teams were involved in the impact assessment process

1,206

respondents filled in the external stakeholders survey



The Group's impact was assessed with the help of our management representatives. Topics with the greatest impact, on each category:

The influence on stakeholders was assessed by the representatives of the 11 stakeholders' categories identified during the meetings of the sustainability team.

The most important topics for each category of stakeholders:

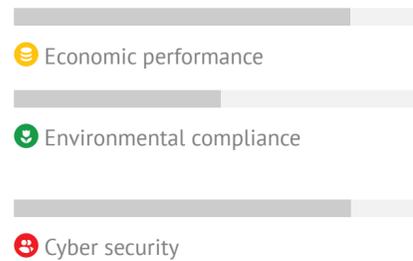
1. Senior management

Board of Directors and Leaders' Committee



2. GFBT specialists

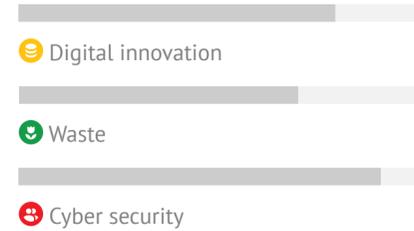
department directors



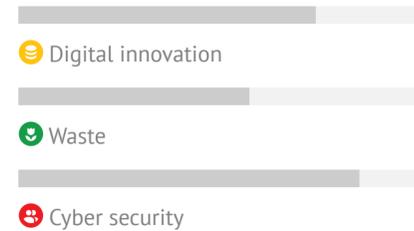
1. BTFG employees



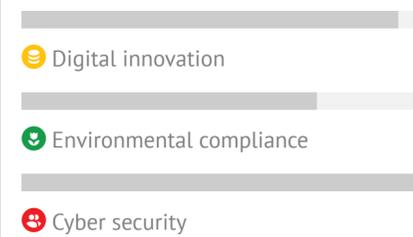
2. Individual customers



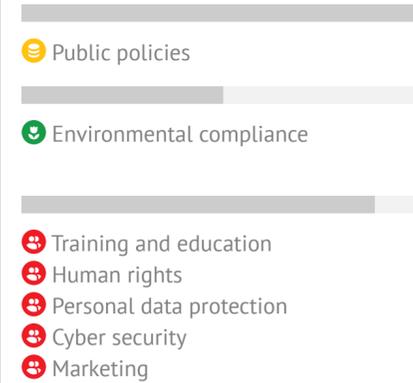
3. Corporate customers



4. Shareholders



5. Regulatory authorities



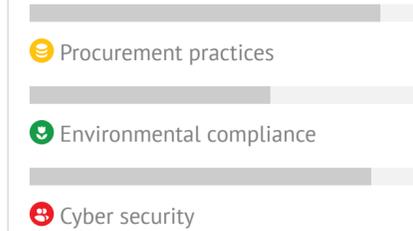
6. Financial institutions



7. Investors/Analysts



8. Suppliers



9. Business partners

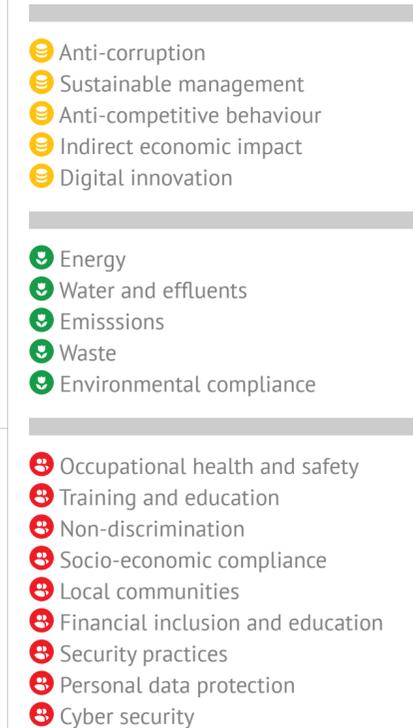
consultants, auditors, lawyers, PR agencies



10. Non-governmental organizations



11. Sector associations



Material Topics

The topics with the greatest impact that, at the same time, significantly influence the decisions of stakeholders in relation to BTFG are considered material topics. These 30 topics were grouped into three categories:

Economic

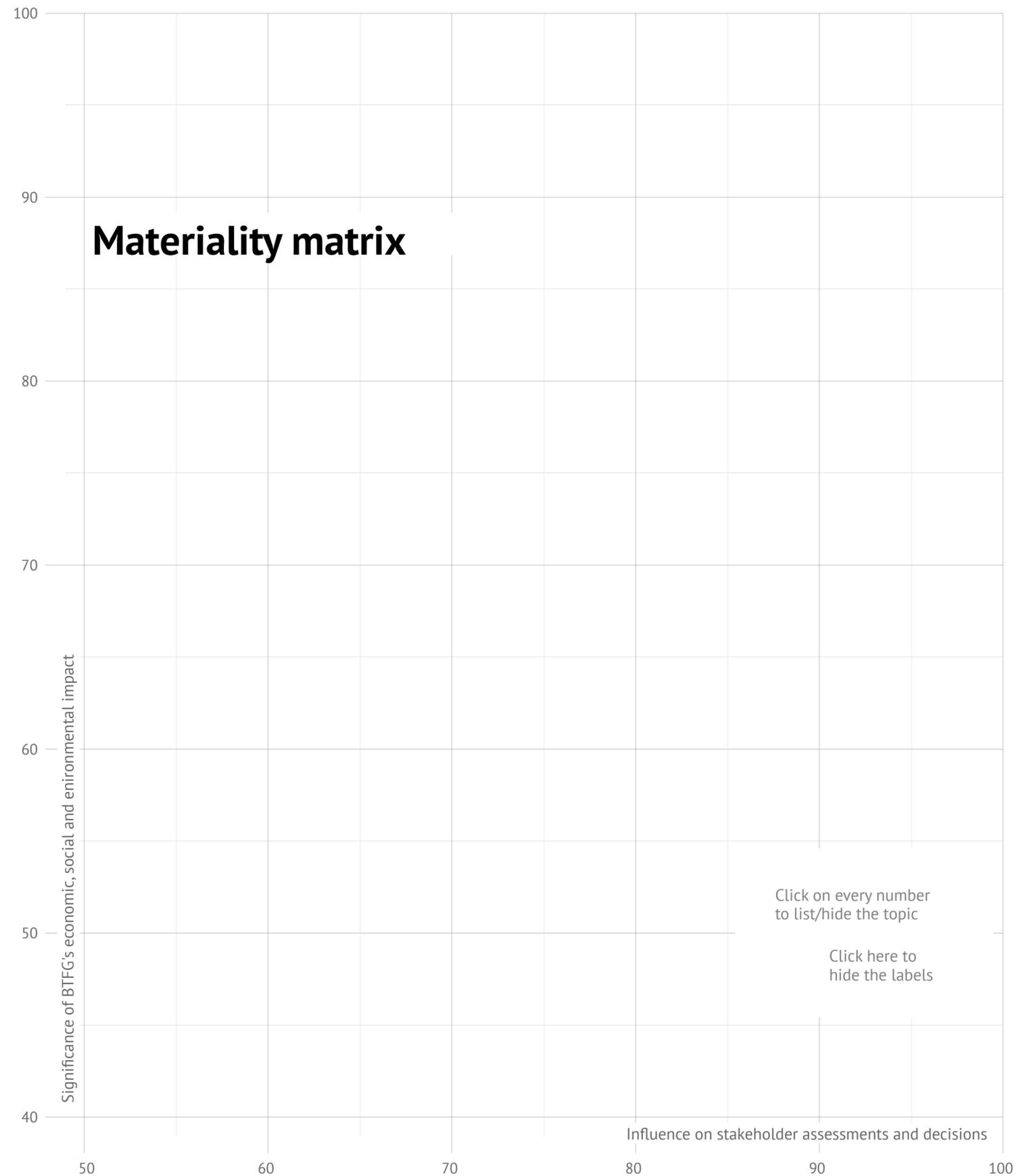
1. Anti-corruption
2. Sustainable management
3. Public policies
4. Anti-competitive behaviour
5. Economic performance
6. Market presence
7. Indirect economic impact
8. Sustainable financing policies
9. Digital innovation
10. Procurement practices

Environment

11. Energy
12. Water and effluents
13. Emissions
14. Waste
15. Environmental compliance

Social

16. Employment
17. Occupational health and safety
18. Labour – management relations
19. Diversity and equal opportunity
20. Training and education
21. Non-discrimination
22. Human rights
23. Socio-economic compliance
24. Local communities
25. Financial education and inclusion
26. Security practices
27. Personal data protection
28. Cyber security
29. Marketing
30. Supplier environmental assessment



Material topics	Impact boundaries		Stakeholders
	Direct impact*	Indirect impact**	

Economic

1. Anti-corruption	✓	✓	1 4 5 6 7 9 10 11
2. Sustainable management	✓	=	1 4 7 8 9 10 11
3. Public policies	=	✓	5 7 10 11
4. Anti-competitive behaviour	✓	✓	1 4 6 7 8 9 11
5. Economic performance	✓	✓	1 4 5 6 7 8 9 10 11
6. Market presence	✓	=	1 8 9 10 11
7. Indirect economic impact	✓	✓	8 10 11
8. Sustainable financing policies	✓	=	4 6 7 9 11
9. Digital innovation	✓	✓	1 2 4 5 6 7 8 9 10 11
10. Procurement practices	✓	✓	7 8 9 11

* direct impact resulting from the Group's activities
 ** indirect impact resulting from the contractual relationships, products and services purchased, but especially through the portfolio and projects it decides to finance

Environment

11. Energy	✓	✓	11
12. Water and effluents	✓	✓	11
13. Emissions	✓	✓	11
14. Waste	✓	✓	11
15. Environmental compliance	✓	✓	6 7 9 10 11

Social

16. Employment	✓	=	1 4 5 7 9 10 11
17. Occupational health and safety	✓	=	1 7 9 11
18. Labour – management relations	✓	=	1 7 9 10 11
19. Diversity and equal opportunity	✓	✓	1 9 10 11
20. Training and education	✓	=	1 5 6 7 9 10 11

- 1 BTFG employees
- 2 Individual customers
- 3 Corporate customers
- 4 Shareholders
- 5 Regulatory authorities
- 6 Financial institutions
- 7 Investors/Analysts
- 8 Suppliers
- 9 Business partners (consultants, auditors, lawyers, PR agencies)
- 10 Non-governmental organizations
- 11 Sector associations

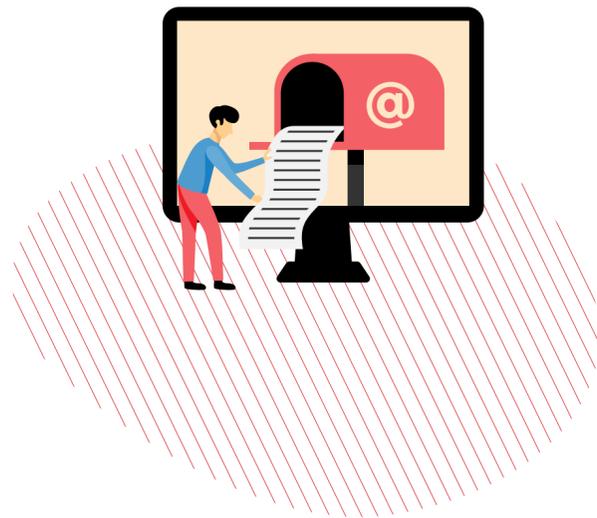
21. Non-discrimination	✓	✓	1 5 7 9 10 11
22. Human rights	✓	✓	1 2 4 5 6 7 9 10 11
23. Socio-economic compliance	✓	=	4 7 9 10 11
24. Local communities	✓	✓	4 9 10 11
25. Financial education and inclusion	✓	=	4 7 9 10 11
26. Security practices	✓	=	1 2 4 5 7 10 11
27. Personal data protection	✓	=	1 2 3 4 5 6 7 8 9 10 11
28. Cyber security	✓	=	1 2 3 4 5 6 7 8 9 10 11
29. Marketing	✓	=	1 5 7 10 11
30. Supplier environmental assessment	=	✓	8 9 11

Stakeholders Priorities

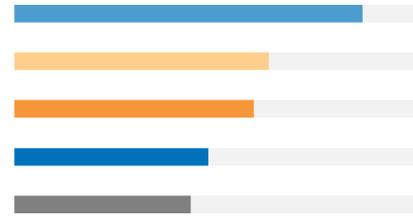
In addition to identifying relevant topics to us from the perspective of sustainable development, we wanted to find out our stakeholders' views on the directions in which BTFG should focus its efforts.

"Please rate the following areas, according to which you consider should be the directions in which Banca Transilvania should invest with priority. (where 1 is the least important and 5 is the most important)"

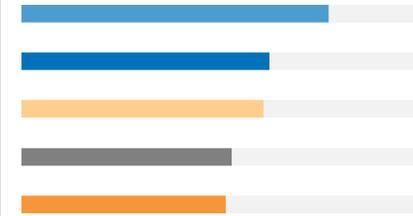
- Supporting Romanian entrepreneurs
- Increasing Romanians' access to financial products, services and resources
- Involvement in local communities development (financial education, support of Romanian art, culture and sports)
- Developing "green" products
- Reducing the environmental impact of the BT portfolio



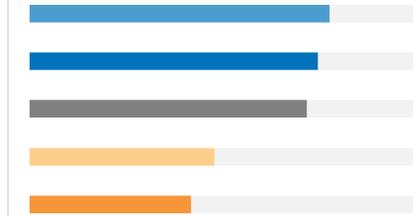
1. Individual customers



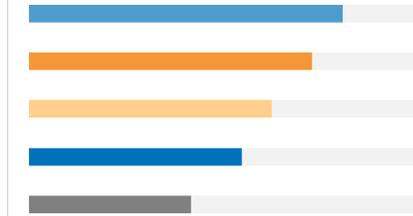
4. Shareholders



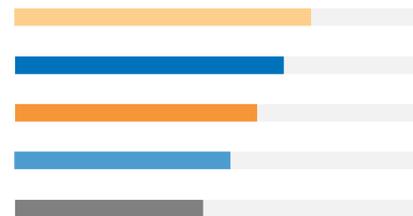
7. Investors/Analysts



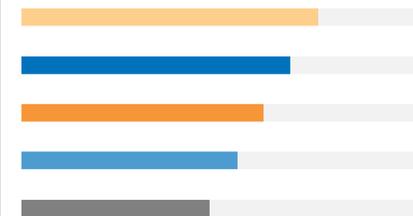
10. Non-governmental organizations



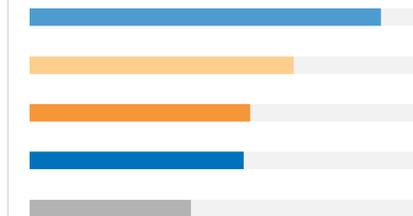
2. Corporate customers



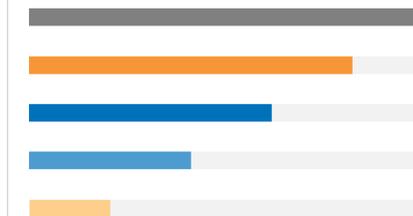
5. Regulatory authorities



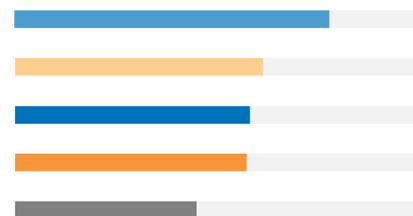
8. Suppliers



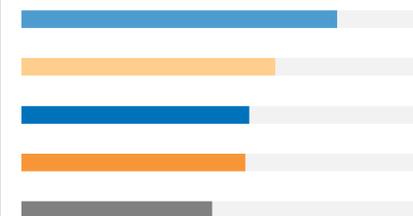
11. Sector associations



3. Corporate customers

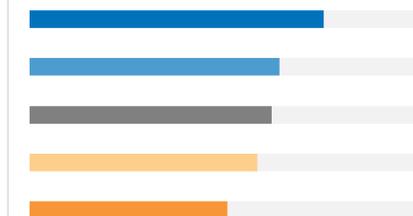


6. Financial institutions

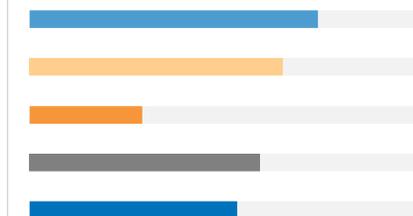


9. Business partners

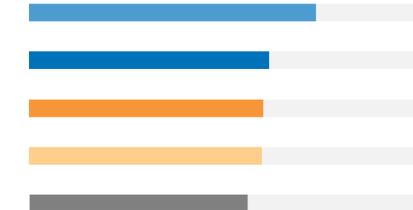
consultants, auditors, lawyers, PR agencies



Others



In general, our stakeholders believe that the Group's investments should be prioritized as follows:



Stakeholder Engagement

Our organizational culture is based on open, transparent communication and respect, values that are also found in the way we communicate with all our stakeholders.

Whether directly, through direct meetings, phone, e-mail and dedicated channels available for them or indirectly, through surveys, research studies and published reports, we want to be constantly connected to the wishes and needs of our stakeholders and to receive their feedback. This is the only way we can develop, grow together and at the same time create value not only individually, for each party, but for the entire Romanian society as a whole.

Stakeholder category	How we engage	Frequency	Communication channels
Shareholders	<ul style="list-style-type: none"> Meetings Conferences Stakeholder engagement as part of the sustainability reporting process Access to information published on the BT website 	Quarterly and on request	<ul style="list-style-type: none"> General Meeting of Shareholders Teleconferences available on the BT website Roadshows and presentations Financial reports Newsletter Sustainability report

Employees	<ul style="list-style-type: none"> BT Employee Experience Index (BT EEI) Stakeholder engagement as part of the sustainability reporting process 	Biannual	<ul style="list-style-type: none"> The employee Con(vention) festival 	Investors/ Analysts	<ul style="list-style-type: none"> Stakeholder engagement as part of the sustainability reporting process 	Occasionally	<ul style="list-style-type: none"> Teleconferences available on the BT website Roadshows and presentations Financial reports Newsletter Sustainability report Website dedicated
Customers	<ul style="list-style-type: none"> NPS Stakeholder engagement as part of the sustainability reporting process Întreb BT platform 	Occasionally/ Annual	<ul style="list-style-type: none"> Social media channels BT Talks podcast BT blog E-mail Sustainability report 	Business partners (consultants, auditors, lawyers, PR agencies)	<ul style="list-style-type: none"> Meetings Stakeholder engagement as part of the sustainability reporting process 	Occasionally	<ul style="list-style-type: none"> E-mail
Suppliers	<ul style="list-style-type: none"> Meetings Stakeholder engagement as part of the sustainability reporting process 	Occasionally	<ul style="list-style-type: none"> E-mail Financial reports Sustainability report 	Non-governmental organizations	<ul style="list-style-type: none"> Stakeholder engagement as part of the sustainability reporting process 	Occasionally	<ul style="list-style-type: none"> Projects developed in partnership Sustainability report
Regulatory authorities	<ul style="list-style-type: none"> Stakeholder engagement as part of the sustainability reporting process 	Occasionally	<ul style="list-style-type: none"> Financial reports 	Sector associations	<ul style="list-style-type: none"> Meetings Stakeholder engagement as part of the sustainability reporting process 	Occasionally	<ul style="list-style-type: none"> Financial reports
Financial institutions	<ul style="list-style-type: none"> Stakeholder engagement as part of the sustainability reporting process 	Occasionally	<ul style="list-style-type: none"> Financial reports 				

Investors and Shareholders Relations

We constantly communicate with our investors and shareholders, presenting financial results transparently, during the conferences organized on a regular basis and periodically publishing informative reports on the financial results. Both in 2019 and in 2020, in addition to the General Meeting of Shareholders, held according to Law no. 31/1990 on trade companies, Law no. 24/2017 on the issuers of financial instruments and market operations and other relevant legal regulations, the financial calendar included 4 teleconferences with investors. We publish relevant information, such as the current year's calendar, financial results and teleconference records on the BT website dedicated to investor relations, which can be accessed [here](#).

We also meet investors at various international conferences. **In 2020 we attended 77 Meetings during 11 conferences, thus communicating with 167 investors.** We are guided by best practices in the field of investor relations, and the management and IR (investor relations) teams organize meetings on request. Although we do not currently monitor these meetings, our performance in the IR direction is recognized at industry level. For more details, see the Awards and Affiliations section of the report.

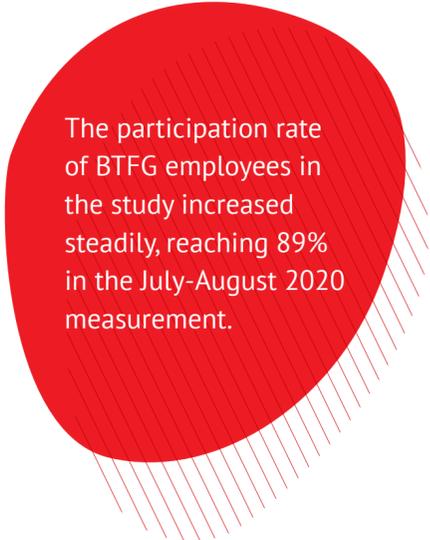
Starting 2020, on the Bank's website, in the Investor Relations section, we constantly publish the program of our participation in international conferences. This way, shareholders and potential investors have access to an updated calendar of events where they can meet us and ask questions.

Employee Relations

For us, it is essential that the team operates in an environment full of smiles, where employees feel good. So, because we want to know what this means for them, twice a year we organize the BT Employee Experience Index (BT EEI), a project based on three main objectives:

- measuring the employer Net Promoting Score (eNPS);
- measuring the quality of the interactions between managers and the members of the team they coordinate;
- collecting proposals/recommendations that would increase employee's satisfaction level.

This measurement helps us make sure that communication with all our colleagues is done in a right manner, that they are professionally supported and that the managers of Banca Transilvania know how to take care of their colleagues. The information gathered after analyzing the data helped us outline an effective strategy, which involved the implementation of specific actions designed to support employees.



The participation rate of BTFG employees in the study increased steadily, reaching 89% in the July-August 2020 measurement.

eNPS is a performance indicator that measures the difference between colleagues who would recommend BT as an employer to a friend (promoter) and colleagues who would not recommend BT (detractor). **The eNPS score registered a positive evolution in 2020, compared with 2019: from 33.1 eNPS score registered in the July-August 2019 edition, to 50.94 eNPS score registered in the July-August 2020 edition (an increase of 17.84 points).**

To collect the answers and to determine the eNPS score, a scale from 0 to 10 is used, where 0 means "would not recommend BT as an employers at all to a friend" and 10 means "would definitely recommend BT as an employer to a friend". To calculate the eNPS score the difference is made between the percentage of promoters and the percentage of detractors. 9 and 10 answers (promoters) are marked with a score of 100, 7 and 8 answers (neutrals) are marked with a score of 0, and answers from 0 to 6 are marked with -100 (detractors). Thus, the results can vary from -100% to 100%. The higher the score, the more the organization has more promoters versus detractors, ie team members who would recommend BT as an employer to a friend. **In our case, an eNSP score of 50.94 is a very good result.**

Customer Relations

As one of our strategic objectives is optimizing customer relations, it is necessary to know their level of satisfaction. Thus, with the help of the Kantar Romania agency, in 2019 we conducted an external study to measure the degree of recommendation of the Bank (NPS study). According to this study, Banca Transilvania ranks second in the segment of individuals and first in the segment of legal entities. Also, as in the last 2 years, it turned out that BT's recommendation score is higher than the market average and exceeds that of banks with comparable dimensions. **As in previous years, customers were included in satisfaction surveys after interacting with BT network agencies/branches: 55,882 sent feedback by phone, and 11,030 by e-mail.**

Supported by the Bank's best practices, the quality of the relationship that BT Mic has developed with customers is confirmed by the high score it registers in terms of satisfaction (NPS) resulting from objective surveys conducted constantly. This is also reinforced by the fact that there are no ongoing legal proceedings with customers because of complaints received from them.



Business line	No. of feedbacks collected	
	2019	2020
IMM	20,470	13,031
Customers Doctors	1,500	795
Agri Customers	1,553	1,304
Corporate	1,726	1,094
Retail	40,727	33,018
Total	65,976	49,242

Operation type	No. of feedbacks collected	
	2019	2020
Operations	46,983	36,246
Credits	18,993	12,996
Total	65,976	49,242

In 2020, given the social context, but also the specifics of each communication channel, between March 13 and June 9, out of respect for its customers, Banca Transilvania temporarily stopped collecting phone responses to customer satisfaction questionnaires, only maintaining e-mail (less "intrusive"), which is why the number of feedbacks collected was significantly reduced during that period.

*The recommendation score (NPS) can be between -100 and +100.
 **Average satisfaction indicators can have values between 1 and 10.

Indicator	Results	
	2019	2020
The degree of recommendation of the Bank (NPS BT)*	73.80	77.00
Average quality indicator of services provided by employees (Human Interaction)**	9.58	9.61
Average product & process indicator (degree of satisfaction and ease of access)**	9.30	9.38
Average evaluated unit appearance indicator**	9.48	8.87
Average general collaboration with BT indicator**	9.30	9.39

The external study measuring the degree of recommendation of the Bank (NPS study) was also conducted in 2020 by the Kantar Romania Agency.

According to this study, Banca Transilvania is positioned above the market average, on the second place, registering a slight increase, compared with the 2019 score in the individuals segment. The main strengths of BT, taking into account their influence in the recommendation and the difference from the market average, are: reputation, commissions, the products and services offered. The main aspects to be improved in the case of BT, based on the same criteria are: the experience in the units and the Call Center Support.

Unlike in the case of individuals, the situation is more complex for legal entities. The market average is declining compared with 2019, and the results at industry level are diverse. BT manages to maintain its leading position in terms of recommendation, but still with a lower result than in 2019. The main expectations of customers refer to advantageous loans (by far the most desired solution by legal entities), regardless of the banks they work with.

4. #GrowingRomania

BT Business in 2019-2020

- We Work with More than 3 Million Customers
- Sustainable Financing
- Our focus: Online Banking
- Financial Inclusion

Rata dobânzii variabile
la credite

Rata anuală a dobânzii exprimată procentual,
compusă din indicele de referință de tipul
ROBOR/EURIBOR/LIBOR și marja fixă a băncii.



Over 3 million customers

We are proud that we are at the top of Romanians' preferences and that over time we have gained their trust, becoming the leader of Romania's banking industry. Everything we do is based on caring for our customers and for the future of the Romanian economy, that is why the sustainability of the way we do business is a fundamental aspect for us.

While in 2019 we continued our strategy of supporting Romanian entrepreneurship at the level of all business lines, the year 2020 was atypical, bringing many challenges. However, we continued with confidence, being aware that our responsibility towards the national economy is even greater now.

In 2019, the number of active customers increased by approximately 15% compared to the previous year, while the number of active customers for which Banca Transilvania is the main bank increased by approximately 4% in 2020 compared to the previous year.

Customer category*

■ 2019 ■ 2020

Individual Customers

2,931,894 | 3,038,548

Micro Business Customers

298,152 | 329,740

Small and Medium Enterprises

18,593 | 18,538

Medium Corporate Customers

8,985 | 9,074

Large Corporate Customers

1,483 | 1,456

Total customers

3,259,107

3,397,356

Individual customers

■ 2,931,894 ■ 3,038,548

BT expanded its customer base in 2020 to over 3 million active customers at the end of the year. At the level of individual customers, we are the leader in the cards market, with a portfolio of 4.1 million cards at the end of 2019, reaching 4.39 million cards at the end of 2020, which generated 22% more transactions compared to the previous year. Banca Transilvania Financial Group has a portfolio of 530,000 credit cards.

During March-December (period affected by the pandemic) online card transactions recorded a significant increase, about 50 million transactions, 64% more than in the same period of 2019.

The number of unique digitized customers exceeded 1.7 million. The BT Pay application is used by 1.1 million people for everyday banking.

Over 10,200 Romanians bought a house with the help of Banca Transilvania, being credited in 2020 with approximately 2.5 billion lei, the balance of mortgage/real estate loans being 13.3 billion lei. Over 67,300 consumer loans, amounting to 2.4 billion lei, were granted in 2020, the balance of consumer loans reaching 10.8 billion lei.

*The classification of legal entities within the segments is regulated by internal norms that establish the conditions for classifying customers by business segments.

Micro Business Customers

■ 298,152 ■ 329,740

The Micro Business area had a significant increase in the number of active customers in 2020, reaching almost 330,000, 11% higher than the previous year. The fast-lending platform led to a number of over 7,700 loans being granted with a value of approximately 1.6 billion lei at the level of the Bank.

An important role in supporting access to financial services was played by the microfinance subsidiary, BT Mic, which is considered the first creditor for approximately 70% of the portfolio. Its approach can also be considered an important component of education, which it provides for each loan. Among the entrepreneurs financed so far, over 20% were just starting when they turned to BT Mic, with less than 12 months of activity. For about 2 years, BT Mic also offers loans with European guarantee, through the EaSi program.

Small and Medium Enterprises (SMEs)

■ 18,593 ■ 18,538

The Bank has the most diversified ecosystem for supporting SMEs in Romania, through approach, team, products and services; therefore, the main priority in 2020 was to ensure the continuity of banking services and products in the pandemic context, with a front-office operations component and a significant relationship management component. In 2019, the attention we paid to this business segment led to granting over 3,800 new loans amounting to over 1.1 billion lei.

In 2020, the active customer base was over 18,500. The focus of the business line on this segment meant granting over 1,700 new loans amounting to over 1.3 billion lei.

A notable performance in 2020 was also the significant increase of the balance of loans and deposits which reached 2.7 billion lei, respectively 5 billion lei at consolidated level, while at the level of the Bank, the SME segment registered an increase of 20% of the loan portfolio, reaching 2.6 billion lei at the end of the year.

Mid Corporate Customers

■ 8,985 ■ 9,074

Regarding the medium corporate customer segment, in 2019 the consolidated loan balance increased by 4%. The balance of deposits increased at the same rate as the loans balance, +4%, cumulating 5.8 billion lei at the end of the year. Total consolidated revenues increased by 5% compared to the previous year.

The number of companies in the portfolio has increased in the last year, exceeding 9,000 Mid Corporate customers. Each client benefits from the support of a dedicated relationship manager who offers flexible and personalized services.

In addition to financing from own funds, we have actively participated in EIB* and POIIMM** financing programs, offering substantial pricing benefits for clients.

The loans balance increased both at the level of the Bank and at consolidated level by 7%, reaching 6.3 billion lei and 6.7 billion lei, respectively. The deposits balance increased by 22%, cumulating 6.9 billion lei at the level of the Bank, at the end of the year.

Large Corporate Customers

■ 1,483 ■ 1,456

The Bank's clients with a large and complex business are assisted by a centralized team of customer relations managers and experts for structuring the funding we offer. This organization ensures both a dedicated and careful approach to the strategic sectors and an individual professional approach.

In 2019, the Bank had over 1,400 large corporate clients in its portfolio. The production of new loans related to this segment was 3.6 billion lei, and the business line loans balance reached 6.8 billion lei at the end of 2019.

In 2020, over 1,450 large corporate clients were part of the Bank's portfolio. The production of new loans related to them was 3.3 billion lei, being divided almost equally between financing existing customers and financing new customers by establishing new business relationships, and the business line loans balance exceeded 7 billion lei at the end of 2020.

Total portfolio value for each business line at Bank level***

Type of client	2019 thousand lei		2020 thousand lei	
	Exposure	Provisions	Exposure	Provisions
Individual Customers	22,981,739	842,237	24,043,882	1,035,745
Micro Business Customers	3,293,723	230,836	3,576,280	409,766
Small and Medium Enterprises	2,148,926	142,821	2,572,929	245,688
Medium Corporate Customers	5,962,311	532,556	6,360,211	736,296
Large Corporate Customers	6,940,374	790,711	7,194,805	770,886
Total	41,327,073	2,539,161	43,748,107	3,198,381

Grants for each business line related****

Type of client	2019		2020	
	No.	Value thousand lei	No.	Value thousand lei
Individual Customers	200,129	6,153,993	134,719	5,297,513
Micro Business Customers	17,257	2,197,145	7,755	1,584,572
Small and Medium Enterprises	3,883	1,184,745	1,789	1,340,232
Medium Corporate Customers	1,612	3,524,216	1,102	3,285,481
Large Corporate Customers	84	3,636,169	50	3,315,421
Total	222,965	16,696,268	145,415	14,823,219

*European Investment Bank

**"SME Initiative" Operational Program (POIIMM)

***Gross IFRS exposure (individual) and provisions

****New production credits granted throughout the year whether or not they are in balance on December 31st.

Sustainable Financing

Our goal is to assist customers in all their projects, supporting both their development and adaptation to the context of sustainability, the two objectives being often interconnected.

We are aware that we cannot gain the trust of our partners, unless we generate added value through the activity we carry out and contribute to the good of the community in which we are present. We want to be more than a bank, we want to be part of the community.

At the BTFG level, there are currently dedicated products and services that generate a positive environmental or social impact, as follows:

- without tagging them as green loans and marking them separately in our internal systems, we have an important history in financing **energy efficiency** projects in multiple fields, from thermal rehabilitation to replacement of fleets of means of transport or various production equipment;
- we are also very active in financing **agriculture**, with various solutions for streamlining resource consumption and irrigation solutions;
- we contribute to financing the shift towards a **circular economy** by encouraging the reuse and recycling of waste;
- we support **small businesses, social and financial inclusion, education, creative fields** (art, culture);

- we finance **replacements and acquisitions of new medical equipment, the construction of hospitals and senior centers**, we are both financing partners for small medical offices, as well as financiers of medical market leaders;
- we finance **renewable energy** projects;
- we partner with various **energy efficiency funds** operating in Romania;
- we finance the purchase of **electric/hybrid cars** on favorable terms;
- we do not finance the production and trade of weapons, harmful chemicals (dangerous or banned), unsustainable exploitation of forests, gambling, etc. We firmly exclude from financing projects with harmful environmental impact (a list of exclusions of high risk areas from the perspective of environmental implications is regulated within Banca Transilvania Financial Group).

In the medium term, our goals in terms of sustainable financing are:

- developing **funding portfolios in sustainable areas**, where we can stimulate innovation and positive impact on communities (agriculture, medical and education sectors, production and services, creative industries, energy efficiency);
- maintaining the **leading position in financing entrepreneurial businesses**, boosting growth from start-up companies to local champions;
- ensuring **financial inclusion** by financing micro-enterprises, PFAs (Authorized Physical Persons), family businesses;
- establishing the **carbon footprint** of our portfolio and progressively reducing it through specific objectives, with ongoing monitoring;
- developing of a **green/climate finance loan** portfolio. The eligibility of receiving funding to be included in the green category will be determined based on a methodology developed by International Financial Corporation by using the [Climate Assessment for Financial Institutions](#)  platform;

- taking into account an advantageous pricing system for customers carrying out activities and/or undertaking projects with a positive impact on the environment;
- **regular review of the list of excluded activities** by adding new areas or setting exposure limits for areas with potentially negative environmental effects;
- **expanding expertise in non-financial risk assessment** to the entire team of risk and credit analysts;
- **extending the detailed non-financial analysis model** currently used for large corporate clients, SMART (environmental and social risk assessment) and other categories of corporate clients, to the entire portfolio;
- developing **integrated products**, with a component of financial education of the population;
- launching a **credit product dedicated to entrepreneurs in the field of education** (kindergartens, schools, children's activity centers – private), aiming to facilitate access to financing for a category that is not normally eligible and has not been included in recent state aid schemes (BT Mic);
- launching a **financing line dedicated mainly to female entrepreneurship**, together with IFC – the financing division of the World Bank (BT Mic).

Considering we are financing an important part of the economy, we are aware that in addition to the carbon footprint of our business, the influence of BT Financial Group is much wider, including the business environment and the communities in which we are present. We understand and take on the role to advise and direct our clients in the transition to the most sustainable business models possible, which will prove to have important competitive advantages in the near future.

Environmental and Social Risk Management in the Credit Policy of Legal Entities

The banking sector is heavily regulated, both nationally and internationally. In terms of sustainable financing, it is worth mentioning that starting June 2021 the new EBA (European Banking Authority) Guidelines on loan origination and monitoring  will apply for new loans and progressively until June 2024 for the entire portfolio of outstanding loans. The guide aims at a dual focus, namely ensuring prudent practices in credit and risk analysis, while complying with consumer protection requirements. The requirement to include non-financial factors (environmental, social, and corporate governance risk) in the credit and risk analysis is relevant from a sustainability perspective, and the **Bank is currently in the process of reviewing its Credit Policy to ensure compliance with regulatory requirements.**

Beyond the mandatory legislative regulations, we have voluntarily adhered to a number of lending standards, given our desire to have a responsible credit policy that takes into account both the economic performance of funding applications received and the social and environmental impact of the proposed projects. Thus, since 2005, requirements have been introduced regarding the environmental and social risk assessment of the activity of all our clients, legal entities, by developing an Environmental and Social Risk Assessment Policy, while corporate governance aspects are analyzed for corporate clients.

The environmental and social risk analysis is based on standards recommended by the EBRD and IFC (e.g., IFC's Environmental and Social Performance Standards), adapted to national specifics. From this perspective, we anticipate that we will not encounter significant difficulties in ensuring compliance with the provisions of the new EBA Guidelines on loan origination and monitoring, in terms of integrating environmental, social and governance risks in our analyses.

*In 2019, transactions with a value of over 5 million euro amounted to about 582 million euro, representing approximately 25% of the total production of nine legal entities, and in 2020 the value of transactions greater than 5 million euro was 573 million euro, representing about 29% of the total new loans granted to legal entities.

BT's Main Guidelines of Environmental and Social Risk Analysis:

At the level of the entire Group, an environmental and social risk management system is implemented, which applies to the entire portfolio, each transaction being evaluated from the perspective of environmental and social risk taking into account the following aspects:

- List of exclusions
- EBRD reference list
- Environmental Risk List
- High environmental/social risk project checklist
- IFC performance standards
- National environmental, health and safety laws and regulations in force

However, the analysis also takes into account the principle of proportionality, the environmental and social risks being assessed separately, by reference to the customer category, value and tenor of the transaction. Thus, from the perspective of the model used in the analysis of environmental and social risk, the transactions are divided into two categories:

Category 1 – funding granted to Large Corporate clients (clients with a turnover higher than 100 million lei) with a value of over 5 million euro, lasting >1 year. Also, structured transactions, with a value of over 5 million euro and duration >1 year, contracted by mid corporate clients (clients with a turnover higher than 9 million lei) are included in this category. Structured transactions are project finance transactions, for which the reimbursement is made from the cash flow generated by the investment.*

Category 2 – all other types of financing, regardless of the client category.

Both transactions categories go through the filter of excluded activities and additionally involve going through a checklist to identify projects with high environmental/social risk (e.g., it is assessed whether the project involves ecosystem or biodiversity risks, if the activity of the company involves a high employee protection risk, etc.).

Category 1 transactions require a detailed analysis, based on a model developed by IFC (SMART framework), environmental and social risks being established by the team of environmental and social analysts at the BT's headquarters. Category 2 transactions require the completion of a form in order to assess the main types of environmental and social risks, to determine the risk degree of the transaction and requires an opinion from an environmental and social risk officer from the headquarters, if the risk is at least moderate and the transaction exceeds a certain value.

In 2019, ~ 1,400 environmental and social permits were issued by the dedicated team, and in 2020, a number of ~1,600 environmental and social permits, a 14% increase compared to the previous year.



The Bank has signed a collaboration protocol with IFC to increase its expertise in environmental and social risk assessment through regular training and to adjust its Environmental and Social Risk Assessment Policy in line with IFC standards.

Following this collaboration, starting 2019 the Bank introduced a detailed analysis of environmental and social risks (which applies to transactions in Category 1), based on the completion of a questionnaire containing questions on the environmental and social risk management system, human resources policy, resource management efficiency, management of risks associated with the procurement chain, biodiversity impact of the activity, etc. The questions are grouped into categories that meet IFC performance standards for environmental and social risks. Following this analysis, each transaction is assigned a degree of environmental and social risks, as follows:

■ Activities with high environmental and social risks

The activities on this list, due to their inherent complexity (diversity of raw materials and products and waste streams) and their characteristics, have the potential to have a significant and/or long-term impact on the environment or to be associated with environmental obligations, whose extent would be difficult to quantify when granting/analyzing the loan.

■ Activities with moderate environmental and social risks

Activities classified as moderate risk are those for which the environmental impact can be easily quantified, prevented and or managed.

■ Activities with low environmental and social risks

These activities have a low environmental impact and require minimal environmental analysis.

Customer type	Total number of loans on December 31 st		Total number of environmental and social permits and exclusions		Percentage of total corporate clients		Number of risk loans: low		Number of risk loans: moderate		Number of risk loans: high	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Micro Business Customers	46,311	37,985	3,721	2,625	47.64%	39.07%	37,573	30,525	7,667	6,521	1,071	939
Small and Medium Enterprises	13,600	12,363	1,910	1,803	24.45%	26.83%	9,973	8,989	2,825	2,610	802	764
Medium Corporate Customers	4,986	4,993	1,953	2,037	25.00%	30.32%	3,248	3,270	1,324	1,257	414	466
Large Corporate Customers	335	254	227	254	2.91%	3.78%	145	142	104	74	86	38
Total	65,232	55,595	7,811	6,719	100.00%	100.00%	50,939	42,926	11,920	10,462	2,373	2,207

La nivelul portofoliului de persoane juridice al Băncii:

■ 2019 ■ 2020

78.09% | 77.21%

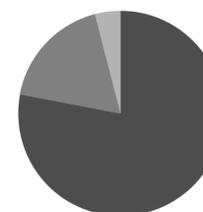
of the total number of loans are classified as having **low** environmental and social risk

18.27% | 18.82%

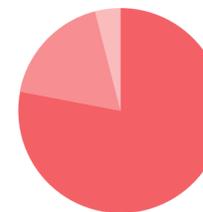
of the total number of loans are classified as having **moderate** environmental and social risk

3.64% | 3.97%

of the total number of loans are classified as having **high** environmental and social risk



2019



2020

In addition to assigning an environmental and social risk degree, where necessary, we set out a measure plan on risk mitigation together with our clients, a plan that we constantly monitor.

Monitoring the fulfillment of the conditions imposed for the mitigation of environmental and social risks is part of the process of periodic monitoring of exposures granted to companies (periodically or at least annually depending on the customer category, the level of exposure and the risk assigned to it). In addition to the periodic reviews, the monitoring of specific conditions imposed by the team of environmental analysts is performed by the Bank's automated condition monitoring flow (those responsible for imposing the condition follow their fulfillment at maturity, in case of non-fulfillment postponement is requested for fulfilling the conditions or contractual liability is enforced).

Assurance on not funding the excluded activities is achieved by setting a filter in the application specific to the lending activity, the transactions requiring specific approval if the company carries out excluded activities, regardless of the share of these activities in the company's total turnover. In 2019, 7,811 such approvals were granted, and 6,719 in 2020.

Environmental and Social Risk Analysis Team

The responsibility for environmental and social risk assessment in the Credit Policy belongs to each risk analyst and is carried out with the support of the Department of Environmental and Social Risk Analysis, within the Companies Credit Risk Analysis Department (DARCC), from BT headquarters.

The Department of Environmental and Social Risk Analysis currently comprises 4 people, two of whom have technical expertise, the latter holding doctoral degrees in the field of Environmental Engineering. The team of environmental and social risk analysts received specialized trainings from the IFC on the use of extensive environmental and social risk analysis module and also organizes trainings on this subject for the Bank's sales and analysis team. In 2020, part of the team of environmental and social risk analysts, along with colleagues from other departments, attended Moodys' course on integrating environmental, social and corporate governance risks into credit analysis (ESG risk assessment for Lenders and Asset Managers).

The Bank ensures that the team of the Department of Environmental and Social Risk Analysis has the necessary skills to evaluate projects and constantly invests in their training. The qualifications of colleagues in the department include: undergraduate studies in environmental science and engineering, master's degree in environmental risk assessment and security, engineering, law and economy of sustainable development and doctoral studies in environmental engineering. Their skills and qualifications are also constantly improved by participating in training provided by partner organizations or specialized entities:

- EBRD – E&S Training for Financial Intermediaries
- IFC – Environmental and Social Management Systems & Tools for Financial Institutions Financing
- UNEP Finance Initiative – Environmental and Social Risk Analysis (ESRA)
- EBRD – Environmental and Social Policy Development Best Practice for Financial Institutions
- IFC – Training of Trainer (ToT)
- Technical University of Cluj-Napoca – Energy Audit Course for Buildings
- EEEF – Review of Projects European Energy Efficiency Fund – energy efficiency projects
- Technical University of Cluj-Napoca – Energy Manager in Industry Course
- SRAC Romania – Updating SR EN 9001 and 14001 standards from 2015
- Technical University of Cluj-Napoca – Techniques of energy analysis and practical implementation of buildings with almost zero energy consumption (NZEB)
- Technical University of Cluj-Napoca – Sustainable urbanization, renewable energy resources, green house construction, integrated waste management
- GLIA Center – Technical framework for fire prevention and extinguishment
- GLIA Center – Occupational Health and Safety Inspector
- GLIA Center – Waste Management Officer



Loans with Positive Social and Environmental Impact

Starting 2020, the Bank offers individual customers, from its own funding sources, the possibility to access green real estate/mortgage loans for the purchase of properties with superior energy performance, by presenting an A or upper B energy certificate (specific annual energy consumption must be less than 163 kWh/m²) for the guaranteed property. The Bank supports the product by providing benefits to customers, such as: discounted interest rate, elimination of analysis and evaluation fees, and reduction of other fees related to the loan.

Since 2017 the Bank has been partnering with the European Bank for Reconstruction and Development with the purpose of providing green loans to individual customers, both for the purchase of residential properties with superior energy performance and consumer credits for the purchase of goods with higher energy performance (e.g., the purchase of small or large household appliances of the upper energy class). These financings also had commercial discounts in interest and fees.

Approximately 1,500 loans were granted as part of the collaboration with the EBRD, divided as follows:

- Purchase of residential properties with superior energy performance – outstanding loans at the end of 2020 amounting to 152 million lei, following the granting of 180 million lei in funding within the program;
- Consumer loans for the purchase of goods with higher energy performance: outstanding loans at the end of 2020 amounting to 14 million lei following the granting of 35 million lei within the program.

2019:
1,346 loans,
with a balance of
184,567,186

2020:
1,226 loans,
with a balance of
165,641,583

By sector of activity, at the level of legal entities, the Bank's portfolio is distributed as follows:

Sector	2019	2020
Accommodation and food services activities	2.7%	3.3%
Administrative and support services activities	1.9%	1.7%
Agriculture, forestry and fisheries	9.6%	9.3%
Arts, entertainment and recreational activities	1.0%	1.0%
Construction	10.1%	9.2%
Education	0.3%	0.2%
Electricity, gas, steam and air conditioning supply	1.7%	1.6%
Financial and insurance activities	8.4%	8.2%
Human health and social work activities	5.1%	5.7%
Information and communication	2.3%	1.0%
Production	19.3%	17.1%
Mining and extractive industry	0.6%	0.5%
Other service activities	0.4%	0.4%
Professional, scientific and technical activities	2.3%	2.5%
Public administration and defence; compulsory social security	0.3%	0.6%
Real estate activities	5.1%	5.4%
Transport and storage services	6.3%	7.9%
Water supply; sewerage, waste management and remediation activities	0.6%	0.6%
Wholesale and retail trade; repair of motor vehicles and motorcycles	22.0%	23.4%
Total	100.0%	100.0%

Banca Transilvania is an official partner of the European Energy Efficiency Fund in Romania, granting 161 loans worth 436 million lei at the start of the collaboration, with a balance at December 31st, 2020 of 31 million lei.

In order to improve the energy performance of the funded objectives or to implement renewable energy production capacities, the funded projects concerned either the thermal rehabilitation of residential buildings or the acquisition of electric or hybrid urban means of transport or the improvement of public street lighting systems.

The Bank is also an EBRD partner under the Roseff (Romania – SME Sustainable Energy Efficiency Financing Facility – "RoSEFF") program, in which 172 financings were granted in 2013-2019 to optimize energy consumption, the funding amount being 129 million lei. At the end of December 2020, there are 22 Roseff loans in the Bank's portfolio, with an equivalent balance of 6 million lei.

In addition to these special programs developed in collaboration with international partners, we provide funding that generates a positive impact on the environment and/or a large-scale social benefit to all categories of beneficiaries, but without having a specific definition currently implemented and applicable to the entire portfolio, including that generated in previous periods. We are currently investigating the possibility of developing and implementing a procedure that allows us to identify green exposures more quickly, aligned with European legislative regulations in the field of sustainable finance and good market practices.

Here are our sustainable funding efforts, in addition to the above programs:

1 Healthcare Funding

Value: approximately 107 million lei

The story of **the Doctors Division** began in 2007 and is an initiative of Banca Transilvania, supported by the Romanian College of Physicians. In the nearly 14 years we have gained experience and learned from the medical community. We believe that when entrepreneurial ideas meet medicine, we can lend a hand to grow them. We focus on the specialization and experience of doctors, whether they are at the beginning of the road, whether they want to open a private practice or develop their business.

The Doctors Division offers a personalized treatment, based on a dedicated scoring system, which quantifies the relevant information of the doctor's activity taking into account both quantitative and qualitative criteria, with a 360-degree view of the medical business, covering through financial solutions both the needs of individual doctors and the needs of business in the field.

The Division team consists of more than 60 professionals, including doctors, with national representation, 7 personalized units, dedicated exclusively to doctors, in university centers. The team has the necessary medical expertise and receives regular specialization trainings. For example, in 2019, the following courses were organized: Mergers & Acquisitions in the Private Medical sector and Medical Market Overview and Medicine&Banking.

The Doctors Division in figures:

- 2020 marked a balance increase of about **29%** compared to 2019 (from 1,800 million lei to 2,320 million lei). Corporate customers loans represent 62.5% of the portfolio in the balance and loans of individual customers 37.5%;
- the value of new loans granted in 2020 compared to 2019 increased by about 20%. We granted over 812 million lei (530 million lei for legal entities and 282 million lei for individuals), compared to 2019 when the value of loans granted was 670 million lei (463 million lei

for legal entities and 207 million lei for individuals);

- approximately **97 million lei** were granted to doctors through the IMMinvest program;
- of the total exposure value of the Bank, **the Doctors Division** represents more than 5%;
- the number of active doctors in our portfolio increased by about 8% in 2020 compared to 2019, from 48,000 to 52,000;
- the **White Banking Days** campaign dedicated to individual doctors, carried out during July-December 2020 was a real success, with loans granted amounting to about 180 million and over 24,000 digital products activated for doctors (Neo web+mobile, BT Pay, BT24 and MBT24).

Some of our projects in healthcare:

Enayati Medical City

Located in the northern part of Bucharest, **Enayati Medical City** is the first medical city built in Romania, with an area of 35,000 m², the largest medical investment made in the last 30 years. The medical city is focused on providing integrated services, combining an oncology hospital with 100 beds, 6 operating rooms, 18 ICU beds, imaging, radiotherapy, nuclear medicine, PETCT with a recovery and geriatric hospital and a premium residential center for the elderly. The whole medical concept is complemented by the largest private polyclinic with 60 offices covering all medical specialties, laboratory, pharmacies. A restaurant, café, modern landscaping and generous green spaces and underground parking come to bring comfort and elegance to the first medical city by turning it into a real alternative to major medical centers abroad.

St. Nectarie Craiova Oncology Center

Funded in 2019, holding a Class A energy performance certificate, the oncology center includes the 100-bed hospital and the radiotherapy unit, forming the largest private oncology center in Craiova. Its main purpose is to provide free and high-quality medical services in the field of medical oncology, thus supporting patients with integrated, related, diagnostic and medical evaluation services, along with two other specialties – cardiology and thoracic surgery, while benefiting from some of the best specialists in the field. In addition to medical support, patients can also benefit from free psychological assistance.

Ambulatory medical center

Financed in 2020, the project involved the establishment of medical centers (ambulatory and day hospitalisation) in Bucharest and Braşov, which provide imaging and radiotherapy services.



President Premium Medcenter

Funding was provided to Băile Felix Recovery Hospital, with 144 beds and an area of 8,815 sqm, for the centre that will provide medical recovery services, especially neurological and orthopedic recovery. The hospital will have a high-tech technical-material treatment facility for the provision of high-quality medical recovery services.

Laser System Arad Medical Center

It is a project consisting of the construction of the Laser System Arad Geriatric Hospital which will have 25 beds and an area of 2,727 sqm. The Geriatric Hospital will complement the range of medical services for seniors, so that the Laser System group will provide integrated services for this age group.

2 Positive Environmental Impact Projects

The information below is approximate, as it is not possible to accurately extract the number of loans/facilities eligible for green financing at this time.

Eligible green funding categories	2019		2020	
	Nr.	Valoare thousand lei	Nr.	Valoare thousand lei
Adapting to climate change	91	32,721	86	31,100
Water consumption efficiency	24	35,990	17	45,393
Energy efficiency	38	78,340	17	48,460
Renewable energy	36	197,636	10	188,946
Total	189	344,687	130	313,899

2.1 Renewable Energy and Energy Efficiency

At the end of 2020, Banca Transilvania records an outstanding balance of approximately 91 million lei for loans granted to electricity production companies (having CAEN code 3511 – Electricity production). Of these, 59% are funding provided for renewable energy projects (hydro- and microhydropower plants, wind farms, biogas plants, etc.).

Genesis Biotech

Genesis BIO1 biogas station, developed by Genesis Biopartner, is an example of a sustainable solution for saving conventional energy and best practices for the circular economy. Reducing the amount of biodegradable organic waste stored in landfills and harnessing their energy potential were the main objectives that Genesis focused on in recent years. Every day, these wastes used as raw materials are converted into green, renewable energy and subsequently organic fertilizer.

The investment was started in 2012, initially using silo maize for renewable energy production, followed by 7 years of gradual substitution of it with biodegradable organic waste, and in 2020 it was invested in upgrading infrastructure, optimizing processing flows, implementing waste treatment and processing systems and, last but not least, increasing the capacity of renewable energy production by supplementing a high-efficiency cogeneration plant.

Genesis Biotech in figures:

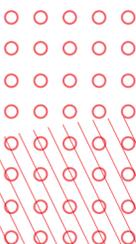
- over 8 years of experience in the renewable energy production sector;
- over 6 years of experience in the sector of management and recovery of biodegradable organic waste;



- over 95% production and uptime efficiency;
- over 65 GWhel and over 55 GWhth produced;
- over 100,000 tons of organic waste recovered so far in the biogas plant, with a current processing capacity of about 60,000 tons per year;
- more than 30 mil. m³ biogas produced (saving 17 million m³ of natural gas or 16,000 tons of oil equivalent).

Alba Town Hall

Funding was granted for the development of projects at the level of Alba Iulia municipality, such as: increasing the energy efficiency of educational establishments (Alba Sports High School) and residential units; extension, rehabilitation, and modernization of the social service infrastructure of the "Senior Day Centre"; acquisition of electric buses and investments in the lighting system in the municipality of Alba Iulia.



2.2 Green Building Funding (Smart Building)

Value: approximately 364 million lei

Until December 31st, 2020, Banca Transilvania supported the development of 5 real estate projects with BREEAM energy certificates, amounting to approximately 75 million euro, at December 31st, 2020.

Vivido Business Center

The project involved the construction of an office building in Cluj, Vivido Business Center, with a total area of over 9,500 sqm, with Excellent BREEAM energy certification.

Advancity Business Center

The Bank provided financing for the construction of an office building with a total area of 8,902 sqm, with BREEAM energy certification.

BT Building

(construirea noului sediu al Băncii Transilvania)

The new headquarters of Banca Transilvania in Cluj-Napoca has undergone a BREEAM certification process covering the entire design and execution stages. At the end of the design phase, the BREEAM Design Stage certificate was awarded, obtained with Excellent level and a score of 84.4%. For the final certificate, which will be obtained after completion of the works, the **Outstanding** level (meaning a score over 85%) is targeted, for which the necessary improvements have already been implemented.

The building has very good comfort conditions, including radiant cooling from ceilings, monitoring and maintaining humidity, carbon dioxide and illumination levels in optimal parameters. High visual comfort is provided by lamps with natural light sensors that allow a constant level of illumination. Acoustic comfort has been analyzed from the design stage, and after completion of the construction works, acoustic measurements will be made to check the acoustic insulation and reverberations. All workspaces have natural light and outdoor views.

Regarding energy efficiency, the building ensures a low energy consumption, both through the compact shape, the thermal insulation used, the reduction of thermal decks and the use of low-energy equipment. The building automation system also reduces electricity consumption when some systems (lighting, air conditioning, etc.) are not required.

An important aspect for us was also the high density (the number of square meters of offices relative to the land area), trying to ensure the most efficient use of the land available. Located very close to the city center, with access to many public transport lines, the facilities provided by the building and available nearby, as well as the infrastructure for electric cars that the building provides, helps reduce the need to travel by personal car, thus reducing pollution.

The building is also special in the way raw building materials were used, as we considered the reduction of material consumption, a longer durability of the building elements and a lower carbon footprint of the building. The reduced utility consumption will also decrease the carbon footprint in operational activities.

Regarding the impact of the construction site, there were approximately 50 criteria considered, covering workers' health and safety, utility consumption, selective waste collection from the site, and reducing the impact (noise, dust, lighting, circulation) on neighbors

At the same time, in addition to previous projects, Banca Transilvania has granted two other loans for the construction of office buildings in Cluj Napoca, totaling over 12,000 m² of usable area, both projects having BREEAM energy certification.

BREEAM[®]

2.3 Waste Recycling

Banca Transilvania supports companies active in the field of waste collection and recycling. At the end of 2020, the outstanding funding granted to companies with CAEN code 3832 – Recovery of recyclable metal waste and scrap or CAEN code 3820 – Recovery of recyclable non-metallic waste and scrap amounts to 76.6 million lei.

3 Education

Banca Transilvania is one of the few banks in Romania offering products especially designed for students and others interested in higher education, training and skills, aimed at developing their competences and improving access to education. These include Gaudeamus loans, which offer loans of between 1,000 and 150,000 euros, to finance programs such as Work&Travel or to finance study programs (payment of tuition fee, accommodation, meals, textbooks, etc.). By the end of 2019 (in 2020 demand was reduced in the context of the pandemic), Banca Transilvania had granted such loans to individuals worth 1.4 million lei, the outstanding balance of the total such financings on December 31st, 2019 being approximately 860 thousand lei.

In addition, we support projects developed by companies in the field of education and training: we have financed more than 160 legal entities working in these fields, with an outstanding exposure over 15 million lei.

4 Agriculture and Agribusiness

The Agribusiness department of Banca Transilvania, established in 2011, serves corporate clients with plant, animal or mixed production activity in rural areas. The department supports the lending process, but also aims to meet the needs of farmers' customers with non-cash, transactional products. The role of the Department is to find the best financing or transactional solution, but also to advise its clients (through the dedicated website). In order to cover geographical areas with increased economic activity in agriculture, 25 specialized Relationships Managers have been trained. They have knowledge in the agricultural field, possess a vocabulary appropriate to this sector and know the characteristics of the 13 counties in which they operate very well.

In 2020, four branches in the south-east of the country (Alexandria in Teleorman County, Călărași, Ialomița and Giurgiu) united their efforts into a single branch, Bărăgan. The aim of this decision is to better serve farming customers in less-urbanized areas by allocating more specialized agricultural staff.

The Agribusiness Department lending policy is to reach customers of all sizes. However, being a bank with high addressability among small and medium-sized enterprises, authorized natural persons, individual enterprises and family enterprises, it is easy to note the preponderance of customers in the more disadvantaged categories of being served by the system. From an environmental point of view, the Bank supports the European Union's subsidisation policy of farmers who practice crop diversification and rotation, naturally preventing the proliferation of pests and diseases, and supports the effort of the Agriculture Payments and Intervention Agency (APIA) to distribute subsidies each year.

■ 2019 ■ 2020

Total number of customers:

31,000 | 29,600

of which customers authorized natural persons, individual enterprises or family enterprises:

21,500 | 21,000

APIA customer area:

568,000 ha (25% of total banksi) | 617,000 ha (25% din total bănci)

In the field of agriculture, 2020 was atypical compared to other years, our country being heavily affected by drought, a phenomenon that has had an impact on both autumn and spring crops on almost a quarter of the country's arable land area, i.e., 2.2 million ha. **To support those who have suffered losses due to this, Banca Transilvania has met their needs with the Credit for drought-affected farmers** . The purpose of this product was to refinance debts that the farmer has to suppliers in the affected year, staggering for three years the debt due at the end of 2020 and which cannot be covered, thus preventing being penalized by suppliers.

The amount made available for this type of credit is 100 million lei. The action started in autumn 2020 and 12 loans worth around 3 million lei were granted by the end of the year.

Credit for the rehabilitation of the irrigation system in the Fântânele area, Constanța County

In 2020, we granted the Irrigation Water Users' Organization (OUAI) in the Fântânele area, for a period of 3 years, a short-term credit limit to finance 6 contracts for the rehabilitation of an irrigation system in the Fântânele area, Constanța County.

Banca Transilvania encourages the establishment of cooperatives and farmers' associations that can thus pool the use of a storage base, agricultural machinery, irrigation systems, reducing development differences in certain agricultural areas, allowing farmers access to finance through large investment projects, as well as access to state-of-the-art technology.

5 Sustainable Finance through BT Leasing

We continuously aim to integrate environmental and social risk assessment into the normal risk assessment flow for BT Leasing-funded projects, to ensure that: all funded activities comply with existing national environmental, health and safety laws and regulations in force, all funded activities are outside the EBRD/IFC excluded activity area, the environmental and social risks associated with each funded activity or project are properly assessed, documented and monitored, the exposure on each sector/industry in total exposure does not exceed the limits set in accordance with BT Leasing's internal rules.

Customer type	2019	2020
Number of loans in the portfolio	12,493	14,170
Total loans analyzed from the perspective of environmental and social risks	12,493	14,170
Number of loans analyzed from the perspective of environmental and social risks	4,496	3,606

To encourage customers to take steps towards sustainable mobility solutions, BT Leasing has come up with product proposals that benefit from low interest rates and fees – **Green Mobility Leasing** (lei and euro).

Thus, at the level of 2020, there was an 18% share of registered leases for hybrid or electric cars, new or used, from authorized dealers in Romania or BT Leasing partners.

	Number	Value thousand RON
Hybrid cars	286	50,705
Electric cars	57	9,643
Total	343	60,348

6 Sustainable Finance Through BT Mic

BT Mic has a simple business model with a personalized approach to each customer, which involves a discussion with each customer and a visit to their business. Each funding includes a financial education and advisory process in which the client receives clear and transparent information in a comprehensible manner. Moreover, throughout the

course of the credit, we are close to our customers, providing them with financial or non-financial information useful to their business and finding solutions whenever the customer has a request.

We believe that compliance with existing environmental and social legislation and the use of appropriate environmental and social

practices are important factors in demonstrating effective business management. Thus, all credit applications received are analyzed in relation to the Internal Exclusion List, the EBRD Reference List and the national environmental and health and safety laws and regulations in force.

Customer type	Number of loans in the portfolio		Total loans analyzed from the perspective of environmental and social risks		Number of loans analyzed from the perspective of environmental and social risks		Number of risk loans: low		Number of risk loans: moderate		Number of risk loans: high		Incidents reported by customers		Field visits to assess environmental and social aspects	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
SME Companies*	6,955	7,984	6,955	7,984	3,149	1,983	6,108	6,832	772	1,062	75	90	0	0	6,955	7,984
SME Companies* owned by women	5,002	4,991	5,002	4,991	2,378	1,163	4,752	4,580	221	379	29	32	0	0	5,002	4,991
Total	11,957	12,975	11,957	12,975	5,527	3,146	10,860	11,412	993	1,441	104	122	0	0	11,957	12,975

*micro and small enterprises

Integrio Kids Kindergarten Cluj Napoca

From many small projects, we chose one that is representative of the funding BT Mic offers in the educational sector: **Integrio Kids Kindergarten Cluj Napoca**. This educational center is intended for preschoolers and aims to stimulate creativity and curiosity, critical thinking, conflict management, assertive communication, emotional intelligence, adaptability and teamwork among preschoolers. The center has modern facilities and qualified personnel, specializing in psychopedagogy.



Our Focus: Online Banking

We are going through an extremely dynamic period, characterized by sudden and unforeseen changes, which require adaptation and good decisions, made quickly. During this time, the online environment and digital services represent extremely important components in the life of a business, but also at the individual level.

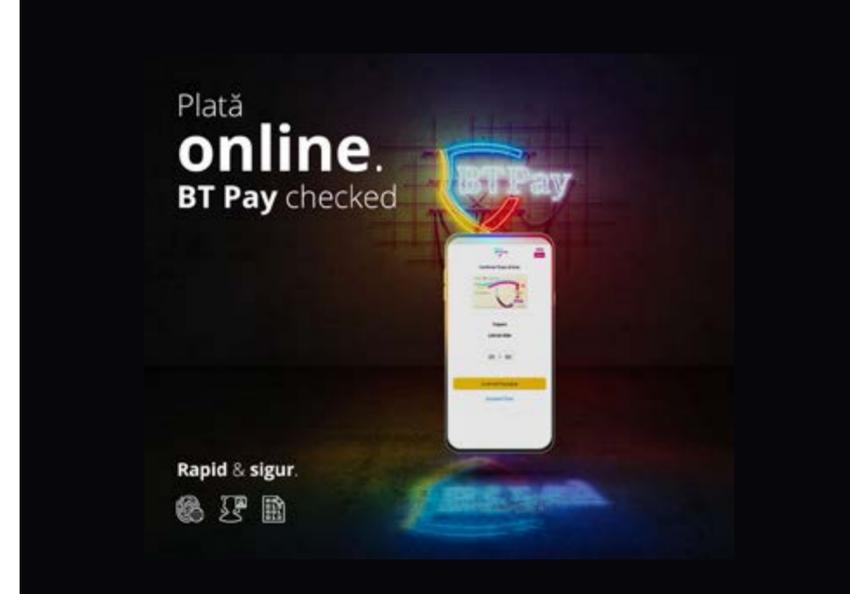
We have realized that digitalization is a journey along which we encounter many opportunities, both for ourselves and for our customers, who enjoy improved experiences, whether we talk about quickly getting loans or financial products, about money transfers or online purchases. At the same time, technological transformation and migrating customers to digital solutions allow us, as a provider of financial services and products, to have a much greater efficiency of processes and reduce the occurrence of errors, while helping us to make decisions based on data available in real time.

BT Pay

Launched in January 2018 as the first wallet in Romania and South-Eastern Europe to allow contactless payments through Visa Token Service's smart payment technology, **BT Pay** reached over 1.1 million users at the end of 2020 and saw a multitude of new features added, becoming the first banking and payments super-app in Romania.

It is one of the most popular solutions for phone banking in the country – the coolest wallet for cards, available for both Android and iOS. It gives customers the ability to manage their cards in a simple way, to pay with their smartphone, transfer money, confirm online payments, and consult information about their account balance and transactions. The app can be accessed without customers going to the bank, and is available for download for free on the App Store and Google Play.

BT Pay has marked numerous premieres in Romania, including the possibility to withdraw money contactless from ATMs, using the mobile phone in 2019, and in 2020, in the context of accelerating digital banking solutions offered to customers, we've added the option to use cards in a digital format before receiving them physically, the possibility to add cards issued by other banks and fintechs in Romania, to withdraw cash from ATMs with codes generated from the app. Also, we launched the option to confirm online payments with biometric authentication,



directly from the phone using fingerprint, facial recognition or the phone's unlock method, thus increasing the security of online payments.

Because solidarity was last year's key word, by adding the Donations component to **BT Pay** we wanted to make it easier for customers to get involved in supporting the efforts of civil society and the healthcare sector by giving them the opportunity to make donations directly from the app.

Because we want to support and encourage a healthy lifestyle, in 2020 we added the possibility to connect Google Fit and Apple Health accounts in the app, giving **BT Pay** users access to prizes and benefits based on their physical activity.

BT Integrated Wallets

Apple Pay – in June 2019, when Apple Pay entered the Romanian market, BT was among the first banks in Romania to facilitate adding BT cards to the Apple Pay wallet, thus giving iPhone and Apple Watch users too the ability to pay with their phone using NFC technology.

Garmin Pay și **Fitbit Pay** – contactless payments with smartwatch, which marked a first in Romania: the possibility to shop with compatible Garmin and Fitbit smartwatches by adding BT cards to related apps. By adding cards to one of Fitbit and Garmin's compatible gadgets, customers have an easy, at hand way to pay their purchases.

Google Pay – another option for Android phone payments and ATM cash withdrawals offered to customers in addition to the Bank's payment solution, BT Pay, launched in 2020, that complements the range of contactless payment alternatives in the portfolio.

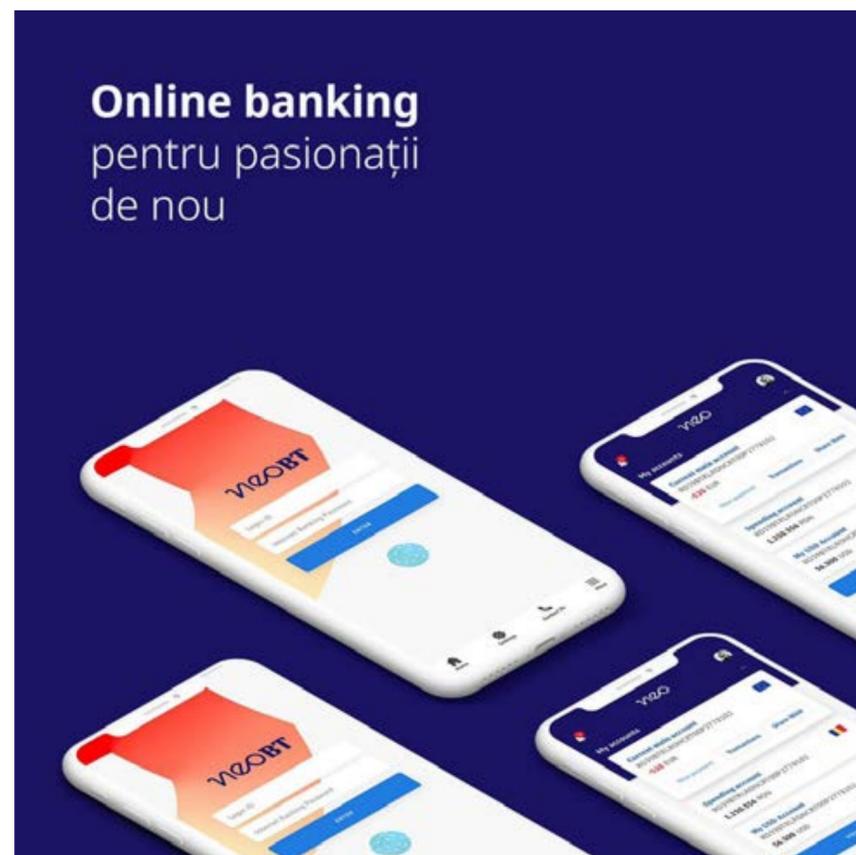




BT Visual Help

The digital platform that provides customers with information about accounts, transactions and cards. To access the service, customers must follow two simple steps by contacting a dedicated number by phone, and then accessing the link received by text message. Once authenticated, customers can block their cards and change their transaction limits, check their balance, details of transactions made from accounts, credit card payment obligations, or request bank statements.

After launching the platform in 2019, we extended the **BT Visual Help** self-banking option for legal entities customers so that they can manage their business cards, including by phone.



NeoBT

NeoBT is the new internet and mobile banking platform through which customers can quickly access accounts and transactions information. To make it easier to use banking products and services, we have launched in the **NEO** app a multi-banking facility, **NEO Control**, through which customers can check details about personal accounts opened at fintechs or banks in Romania. Through **NEO Control**, Banca Transilvania marked a first in Romania, being a multi-banking service, based on interconnection using the BT Open Banking platform.

NeoCont

For those who do not have an account open with BT and want to become customers, the Bank has launched **NEOcont**, the possibility to open a current account 100% remotely. **NEOcont** is a very easy access bridge to the rest of BT's products and services for individual customers. Opening an account involves a video call with one of the Bank's representatives, and in 10 minutes, customers can have an account with us: the physical card is sent by courier, and the digital card can be added and used in the BT Pay app on the spot.

After the launch of **NEOcont** for individuals, we launched this feature for legal entities customers: opening a current account for entrepreneurs 100% remote, through any device.

BTePOS

BTePOS.ro is an online hub with electronic payment acquiring products, a platform through which merchants can order industry-based customized solutions with everything they need to give their customers the ability to pay by card, phone or online.

POS – integrated card payment acquiring solutions in physical stores via state-of-the-art POS terminals. Accepting card payments helps increase purchase values and make cash handling effort more efficient. Money is quickly settled into the company's BT account and can be accessed at any time.

e-Commerce – a safe and fast way to accept card transactions, anywhere and anytime. BT's e-Commerce solutions are diversified to cover any business model, start-up or mature business. 2020 marked record growth in online payments worldwide, which is also visible at BT, where 500,000 customers made their first online card transaction, and e-Commerce saw increases from 18-20% to almost 40% on average of total transaction volumes.

Banca Transilvania Chatbots Team

AMessaging apps are increasingly revolutionizing communication. From one-to-one communication to customer-to-brand dialogues, they have also become quick channels to transfer money. They are also the perfect place for chatbots, as they live in messaging applications.

A chatbot (i.e., a chat-robot) is a program made to chat. In other words, chatbots are virtual assistants and are interlocutors, providing answers to questions. In the chatbots' "DNA" there is both pure programming and human feel, which makes them pleasant discussion partners, who

understand messages and answer questions from a certain niche, by identifying the intention of the person with whom they speak, based on expressions they have learned.

Banca Transilvania's team includes **6 chatbots**, each with a different "mission" and personality. Of these, 3 communicate with customers and the other 3 with employees. For customers, chatbots are one of the options for interacting with the Bank, in addition to the Call Center team, branches and agencies, social media and the Q&A Întreb BT platform.



Chatbots of BT

Livia

Livia is a chatbot dedicated to private individuals, who communicates with customers via Facebook, Skype and phone. It was born in 2017 and is the first chatbot in communication in Romanian banks. Developed in partnership with Microsoft, **Livia** helps customers with information about account balance, BT products and services, IBAN, instalments, interest rates, commissions or garnishment, etc.

15 million

the number of messages (replies) sent by Livia so far, which could have meant as many trips to the bank or calls to the Call Center for more than 90,000 people

Ino

Available on BT's website for individual customers and implemented in less than 3 days, between April and May 2020, **Ino** helped customers affected by the pandemic with information about deferring loan rates: from the status of the request to the steps needed to apply.

63,000

was the number of discussion sessions with Ino, which provided over 430,000 responses, equivalent to at least 10,000 calls in the Call-Center

Raul

Born in 2018, **Raul** is the first chatbot for entrepreneurs in Romania, which helps them with information about the current account IBAN in lei or other currencies, the current account balance in lei or other currencies, the payment amounts related to loans on credit cards, details about rates, interest, commissions on loans, fees, currency, information about cheques or tickets on payment order, the number of loyalty points accumulated on the STAR shopping card, details of the UNLIMITED package on the BT network and its extraoptions.

In May 2020, **Raul** also responded to messages received via WhatsApp, launching this option being one of the Bank's digital priorities in the context of the pandemic, in order to support remote banking.

830.000

number of replies sent by **Raul** through the site and WhatsApp

Aida

Born in 2019, the chatbot is BT employees' assistant on human resources topics. **Aida** helps employees with information, requests and documents from the human resources area.

1.7 million

is the number of messages sent by **Aida** to the

10,000 employees

who requested HR information, holiday planning and issuing certificates

Raul SME

Raul SME is a chatbot launched in July 2019 that helps colleagues fill out the most used forms (credit applications, CRC agreement, GMS ruling model, prepayment request, loan subordination statement), providing information about the customer's company and BT domestic products. Among other things, **Raul SME** also includes a section of frequently asked questions that provide answers to colleagues in different categories, such as credits, operations, business issues, workflows.

1.1 million

number of messages/responses provided by Raul EMS for colleagues and

50,000

generated documents

David

Launched in June 2020, **David** is an assistant to the BT helpdesk-operations team and helps colleagues to clarify situations that may arise with the use of applications and systems, generates reports and calculates interests, making ultra-fast diverse verifications.

77,000

is the number of messages David has exchanged with over 1,200 employees

The initiative to launch Raul BT Mic has successfully joined the initiatives carried out at Bank level, allowing online application for loans, with electronic signature, associated with the option to load the necessary documents.

Inclusion and Access to Financial Products and Services

Inclusion and facilitating people's access to financial products and services is an extremely important factor for the country's economic growth and development. Financial inclusion is intended to support the development of people and communities, while contributing to the fight against poverty and reducing inequalities in society.

At BT, we want to make it easier for all Romanians and businesses to access our products and services, regardless of their level of income or size, by helping them to develop their money management abilities through financial education, and by providing them with the tools to plan their budget, to save, but also to finance their investments.

Access points in economically underdeveloped or less populated areas

	2019	2020
ATMs	4.8%	5.1%
POSs	4.0%	6.0%
Cards	14% of customers with BT cards were from rural areas	15% of customers with BT cards were from rural areas

BT Pay:

In 2019, 10,5% of BT customers in rural areas had BT cards in the BT wallet (**BT Pay**) or in wallets integrated with BT (Apple Pay, Google Pay, Fitbit Pay, Garmin Pay), respectively 8,3% of BT customers with BT cards in the BT wallet (**BT Pay**) or in wallets integrated with BT (Apple Pay, Google Pay, Fitbit Pay, Garmin Pay) are from rural areas.

In 2020, 25% of BT customers in rural areas had BT cards in the BT wallet (**BT Pay**) or in wallets integrated with BT (Apple Pay, Google Pay, Fitbit Pay, Garmin Pay) respectively 11.3% of BT customers with BT cards in the BT wallet (**BT Pay**) or in wallets integrated with BT (Apple Pay, Google Pay, Fitbit Pay, Garmin Pay) are from rural areas.

Products for Young Customers

As part of BT's efforts to facilitate access to financial products and services for certain categories of customers, young people have the option to choose the Highschool Offer or the College Offer, through which they can access a current account with a card with dedicated specific benefits, travel insurance and access to BT mobile apps – BT Pay and Neo. They have no fees for opening a current account and issuing the BT-Omnipass card, travel insurance abroad, BT Pay, as well as discounts in the Omnipass program and, in the case of students, reduced or free public transport. The offers are aimed at young people between the ages of 14 and 30.

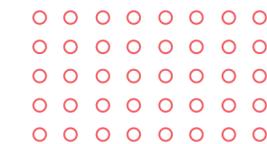
Facilities for Individual Customers

In addition, under current legislation in effect, individuals who do not have an account with BT or another bank and have a gross income of less than 2,500 lei per month, can request the opening of a payment account in lei with basic services for financially vulnerable people.

Salary/pension/allowance/scholarship cards are also a way to encourage the use of banking products, as basic cards with minimal costs for customers.

The solutions that the Bank offers to facilitate access to financial services to people in underbanked areas include the possibility of onboarding, opening an account and issuing a card online, with delivery of the card by courier to the address provided by the customer, and access to the requested card in digital format, instantly and for free, by adding it to the BT Pay mobile app, so that the customer can use the money from the new account immediately without having to go to the bank. The digital card can be used without restrictions, including online, and customers can view all card details in the BT Pay app.

During the pandemic, customers in the risk categories from an age perspective had the possibility to request their cards reissued at expiry to be delivered by courier, during the state of emergency period.



Facilities for Entrepreneurs

Free first year account for start-ups (CPAG)

We know that for a new company, the first year is the hardest, which is why we figured they need support during their first 12 months of activity. Thus, for entrepreneurs at the beginning of the journey, we have designed a package with everything they need: Visa Business Silver debit card, Internet&Mobile banking, current account and unlimited operations in lei and currency, all offered free of charge.

	2019	2020
Number of CPAG (new)	37,223	33,607

After one year of use, customers automatically benefit from the Unlimited current account package, which offers them a cost reduction and greater ease of using banking services.

In addition, for non-profit associations, we offer the same facilities, plus 25 free interbank transactions.

Non-bank services

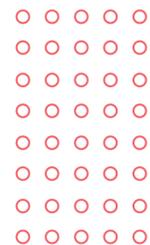
We are proud of our customers who choose the path of entrepreneurship, which is why we reward their courage with 12 months of gratuities for non-banking services negotiated with our partners. Thus, after activating the account, they can enjoy, free of charge, a year of access to: SmartBill, the most modern and easiest to use management and billing program chosen by over 65,000 companies, Online Mastery, online platform with video tutorials with practical online marketing tips and free medical services for their business, offered in partnership with the Regina Maria Health Network (work medicine, general medicine, electronic medical file, 20% discount for the rest of the consultations and investigations on specialties, access to Regina Maria locations and more than 180 partner medical centers).

Inclusion and Access to Financial Products and Services through BT Mic

We also want to support small businesses, aware that they are an important force contributing to the continuous movement of the Romanian economy. BT Mic aims to complement the BT Group's financial ecosystem by providing funding to the smallest businesses in the market, which in the vast majority of cases do not have access to funding.

Thus, BT Mic offers both funding for entrepreneurs at the beginning of the road (start-ups after only 3 months of activity) and funding for small businesses with an annual turnover of up to 1 million lei. This is the maximum limit at the level of governance, because in reality, more than 80% of disbursements/portfolio is concentrated in businesses with an annual turnover of up to 500,000 lei. Through BT Mic, we finance businesses with any form of organization, beyond the classic company, i.e.: authorized natural person, individual enterprise, freelancers, individual agricultural producers, associations/foundations. Our typical client is usually a family business, in which most of the time the family unit merges with the economic unit.

The destination of BT Mic's loans is as diverse as possible: from the support and development of everyday business, the purchase of goods, the payment of suppliers to investments in working points and/or the opening of new ones, the purchase of cars, machinery, equipment.



	31.12.2019	31.12.2020
No. of loans granted up to date	14,558	17,705
No. of funded customers up to date	11,595	13,598
Amount granted (lei) up to date	713,391	895,013

	31.12.2020
Credit portfolio	12,975
Customer portfolio	11,183
% customers with majority female associates	43%
% customers with less than 12 months activity*	22%
% customers for whom we are the first creditor	70%
% customers with an administrator under 30 years**	21%
% customers with an annual turnover <500,000 lei	86%
% customers with an annual turnover <100,000 lei	50%

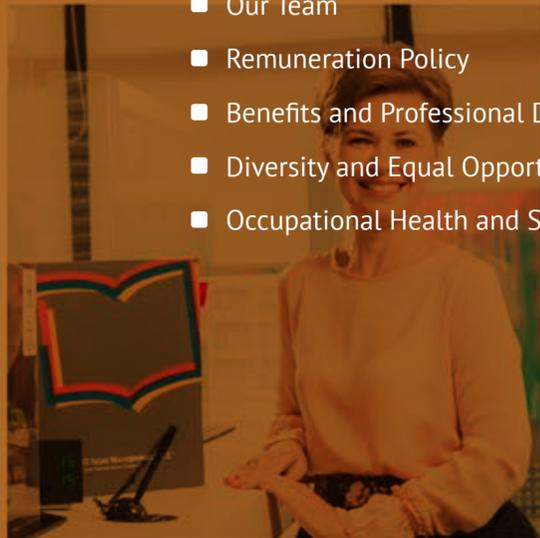
*on the granting of the first credit

**at the time of granting the first credit

5. #PeopleOfBT



- Our Team
- Remuneration Policy
- Benefits and Professional Development
- Diversity and Equal Opportunity
- Occupational Health and Safety



Our Team

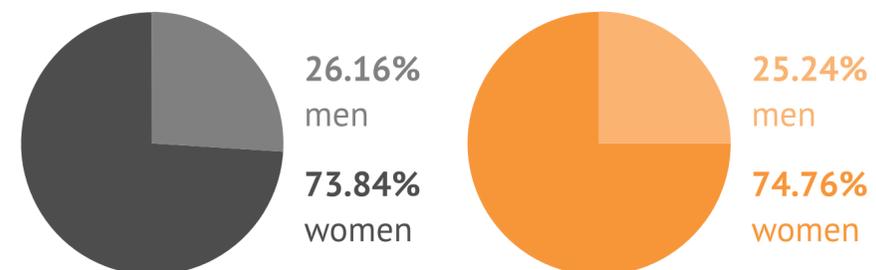
BT means people. What we do at the office every day is directly related to over 3 million customers. Some we helped purchase their first home, others we helped use their first banking application or build their first business. We have something special that cannot be replicated: the BT Spirit.

Number of employees

■ 2019 ■ 2020

9,240

9,623



Number of employees by employment contract

Tipul de contract	2019		2020	
	Men	Women	Men	Women
Permanent employment contract	2,177	5,983	2,180	6,349
Fixed-term employment contract	240	840	249	845
Total	2,417	6,823	2,429	7,194

Number of employees by working hours

Working hours	2019			2020		
	Men	Women	Total	Men	Women	Total
Full time	2,338	6,733	9,071	2,368	7,096	9,464
Part time (<8 h)	79	90	169	61	98	159
Total	2,417	6,823	9,240	2,429	7,194	9,623

Employee distribution: Administrative offices – branch and agency network

	2019		2020	
	no.	%	no.	%
Barițiu 1	412	4,46	444	4,61
Barițiu 8	426	4,61	463	4,81
Brâncuși	260	2,81	264	2,74
Casa Albă	38	0,41	53	0,55
Regional Center Bucharest	312	3,38	343	3,56
Liberty	80	0,87	98	1,02
Novis	83	0,90	124	1,29
Olympus	833	9,02	871	9,05
Republicii	10	0,11	12	0,12
BT headquarters – Bucharest	59	0,64	56	0,58
Branches and agencies in the country	6.727	72,80	6.895	71,65
Total	9.240	100%	9.623	100%

Category	2019				2020			
	New employees		Employees who left the company		New employees		Employees who left the company	
	n.	rate (%)	no.	rate (%)	no.	rate (%)	no.	rate (%)
Gender								
Women	1,490	21.84	1,058	15.51	735	10.21	529	7.35
Men	504	20.85	295	12.21	327	13.46	174	7.16
Total	1,994	21.58	1,353	14.64	986	10.25	623	6.47
Age group								
<30	978	50.21	434	22.28	613	29.19	250	11.90
30-50	921	15.12	811	13.32	421	6.72	387	6.18
>50	95	7.90	108	8.99	27	2.15	66	5.25
Total	1,994	21.58	1,353	14.64	986	10.25	623	6.47
Location								
Headquarters	736	29.29	377	15.00	385	14.11	215	7.88
Network/agencies	1,258	18.70	976	14.51	601	8.71	408	5.92
Total	1,994	21.58	1,353	14.64	986	10.25	623	6.47

One of our human resources goals is to develop, by the end of 2021, the first module of the integrated human resources management platform: the on-boarding module, created to facilitate and guide new employees during the first days spent in the company.

Collective Labor Contract

Collective Labor Contract	2019		2020	
	nr.	% of total	nr.	% of total
Total number of employees who benefit from the provisions of the collective labor contract	9,240	100%	9,623	100%

All BTFG employees benefit from the provisions of the collective labor contract. It also stipulates the notice period, which is in accordance with the provisions of the Labor Code and the provisions for consultation and negotiation with employees.

The organization consults with the employees' representatives before taking reorganization/restructuring decisions relating to more than 2% of employees, at least 60 days before their implementation.

Employee information was collected from internal databases. No estimates have been made and the figures show the situation of active employees on December 31st, 2019 and December 31st, 2020, respectively. The difference between these figures and the number of employees reported in the financial statements comes from the method of estimating the number of employees who are involved in two or more entities within the Group, as well as entities in the Group that are not included in the report.

Third Parties Services

At the level of the Headquarter and the agencies, there are a number of activities carried out by employees of third parties, who do not have a direct contractual relationship with the Bank. The percentage of activities carried out by workers who are not employees of the Bank is very low and mainly refers to non-essential activities, support (cleaning services, security, etc.). Workers who carry out activities for the organization are paid with a salary above the minimum wage required by national law, in proportion to the working standard in which they are employed, in accordance with the contracts concluded with the companies we collaborate with.

Remuneration Policy

At the level of each BTFG company, there is a remuneration rule governing the forms of remuneration that apply under European directives, transposed into national law.

Its objectives are

- **encouraging teamwork and cooperation relations between colleagues;**
- **ensuring a strong link between remuneration and performance, while respecting the interests of customers;**
- **building a mentality of benefits related to individual and team performance;**
- **attracting, retaining and motivating employees in key positions;**
- **ensuring flexibility so that the team can adapt quickly to the Bank's objectives in the context of compliance with the legislative framework.**

The Bank's remuneration policy is approved by the Board of Directors. We ensure fair and competitive remuneration, with strict respect for skills and performance, with two components, adequately proportioned: the fixed component and the variable component.

Fixed remuneration reflects relevant professional experience and organizational responsibility, as set out in an employee's job description, as part of the terms of employment. Fixed remuneration is sufficiently consistent and represents a sufficiently large proportion of total remuneration to allow for the application of a fully flexible policy on variable remuneration components, including the possibility of not paying any component of it.

Variable remuneration reflects sustainable and risk-adjusted performance, as well as performance that exceeds the performance required to perform the duties set out in the employee's job description as part of the terms of employment. Variable remuneration is not guaranteed or carried forward automatically from one year to the next. Mechanisms for distributing the variable component do not guarantee the granting of amounts over several years. Variable remuneration is thus subject to an annual, fair review process.

In 2020, for the upper and executive management of the Bank, part of the performance criteria for the variable remuneration awarded were designed with reference to the Bank's ESG objectives so that variable remuneration is aligned with the Bank's ESG policies and targets.

The ratio between the minimum wage for employment in the company and the existing minimum wage at national level (gross)

	2019	2020
Men	1.64	1.53
Women	1.64	1.53

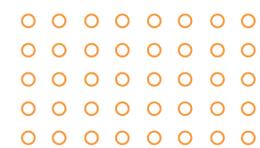
Men/women gross salary ratio

	2019	2020
Management position	1.16	1.20
Executive position	1.29	1.24

Benefits and Professional Development

The professional development of our people is one of the central points of the human resources policy. We are aware that the development of the people in the team, the enhancement of strengths and the continuous development of the skills they have bring more value to our daily business and increase the satisfaction of customers, shareholders and all stakeholders with whom we interact. At the same time, the Bank's training and development programs contribute to increasing employee engagement, increasing retention and attracting talented candidates.

We encourage continuous professional development by providing employees with both internal and external learning programs. This ensures that all members of our team evolve and develop in line with trends arising in the banking system and the best practices in the field.



The responsibility for the training process at Bank level is dual in nature and is the responsibility of both the employer and the employee.

The need for training for each employee is analyzed in particular during the annual evaluation and the planning of the objectives for the following period. All training needs identified, which must be relevant to the position the employee occupies and the objectives to be achieved, are mentioned in the evaluation form of each employee. Subsequently, they are included in the annual training plan designed by BT ACADEMY, subject to the analysis and approval of the Human Resources Committee, according to the annual training budget approved by the Board of Directors.

Training methods include: temporary moves to other positions; transfers for specified periods to different departments/services/directions; participation in projects; training on the job for newly hired colleagues, new colleagues on a position; courses organized in the Bank, facilitated by instructors from inside or outside the Bank; courses organized by specialist firms in the country or abroad; webinars facilitated by instructors inside or outside the Bank; individual training through online courses developed in BT or by various providers.

In 2019 and 2020, our employees received, on average, about 16 hours of training per employee.

Currently, we do not have a system to monitor the number of training hours by gender or category of employees. The average number of training hours was estimated by summing up the participation to online/classroom courses and the participation of our colleagues to conferences.

Number of employees who attended trainings/conferences

	Total	2019		2020		
		W	M	Total	W	M
Employees in management positions	941	563	378	1,311	803	508
Employees in execution positions	4,400	3,491	909	6,905	5,189	1,716
Total	5,341	4,054	1,287	8,216	5,992	2,224

For 2021, our goal is to increase the number of existing training and development modules in the eLearning platform by 10%.

Continuous Mandatory Training Programs

Mandatory training programs are aimed at all categories of employees. Staff training on compulsory training programs is carried out on the basis of an annual training plan drawn up by the BT Academy of the Human Resources Department, together with the specialist departments and approved by the Human Resources Committee (CRU).

Mandatory continuous training programs are found on the internal eLearning platform under the category "Compulsory courses" and are mandatory for the Bank's staff to whom they are addressed, according to the job description.

Mandatory staff training is carried out at least once every calendar year, based on course support developed/purchased by/through specialist directorates and implemented in the internal eLearning platform by the BT Academy.

Sponsoring Long-term Training Programs

We want our employees to continually improve and we encourage them to further their professional development through long-term programs as well. When relevant to the organization and the future of the employee in the company, we provide partial financial assistance, which may cover enrollment, training, examination or certification expenses. The Human Resources Committee decides which employees are supported and the amount sponsored.

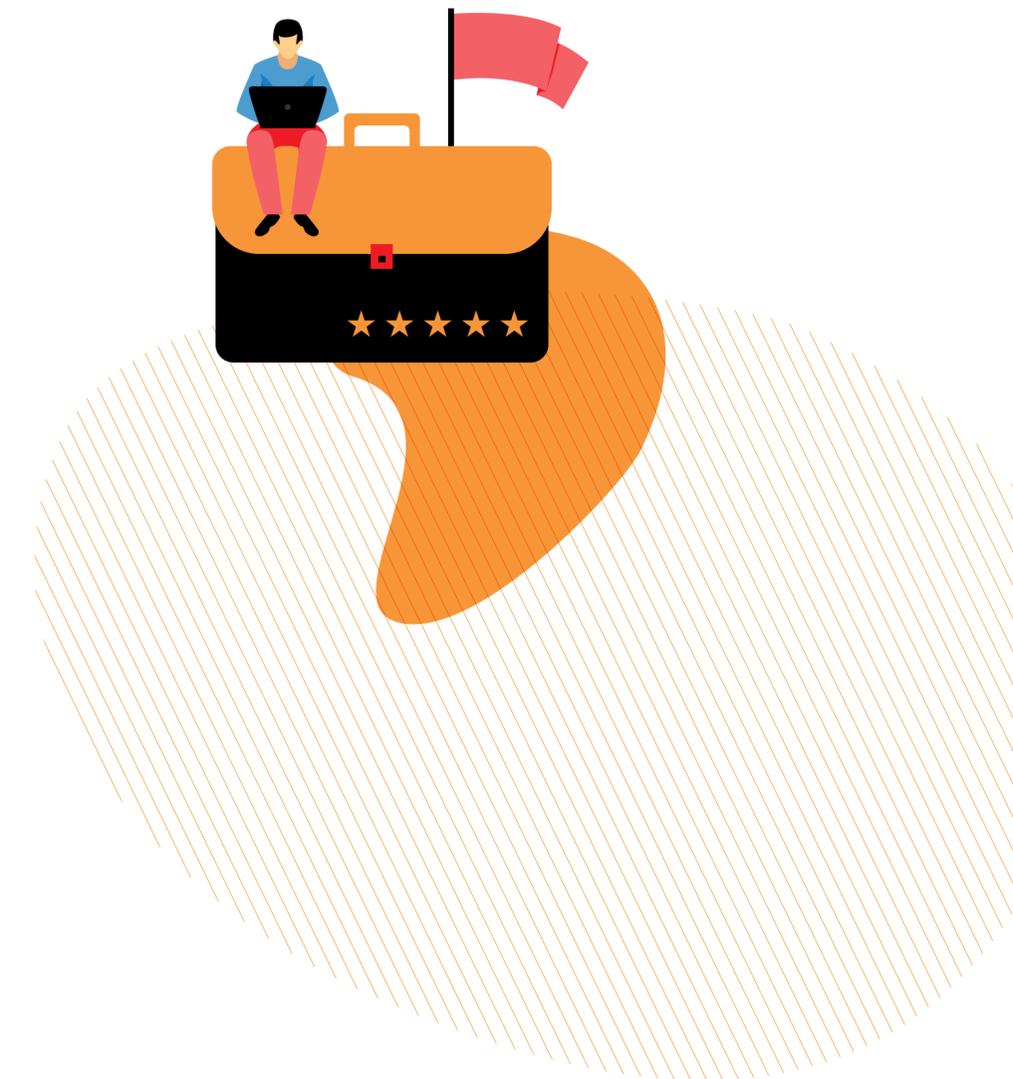
The conditions that an employee must meet to access this type of support are:

- Have a permanent employment contract;
- Have seniority in the Bank of at least one year;
- The program accessed to be relevant to the position occupied by the employee and to his future career in the Bank.

The Bank sponsors 3 employees/year/program for participation in MBA* training programs, the selection of employees being carried out by the Human Resources Committee. The necessary, but not sufficient, criteria that candidates must meet are:

- proving strong motivation and personal commitment of the employee applying for sponsorship;
- having the potential to assume a management position at director level;
- the relevance of the course for the employee's subsequent career;
- the added value for the Bank;
- the employee must obtain minimum grade – "Pass at grade C" in the BEC Higher level C1 English test.

The Bank may partly or fully sponsor BT employees for participation in long-term professional training programs such as ACCA, CFA, ACI**, etc., provided that they are placed in the approved annual training budget. As in the previous case, the selection process of employees that the Bank sponsors is carried out by the Human Resources Committee.



*Master of Business Administration

**ACCA = Association of Chartered Certified Accountants – the largest global accounting association in number of members and students.

CFA = Chartered Financial Analyst, a certificate dedicated to financial analyst, recognized worldwide.

ACI = Association Cambiste Internationale – respectively the Association "A.C.I. Romania – Association of Financial Markets" is a professional, non-profit organization, based on camaraderie relations between arbitrationists (dealers), with the objective of promoting this profession, without discrimination and at a professional level of competence and ethical standards of loyalty considered indispensable in the development of relations between members.

In addition to specific training programs/courses addressing specific employee needs, in the area of hard skills (products, services, lending, methodologies, workflows, etc.), a number of programs have been developed at Bank level that address the need for development in the software skills area.

2019

Although in the context of the many changes that both the banking market and the labor market have undergone, in 2019 Banca Transilvania has taken on a key role in the professional development of its employees, as well as of students interested in a future career in banking.

GROW

GROW (Get Ready Open Wings) is a complex development project for all managers in the Bank. The differentiating factor of this program is the high degree of personalization, in particular for management functions in the network, with a large number of resources (human, time-related and financial) allocated to the phase of analyzing development needs. This program aims to re-evaluate the matching of the managerial skills required for the management functions of the business lines in the network and the skills actually held by our managers, the ultimate goal being to build concrete individual development plans to reduce/eliminate the differences between the ideal (Best Fit) and real skills profile. The ideal profiles (Best Fit) have been built to encompass those behaviors that contribute constructively to the good/success of a team and that aim to achieve positive results (business and well-being).

All programs within the GROW project are based on three main pillars on which BT builds its relationship with its employees: **Coaching, Communication, Care**. Under the umbrella of this project, the following development programs exist:

START Growing

Program dedicated to **new managers in BT**, managers of the first level of management, who have under their supervision exclusively execution functions. It lasts **3 months**, encompassing different learning methods: experiential workshop, online learning modules and support for the transfer of knowledge to practice.

Keep Growing

Program addressed to the **second level of management**, developed in collaboration with a leading training company in Romania; the program is carried out over the course of a year, is based on the same pillars above, but customized on the specifics of the job.

Enjoy Growth

Program addressed to **senior managers** in collaboration with teachers from a prestigious business school in London, with the main objective of preparing them for the management of a growing and more complex organization. The program spans over one year and addresses topics such as: *Innovation, Decision Making, Exploiting Disruption in a Digital World, Leading Businesses into the Future*, etc.

BT Journey internship la Banca Transilvania



BT Journey

Started in 2016 and continued until 2019, the **BT Journey** Project, aimed at students and master's students, is a program paid in full by Banca Transilvania. Students had the opportunity to learn about the banking environment from the inside.

During the year, **4 internships** were organized, one dedicated to students with a technical profile and 3 dedicated to students with an economic profile.

The internship program for students with a technical profile took place over two months, between July and September 2019, with a total of **20 participants**, students from the Technical University Cluj-Napoca. During the 8 weeks, the students, guided by a tutor and supported by BT experts, had the opportunity to know the work of colleagues in the IT department, namely Digital Transformation. Of the total 20 students, 5 were part of the European Union-funded program "**Take the first step towards a successful career**". After completing the internships, 8 students remained employed in the technical departments of Banca Transilvania.

Out of the all students who interned at Banca Transilvania during 2019, 60 were employed in full-time, part-time positions or allocated to various fixed-term projects.

2020

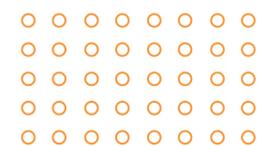
In addition to existing employee programs, a number of innovative re-skilling and up-skilling projects, such as **Robotix: From Zero to Hero** and **UX (User Experience): From Sign to Design**, have also been implemented in 2020.

GROW-X

GROW-X is an **internal skills mapping and career plan project for all positions within the Bank**, with the aim of forming motivated and performing teams.

In 2019, through the **GROW** program, professional skills were set for managerial roles within the Network, with 6 competencies/job for each business line. In 2020, through the **GROW-X** (experience) program, we set out to extend this approach to the entire organization by establishing a set of **9 competencies** for each job, that contribute to success in that job: 3 CORE skills (same for all BT employees), 3 Family job skills (identical for all employees of a business line or a BT Directorate) and 3 skills specific to each activity, which result from the daily tasks and duties of the job description. Thus, we started the process through which each post will be analyzed from the perspective of selecting specific competences, these skills being subsequently integrated into all HR processes: recruitment, development, performance management and career management. In 2020, the **GROW-X** pilot project covered **3 directions: HR, SME and Operations**.

Within the project, a very important additional component is the **Career Plan** for each of the functions in the headquarters. Thus, together with managers, those measurable and demonstrable criteria necessary for the promotion and professional development of colleagues will be established.



BT career plan

The **BT Career Plan** is a program developed to ensure predictability and transparency of opportunities for promotion and pay rise within the same function. This program was active from January to April 2020 on the BT Network and resulted in **273 promoted employees**. Thanks to how successful it was in 2020, the program will resume in 2021.

BT Journey

In 2020, Banca Transilvania signed a new financing contract from the European Union for the continuation of internship programs from 2020 to 2022. The new project, **"Hai la practică, cu zâmbete!"** (*Let's go intern, with a smile!*) will run over 2 years, the total value of the project being



4,743,612.90 lei (equivalent to 998,298.06 EUR at the exchange rate used for this project). The project will include **325 students** (bachelor's and master's level) from 10 university centers, involving **325 tutors** from the network and the Bank's central.

The first traineeship, within the framework of the new project, took place between December 2nd-22nd, 2020 in 7 university centers and included **84 students**, with activities organized both online and on BT's premises.

Performance Evaluation and Career Development Plan

In 2019, we continued our efforts to bring the evaluation and performance management process closer to people, developing new functionality in the platform.

The performance management process was revised in 2020 to make it even more flexible, in real time, based on people and their results, with a focus on continuous and rapid skills growth, through re-skilling and up-skilling or other development methods.

Performance evaluation and career development plan

	2019		2020		2019		2020	
	no.	Men %	no.	Women %	no.	Men %	no.	Women %
First level of management	21	100.00	15	88.24	23	100.00	12	57.14
Other management positions	459	99.57	670	86.34	439	95.43	729	96.56
Specialists – Headquarters	777	87.01	1,509	88.30	833	92.25	1,326	69.97
Specialists – Network	899	86.28	3,976	92.02	989	94.82	4,480	99.05
Total	2,156	89.20	6,170	90.43	2,284	94.03	6,547	91.01

Benefits for the Well-being of our People

At Banca Transilvania, one of our major concerns regarding the people on our team is to build tools that motivate them, the ultimate goal being to become the place where people have the opportunity to learn, grow and feel better as part of the team.

In addition to the professional development programs we provide to employees, we also carefully look at their personal development needs, providing them with a variety of programs to support them and help them to have a work-life balance.

In 2019, following proposals from colleagues and decisions taken by the Bank's management, **benefits and programs were introduced in the area of healthcare and disease prevention**, both for employees and their underage children.

One such initiative was **Screening saves lives**, initiated in 2017 and continued in 2019, aiming a program developed and ran in partnership with **Regina Maria Clinic Network**, that aims to prevent the most common cancers. The program is addressed to all Banca Transilvania Financial Group employees and includes specialized investigations for the detection, of 4 types of cancer (breast, cervix, skin and colon) in the case of women, and 3 types of cancer (skin, colon and prostate) in the case of men.

We pride ourselves on the fact that **Banca Transilvania is the first and only company in Romania to carry out such a program available to all its employees**. All investigations in the program are carried out free of charge every two years.

Other personal development programs include initiatives that help improve the well-being of the people on our teams. Thus, in 2020, we implemented **My Friday**, a project in which workshops are organized on topics addressing well-being. Previously organized programs covered aspects such as: *Emotional Agility, Personal Branding, Fighting Burnout*

Syndrome, How to Be Good with Yourself, Mindful Nutrition, Mindfulness, Parenting: Pre-Adolescence and Adolescence, Parenting: Quality Time with Your Child, Public Speaking, Sleep and Health, Laughter Therapy. The idea of the project was taken from Bancpost, being a transfer in organizational culture.

Following feedback from our colleagues received during the BT Employee Experience Index (BT EEI) and following the context generated by the coronavirus pandemic, in 2020 we gave the people on the team the **opportunity to work from home**. At the same time, we are also considering the opportunity to continue this program.

We also pay close attention to the health of employees and provide them with programs to help them maintain their balance both physically and emotionally. Thus, the **Kit for the launch of emotional balance** (which involves workshops, video tutorials, online courses) addresses topics such as sleep relationship, mindfulness – videotutorial meditation exercises with Avisek Majumdar, information on panic attacks, safe space, VRC breathing technique, Jacobson relaxation technique, expressive writing, self-compassion, worries and anxiety, well-being, in your control, acceptance and commitments, empathy, traits of empathetic people, empathic communication, psychotherapy, dos and don'ts in psychotherapy, types of psychotherapy, the benefits of reading, maintaining emotional balance. At the same time, with the help of three colleagues from the Bank, we also offer our team psychological counselling services for specific anxiety and stress issues. Also, through a program coordinated by the Human Resources Department we provide employees with a free **subscription to Bookster** where they can borrow any book they want.

At the same time, for the physical well-being of colleagues, we also provide **7 Card Home subscriptions, WordClass subscriptions** at negotiated prices and workouts with personal trainers.

Benefits/ Contract type	Full time	Part time	Temporary contract/ Internships
Medical care	✓	✓	✓
Insurance in case of disability or invalidity (following work-related accidents)	✓	✓	✓
Parental leave	✓	✓	✓
Retirement benefits	✓	✓	✓
Shares	✓	✓	✓
Additional days off	✓	✓	✓
Flexible hours	✓	✓	✓



Diversity and Equal Opportunities

Diversity, equal opportunities, and inclusion are key elements underpinning the organizational culture of BTFG companies. We want to have a diverse work environment, where all people on our team feel included, equally engaged and supported, regardless of their position in the company. Beyond all this, equal opportunities and equal treatment, regardless of gender, is one of the fundamental principles of human rights, which we strictly respect in our day-to-day work.

Average age in the company

■ 2019 ■ 2020

36 | 37

Total number of employees, by position, gender and age	2019			Men Total	2019			Women Total	2020			Men Total	2020			Women Total
	<30	30-50	>50		<30	30-50	>50		<30	30-50	>50					
First level of management	0	18	3	21	0	12	5	17	0	20	3	23	0	14	7	21
Other management positions	9	384	68	461	3	615	158	776	5	83	372	460	5	597	153	755
Specialists – Headquarters	244	563	86	893	443	1,095	171	1,709	223	595	85	903	507	1,231	157	1,895
Specialists – Network	243	714	94	1,042	1,015	2,689	617	4,321	226	718	99	1,043	1,134	3,009	380	4,523
Total	487	1,679	251	2,417	1,461	4,411	951	6,823	454	1,416	559	2,429	1,646	4,851	697	7,194

Number of employees with disabilities, by category	2019		2020	
	Men	Women	Men	Women
Other management positions	0	3	0	3
Specialists – Headquarters	5	10	5	9
Specialists – Network	8	18	6	18
Total	13	31	11	30

At Bank level, the **Gender Equality and Treatment Policy**, under the responsibility of the Human Resources Department, was created and implemented in 2020. The policy is based on the legislative regulations provided in the republished Labor Code, with subsequent amendments and additions, Law 202 of 19 April 2002 on equal opportunities and treatment between women and men, as amended, OG 137/2000 on the prevention and sanctioning of all forms of discrimination, with subsequent amendments and additions, and Law No 137/2000. 62/2011 of the social dialogue.

To train employees in this direction, the Bank organized an online course, "Equal Opportunities", the minimum duration of completion of the program and the related test being one day. The course was launched towards the end of 2019, and following the launch, we also initiated internal awareness campaigns, which continued in 2020. As a result, at 2020 level, the participation level has increased considerably.

Participants

■ 2019 ■ 2020

Men
26 | 1,974

Women
83 | 5,547

Total
109 | 7,521

Total number of training hours on diversity and equal opportunity

■ 2019 ■ 2020

872 | 60,168

Non-discrimination

At Banca Transilvania, any form of discrimination consisting of any distinction, exclusion, restriction or preference, on the basis of race, nationality, ethnicity, language, religion, social category, belief, sex, sexual orientation, age, disability, chronic non-contagious disease, membership of a disadvantaged category, and any other criterion which has the purpose or effect of restricting, removing recognition, use or exercise, under equal conditions, of human rights and fundamental freedoms or rights recognized by law, in the political, economic, social, cultural or any other areas of public life.

It constitutes discrimination in the workplace and prohibits the use by the employer of practices that disadvantage persons of a particular sex, regarding employment relations, with regard to:

- the announcement, organization of competitions/exams and selection of candidates for vacancies;
- termination, suspension, modification and/or termination of the legal employment or service relationship;
- establishing or modifying the duties in the job description;
- determination of remuneration;
- benefits other than the salary and protection and social security measures;
- professional information and advice, initiation, qualification, training, specialization and retraining programs;
- assessment of individual professional performance;
- professional promotion;
- disciplinary measures.

Responsibility for preventing harassment and discrimination in the workplace lies primarily with Banca Transilvania, through members of the senior management, the Human Resources Department, hierarchical superiors, as well as employees who are advised to report all such situations. Managers must create a stable psychosocial climate, they must constantly set a positive example through appropriate behavior and respectful attitude, but also through the establishment of minimal rules of politeness. Also, reducing occupational stress is an effective way to minimize the risk of abusive behaviors in the workplace.



Grievance Mechanisms

Employees have the right to report any treatment considered discriminatory or behavior that may be classified as acts of harassment.

The grievance mechanisms are:

- direct referral to the hierarchical superior. Each manager receiving such a referral informs the Human Resources Department/ designated employee of the Human Resources Department within 24 hours of receiving a complaint;
- direct referral to the designated employee of the Human Resources Department responsible for equal opportunities and treatment between women and men, who will provide guidance and necessary assistance;
- through the internal whistleblower "MyAlert" app.

In the first two situations described above, the plaintiff may do so in writing or verbally if he/she is unable to write, describing the nature of the discrimination/harassment and the details of the incident, as well as any other information relating to witnesses or other complainants.

All complaints received can be resolved formally or informally. An informal discussion between the parties may result in a better understanding of the situation. It may also be discussed with the designated employee of the Human Resources Department, who may provide advice/assistance on a confidential basis, on how to resolve the problem, formally or informally. If a satisfactory solution is not identified, the referral must be notified to the designated employee of the Human Resources Department who will take the necessary steps to resolve it within 15 working days.

Formally, the situation is analyzed and investigated by a committee of at least three members: the employee of the Human Resources Department responsible for equal opportunities and treatment between women and men, a legal adviser and an employee with a management position in the business area of which the employee who filed the complaint is a member, with the exception of his direct superior or the reported employee, and who is not considered a witness by the employee who filed the complaint. The Commission examines whether it is necessary for the accused person to be informed of the complaint made against him. All employees involved in the investigation have the right to be assisted by an external consultant specializing in labor law or by a representative of employees.

During 2019 and 2020, there no discrimination incidents recorded, at employee level.

Occupational Health and Safety

As in any other sector, in the banking industry we also have a responsibility to provide employees with a safe working environment that protects them and shields them from the possibility of occupational diseases.

Issues relating to the occupational health and safety of employees are internally regulated in the Occupational Health, Safety (OH&S) and Emergency Situations (ES) Rules, which are under the responsibility of the Physical Security Directorate, recently updated in September 2020.

The H&S and ES activity in the Bank is coordinated by the Deputy General Manager CRO (Chief Risk Officer) through the Occupational Health and Safety and Emergency Situations Prevention and Protection Service. At branch level, a person designated with prevention and protection (OH&S) and emergency, training/coordination on the OH&S and ES line is nominated.

The Bank's operational health and safety management system is developed in accordance with the provisions of the legislation in force. All existing procedures and documents in this direction are based on Romanian legislation, harmonized with existing regulations at European level. The system includes risk management and control strategies and enables adequate planning and development of effective internal programs that go beyond legal requirements, with the sole purpose of employee well-being.

The process by which the risks of work-related accidents and their evaluation are identified is done according to a method developed by the National Research and Development Institute of Occupational Safety Bucharest. All employees and contractors working for the Bank may report hazards/situations dangerous to their health and safety by phone or email to employees designated with prevention

and protection activity (OH&S) and emergency situations, training/coordination on the OH&S and ES line. They are required to immediately communicate to the employer and/or designated workers any work-related situation which they have reasonable grounds to consider a danger to their safety and health, and any deficiencies in the protection systems.

Work-related accidents are investigated through the work-related accidents investigation report. Its structure is in accordance with the model laid down by the legislation in force. Accident investigation is carried out by the research committee issued by internal decision. Following the investigation, the causes of the accidents/events which have resulted in their occurrence are established and recorded and measures ordered to prevent other accidents/similar events and the persons responsible for carrying them out are established. Following the accidents, occupational injury and disease risk assessment is revised. Risk assessments are carried out by the internal occupational health and safety service by qualified personnel as a result of taking a risk assessors course. The risk assessment includes measures to eliminate hazards and minimize risks. During both general introductory and periodic training, risks are processed.

At Bank level, there is an Occupational Health and Safety Committee (OH&SC), comprised of 17 members: employer's representatives, employees' representatives and the occupational health physician. The responsibilities of each of them are defined in accordance with the legislative provisions. OH&SC meetings take place quarterly or whenever necessary. The Occupational Health and Safety Committee has the following responsibilities:

- analyzes and makes proposals on occupational health and safety policy and prevention and protection plan, in accordance with the internal regulation or the rules of the organization and operations;

- monitors the implementation of the prevention and protection plan, including the allocation of the necessary means to achieve its provisions and their effectiveness in terms of improving working conditions;
- examines the introduction of new technologies, the choice of equipment, taking into account the consequences they could have on workers' safety and health and makes proposals in the event of finding certain deficiencies;
- proposes measures for the design of working spaces, taking into account the presence of groups sensitive to specific risks;
- analyzes workers' demands on working conditions;
- monitors the application and compliance with the legal regulations on occupational health and safety of the measures ordered by the labor inspector;
- examines workers' proposals on the prevention of work-related accidents and occupational diseases, as well as on improving working conditions, and proposes to introduce them in the prevention and protection plan;
- examines the causes of work-related accidents, occupational diseases and events and may propose technical measures in addition to the measures ordered as a result of the research;
- carries out own investigations on the application of their working instructions and makes a written report on the findings;
- debates the written report submitted to the Occupational Health and Safety Committee by the head of the unit at least once a year, on the situation of occupational health and safety, the actions that have been taken and their effectiveness in the year that ended, and the proposals for the prevention and protection plan to be carried out in the following year.

Work-related accidents	2019								2020	
	Employees		Other workers		Employees		Other workers		Men	Women
	Men	Women	Men	Women	Men	Women	Men	Women		
Number of work-related accidents (except for deaths or accidents with serious consequences)	0	0	0	2	0	2	0	1		
Main type of accidents	-		Service Providers Cleaning Company Employees – Inadvertent slip/trip		1 – Physical aggression against an employee of the agency; 2 – Fainting/ the employee fell		Cleaning Company Employees – Inadvertent slip/trip			

In 2019 and 2020, at the level of employees and workers, there were no recorded:

- deaths caused by work-related accidents or resulting from work-associated illness,
- work related accidents which had serious consequences,
- work-associated illness.

Employee Training in the Field of Occupational Health and Safety

OH&S and ES topic and training program are posted on the BT Intranet within the Occupational Health and Safety and Emergency Situations Prevention and Protection Service – Physical Security Directorate. The topic and training program are broken down by functions and types of risk and include the materials, the training method and their duration for:

- General introductory training;
- On the job training;
- Periodic training;
- Additional periodic training;
- Training on the collective sheet (for service providers, visitors, etc.).

The general introductory training is carried out on the first working day, has a duration of 4 hours and is done individually or in groups of up to 20 people.

On the job training is carried out after the introductory-general training and is intended to present health and safety risks, as well as prevention and protection measures and activities at the level of each workplace, workstation and/or function performed. On the job training is carried out for all workers, including when changing workplace within the same unit, when changing function or returning after a work-related accident.

Periodic training is done for all workers and aims to refresh and update knowledge in the field of occupational health and safety. Periodic training is carried out by the head of the workplace at the specified intervals (3 or 6 months), in accordance with the training topics developed and is supplemented by practical demonstrations.

Additional periodic training takes 4 hours and is supplemented by the one already scheduled in the following cases:

- when a worker has been absent for more than 30 working days;
- change of work place of an employee in the company even if the nature of the activity performed (function) does not change;
- when changing function;
- where changes have occurred in the occupational safety and health provisions relating to specific activities of the workplace and/or workstation or to own instructions, including due to the evolution of risks or the emergence of new risks in the unit;
- when resuming the activity after a work-related accident;
- when performing special works;
- the introduction of work equipment or modifications to existing equipment;
- the modification of existing technologies or working procedures;
- introduction of any new technology or working procedures.

6. #BusinessesWithSoul

- Commitment and Social Responsibility
- Responsible Procurement



Commitment and Social Responsibility

As a provider of financial products and services, we play an important role in the lives of our communities. Thus, beyond the direct contribution we have to supporting Romanian economy, we want to be driver for change at the level of the entire society, a model for all our partners, and with them to build projects with long-term impact.

Our projects that address the needs of the community are developed either by teams of employees within the Bank or with non-governmental partners supported by sponsorship, volunteering or know-how. The main directions of social involvement we follow when building or choosing to support projects are:

- Supporting the Romanian economy and entrepreneurs
- Involvement in the life of BT's community
- Supporting new ideas
- Facilitating easy access to information and know-how for communities
- Support, solidarity

At BT level, the sponsorship policy and procedures are the responsibility of the Marketing, Communication and PR Directorate. The main sectors we support are: cultural, artistic, educational, scientific – fundamental and applied research, humanitarian, religious, philanthropic, sports, human rights protection, health care, social assistance and services, environmental, social and community protection, representation of professional associations as well as maintenance, restoration, preservation and enhancement of historical monuments. Entities that can benefit from our support may be non-profit legal entities, public institutions and authorities and public persons residing in Romania who operate in the sectors of activity listed above. Radio and television programs can also benefit, as well as activities such as book publishing or publications falling within the above-mentioned fields.

At the same time, the Bank's network receives an annual sponsorships budget which they can use in accordance with internal rules, for projects and initiatives with local impact. Sponsorship thresholds and branches receiving these funds are approved annually at the meeting of the Board of Directors.

BT commitment in 2019

- Total value of investments budget:

RON25 M

- Total number of projects supported:

154

- Total number of partner organizations:

154

BT commitment in 2020

- Total value of investments budget:

RON24 M

- Total number of projects supported:

105

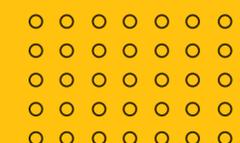
of which

38

dedicated to hospitals (during the pandemic)

- Total number of partner organizations:

37



We Invest in Education

2019

Year after year, the Bank develops, implements or continues projects aimed at supporting and encouraging Romanian entrepreneurs. An important emphasis is also placed on supporting young students and high school students, in order to lend a helping hand to the creation of a new generation of entrepreneurs who contribute to the sustainable development of Romania.

BT Club – Clubul Întreprinzătorului Român

Founded by Banca Transilvania in 2006, **BT Club – Clubul Întreprinzătorului Român** (Romanian Entrepreneur Club) is the first initiative aimed at entrepreneurs, that provides services and access to relevant information in an interactive environment, both through trainings and seminars and virtually. The club is present in the business environment through regular advice and information, entrepreneurial education and networking tools, as well as support in accessing European funds, with the aim of actively and really contributing to the sustainable development of businesses throughout the country and always being the first option for the community of entrepreneurs in Romania. In 2019, the Bank held **more than 42 conferences and seminars** attended by **more than 6,000 entrepreneurs**. Club members had the opportunity to learn about communication, e-Commerce, financial education, start-ups and sales.

Bucureștiul Întreprinzător

Bucureștiul Întreprinzător (Entrepreneurial Bucharest) is a project that aims to shake the city of the same old, dusty values and bring into the spotlight the Bucharest that is relevant now and its enterprising people, those people with initiative, who contributed to the development of the capital and managed to transform it. The project involves mentoring sessions for entrepreneurs and the support of well-known people who bring their popularity to the aid of lesser-known entrepreneurs in Bucharest. **26 entrepreneurs** in 2019, and 82 in 2020, have benefited from our support for the promotion of their own products and services, through the **Bucureștiul Întreprinzător** Platform.

EntrepreNation CityStart

In partnership with **The Entrepreneurship Academy** (EA), the first university in Southeast Europe dedicated to entrepreneurship, we launched the first university in Southeast Europe dedicated to entrepreneurship, the national **EntrepreNation CityStart** competition, aimed at highschoolers and first year students passionate about business, management, entrepreneurship, and intrapreneurship. The project was attended by **more than 230 young people**, who took part in competitions in Bucharest, Brașov, Galați, Iași, Craiova, Timișoara, Cluj-Napoca and Constanța.

Spark Week

The partnership with EA also led to the birth of **Spark Week**, the first entrepreneurship festival for high school students, which consisted of a 6-day experience aimed at those who want to learn how to build a business and discover whether the role of being an entrepreneur suits them. Under the program we offered **scholarships** that fully covered the participation costs for **8 of the 36 high school students** enrolled.

Vreau să fiu Antreprenor

We continued the partnership with the Romanian Business Leaders Foundation, through the **I want to be an entrepreneur** program, which attracted **over 3,107 participants** (15 local communities, over 100 young people involved in communities), with **more than 60 speakers** (entrepreneurs and intrapreneurs) participating in the **31 events** organized in 20 cities and counties in Romania and the Republic of Moldova. **I want to be an entrepreneur** is a project created by today's entrepreneurs for tomorrow's entrepreneurs of Romania. The aim of the project is to increase the perception of the value of entrepreneurship among students.

Projects and initiatives supported by the Bank in the area of education and development of entrepreneurship include: **Global Money Week** – a financial education program involving students and teachers of Transylvania College, numerous scholarships, **iXperiment** – the first start-up accelerator created for high school students in Romania and ClujHub – the largest coworking space in Cluj.

2020

In 2020 we continued the projects started in previous years (**ClujHub, iXperiment, Spark Week, Scholarship Program @Transylvania College**), but we also joined other initiatives:

Money Fest

The **Money Fest** project, previously organized under the name Global Money Fest, was implemented in partnership with **Transylvania College**, the only international school in Romania that offers a complete educational route. Through this action, we wanted to introduce **financial education** into the school curriculum to support the personal development of young people, from kindergarten to high school. The project took place in early February and included activities for kindergarten, primary and secondary school, high school in the form of workshops, presentations and interactive discussions such as Ted Talks.

4HC

Through **4HC** (4 Hours Challenge), a project developed in partnership with **The Entrepreneurship Academy**, we set out to encourage Romanian high school students to experiment with the concept of entrepreneurship so as to consider it a viable option for professional and personal development. **4 Hour Challenge** addressed all 12th graders from all over the country, interested in entrepreneurship, creativity and teamwork. There were about **150 participants** excited to learn more about this concept and develop their skills for a more sustainable future.

We Invest in Art and Culture

The times we are living have shown us once again what an essential role art and culture play in the life of a community. We are proud to find ourselves among the supporters of this sector, investing significant amounts annually to promote numerous initiatives and projects: from theatre and film festivals to the centers and artistic events that come to carry on the richness of Romanian art and culture.

2019

TIFF

We are one of TIFF's partners – **Transylvania International Film Festival** – the largest event in Romania dedicated to the film industry that attracts tens of thousands of participants annually.

In 2019, the festival maintained its record for tickets sold last year, **95,000 tickets**, even though the festival continued to offer, at this edition also, dozens of events to which public access is free.

Wake Up Europe

In 2019 we were also partners of the **International Wake Up Europe Festival**. For 3 days in May, Cluj became the capital of national awakening before the European Parliament elections. Frontline Club Bucharest, the organizers of the Romanian edition of the pan-European festival **Wake Up Europe**, together with guests from the media, academia, and business environment, have questioned the future of the European Union, trying to find, together with the Cluj public, concrete answers to frequently asked questions.

Festivalul de Teatru de la Sibiu

We also joined the **Sibiu Theatre Festival**, the most important annual arts event in Romania and the third largest and most important in Europe after Edinburgh and Avignon. The festival, which offers audiences theatre-dance, flamenco, ballet, contemporary dance, puppet theatre, circus, light performances, music and pantomime, attracted **more than 70,000 spectators** in 2019.

Festivalul de la Râșnov

The **Râșnov Festival** also enjoyed the Bank's support in 2019. The events taking place in several historical areas of Brașov bring art to visitors in its many forms, through music, film, dance, theatre, as well as numerous types of workshops.

Among the projects and organizations supported by the Bank in order to promote local culture and art, we also mention the **Center of Interest** – the largest space dedicated to contemporary art and culture in Cluj, the **Cluj Cultural Center** – a non-governmental organization of culture and sustainable development, **Femei pe Mătășari** and **Bărbați pe Mătășari** – cultural events that revive a forgotten street of Bucharest and promote local designers and artists, **Hungarian Cultural Days**, an event that attracts **more than 250,000 participants** annually, as well as contributions to book launches, photo albums or documentary films.

2020

We supported projects and continued traditional partnerships from previous years, but we also responded positively to the invitation to join new ideas

Boovie

The **Boovie** Project is a book-trailer festival and at the same time is the largest extracurricular event in Romania. It provides participants with a form of personal development training and non-formal means: conscious reading, trailer, acting, film editing and creative writing. It was run online and also benefited from a specific app that participants can download if they want to know more information and keep up to date with the news.

We Invest in Romanian Sports

In 2019-2020 we continued to be involved in the development of **Romanian sports, investing in programs, competitions, clubs and federations.**

We are the biggest fan of Romanian basketball and we support the Romanian Basketball Federation, the national teams and U-Banca Transilvania Cluj-Napoca, the local team and the academy where **more than 600 children** learn to play basketball. We also support baby and mini basketball competitions that bring together **more than 1,000 children** annually.

We invest in creative industries and social innovation projects

During 2019-2020 we funded, sponsored and promoted community projects in the creative industries:

Nod makerspace

The only coworking hub for creative makers.

maker shop

Crowdfunding campaign during the pandemic.

Mater

Material library.

Level up

maker accelerator that we supported with mentoring, judging, training for financial knowledge modules, etc.

We started a pilot program to incubate social innovation projects carried out by non-governmental organizations, worth 20,000 euro. It includes both mentoring from experienced managers in the network, as well as training sessions specific to social entrepreneurship, organized by **Babele** partner. As soon as the context allows us, we want to accelerate our efforts in this soul project.

We Invest Out of Solidarity

We want to be there for our communities, not only through products and services that contribute to increasing the living standards of the population, but also by offering our help, when needed, to those who go through difficult times.

2019

Clujul are Suflet

The story of **Clujul are suflet** (*Cluj has a Soul*) began in 2007, from an idea of Banca Transilvania, which wanted to offer young people with potential, but without resources, the prerequisites of success, supporting them in further education, in achieving better school results and giving them the chance to develop and gain more confidence in their own abilities. This program addressed **138 young people**.

BT Pay Donations

We started a **BT Pay donation campaign** in 2019 for the **Little People Association**. The association is one of the most important organizations that directly helps young people in oncopediatric centers in the country (Cluj, Timișoara, Iași and Bucharest). For each donation made through BT Pay to the phone number assigned to this campaign, BT donated 5 lei. A total of **640 transfers** took place. Donations were directed to the platform **Sunt OK! (I'm OK!)** – online teletherapy platform for young people diagnosed with cancer.

Walking Month

In partnership with **Betfair**, we organized **Walking Month**, a program where you can do good things for yourself and those around you. The sports competition involving teams of four people trying to take as many steps as possible in a month's time, during daily activities, led to the collection of around **90,000 euro**. The competition gathered **more than 3,100 participants** who together took about **959,000,000 steps**. Thus, with the money raised in 2019, we created the first **Social Ambulance** in Transylvania: a vehicle especially equipped to travel to isolated or vulnerable communities and provide medical, legal and social care.



Contactless donations

After launching for the first time in Romania the **option to donate contactless** through dedicated POS in 2018, offering a modern alternative to cash donations, we continued this project in 2019, organizing fundraising campaigns for projects implemented by **Clujul are suflet**, **Little People Association** and **Ronald McDonald Children's Foundation**. The total amount of donations amounted to about **63,000 lei**.

2020

An atypical year in every respect, 2020 has put us all to the test and made us support those in difficult situations, more than ever.

Echipează-ți copilul de școală

Together with Save the Children, we were involved in the donation campaign **Echipează-ți copilul de școală. Chiar dacă nu e al tău** (*Prepare your child for school, even if he is not yours*). Even if they're not your child, carried out in September. Thus, we joined efforts to help children from needy families continue going back to school prepared, no matter how the school year would start. The beneficiaries of the initiative were **1,250 children** who received a backpack filled with everything needed for school.

Niciunui copil nu ar trebui să îi fie frig iarna asta

Together with SOS Children's Villages, we contributed to the campaigns **Niciunui copil nu ar trebui să îi fie frig iarna asta** (*No child should be cold this winter*), trying to support the children most affected by the pandemic.

We committed to donating a sum of money and to also doubling the donations from the campaign. The money was used to purchase food, hygiene products, but also medium-term support: emergency repairs to the home, children's clothing and wood for cold winter days.

Peditel

Peditel, an international paediatric phone assistance program aimed at parents, aims to support those who need professional medical advice for conditions that do not have a vital health risk. The project registered up to **225,000 calls** in 2019 and continued successfully in 2020, recording more than **279,900 calls**.

We Invest for the Environment

Beyond the internal action plan aimed at making resource consumption more efficient and reducing our environmental impact, we aim to move forward in the community and to make an additional contribution to the fight against the main problems we face at national level, through partnerships with environmental organizations.

Thus, since 2014, we have invested over 300,000 euro in voluntary programs dedicated to afforestation in several areas: Cluj (Tritenii de Jos), Bistrița-Năsăud (Budești, Budești- Fânațe, Sânmihaiu de Câmpie), Calarasi (Jegalia), Buzău (Săpoca) and Bucharest (Videle).

In 2019 we supported 3 afforestation actions.

2019

Transylvania 5.0 Forest – Sânmihaiu de Câmpie (Bistrița-Năsăud), 10 forested hectares and over 1,500 volunteer participants.

Completion of Transylvania 5.0 Forest from Sânmihaiu de Câmpie (Bistrița County). Since the survival rate in the spring was 55%, we planted another 22,500 gorun saplings in the autumn, together with our partner **Tășuleasa Social**.

The **afforestation action of Buzău (Săpoca)**, 1 hectare of deciduous saplings, together with **CERT Transylvania**.



Responsible Procurement

Within BTFG, the procurement of goods and services is regulated by specific internal rules, being divided into several categories: Investment and Logistics, IT, Human Resources, Marketing and Communication, Information Security, Retail, Legal Services.

The procurement process is regulated internally by the rule and procedure on the procurement of works, goods and services in Banca Transilvania, updated and modified in 2020.

The Procurement, Investment and Logistics Department is responsible for all procurements in BT, with the exception of the purchase of goods, IT services and software, related licences and maintenance, carried out by the Information Security Department, the purchase of equipment, products and services used in the process of issuing and accepting cards, legal assistance, human resources services as well as the acquisition of marketing and advertising services, a process that is the responsibility of the managers of each department. The procurement process is regularly audited internally, with all resulting recommendations implemented as soon as possible.

During 2019-2020, there were no significant changes along the supply chain. Across the entire procurement process, the main change made in 2020 is the implementation of the Oracle Fusion Cloud Procurement app to run the process of selecting suppliers of goods and services. The positive impact of this implementation was mainly the transparency of the process towards suppliers and decreasing the time allocated for the technical and financial analyses of the offers.

BTFG providers respect business continuity principles, providing

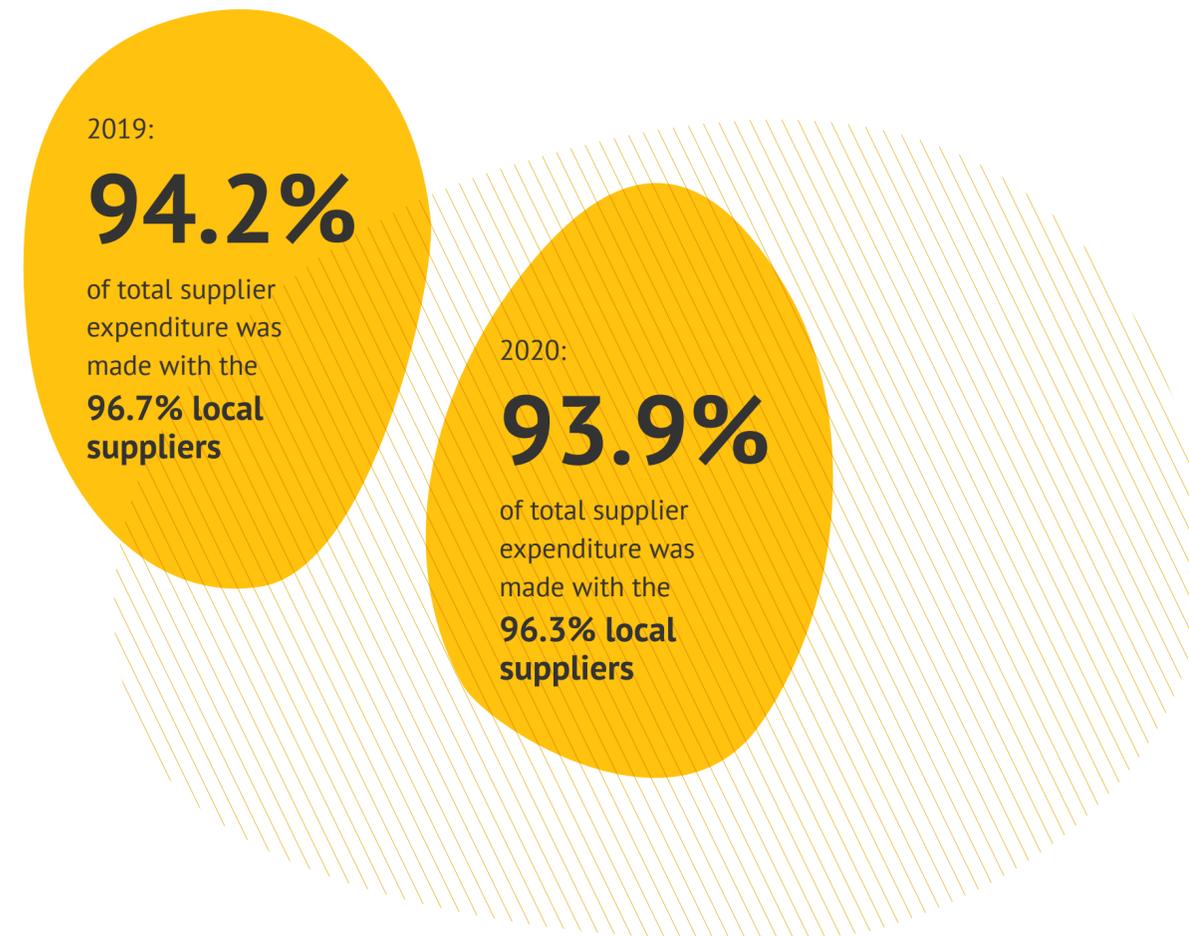
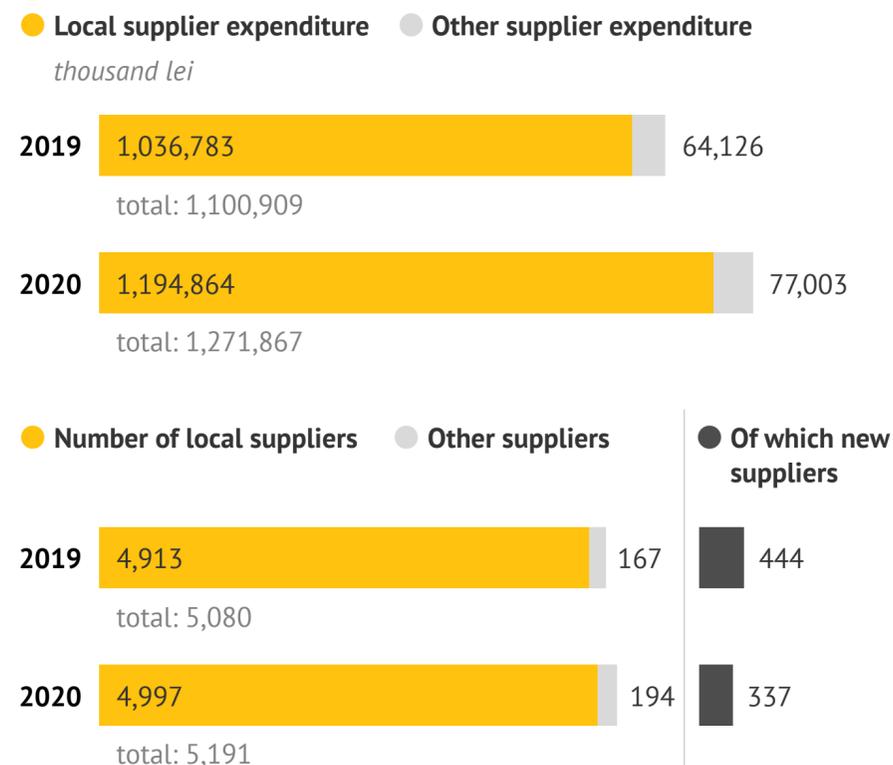
services and goods for both critical and non-critical activities. Regarding the other entities within the Group, the suppliers that participated in the selections of offers organized by the Bank agreed that the contractual terms and prices offered should be extended to other entities of BTFG.

In the selection and assessment process of new suppliers, ISO 14001 certification is an important component of the criteria for qualitative evaluation of suppliers of goods and services.

In 2020, BTFG continued the rebranding process and most re-designed units have a Class A energy performance certification, classic lighting systems were replaced with LED lighting systems, new air conditioning

equipment being more efficient in terms of electricity and natural gas consumption, and old furniture left room for new furniture made from chipboard from a renowned manufacturer, concerned with sustainable forestry.

In the same supplier selection and assessment process, the Bank does not use social criteria, but aims to introduce a declaration by the legal representatives of the suppliers, concerning compliance with social criteria such as child labour, equal opportunities, non-discrimination or negative social impact, in the non-financial evaluation of offers.



7. #ThinkGreen

BT, Acting with Care for the Environment

- Waste Management
- Energy Consumption
- Emissions



In order to improve our environmental performance across all operations, thereby reducing our footprint and contribution to climate change, we are committed to taking action in this regard in our day-to-day activity.

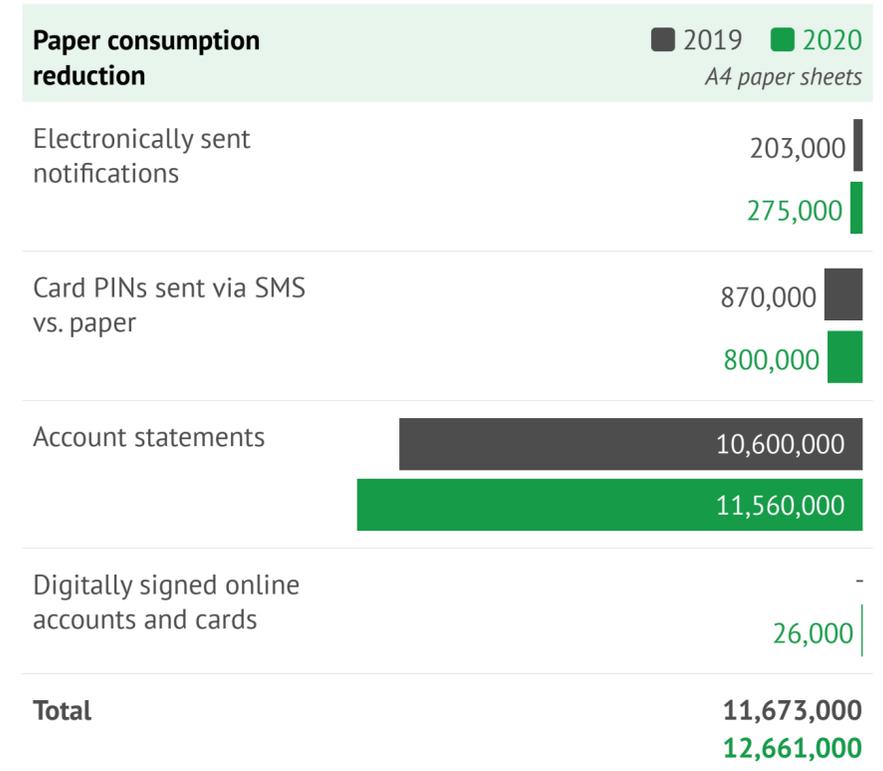
Risks identified as relevant to the environment in which we operate include the climate crisis that is causing problems such as shortages of raw materials and lack of natural resources, water availability, loss of biodiversity and ecosystems, pollution of environmental factors.

Waste Management

Our business sector involves low resources consumption in its direct activity, the materials frequently used being paper, printer cartridges, electronic equipment and lighting devices. Our activities towards the efficient management of waste resulting from our operations include the collection, transport, treatment/disposal of waste, together with monitoring and regulating the process as a whole. All resulting waste is disposed of/valued under Law 426/2001 and its records are kept in accordance with the national waste list established by GD 856/16.08.2002 as amended. WBA (Waste Batteries and Accumulators) and WEEE (Waste from Electrical and Electronic Equipment) have a special route, are collected over a period of up to 3 months and then handed over to authorized agents. The department in the Bank responsible for waste management is the Procurement, Investment and Logistics Department, through a Waste Management Specialist. He draws up a monthly record which is then reported to the Environmental Protection Agency. Waste management activity is carried out on the basis of waste management policy (Pl.9.28.1).

Thus, at Bank level, our objectives focus on:

- Limiting paper printed by employees and using recycled paper;
- Promoting digital solutions in document management, both internally and those resulting from commercial relations with customers, suppliers and other collaborators;
- Selective waste collection, depending on the type and method of disposal, by providing the necessary infrastructure;
- Quantifying, monitoring and informing on progress regarding these initiatives.



Added to this is the reduction in the consumption of paper envelopes used for the transmission of notifications and account statements: 5,503,000 envelopes in 2019 and 6,055,000 in 2020.

Measures to reduce paper consumption have resulted in saving 85,880 kg paper in 2019 and 93,580 kg paper in 2020.

The calculation of the reduction in paper consumption was estimated taking into account an average weight of 2.5 kg/500 sheets and 5g/envelope.

Energy Consumption

We are taking steps to minimize our carbon footprint and to make energy consumption more efficient, as it represents the main source of direct greenhouse gas (GHG) emissions from our operations. Thus, we are currently collaborating with an energy auditor at Bank level to determine the direct amount of GHG emissions.

Total fuel consumption from conventional sources	GJ	2019		2020	
		toe	GJ	toe	GJ
Gasoline	6,701.8	160.1	6,685.1	159.7	
Diesel	19,125.8	456.9	11,132.0	265.9	
Natural gas	35,895.0	857.5	35,129.0	839.2	
Total fuel consumption	61,722.6	1,474.5	52,946.1	1,264.8	

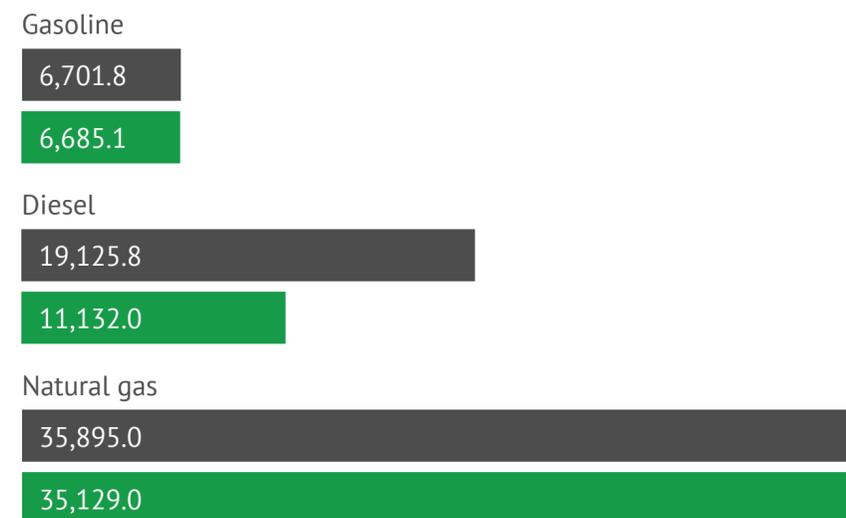
Conversion factors: 1 toe = 41.86 GJ

Electricity consumption	MWh	2019		2020	
		toe	MWh	toe	MWh
Electricity	20,636	1,744.7	20,111	1,729.6	

Conversion factors: 1 MWh = 3.6 GJ

Total fuel consumption from conventional sources

GJ | 2019 2020



Electricity consumption

MWh | 2019 2020



Total energy consumption Total fuel consumption + Total electricity consumption	GJ	2019		2020	
		toe	GJ	toe	GJ

136,012.2 3,249.2 125,345.7 2,994.4

Total energy consumption

GJ | 2019 2020



$$\text{Energy intensity} = \frac{\text{Total energy consumption}}{\text{Value of total annual production}}$$

$$\text{Energy intensity 2019} = \frac{3,249.2 \text{ toe}}{5,187,813 \text{ thousand lei}} = 6.26 \times 10^{-4} \text{ toe/thousand lei}$$

$$\text{Energy intensity 2020} = \frac{2,994.4 \text{ toe}}{5,181,880 \text{ thousand lei}} = 5.78 \times 10^{-4} \text{ toe/thousand lei}$$

In 2020, energy intensity decreased by 6.64% compared to 2019. This decrease also comes from a reduction in the number of internal travelling.

The energy efficiency and carbon footprint reduction strategy includes measures such as:

- the exclusive use of energy-efficient electronic devices, monitors and computers with high environmental standards;
- the use of a system to measure, optimize and monitor actions to reduce total energy consumption;
- implementing an efficient energy management framework to reduce the use of natural resources and prevent pollution;
- the use of sustainable practices in the design and management of real estate, including carrying out energy assessment analyses for the premises in which we operate and certifying a list of feasible buildings as green buildings (BREEAM, LEED, DGNB certification system);
- establishing procedures for the renovation and redesign of used premises, to include local renewable sources for self-consumption. Specifically, in large headquarters and data centers, we will implement co/tri-generation facilities to significantly reduce energy consumption and costs as well as greenhouse gas emissions;
- developing and promoting internal information materials to raise awareness of one's own ecological footprint (best practice manuals, energy efficiency promotion guides, physical and digital information materials) and providing clear and simple measures to our employees for effective implementation;
- maintaining proactive communication about our commitments to protect the environment and the progress registered in this sense;
- continue afforestation initiatives with the involvement of our employees and collaborators;
- in the medium term, establishing directions and procedures to optimize fuel consumption of our car fleet;
- installing EV charging stations in all public car parks belonging to BT premises, in order to boost clean mobility;
- promote safe cycling and ensure bike parking.

Over time, as a result of the energy audit processes conducted regularly, we implemented a number of measures that have helped reduce the amount of energy and fuel consumed. All these measures are documented and monitored in the Bank's existing Energy Efficiency Improvement Program.

Measure taken	Energy saving achieved (toe/year)				
	2016	2017	2018	2019	2020
1 Building Management System in the TETAROM building in Cluj Napoca	2.5	2.5	2.5	2.5	2.5
2 Fuel consumption monitoring system	11.5	11.5	11.5	11.5	11.5
3 Replacement of large Viessmann boilers with 24 kW modular batteries at 1 and 8 George Barițiu Street – Cluj Napoca	5	5	5	5	5
4 Replacing all existing neon signs in agencies with LED lamps	-	PIF	18	18	18
5 Replacing 17 old thermal power plants with condensation plants – 2016	PIF	10.2	10.2	10.2	10.2
6 Replacing 10 old thermal power plants with condensation plants – 2016	-	PIF	6	6	6
7 Upgrading 45 agencies, including LED lighting – 2015	17.1	17.1	17.1	17.1	17.1
8 Upgrading 42 agencies, including LED lighting – 2016	PIF	15.9	15.9	15.9	15.9
9 Upgrading 62 agencies, including LED lighting – 2017	PIF	23.5	23.5	23.5	23.5
10 Closing or relocating 40 agencies, whose energy and financial efficiency indicators are not positive	-	PIF	143.5	-	-
11 Upgrading agencies and changing design (quantified economy for 300 agencies by 2019 and 100 other agencies from September 2019 to present)	-	-	PIF	90	120

PIF = year of implementation

Emissions

GHG emissions	2019 tons CO ₂	2020 tons CO ₂
Scope 1	3,975.3	3,332.2
Scope 2	5,981.6	5,829.2
Total	9,938.9	9,161.4

GHG emissions

tons CO₂ | ■ 2019 ■ 2020

Scope 1

3,975.3

3,332.2

Scope 2

5,981.6

5,829.2

Total

9,938.9

9,161.4

Scope 1

Scope 1 includes emissions from fuel combustion in our own equipment: petrol and diesel for the transport of employees and natural gas for combustion in thermal power plants.

The estimate of emissions from petrol and diesel consumption was made in relation to the amount of fuel consumed, without considering the technical characteristics of the engines of the cars in the company's fleet. For the coming years, our objective is to implement a system for collecting data on employee transport, enabling us to carry out an accurate inventory of emissions resulting from our fleet's fuel consumption.

The emission factors used were extracted from Order No. 2641/2017 on the amendment and completion of the technical regulation "Methodology for calculating the energy performance of buildings", approved by the Order of the Ministry of Transportation, Construction and Tourism No. 157/2007, as follows:

EF Petrol: 1 l = 2.392 kg CO₂

EF Diesel: 1 l = 2.640 kg CO₂

EF Natural Gas: 1 KWh = 0.205 kg CO₂

Scope 2

Scope 2 includes greenhouse gas emissions from electricity purchased from the supplier.

For the calculation, we used the market-level approach, using the emission factor extracted from Order No. 2641/2017 on the amendment and completion of the technical regulation "Methodology for calculating the energy performance of buildings", approved by the Order of the Ministry of Transportation, Construction and Tourism No. 157/2007, as follows:

EF Electricity: 1 KWh = 0.28985 kg CO₂

GRI

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102-14 Statement from senior decision-maker		3	
Ethics and integrity			
102-16 Values, principles, standards, and norms of behavior	 16.3	7, 17	
102-17 Mechanisms for advice and concerns about ethics	 16.3	20	
Governance			
102-18 Governance structure		13-16	
102-20 Executive-level responsibility for economic, environmental, and social topics		14	
102-22 Composition of the highest governance body and its committees	 5.5  16.7	13-15	
102-23 Chair of the highest governance body	 16.6	14	
102-24 Nominating and selecting the highest governance body	 5.5  16.7	14-16	
102-25 Conflicts of interest	 16.6	18, 19	
Stakeholder engagement			
102-40 List of stakeholder groups		43, 45	
102-41 Collective bargaining agreements	 8.8	70	
102-42 Identifying and selecting stakeholders		42	

102-43 Approach to stakeholder engagement		47-49	
102-44 Key topics and concerns raised		43, 45, 46	
Reporting practice			
102-45 Entities included in the consolidated financial statements		7	
102-46 Defining report content and topic Boundaries		4, 42, 44, 45	
102-47 List of material topics		44	
102-48 Restatements of information		This is BTFG's first sustainability report.	
102-49 Changes in reporting		This is BTFG's first sustainability report.	
102-50 Reporting period	 12.6	4	
102-51 Date of most recent report	 12.6	This is BTFG's first sustainability report.	
102-52 Reporting cycle	 12.6	Annual.	
102-53 Contact point for questions regarding the report		4	
102-54 Claims of reporting in accordance with the GRI Standards	 12.6	4	
102-55 GRI content index		93-98	
102-56 External assurance		The report was not externally assured.	

Material topics		
ECONOMIC		
Anti-corruption		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	18, 45
	103-2 The management approach and its components	18
	103-3 Evaluation of the management approach	18, 20
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	 16.5 18
	205-3 Confirmed incidents of corruption and actions taken	 16.5 18
Sustainable management		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	45
	103-2 The management approach and its components	39, 40, 53
	103-3 Evaluation of the management approach	20, 41
Public policy		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	19, 45
	103-2 The management approach and its components	19
	103-3 Evaluation of the management approach	19, 20
GRI 415: Public policy 2016	415-1 Political contributions	 16.5 19

Anti-competitive behavior		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	19, 45
	103-2 The management approach and its components	19
	103-3 Evaluation of the management approach	19, 20
GRI 206: Anti-competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	 16.3 19
Economic performance		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	24, 45
	103-2 The management approach and its components	24, 51
	103-3 Evaluation of the management approach	20, 21, 24
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	 8.1 8.2 24  9.1 9.4 9.5
Market presence		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	45
	103-2 The management approach and its components	71
	103-3 Evaluation of the management approach	20
GRI 202: Market presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	 1.2 71  5.1  8.5
	202-2 Proportion of senior management hired from the local community	 8.5 14, 15

Indirect economic impacts		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	45
	103-2 The management approach and its components	28, 41, 82
	103-3 Evaluation of the management approach	20
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	 5.4 28, 30, 32, 33, 84, 85  9.1 9.4  11.2
	203-2 Significant indirect economic impacts	 1.2 1.4 28, 31, 82, 83  3.8  8.2 8.3 8.5
Sustainable financing policy		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	45, 53
	103-2 The management approach and its components	41, 53-62
	103-3 Evaluation of the management approach	20, 53, 54
Digital innovation		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	32, 45
	103-2 The management approach and its components	32-34, 63-65
	103-3 Evaluation of the management approach	20

Procurement practices		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	45
	103-2 The management approach and its components	41, 87
	103-3 Evaluation of the management approach	20, 41, 87
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	8.3 87
	Environment	
Energy		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	45
	103-2 The management approach and its components	41, 89-91
	103-3 Evaluation of the management approach	20
GRI 302: Energy 2016	302-1 Energy consumption within the organization	7.2 7.3 90
		8.4
		12.2
		13.1
	302-3 Energy intensity	7.3 90
		8.4
		12.2
		13.1

302-4 Reduction of energy consumption	7.3 90	
	8.4	
	12.2	
	13.1	
Emissions		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	45
	103-2 The management approach and its components	41, 89-92
	103-3 Evaluation of the management approach	20, 41
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	3.9 92
		12.4
		13.1
		14.3
		15.2
	305-2 Energy indirect (Scope 2) GHG emissions	3.9 92
		12.4
		13.1
		14.3
		15.2
Effluents and waste		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	45

103-2 The management approach and its components	41, 89		
	103-3 Evaluation of the management approach	20, 89	
	GRI 306: Waste 2020	306-1 Water discharge by quality and destination	3.9 89
		6.3	
		11.6	
		12.4 12.5	
306-2 Water discharge by quality and destination	3.9 89		
	6.3		
	11.6		
		12.4 12.5	
306-3 Waste generated	3.9 -	For this reporting cycle, we do not monitor the amount of waste generated.	
	6.3		
	11.6		
	12.4 12.5		
	12.4 12.5		
Environmental compliance			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	45	
	103-2 The management approach and its components	21, 89	
	103-3 Evaluation of the management approach	20	
GRI 307: Environmental compliance 2016	307-1 Non-compliance with environmental laws and regulations	16.3	The company did not receive any significant fines or non-monetary sanctions for non-compliance with environmental laws.

SOCIAL			
Employment			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary		45
	103-2 The management approach and its components		41, 69-71, 78
	103-3 Evaluation of the management approach		20, 78
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	 5.1	70
		 8.5	8.5
		 10.3	10.3
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	 5.4	70
 8.5		8.5	
Occupational health and safety			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary		45, 79
	103-2 The management approach and its components		79, 80
	103-3 Evaluation of the management approach		20, 79, 80
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	 8.8	79
	403-2 Hazard identification, risk assessment, and incident investigation	 8.8	79
	403-3 Occupational health services	 8.8	79

403-4 Worker participation, consultation, and communication on occupational health and safety	 8.8	79
	 16.7	16.7
403-5 Worker training on occupational health and safety	 8.8	79
403-6 Promotion of worker health	 3.3	79
	 3.5	
	 3.7	
	 3.8	
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	 8.8	54-56
	 8.8	The Occupational Health and Safety Management System covers 100% of the company's employees.
403-8 Workers covered by an occupational health and safety management system	 8.8	
	 8.8	
403-9 Work-related injuries	 3.6	80
	 8.8	
	 16.1	
403-10 Work-related ill health	 3.4	80
	 8.8	
	 16.1	

Labor/Management relations		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	45
	103-2 The management approach and its components	70
	103-3 Evaluation of the management approach	20

GRI 402: Labor/Management relations 2016	402-1 Minimum notice periods regarding operational changes	 8.8	70
Diversity and equal opportunity			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary		45
	103-2 The management approach and its components		41, 77, 78
	103-3 Evaluation of the management approach		20, 78
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	 5.1	14, 15, 69, 77
		 5.5	
	405-2 Ratio of basic salary and remuneration of women to men	 8.5	
		 5.1	71
		 5.5	
		 8.5	
		 10.3	
Training and education			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary		45
	103-2 The management approach and its components		41, 72, 73
	103-3 Evaluation of the management approach		20, 78
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	 4.3	72
		 4.4	
		 4.5	
		 5.1	
			 8.2
		 8.5	
		 10.3	

404-2 Programs for upgrading employee skills and transition assistance programs	 8.2 8.5	72-75
404-3 Percentage of employees receiving regular performance and career development reviews	 5.1  8.2 8.5  10.3	75

Non-discrimination

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	45
	103-2 The management approach and its components	41, 78
	103-3 Evaluation of the management approach	20, 78
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	 5.1  8.8

Human rights assessment

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	45
	103-2 The management approach and its components	23, 24
	103-3 Evaluation of the management approach	20, 78
GRI 412: Human rights assessment 2016	412-2 Employee training on human rights policies or procedures	77

Socioeconomic compliance

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	45
	103-2 The management approach and its components	21
	103-3 Evaluation of the management approach	20, 21
GRI 419: Socioeconomic compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	 16.3 21

Local communities

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	45
	103-2 The management approach and its components	41, 82
	103-3 Evaluation of the management approach	20
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	82-86

Financial education and inclusion

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	45
	103-2 The management approach and its components	32, 66, 82, 73
	103-3 Evaluation of the management approach	20

Security practices

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	45
	103-2 The management approach and its components	70
	103-3 Evaluation of the management approach	20
GRI 410: Security practices 2016	410-1 Security personnel trained in human rights policies or procedures	 16.1 The company does not monitor the total number of security personnel trained in human rights policies and procedures.

Customer privacy

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	45
	103-2 The management approach and its components	22, 41
	103-3 Evaluation of the management approach	20, 22
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	 16.3 22 16.10

Cyber security

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	45
	103-2 The management approach and its components	21, 23
	103-3 Evaluation of the management approach	20-22

Marketing and labeling

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary		45
	103-2 The management approach and its components		21, 41
	103-3 Evaluation of the management approach		20, 21
GRI 417: Marketing and labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	 16.3	21
	417-3 Incidents of non-compliance concerning marketing communications	 16.3	21

Supplier social and environmental assessment

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary		45
	103-2 The management approach and its components		87
	103-3 Evaluation of the management approach		20, 41, 87
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	 5.2	87
		 8.8	
		 16.1	
	414-2 Negative social impacts in the supply chain and actions taken	 5.2	87
		 8.8	
		 16.1	
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria		87



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