

# Financing our future



Banca Transilvania  
Financial Group:  
Sustainability  
Report  
**2021**



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# Welcome message



**Ömer Tetik**  
CEO Banca Transilvania

## A better bank

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

In 2021 we continued our sustainability journey on a path that has become a commitment and a business model for us. From a voluntary approach, we have now reached an increasingly standardized and endorsed practice across the entire BT Group.

The paradigm shift has also been supported by legislation on ESG compliance and linked to international environmental objectives such as the European Green Deal, the EU Taxonomy, and the 2030 Agenda for Sustainable Development.

Careful monitoring and integrating ESG factors into our business model has helped us map our risks in terms of sustainable development and in particular climate change, and the areas where our business generates negative environmental and community impacts. At the same time, this process has allowed us to update our sustainability strategy, set targets, and start new projects that support us in mitigating risks and reducing negative impacts.

What we focused on in 2021:

Strengthen the impact funding portfolio;

Develop communities through access to finance and financial education;

Understand the environmental impact of our portfolio so that we can design the most effective approaches.

We also made progress by launching new green products, energy efficiency campaigns, and responsible purchasing of consumer goods. Beyond solutions for the sustainable growth of Romanian businesses, we have remained a trusted partner for our stakeholders - customers, employees, non-governmental organizations, and suppliers.

At the same time, in 2021, we took a big step forward towards sustainability by initiating the process of BT Group becoming a member of the United Nations Environment Programme Finance Initiative (UNEP FI) - [Principles for Responsible Banking](#) <sup>☞</sup> and recently received membership. We are proud to be part of the international community that is promoting the incorporation of sustainability into all areas of banking. For BT, knowledge transfer is one of the biggest opportunities that this membership brings, helping us to to implement best practice and gain as much expertise as possible.

I invite you to read Banca Transilvania Financial Group's sustainability report #2, presenting our main non-financial results, actions, measures, and projects under the **Financing our future** umbrella – or in other words, everything we do to become a better bank, in every respect.



# About the report

The following pages present the second sustainability report of Banca Transilvania Financial Group (hereinafter *the Group*, *Banca Transilvania Group* or *BT Financial Group*) covering the period from January 1, 2021, to December 31, 2021.

The report outlines how environmental, social, and governance issues are integrated into our business strategy, and the information presented includes indicators on people, human rights, anti-corruption, and anti-bribery, including a description of our business model, a description of our policies on the above topics, the due diligence procedures in place, the results of the policies, the main risks related to these issues arising from our operations, and key non-financial performance indicators relevant to the business we conduct.

A selection of the non-financial information included in the Sustainability Report (indicators included in the list on page 151) was subject to an assurance process in accordance with the International Standard on Assurance Engagements 3000 - "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (Revised) ("ISAE 3000"),

issued by the International Auditing and Assurance Standards Board, performed by an external auditor. The indicators were selected based on the importance of the material topics.

Developed in accordance with the Global Reporting Initiative standards (GRI Standards 2016), "Core" option, the report complies with the provisions of the [Ministry of Public Finance Order 3.456/2018](#) <sup>☞</sup> and the [National Bank of Romania Order 7/2016](#) <sup>☞</sup>.

The report illustrates BT Financial Group's management of material topics as identified through the materiality analysis process conducted between January and February 2022.

The report provides information on the activity of Banca Transilvania and its representative subsidiaries in Romania and the Republic of Moldova: BT Mic, BT Leasing, BT Pensii, BT Asset Management, BT Capital Partners, BT Direct, Improvement Credit Collection, respectively Victoriabank and BT Leasing Moldova.

Where the information presented is relevant to a single BT Group company, it has been noted in said section.

Where the information refers to Romania or Moldova, it describes the activity of the companies in that country, and where no specific reference to a particular company is included, the information disclosed applies to all companies in the Banca Transilvania Financial Group.

Although the non-financial indicators are relevant only to the activity of the companies described above, the financial information has been presented on a consolidated basis for the BT Financial Group as a whole, to ensure consistency with the IFRS financial statements.

To facilitate the presentation of numerical information, some of the indicators presented in the report have been rounded or converted from one unit of measure to another / from euro to lei / from Moldovan lei to lei. Therefore, in some cases, there may be small differences between the values presented and the absolute figures. The conversion factors used for the conversions have been mentioned throughout the report in the relevant sections.

You can send questions or suggestions on the content of this report to:  
[ESGreporting@btrl.ro](mailto:ESGreporting@btrl.ro)

## Interactive content

[websiteexample.ro](#) <sup>☞</sup> = external link



*Contents* button: link to Contents page of the report



Throughout the report, our contribution to achieving the Sustainable Development Goals has been highlighted at the beginning of each chapter.

The list of Goals can be consulted by clicking on the button available on the first page of each chapter.

At the same time, the contribution to the achievement of the Goals has also been presented in the GRI Content Index.

Each Objective contains a link that redirects the reader to the official [sdgs.un.org](https://sdgs.un.org) <sup>☞</sup> page.

The English version of Sustainability Report is a translation from the Romanian official version. In case of discrepancies, the Romanian official version will prevail.





## Banca Transilvania

30-36 Calea Dorobantilor,  
Cluj-Napoca, Romania  
[bancatransilvania.ro](http://bancatransilvania.ro)

## BT Mic

43 Bucharest-Ploiesti Road,  
Office E3-18, 3rd Floor, District 1,  
Bucharest, Romania  
[btmic.ro](http://btmic.ro)

## BT Leasing

74-76 Constantin Brancusi Street,  
1st floor, Cluj-Napoca, Romania  
[btleasing.ro](http://btleasing.ro)

## BT Pensii

75-77 Buzesti Street, office no. 2, 10th  
floor, District 1, Bucharest, Romania  
[btpensii.ro](http://btpensii.ro)

## BT Asset Management

22 Emil Racovita Street,  
Cluj-Napoca, Romania  
[btassetmanagement.ro](http://btassetmanagement.ro)

## BT Capital Partners

74-76 Constantin Brancusi Street,  
ground floor, Cluj-Napoca, Romania  
[btcapitalpartners.ro](http://btcapitalpartners.ro)

## BT Direct

74-76 Constantin Brancusi Street,  
ground floor, Cluj-Napoca, Romania  
[btdirect.ro](http://btdirect.ro)

## Improvement Credit Collection

1 George Baritiu Street,  
Cluj-Napoca, Romania  
[iccollect.ro](http://iccollect.ro)

## Victoriabank

141, 31 August 1989 Street,  
Chisinau, Republic of Moldova  
[victoriabank.md](http://victoriabank.md)

## BT Leasing Moldova

60/2 A. Puskin Street,  
Chisinau, Republic of Moldova  
[btleasing.md](http://btleasing.md)





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# BTFG's business model

2021: key figures

About BT Financial  
Group

Economic performance

Corporate governance

Business compliance,  
ethics, and  
responsibility

Risk management

Our policy and  
commitment to a  
sustainable future

Materiality analysis

Transparency in  
relation to stakeholders



## OUR PERFORMANCE



**507**

territorial  
units

**>2.7 mil.**

single digitized  
customers

**42.9%**

proportion of  
women on the  
Leaders' Committee



BT was named

**Bank of the Year 2021**

by the Financial Market  
Awards Gala

**USD 460 mil.**

brand value of BT  
according to Brand Finance



**>3.2 mil.**

retail customers



**>4.7 mil.**

cards in the portfolio  
at the end of 2021



**>388,000**

corporate customers

166 loans totaling over  
18.76 million lei for

**education  
& training  
projects**

**538 mil. lei**

value of corporate green  
loans as assessed by CAFI  
(Climate Assessment for  
Financial Institutions)

We initiated the process  
of joining and signing the  
United Nations Environment  
Programme's **Principles for  
Responsible Banking**, Finance  
Initiative (UNEP FI), a process  
completed in February 2022.



# 2021: key figures



## OUR PERFORMANCE



75

agencies and  
branches



>271,000

retail customers



>11,000

corporate customers



first  
lender  
for

~75%  
of customer  
portfolio

6,400  
loans

(outstanding at the  
end of 2021)  
to customers with  
female shareholders



1 in 4 cars financed  
in 2021 are 100%  
electric or hybrid



## OUR PEOPLE

11,314 employees

RO

9,940

7,339 women  
2,601 men

MD

1,374

1,092 women  
282 men



>5.1 mil. lei  
annual training budget



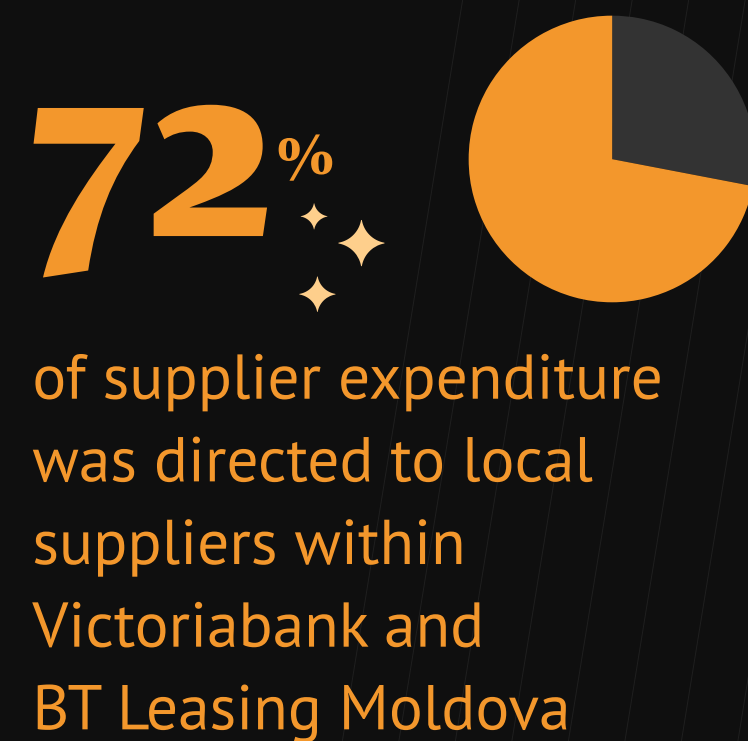
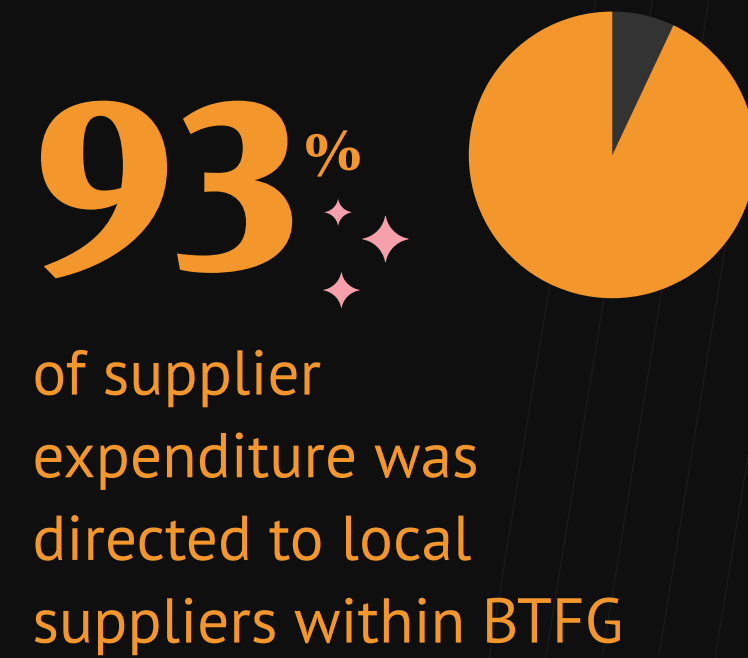
30

average number  
of training hours  
provided annually to  
BT and Victoriabank  
employees

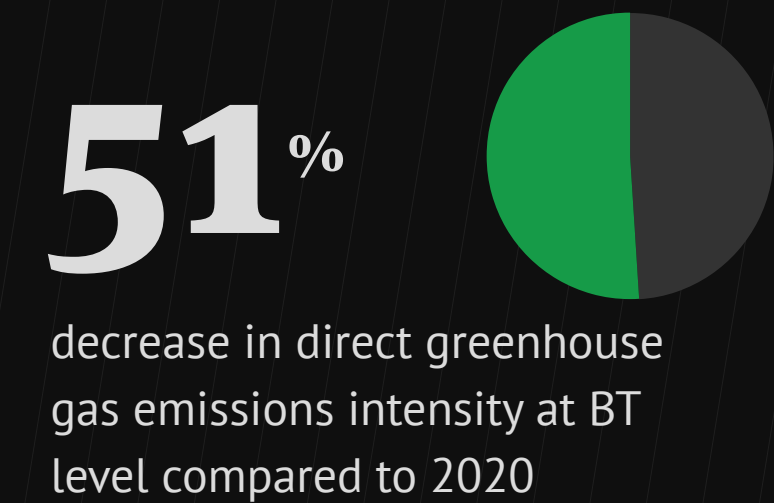
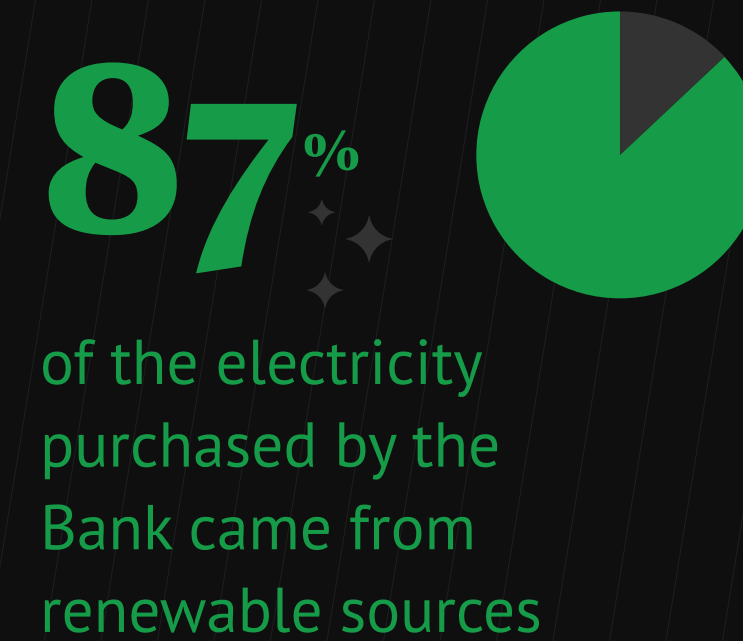
# 2021: key figures



## OUR COMMUNITIES



## ENVIRONMENT



**390,000**  
cards made of  
recycled materials  
issued since July

**BREEAM  
Excellent  
certification**  
for BT headquarters  
in Cluj

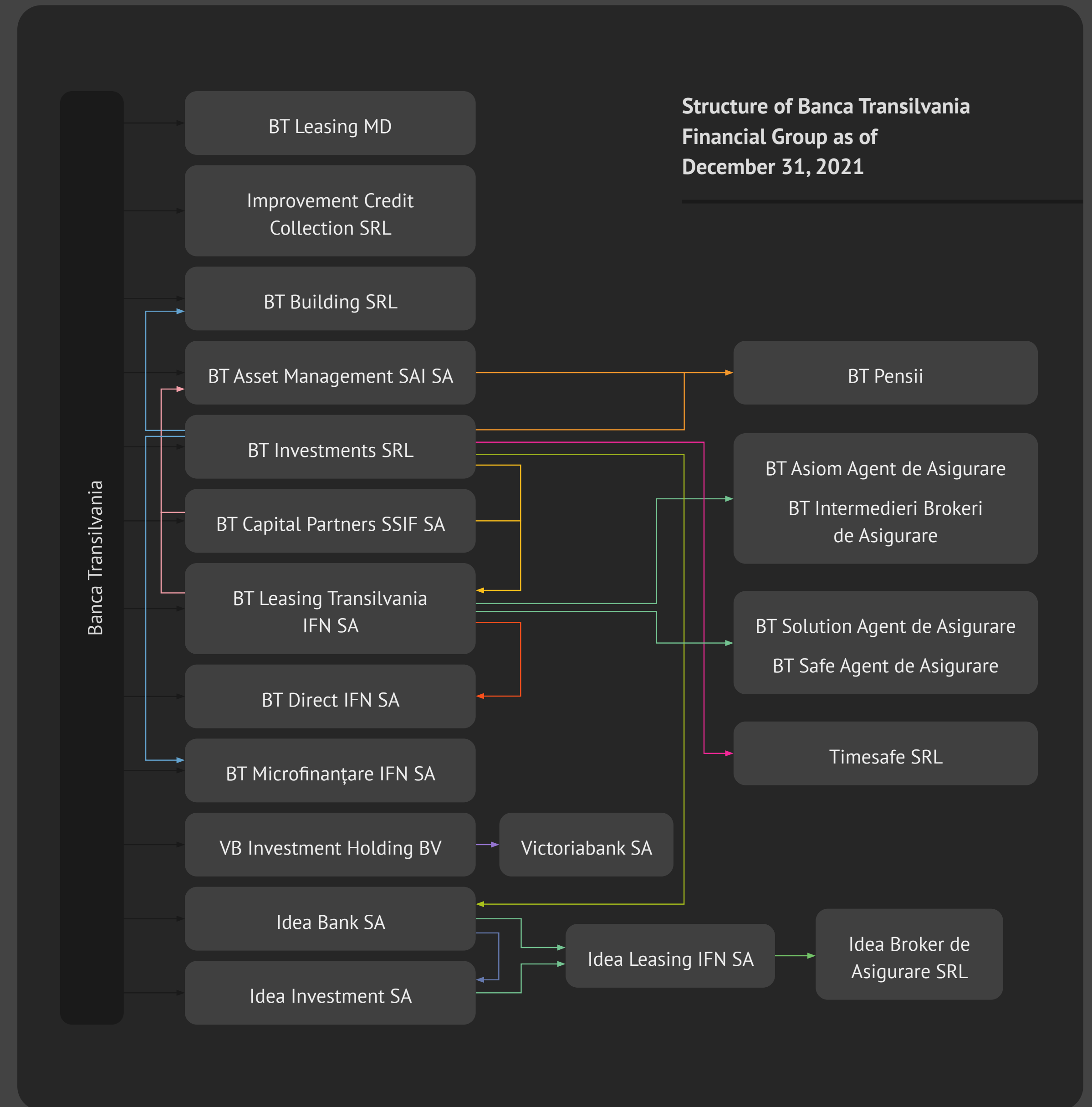
**2021:  
key figures**



# About BT Financial Group

Our **values** are respect, courage, responsibility, openness, and honesty in our relationship with all our partners, and our **mission** is to support businesses and communities anywhere and anytime, online and through our territory network, delivering positive experiences and helping them turn their plans into reality.

Banca Transilvania Financial Group operates in 3 countries, with significant activity in Romania, accounting for over 97% of total business. The other two countries are the Republic of Moldova, where it offers banking services through Victoriabank and financial leasing, and Italy (through a BT branch opened in Rome).





# Banca Transilvania

Banca Transilvania (BT) started its activity as a banking institution in 1993, under the license granted by the National Bank of Romania to carry out banking activities. On December 31, 2018, BT became the largest bank in Romania and Southeast Europe in terms of total assets.

BT's mission, as a private bank with majority Romanian capital, is to support the business environment and the general public through innovative financial services and products. The banking activity and product offering focus on retail and SME customers, while other financial services are provided by BT subsidiaries (leasing, microfinance for small companies and start-ups, consumer loans and cards, investment fund management, brokerage services, etc.).

Serving millions of customers through a network of more than 500 branches and multiple digital channels, Banca Transilvania is the main financier of the Romanian economy and runs a third of the payments made by the local population and companies. Banca

Transilvania is the first banking institution in Romania to be listed on the Bucharest Stock Exchange. By gaining the confidence of private and institutional investors, Banca Transilvania's market value has grown by an average of 49% per year.

From listing to the end of 2021, BT has raised more than 6.3 billion lei from the stock market, offering in the last ten years a superior return compared to local and European indices (BET and Euro Stock XX Banks) and is one of the two companies that qualified Romania for emerging market status. Fitch Ratings, one of the world's leading rating agencies, reconfirmed Banca Transilvania's rating in December 2021: BB+ for long-term funding (IDR), with a stable outlook, and bb+ for viability rating (VR), the latter reflecting the bank's stable financial profile, asset quality, solid capitalization, and adequate liquidity.

Banca Transilvania is a local brand built on a success story. Recognition also comes internationally, as the global brand index, The Banker's Banking 500, places BT as a triple-A brand at 302nd position at the time of this report, after steady growth since 2017, with a brand value of \$460 million.

In October 2021, Banca Transilvania completed its third acquisition in Romania, after Bancpost in 2018 and Volksbank in 2015, by acquiring the shares held by the Polish group Getin Holding in Idea::Bank, Idea::Leasing, and Idea::Insurance Broker.

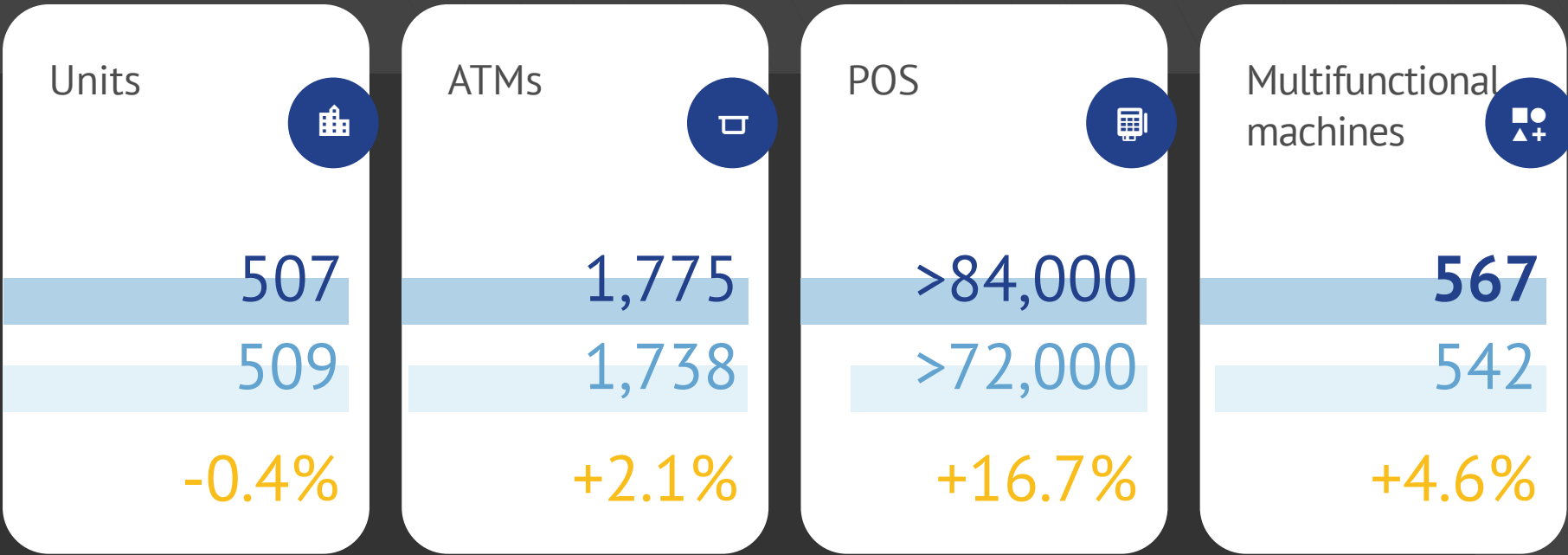
As a local operator, Banca Transilvania has focused its strategy on developing the national economy and communities. Financial inclusion, helping small businesses reach bankable standard levels, and encouraging the entrepreneurial environment in Romania has been the DNA of the bank since its inception.

Banca Transilvania is one of the first banks in Romania that, in partnership with international financial institutions, has launched green loan programs for both retail and corporate customers, especially in the field of energy efficiency. Developing specific in-house expertise, the bank has focused its lending policy on sustainable agriculture, technology, infrastructure, industry, education, and health, areas that have been important growth drivers in the company's portfolio in recent years.

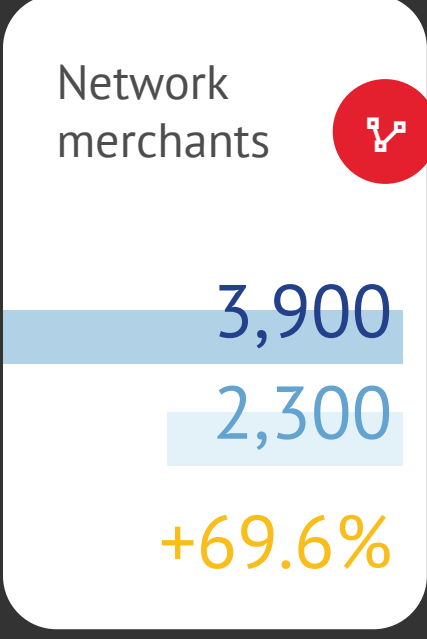
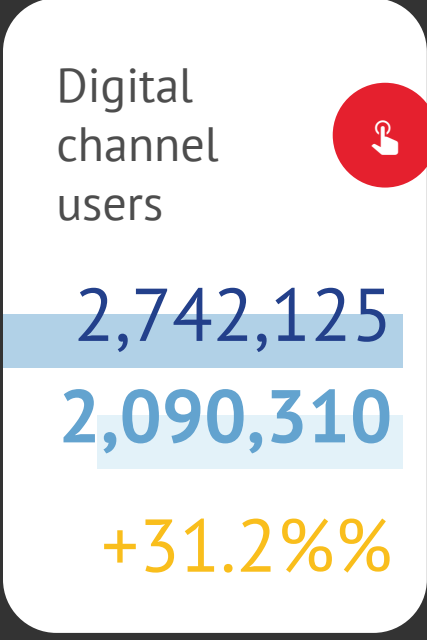
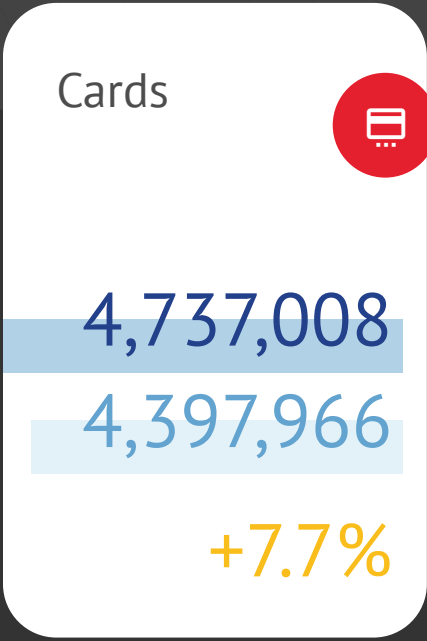
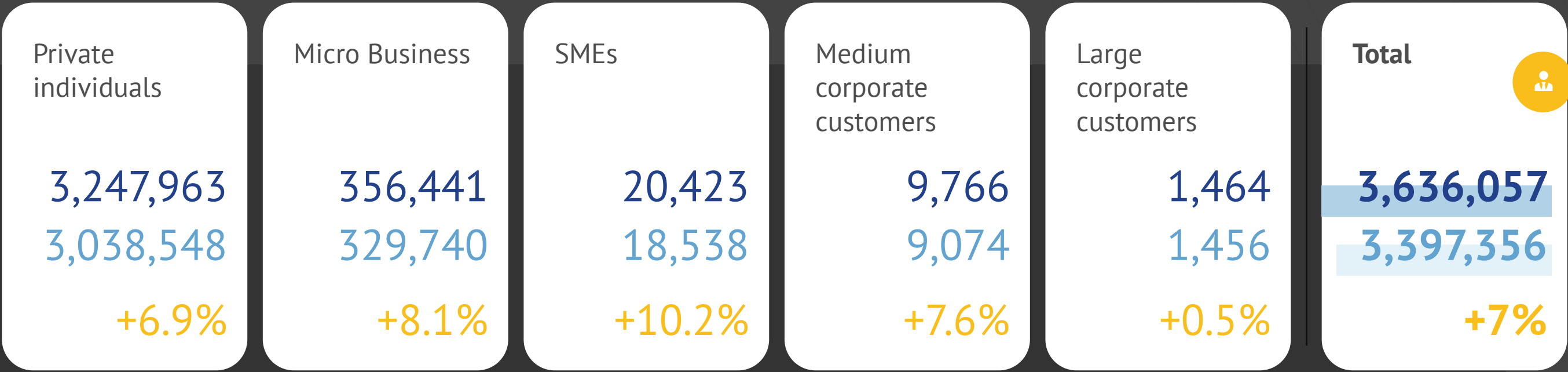
**Banca Transilvania's objective includes supporting Romania's transition towards a more sustainable economy, as described in Romania's Sustainable Development Strategy 2030.**



# Banca Transilvania



## Active customers:







**BT Microfinanțare** (BT Mic) is a non-bank financial institution dedicated to the financing of small businesses, including start-ups, which complements Banca Transilvania's role in supporting Romanian entrepreneurs. It addresses entrepreneurs with a turnover of up to 1 million lei, regardless of activity field and form of organization.

BT Mic is the largest microfinance company in Romania, working with more than 13,000 small businesses in 3,000 localities to support and develop day-to-day business, purchase goods, pay suppliers, invest in and/or open new outlets, and purchase machinery/tools, etc.

### Active customers:

Micro-enterprise

**13,000**  
**+16%**



**BT Leasing Transilvania** offers a wide range of vehicles, production equipment, and other equipment for leasing. In 2019, BT Leasing bonds debuted on the stock exchange, making it the second BT Group company to use the financing mechanisms of the Bucharest Stock Exchange.



**Toată lumea are un prieten care știe totul despre mașini.**

PS.: Dacă nu îți vine nimeni în minte, probabil tu ești acel prieten.



### Active customers:

Private individuals

356  
277  
**+28.5%**

Micro Business

8,514  
7,466  
**+14%**

SMEs

2,095  
1,802  
**+16.3%**

Medium corporate customers

888  
766  
**+15.9%**

Large corporate customers

72  
63  
**+14.3%**

Total

**11,925**  
**10,374**  
**+15%**



**BT Pensii** is the BT Group company that manages the Pensia Mea voluntary pension fund. BT expanded its private pension financial services through the acquisition of Certinvest Pensii in 2019, and Certinvest Pensii became BT Pensii in June 2020.

At the end of 2021, BT Pensii had over 22,300 participants, of which almost 6,000 were new participants in 2021. With total assets under management of 125 million lei, BT Pensii operates the only voluntary pension fund in Romania that invests in Private Equity (investments in companies with high growth potential).


**BT Pensii**



Ce duci cu tine  
**în viitor?**


**BT Pensii**



Azi ești tânăr,  
 mâine tânăr pensionar

**BT Asset Management** is the open-ended and closed-ended investment management company of the BT Group. It offers a full range of investment products - fixed-income funds, diversified funds, index funds, equity funds, and a real estate fund as an alternative savings and investment option. Access to the capital market is provided to clients through investments in Romania, Europe, and the US, through deposits in lei, as well as in euros, US dollars, and pounds sterling.


**BT Asset Management S.A.I.®**



PRIMA INVESTIȚIE E CA  
 PETRECEREA DE CASĂ NOUĂ,  
 NU SE UITĂ NICIODATĂ.


**BT Asset Management S.A.I.®**



PRIMA INVESTIȚIE E CA MAȘINA  
 DIN COPILĂRIE A PĂRINȚILOR TĂI,  
 NU SE UITĂ NICIODATĂ.

Active customers:

Private individuals	Legal entities
73,944	1,455
+70%	+38%





**BT Capital Partners** is the investment banking and capital markets division of Banca Transilvania Financial Group. It assists in raising capital market financing, brokerage services, mergers, and acquisitions advisory, structuring complex financings, and market research. The company is the only Romanian member of Oaklins, the leading alliance of mergers and acquisitions professionals globally. On the local market, BT Capital Partners is the largest retail broker.



#### Active customers:

Private individuals

18,353  
+51%

Legal entities

458  
+228.8%

Total

18,881  
+53%



**BT Direct** is a company dedicated to providing consumer loans to private individual customers. BT Direct and ERB Retail Services IFN S.A. merged by absorption on August 1, 2019, and the name BT Direct IFN S.A. has been retained.

Vrei un card de cumparaturi?



#### Active customers:

Private individuals

190,143  
+1.4%



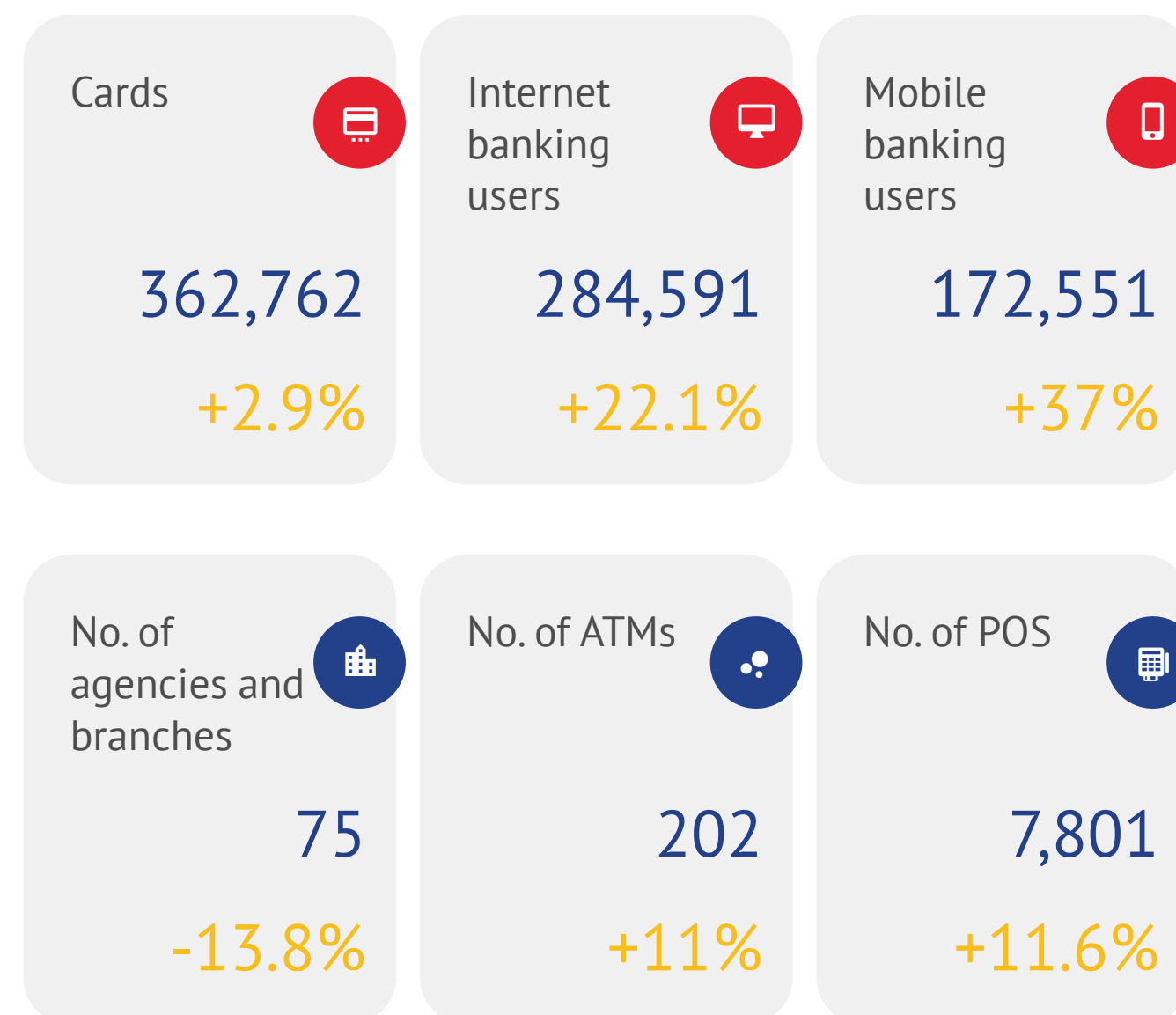
**Improvement Credit Collection** is a debt collection company operating through out-of-court and court proceedings. The company is only active in Romania but also has clients in the Czech Republic and the Republic of Moldova. At the end of 2021, ICC had 6 clients in its portfolio.



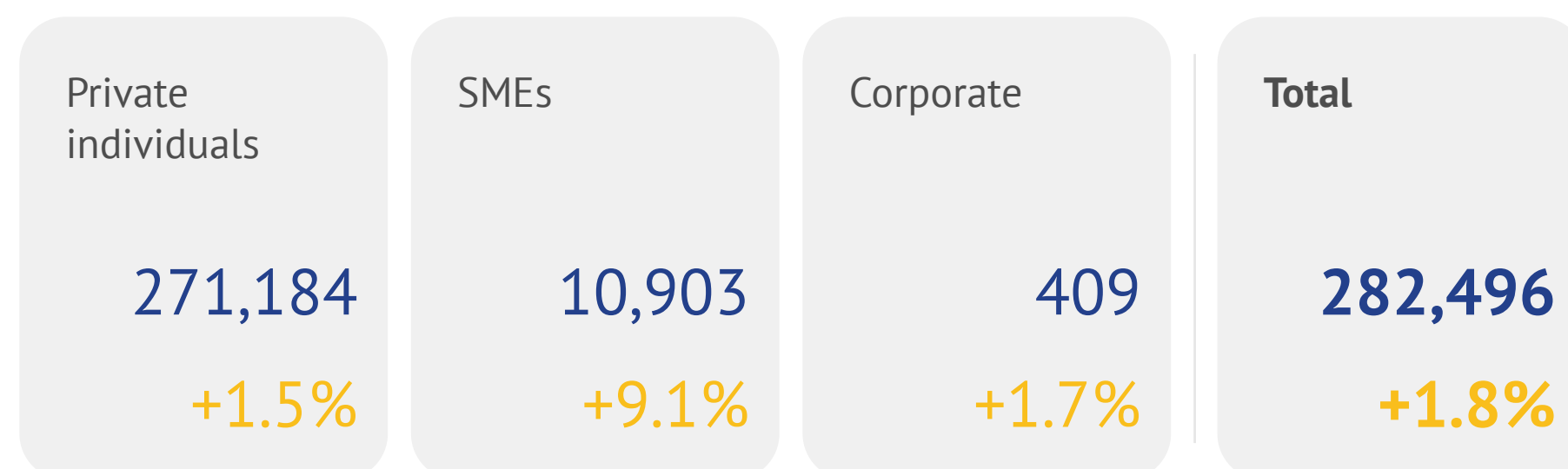




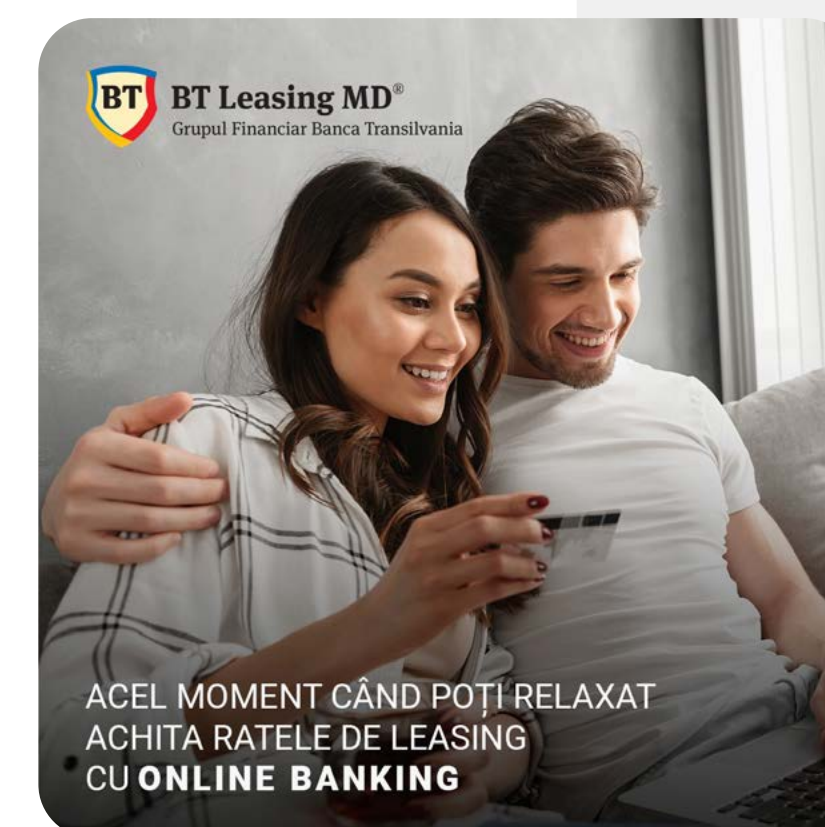
**Victoriabank** is one of the most recognized brands in the Republic of Moldova. In 2018, Banca Transilvania became the majority shareholder of Victoriabank, together with the EBRD. The fourth-largest bank in Moldova by assets, Victoriabank has around 270,000 active customers, and 75 branches in over 30 localities across the country. The bank is investing in digital platforms as a priority, and the bank's cardholders, both individuals and corporate customers, can manage their accounts remotely via the VB24 online platform.



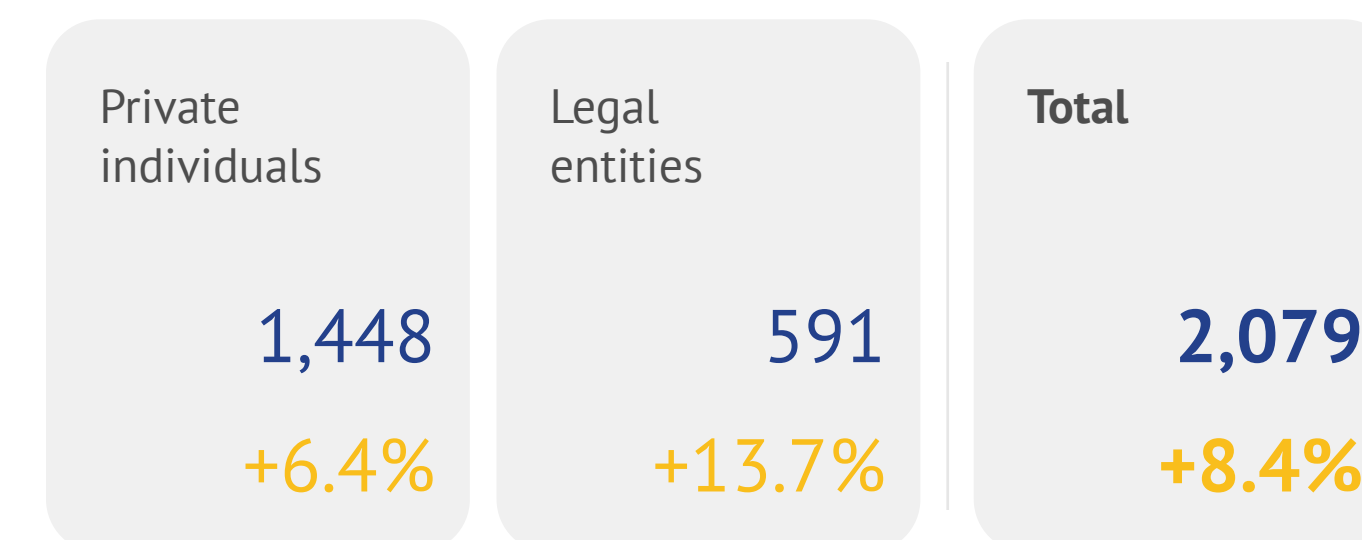
#### Active customers:



**BT Leasing Moldova** is the first company opened by Banca Transilvania Financial Group in the Republic of Moldova, market leader by the size of its leasing portfolio - fixed assets financing from leasing, since 2017. According to the results presented by the National Financial Market Commission at the end of September 2021, BT Leasing Moldova is the leader in the financial leasing segment, with a leasing portfolio of MDL 666.73 million.



#### Active customers:



















# Awards and affiliations



We are aware that a future as we want it can only be built through joint efforts, which is why collaboration plays an extremely important role for us. Thus, we join initiatives based on the same principles and values that BT Group believes in, working together with partners and industry specialists to identify the best solutions for the Romanian economic environment.

Association in which BT Group is a member:


## Banca Transilvania

-  Romanian Investors Relations Association (ARIR)
-  Electronic Archive for Security Interests in Movable Property (AEGRM)
-  Association of Electronic Payments in Romania (APEROR)
-  The Romanian Factoring Association (AFR)
-  National Association of Exporters and Importers in Romania (ANEIR)
-  The Romanian Association of Banks (ARB)
-  Spherik Accelerator Association
-  The Council of Banking Employers in Romania
-  The Aspen Institute Romania
-  Transylvania Creative Industries Cluster Association
-  The European Money Market Institute
-  Romania Green Building Council (RoGBC)
-  Romanian Fintech Association
-  Education Cluster Association
-  Romanian Private Equity Association
-  Youth Cultural Association



## BT Mic

-  Romanian Microfinance Association
-  European Microfinance Network – EMN



## BT Asset Management

-  Fund Managers Association (AAF)


## BT Capital Partners

-  Romanian Brokers Association
-  Oaklins Alliance


## BT Direct

-  Association of Financial Companies (ALB)
-  Association of Financial Companies Consumer Credit Council

## BT Leasing

-  Association of Financial Companies (ALB)

## Improvement Credit Collection

-  Trade Receivables Management Association (AMCC)

## Victoriabank

-  Moldovan Banks Association (ABM)
-  European Business Association (EBA)
-  The American Chamber of Commerce în Moldova (AmCham)

## BT Leasing Moldova

-  Romanian Investors Relations Association (ARIR)
-  The American Chamber of Commerce în Moldova (AmCham)



Top 500 banking brands in the world  
Brand Finance Banking 500 ♦

Horia Ciorcilă, Chairman of the Board of Directors, Banca Transilvania in the "Top 100 Most Admired CEOs in Romania 2021"  
Business Magazin ♦

Ömer Tetik, CEO, Banca Transilvania in the "Top 100 Most Admired CEOs in Romania 2021"  
Business Magazin ♦

Gold Level Recognition for BT Sustainability Report  
Romania CST Index ♦

Supporting Romanians and the Romanian economy through funding  
wall-street.ro ♦

Bank of the Year 2021  
Piața Financiară awards gala ♦

Best Investor Relations Specialist - Mihaela Nadasan  
ARIR Romania ♦

Best sustainability report - BT  
ARIR Romania ♦

One of the strongest Romanian brands  
BIZ Magazine ♦

The best bank in Romania  
Euromoney ♦

Human Resources Excellence Award for the Health and Well Being Program  
HR Club ♦

The most traded share on the main market of BVB - TLV  
Bucharest Stock Exchange ♦

2020 Bond Market Participant of the Year - BTCP  
Bucharest Stock Exchange ♦

Fastest Growing Asset Management Company in 2021  
Global Banking and Finance Review ♦

Diversified Funds Performance Category 2021  
Finmedia - Piața Financiară Magazine Awards Gala ♦

Equity Fund Performance Category 2021  
Finmedia - Piața Financiară Magazine Awards Gala ♦

Banca Transilvania received the **maximum Vector ranking** rating (10/10) for investor communication following the assessment of the Romanian Investors Relations Association (ARIR). This is the third consecutive year that BT has received 10 out of 10 points for communication with one of the most important stakeholders.

# achievements & awards 2021







Brokerage Leadership Awards - Security Brokerage CEO of the Year Romania 2021: Daniela Secara  
Global Banking and Finance Review ♦

Fastest Growing Investment, Brokerage & Forex Awards - Fastest Growing Securities Brokerage Romania 2021  
Global Banking and Finance Review ♦

Investment, Brokerage & Forex Awards - Best Research House Romania 2021  
Global Banking and Finance Review ♦

Investment, Brokerage & Forex Awards - Best Securities Brokerage Romania 2021  
Global Banking and Finance Review ♦

The most active intermediary in both BVB markets in 2021  
BVB Awards ♦

Notorium Trophy in the Insurance, Leasing, Finance, Banking, Real Estate category  
Intelstart ♦



2nd place in the National Top Companies 2021 (services - medium-sized enterprises category)  
Chamber of Commerce and Industry of Romania ♦

Diploma of Excellence in the top county companies Cluj 2021  
Chamber of Commerce and Industry Cluj ♦

Best employer  
Axa Management Consulting ♦

2nd place among companies where graduates would like to apply for a job  
Iolanta Mura and Riyang Phang ♦

Mariana Tehovici, Director of Reporting Department, "Meritul Bancar" Honorary Medal, for outstanding merits in the development and promotion of the banking system in the Republic of Moldova  
Moldovan Banks Association (ABM) ♦

Honorary Diplomas:  
Diana Pranitchi - Deputy Director, Sales, and Network Development Department  
Carolina Cat - Branch Manager  
Elena Seremet - Deputy Branch Director  
Inga Rosca - Head of Branch Agency  
Moldovan Banks Association (ABM) ♦

Golden Mercury for "Leader of the Year" nomination, "Financial Services" category  
Chamber of Commerce and Industry ♦

Gold Medal for "Significant contribution to sustainable development" nomination, "Financial Services" category  
Chamber of Commerce and Industry ♦

Gold Medal "Socially Responsible Trademark", "Financial Services" category  
Chamber of Commerce and Industry ♦

# achievements & awards 2021





# Economic performance

We are the largest bank in Romania, and besides being a great honor, this brings great responsibility. What we do at BT Group plays a very important role in the growth of the Romanian economy, with a direct and indirect impact on millions of people: customers, suppliers, employees, shareholders, and all the partners we interact with. Our contribution to banking growth, digitization, and job creation generates value for all our stakeholders.

Description (thousands lei)	2020		2021	
	at Banca Transilvania level	consolidated, at the Group level	at Banca Transilvania level	consolidated, at the Group level
Direct economic value generated:	3,153,320	3,670,325	4,113,351	4,684,798
Operating income	3,937,204	4,536,165	4,348,178	4,941,414
Impairment allowance as depicted by the Financial Statements	-783,884	-865,840	-234,827	-256,616
Revenue	4,968,087	5,669,422	5,351,711	6,056,566
Economic value distributed	1,956,015	2,246,247	2,330,647	2,660,265
Operating expenses (depreciation and other operating expenses)	823,431	950,406	931,918	1,053,723
Employee wages and benefits (including paid salary contributions: social protection, payroll tax, etc.)	958,853	1,097,491	1,159,065	1,328,277
Payments to shareholders*	0	0	0	0
Payments to the state budget of income tax	173,731	198,350	239,664	278,265
Community investments**	0	0	0	0
Economic value retained	1,186,076	1,419,143	1,662,901	1,887,928

\*Dividends approved to be paid in 2020 from 2019 profit: 600,000,000 lei and dividends approved to be paid in 2021 from 2020 profit: 500,000,000 lei

\*\*Community investments in 2020: RON 24,000,000 and community investments in 2021: RON 27,000,000 (at the level of Banca Transilvania)



# Corporate governance

## Shareholders

Because we are listed on the Bucharest Stock Exchange, shareholders are one of our most important stakeholders and communication with them is extremely important:



BT issues regular reports informing the bank's shareholders and investors;



In 2021, the bank held 4 conference calls with investors;



Every year Banca Transilvania announces a financial communication calendar, published in January on both the BT website and the Bucharest Stock Exchange website;



The main communication channels with shareholders include the [Investor Relations platform](#) <sup>↗</sup> on the bank's website and regular online meetings.

BT Shareholder Structure	31.12.2020	31.12.2021
NN Group*	10.14%	10.29%
European Bank for Reconstruction and Development (EBRD)	6.87%	6.87%
Romanian private individuals	20.47%	21.23%
Romanian companies	40.10%	41.41%
Foreign private individuals	1.09%	0.98%
Foreign companies	21.33%	19.22%
<b>Total</b>	<b>100%</b>	<b>100%</b>

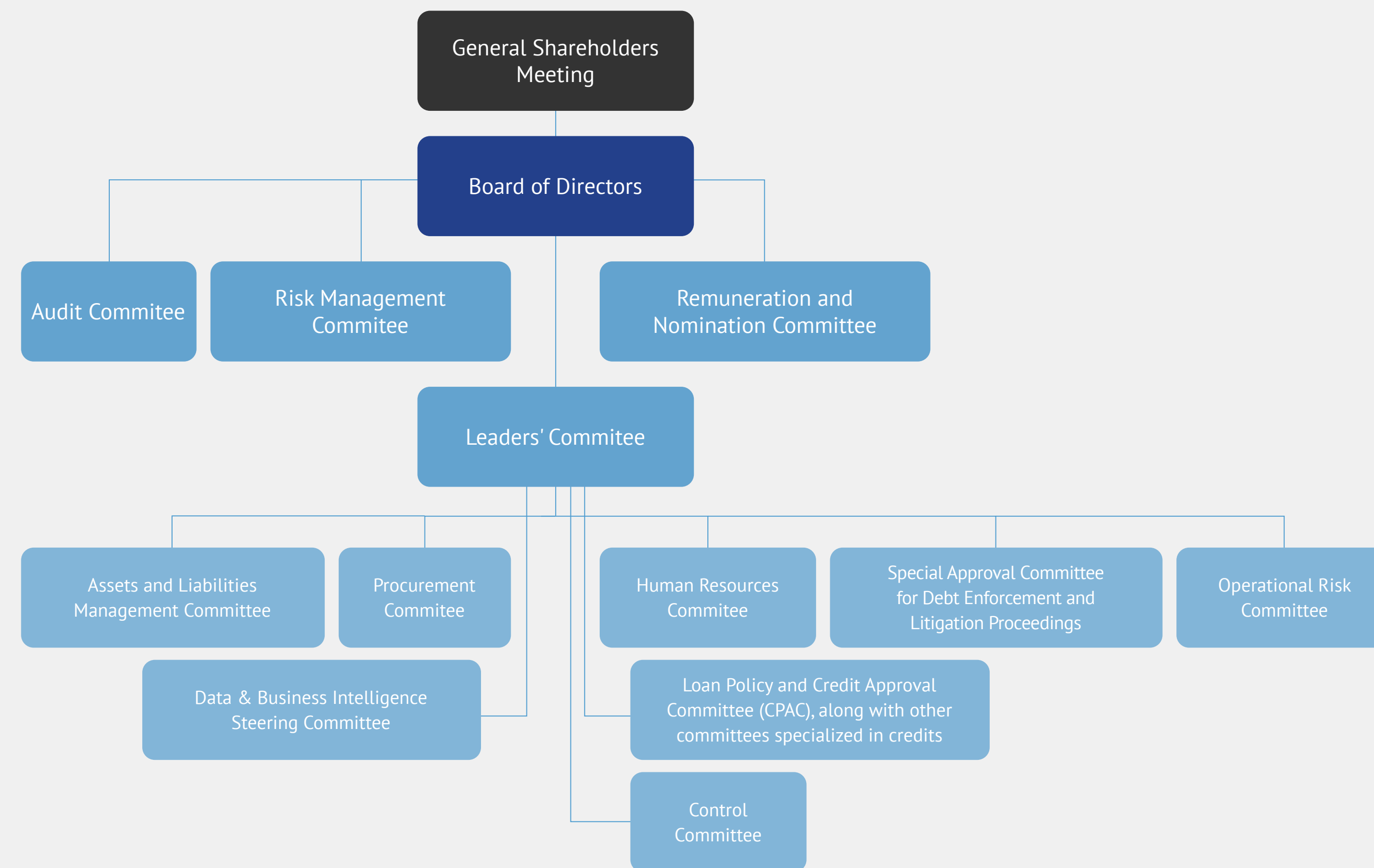
\* NN Group N.V. and pension funds managed by NN Pensii SAF PAP S.A. and NN Asigurări de Viață S.A.

Victoriabank Shareholder Structure	31.12.2020	31.12.2021
Republic of Moldova private individuals	27.50%	27.50%
Republic of Moldova companies	0.06%	0.06%
Foreign private individuals	0.25%	0.25%
Foreign companies	72.19%	72.19%
<i>Of which Banca Transilvania Financial Group</i>	<i>44.63%</i>	<i>44.63%</i>
<i>Of which European Bank for Reconstruction and Development (EBRD)</i>	<i>27.55%</i>	<i>27.55%</i>
<b>Total</b>	<b>100%</b>	<b>100%</b>

Subsidiary	Direct and indirect holdings of Banca Transilvania
BT Mic	100%
BT Leasing	100%
BT Pensii	100%
BT Asset Management	100%
BT Capital Partners	99.59%
BT Direct	100%
Improvement Credit Collection	100%
Victoriabank	44.63%
BT Leasing Moldova	100%



# Management structures at the level of Banca Transilvania



**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, including sustainability initiatives (details in section *1.7. Our policy and commitment to a sustainable future*). 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.

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 fulfillment of these responsibilities towards the management body, based on the management agreements, the relevant NBR regulations, the legal requirements, and the internal rules.





**Horia Ciorcilă**  
Chairman  
Independent  
Non-executive  
Romanian



**Thomas Grasse**  
Vice-chairman  
Independent  
Non-executive  
German



**Costel Lionăchescu**  
Member  
Independent  
Non-executive  
Romanian



**Mirela Bordea**  
Member  
Independent  
Non-executive  
Romanian



**Vasile Pușcaș**  
Member  
Independent  
Non-executive  
Romanian



**Costel Ceoceă**  
Member  
Non-executive  
Romanian



**Ivo Gueorguiev**  
Member  
Independent  
Non-executive  
British and Bulgarian

Name / Position / Member type / Nationality

**The Board of Directors** ("BoD") is elected by the GSM for a 4-year term, based on nominations made by shareholders. The eligibility of the members of the Board of Directors is subject to specific national legislation (Law no. 31/1990 and GEO no. 99/2006, together with the relevant NBR regulations), as well as to the provisions of the Bank's Articles of Association.

After their election, they are subject to prior approval by the NBR, the financial and banking supervisory authority. The analysis carried out by the authority for prior approval seeks the suitability of the individuals for the new position of member of the Board of Directors (but also in relation to any committees on which they will serve). This analysis takes into account, among other things, clear competence, independence, and diversity criteria, and both individual and collective suitability is assessed.

Board of Directors membership on 31.12.2021	Men		Women		Total	
	no.	%	no.	%	no.	%
>50 years	6	85.71	1	14.29	7	100
<b>Total</b>	<b>6</b>	<b>85.71</b>	<b>1</b>	<b>14.29</b>	<b>7</b>	<b>100</b>



**Board of Directors Committees:**



**Audit Committee**

Ivo Gueorguiev | Chairman  
Thomas Grasse | Member  
Costel Lionăchescu | Member



**Remuneration and  
Nomination Committee**

Vasile Pușcaș | Chairman  
Horia Ciorcilă | Member  
Ivo Gueorguiev | Member



**Risk Management  
Committee**

Thomas Grasse | Chairman  
Ivo Gueorguiev | Member  
Costel Ceoceă | Member

Both the Board of Directors and the BoD Committees are responsible for managing impacts on the economy, the environment, and society, including human rights. The duties of Board members expressly include, through the Organisational and Administrative Regulations, the supervision of the implementation of and compliance with high sustainability standards (ESG), both in terms of lending and in day-to-day business. At the Board level, BT Group's sustainability strategy is set for a horizon of at least three years, in close correlation with the business strategy. The Chairman of the Risk Management Committee has ESG responsibilities, i.e. overseeing the implementation and related risks of the sustainability strategy at the bank and subsidiary level, as well as the alignment of risk management policies with the Group's sustainability standards.

At the same time, the Organisational and Administrative Regulations stipulate that monitoring compliance with internal regulations on ESG standards is the responsibility of the Audit Committee, while the Remuneration and Nomination Committee approves remuneration and nomination policies in line with ESG principles and standards.

In 2021, the Remuneration and Nomination Committee assessed the suitability of the Board of Directors and its committees. No significant issues were identified, minor issues requiring adjustment were reviewed by the Board of Directors, and solutions were offered to resolve them in 2021, to optimize the Board of Directors and Board Committees' activity.

Banca Transilvania has implemented a policy on Board evaluation which can be accessed on the BT website, Investor Relations section, Corporate Governance category, [Compliance Statement](#) <sup>EN</sup>. Here you can also find information on BT's remuneration practices.



Further details on the responsibilities of each Committee and their activity during the reporting period can be found in the [Report of the Board of Directors of Banca Transilvania 2021](#) <sup>EN</sup>.





.....

**Ömer Tetik**

Chief Executive  
Officer (CEO)  
Executive member  
Romanian



.....

**George Călinescu**

Deputy CEO  
Executive member  
Romanian



.....

**Luminița Runcan**

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



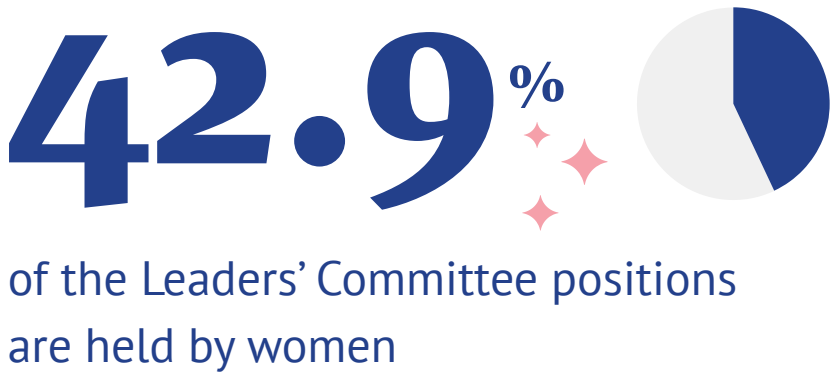
.....

**Tiberiu Moisă**

Deputy CEO  
Executive member  
Romanian

Name / Position / Member type / Nationality

**Leaders' Committee** ("LC") is appointed by the Board of Directors and mandated under the contract to carry out executive duties delegated by the Board of Directors to this effect, thus ensuring the management and organization of the Bank's activity. The rules and procedures of the Committee are approved by the Board of Directors. In addition, they must meet the legal conditions in force, i.e. be approved by the NBR before they start to perform their duties, which also implies their suitability analysis.



Leaders' Committee membership at 31.12.2021	Men		Women		Total	
	no.	%	no.	%	no.	%
30-50 years	3	42.85	0	0	3	42.85
>50 years	1	14.29	3	42.85	4	57.15
Total	4	57.15	3	42.85	7	100%



**The committees supporting the Leaders' Committee's activity are:**



Assets and Liabilities Management Committee



Human Resources Committee



Committee for Credit Policy and Approval (CPAC) from BT Headquarters



Credit Risk Committees from the BT Headquarters (Mediation Committee, CCR1, and CCR2)



Committees Specific to the Activity of the Credit Recovery Department and the Workout, Insolvency and Bankruptcy Department (CW1, CW2, CRS, CR1, CR2, and CRW)



Committee for Monitoring Debt Enforcement and Achievedion of Assets (CMESVA)



Special Committee for Approval of Legal Enforcement/Litigation Status (CAES)



Financial Institutions Credit Committee (CCIF)



Branch Credit and Risk Committee (CCRS)  
Data Monitoring and Business Intelligence Steering Committee




Operational Risk Committee



Line 2 Control Committee




Further details on the responsibilities of the Steering Committee and of each Committee established under it, as well as on their activity during the reporting period, can be found in the Report of the Board of Directors of Banca Transilvania 2021, available on the Bank's website, [Investor Relations](#)  section.





# Assessing the suitability of management

The suitability analysis process for members of the Group's management structures is a complex one, which takes into account all the aspects indicated in determining the collective and individual suitability of the candidate. Details of the process can be found [here](#) .

At the same time, the policy regarding the process of assessing the suitability of Banca Transilvania's management body members is intended to establish the principles that govern how 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.

## Remuneration policy

Remuneration policies at BT level, both for members of management bodies and for company staff, are prepared primarily in compliance with the principles set out in the applicable national and European regulations, aiming primarily at respecting the principle of fairness.


In addition, the internal remuneration framework supports the institution in creating and maintaining a viable capital base. When assessing whether the capital base is sound, the bank considers its total own funds and in particular core tier 1 own funds and the distribution restrictions set out in Article 141 of Directive 2013/36/EU which apply to the variable remuneration of the whole staff, as well as the outcome of the internal capital adequacy assessment process. Last but not least, Banca Transilvania periodically updates and improves its internal rules and standards in order to promote the best practices regarding remuneration.

A key role in this process is played by the Remuneration and Nomination Committee, which is the main body responsible for the remuneration policy.

The Remuneration and Nomination Committee makes sure that the general remuneration and incentive principles and policies are in line with Banca Transilvania's long-term business strategy, sustainability objectives, values, interests, and other duties as specified in the applicable internal governance framework.

The Remuneration Committee, composed of majority independent members, approves the remuneration structure and the Board (also composed of majority independent members) approves the final remuneration. The remuneration of the BoD (compensation), as well as the additional remuneration limit for the whole governing body, is approved at the GSM level.



The remuneration policy for members of governing bodies can be found [here](#) .

In addition, the remuneration policy and the remuneration report detailing the remuneration structure of the previous year are subject to approval and information to the AGM respectively (starting with the remuneration report for 2021). Concerning the performance and suitability of the governing body, it should be noted that in the process of assessing the individual and collective suitability of the governing body, in addition to specific objectives, ESG-specific key performance indicators (KPIs) have been integrated, relating both to objectives and to the reporting process (including at board committee level).

Although an ESG component has been integrated into the 2021 suitability assessment process, the addition of new objectives in this assessment for the current year will ensure a better ongoing verification of the governing body's expertise to reflect relevant changes in the institution's business activities, sustainability strategies, and risk profile. The remuneration report can be consulted by accessing Annex 2 of the Report of the Board of Directors of Banca Transilvania 2021.



Assessing the performance of the organization's leadership in overseeing the management of the organization's impact on the economy, the environment, and people and the actions taken in response to these assessments is part of the performance evaluation process (including in relation to remuneration). A SMART methodology, including ESG objectives, is used for the assessment process.



The performance evaluation criteria have considered a sufficiently long period of time in order to measure the real performance, with quantifiable criteria, both qualitatively and quantitatively. Sustainability objectives have been assigned to the leaders. The use of such individual performance objectives has ensured the alignment between the bank's remuneration practices, the interests of the top management, and the general sustainability objectives of the bank. Concerning the approval of the results, the SMART methodology establishes the evaluation of the performance based on the set objectives, with a rating from 1 to 5, 1 being *unacceptable* (the set level of performance is not achieved) and 5 being *excellent* (the set level of performance is exceeded). The above score is allocated to each qualitative and quantitative criterion for each person. The overall score determining the final rating is calculated as the mean value of the individual scores for each objective. The mean value resulting from the individual objectives of each leader indicated an *excellent* scoring regarding the achievement of the objectives proposed for him/her, showing that the level of performance achieved exceeded the level of performance initially proposed.

The objectives of the top management mainly considered areas such as:

- ✚ improving the quality of the services,
- ✚ improvement of the capital and liquidity ratios,
- ✚ ongoing digitalization of the retail and company sectors,
- ✚ improving the quality of the loan portfolio,
- ✚ strategic and business integration of the BTFG's subsidiaries,
- ✚ improving cyber security,
- ✚ correlated with the setting of sustainability and sustainable development objectives for each member of the top management, including without limitation: decreasing greenhouse gas emissions, increasing the share of renewable energy in total consumption, continuous implementation of digital flows, issuing new sustainable products.

This integration of at least one ESG-specific criterion (KPI) in the list of individual performance objectives assigned to each top management body in order to determine the paid variable remuneration. Each of these individual criteria has related to the ESG objectives that are established within the member's area of activity and expertise, so as to ensure the alignment of the remuneration to the Bank's sustainability objectives, thus enabling an organic growth of the ESG initiatives in order to achieve the specific sustainability objectives. This methodology will be maintained for the current year, increasing the inclusion of sustainable development objectives.



More details on the tasks and responsibilities of the General Meeting of Shareholders, the Board of Directors, and the Leaders' Committee and detailed information on the composition and competencies of each member of the BoD and the LC can be found in the [Report of the Board of Directors of Banca Transilvania 2021](#) <sup>13</sup>.



# Governance structure at Victoriabank

Victoriabank has adopted a management system that is fully in line with the objectives of good corporate governance, transparent corporate information, protection of the interests of the various categories of participants, and efficient operation in the banking market. The Corporate Governance Code is a mechanism that aims to increase the confidence of all stakeholders in the Bank's management and administration and helps investors understand the corporate values that underpin its business. The internal governance model is aligned with the corporate governance practices of Banca Transilvania Financial Group.

**The Board of Directors** is the governing body that oversees the management decision-making process and is responsible for the Bank's overall business and financial viability. The Board oversees the activities of the Executive Body, monitoring its actions to ensure that they are consistent with the Bank's strategy and policies by reviewing the information provided by the Executive Body and the Compliance, Internal Audit, and Risk Management functions and by meeting regularly with the Executive Body and those functions.

The Council meets regularly to discuss and adopt decisions on the main issues within its competence. The responsibilities of the Board of Directors and the Chairman of the Board are set out in the Bank's Statute and the Board of Directors' Regulations.

Name / Position / Member type / Nationality	
<div>.....</div> <b>Turcan Victor</b> Chairman Non-executive Moldovan	<div>.....</div> <b>Grasse Thomas</b> Vice-Chairman BoD, Member Independent non-executive German
<div>.....</div> <b>Spoială Igor</b> Member Independent non-executive Moldovan	<div>.....</div> <b>Peter Franklin</b> Member Independent non-executive English
<div>.....</div> <b>Moisă Tiberiu</b> Member Non-executive Romanian	<div>.....</div> <b>Maris Mancinskis</b> Member Independent non-executive Latvian
<div>.....</div> <b>Sabaz Mehmete Murat</b> Member Independent non-executive Turcă	

Victoriabank Board of Directors	Men		Women		Total	
	no..	%	no..	%	no..	%
30-50 years	2	28.60%	0	0	2	28.60%
>50 years	5	71.40%	0	0	5	71.40%
Total	7	100%	0	0	7	100%



The executive body of the Bank is the **Steering Committee** which organizes, directs, and is responsible for the day-to-day operations of the Bank, effectively and prudently managing the business of the Bank in a manner consistent with the Bank's strategy and management framework approved by the Board of Directors.

Name / Position / Member type / Nationality



**Pleșuvescu Bogdan**

Chairman  
Executive  
Romanian



**Vitalie Corniciuc**

Vice-Chairman  
Executive  
Moldovan



**Donica Vasile**

Vice-Chairman  
Executive  
Moldovan



**Maloș Elena-Ionela**

Vice-Chairman  
Executive  
Romanian



**Șerban Sorin**

Vice-Chairman  
Executive  
Romanian

At the same time, at Victoriabank level, the Green Council was created in 2018 to manage sustainable development matters.

**The Green Council** is a permanent, independent, advisory body set up to monitor, manage, and develop Victoriabank policies in areas such as renewable energy production, energy efficiency, waste management, organic farming, and ecology in general. The Council sets the agenda of activities to be implemented in the areas listed above.

Victoriabank Steering Committee	Men		Women		Total	
	no..	%	no..	%	no..	%
30-50 years	3	60%	1	20%	4	80%
>50 years	1	20%	0	0%	1	20%
Total	4	80%	1	20%	5	100%



Further details about the tasks and responsibilities of the Board of Directors and the Steering Committee, as well as information about the committees that support the activity of the two structures can be found [here](#) <sup>↗</sup>.





Company / Management / Membership			
<div><b>BT Asset Management SAI</b></div> <div>...</div> <div><b>Board of Directors</b> Luminița Runcan / Chairman of BoD Gabriela Nistor Ioan Alin Nistor</div> <div>...</div> <div><b>CEO</b> Aurel Bernat</div> <div>...</div> <div><b>Deputy CEO</b> Dan Dascăl Călin Condor</div>	<div><b>BT Direct IFN</b></div> <div>...</div> <div><b>Board of Directors</b> Gabriela Nistor / Chairman of BoD Leontin Toderici Oana Ilaș</div> <div>...</div> <div><b>CEO</b> vacant post</div> <div>...</div> <div><b>Deputy CEO</b> Nicoleta Bott / Interim CEO Gabriel Gogu</div>	<div><b>BT Microfinantare IFN</b></div> <div>...</div> <div><b>Board of Directors</b> Tiberiu Moisă / Chairman of BoD Luminița Runcan Andrei Dudoiu*</div> <div>...</div> <div><b>CEO</b> Cristina Sindile</div> <div>...</div> <div><b>Deputy CEO</b> Valentina Alexandru Marian Ene Dan Cojocar</div>	<div><b>Improvement Credit Collection</b></div> <div>...</div> <div><b>Board of Directors</b> Bogdan Pleșuvescu / Chairman of BoD Luminița Runcan George Călinescu</div> <div>...</div> <div><b>CEO</b> Paul Tupa</div> <div>...</div> <div><b>Deputy CEO</b> Ștefan Dan Dragomir</div>
<div><b>BT Capital Partners</b></div> <div>...</div> <div><b>Board of Directors</b> Costel Lionăchescu / Chairman of BoD Omer Tetik Leontin Toderici</div> <div>...</div> <div><b>CEO</b> Daniela Secară</div> <div>...</div> <div><b>Deputy CEO</b> Mihai Milchiș Mirela-Lenuța Buduroiu Vlad Pintilie</div>	<div><b>BT Leasing Transilvania IFN</b></div> <div>...</div> <div><b>Board of Directors</b> Tiberiu Moisă / Chairman of BoD Daniel Szekely Ioan Alin Nistor</div> <div>...</div> <div><b>CEO</b> Ionuț Morar</div> <div>...</div> <div><b>Deputy CEO</b> Simona Sapon Mihai Moraru</div>	<div><b>BT Pensii - SAFPF</b></div> <div>...</div> <div><b>Board of Directors</b> Aurel Bernat / Chairman of BoD Mihaela Simona Nădășan Anca Eugenia Crăciun</div> <div>...</div> <div><b>CEO</b> vacant post</div> <div>...</div> <div><b>Deputy CEO</b> Corina Mădălina Cojocar / Acting CEO</div>	<div><b>BT Leasing Moldova</b></div> <div>...</div> <div><b>Board of Directors</b> Mihaela Simona Nădășan / Chairman of BoD Bogdan Pleșuvescu Ionuț Călin Morar</div> <div>...</div> <div><b>CEO</b> Marius Călin Crăciunaș</div>

\*replaced in January 2022 by Daniel Szekely



# Business compliance, ethics, and responsibility

## Anti-corruption policy

BT Financial Group companies do not tolerate any form of bribery and/or corruption. No employee or member of the top management of a BT Group company will 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.

All members of management of any kind, together with employees, have access to and are informed of BT Group policies in this area. In addition, when the regulatory framework in this area is updated, the persons concerned are informed and provided with the relevant rules.

Training and/or information on anti-corruption policies and procedures 2021

Categories	Number of people informed about anti-corruption policies and procedures	Number of people trained on anti-corruption policies and procedures (online training)	Number of people trained on anti-corruption policies and procedures (on-site training)
Board of Directors	All the persons concerned in the categories analyzed	7	0
Executive Directors		20	2
Department Managers		88	18
Regional Branch Directors		69	29
Headquarters employees		3,313	139
Network employees		5,488	1,162





At Victoriabank, all members of governing bodies of any kind, together with employees, have access to and are informed of these policies at the time of their adoption, including any changes that occur during their validity. The policies are made available to members of the governing bodies and employees on an ongoing basis and are available on Victoriabank's intranet page.

The bank's anti-corruption policies and procedures are not communicated to business partners, but the bank's position on corruption is communicated to business partners through an anti-corruption clause in the contractual agreements. In addition, when contracts are concluded/amended, the Bank ensures controls to monitor their compliance with standards and legislation in this area.



In 2021, 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.





# Compliance with Competition Law

Compliance with competition rules is a priority throughout the activity of Banca Transilvania, 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 of Banca Transilvania and regulates our firm position on strict compliance with competition law provisions. The policy lists 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 our behalf.

Our employees must be familiar with and comply with the provisions of the Competition Policy, and abide by all the principles set out therein. They are encouraged to report any potential competition violations to the Senior Executive Vice President, Corporate Governance and Litigation Division.

The company can sanction employees both for their own violations and for non-reporting of violations by other employees.



In 2021, there were no legal actions regarding anti-competitive behavior and antitrust and monopoly violations in which Banca Transilvania was identified as a participant.



In 2020, there was a situation that was subject to a competition investigation, which concerned the entire leasing sector in Romania - not particularly the anti-competitive behavior of our employees. Thus, 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 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 commercially sensitive information exchange.

This case is currently being challenged before the Bucharest Court of Appeal, under the provisions of Law 21/1996 on competition, and is being heard on the merits (Case no. 3158/2/2021).



# Compliance with legislative regulations

As the largest financier of the Romanian economy, we want to be an example for all our business partners. We conduct our business in strict compliance with national and international legal regulations. We adopt the highest standards specific to the financial-banking sector and, where possible, implement best practice models.

In terms of compliance with other socio-economic laws, despite internal efforts, there have been several instances of non-compliance resulting in litigation, fines, or non-financial penalties received by the Bank.



In 2021, there were no incidents of non-compliance with regulations and/or voluntary codes on labeling and information regarding the Group's products and services or marketing communications, including advertising, promotion, and sponsorship of products and services.



**NOTE:** Actions in 2020, as well as those in 2021, 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 2020, the litigations won in favor of the Bank represented approximately 73% of the total, and in 2021, 77%. 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 was around 76% in 2020 and 76% in 2021.

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

		2020	2021
Fines	Number	10	8
	Value	11,500 lei	13,000 lei
Non-financial sanctions/Warnings	Number	3	6
Cases submitted through alternative dispute resolution mechanisms	Number	249	206

\*amount actually paid

## Non-compliance with social and economic laws and/or regulations

	2020	2021
Legal actions in progress	1,459	766*
Legal actions concluded	799	482**

\* of which 78 Non-Credit/Operations disputes and 668 disputes arising from credit agreements

\*\* of which 26 Non-Credit/Operations disputes and 456 disputes arising from credit agreements





# Conflict of interests

Conflict of interest and the way it is managed are governed internally by the Policy on the Prevention and Management of Conflicts of Interest. This policy aims 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 2021, at the BT Group level, there were no situations that could constitute conflicts of interest.

# Reporting mechanisms

At the BT Group level, the reporting process of violations of internal regulations/legal provisions or irregularities within the bank and its subsidiaries is described in the Warning Procedure designed to ensure an appropriate framework for the management of Banca Transilvania Financial Group's activities. The objectives of the procedure are, among others, to provide support for the internal warning mechanism, which can be used by BT Group employees to communicate legitimate and significant concerns regarding the management framework of its activity and to encourage the reporting of behaviors/situations that may have serious consequences for BT Financial Group, while ensuring the confidentiality and security of employees who report risk situations for the bank/subsidiaries in order to avoid repercussions for them.

The reporting channels available to employees are:

→ **myalert@btrl.ro**  
dedicated e-mail address

→ **MyAlert**  
internal application, accessible from the BT network.



In 2021, 36 complaints were registered on the MyAlert channel, out of which 8 were regarding inappropriate (unethical) behavior of employees or superiors towards their colleagues. All complaints were verified and resolved according to internal procedures.

Shareholders and investors can submit complaints, grievances, and claims by e-mail to *investor.relations@bancatransilvania.ro*, as well as through the alternative channels available on the Bank's website.



In 2021, no complaints/referrals were received through the channels available to shareholders.

For other stakeholder categories, reports/complaints are registered via the BT call center.



# Involvement in political activities and 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.

# Information security and personal data protection

In the context of increasing digitization processes in the financial and banking sector, information security and personal data protection are key issues for the safe operation of day-to-day activities.

All internal regulations on information security at the 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**



In 2021 the number of cyber-attacks has increased worldwide, which is why we have intensified our actions to inform and educate customers on best practices for personal information and money security.

Within Victoriabank, information security assurance processes are described in the IT/SEC Policies and Procedures. The Information Security Directorate is responsible for the collection of security events from all systems and network equipment, alerting and prevention of leaks of confidential information, marking and classification of digital information/documents, and vulnerability scanning solutions. Victoriabank is currently in the process of strengthening its IT/SEC controls. In this regard, a consultancy project is underway aiming to develop and approve an IT/SEC strategy and increase IT/SEC maturity.



# Personal data protection

Each entity of the Group has 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.

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).

We are constantly taking steps to ensure that our employees comply with the policies, procedures, and mechanisms implemented internally to ensure cybersecurity and the protection of personal data by providing mandatory training programs for our teams.

In 2021, at the level of Banca Transilvania, employees completed more than

**>22,500**

training hours on personal data protection and more than

**>6,900**

training hours on information security topics.

In addition, another

**1,730**

training hours were completed by colleagues on topics related to phishing or business email compromise fraud.

Thus, on average, 10% of the training hours offered to employees were assigned to personal data protection and information security topics (3 hours out of 30 - the average number of training hours/employee/year).

## Atac phishing!



Fii atent la link-urile pe care le accesezi. Răufăcătorii sunt mai activi ca niciodată.



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:

- |  |  |   |
|--|--|---|
| <ul style="list-style-type: none"><li>✚ General rules on the processing and protection of personal data within the activity of each entity in the BTFG;</li></ul>  | <ul style="list-style-type: none"><li>✚ Rules on the personal data processing in the direct marketing activity;</li></ul>  | <ul style="list-style-type: none"><li>✚ 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;</li></ul> |
| <ul style="list-style-type: none"><li>✚ Procedures on the management of security incidents and personal data breaches, respectively;</li></ul>   | <ul style="list-style-type: none"><li>✚ Procedures on the management of relations with contractual partners of the BTFG entities regarding processing and protection of personal data;</li></ul>   | <ul style="list-style-type: none"><li>✚ Regulations and measures regarding information categorization;</li></ul>  |
| <ul style="list-style-type: none"><li>✚ Procedures regarding the regular training of employees of BTFG entities in the field of personal data processing and protection;</li></ul>                                     | <ul style="list-style-type: none"><li>✚ Procedures to establish the need to develop, implement and approve an impact assessment on the protection of personal data (PDIA);</li></ul>   | <ul style="list-style-type: none"><li>✚ Anti-virus measures and policies;</li></ul>   |
| <ul style="list-style-type: none"><li>✚ Strict rules regarding the obligations of BTFG entities' employees to maintain the confidentiality of personal data and information subject to professional secrecy;</li></ul> | <ul style="list-style-type: none"><li>✚ 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;</li></ul> | <ul style="list-style-type: none"><li>✚ Information security policies regarding the acquisition and development of IT solutions, as well as for IT system updates;</li></ul>  |
| <ul style="list-style-type: none"><li>✚ Regulations on the management of applications by which the data subjects exercise their rights provided by the GDPR;</li></ul>   |  | <ul style="list-style-type: none"><li>✚ Logging/journaling, backup, and archiving procedures and measures;</li></ul>  |
|  |  | <ul style="list-style-type: none"><li>✚ Business Continuity Plans and procedures and disaster recovery plans;</li></ul>   |
|  |  | <ul style="list-style-type: none"><li>✚ Procedures and measures to ensure physical security in the premises and equipment of the Bank and/or other entities in the BTFG.</li></ul>  |



At the Bank and other entities of the 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.



In 2021, there were no losses, or leaks/ thefts of personal data, while the number of GDPR-derived complaints totaled 4,790 (down from 2020).

**Legal action on breaches of customer data security and privacy legislation**

**Legal actions in progress**

**Legal actions concluded**

3

1\*

\* in 2021 the final decision was rendered in the case concerning the appeal filed by BT Direct IFN SA against ANSPDCP's fine regarding the infringement of Law no. 677/2001 and ANSDPCP's Decision no. 105/2007.

**Type of complaint**

**Total number of complaints received**

**2020**

**2021**

Complaints received from third parties and considered substantiated by the organization\*

6,925

4,790

Reports/complaints regarding unauthorized access/disclosure of personal data/confidential information resolved in favor of customers/data subjects

2

0

Complaints received from regulatory bodies (NBR)

60

66

Investigation addresses\*\* received from ANSPDCP\*\*\*

4

3

\*Exercise of rights, provided for in the above-mentioned regulation, resolved in favor of the customer (they also include the 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 is 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

At Victoriabank, the collection, storage, and processing of personal data is done in accordance with the Personal Data Protection Act No. 133 of 08.07.2011, the Victoriabank Personal Data Processing Security Policy, and the Victoriabank Information Security Policy. The personal data security measures adopted by the Bank ensure an adequate level of personal data security and guarantee the protection of the information received and the Bank's information systems.

In 2021, Victoriabank registered no complaints from third parties or regulatory bodies regarding personal data protection.

At the same time, in 2021 a pending court action was initiated regarding a complaint related to the request/submission of personal data information during 2020.

The legal action was based on an access request denied by the bank. The customer did not file a complaint with the bank, but with the National Center for Personal Data Protection. The customer requested that Victoriabank be sanctioned, but the sanctioning decision has been challenged and is currently pending. Given this situation, the bank has considered proactively adapting its internal framework in order to identify solutions to prevent similar situations from arising.





# Human rights

Through our activities, we generate both direct and indirect human rights impacts through our relationships with the suppliers and the clients we finance. 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 the 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 the 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 training);
- ✘ 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, and 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 the acquisition or merger initiatives.

In 2021, our employees completed

900

training hours focusing on diversity and equal opportunities topics.





# Risk management

The objective of Banca Transilvania Financial Group in terms of risk management is the integration of the assumed average-low risk appetite within the bank's decision-making process, by promoting the adequate balance between the assumed risks, the available capital, and the performance targets, considering at the same time the tolerance to financial and non-financial risks. In determining its appetite, capacity, and risk tolerance, the BT Group shall take into account all material risks to which it is exposed taking into consideration the specificity of its business, business model, strategic and operational objectives, and applicable capital and liquidity requirements, its own risk management and control capacities, as well as the regulatory constraints, being mainly influenced by the credit risk.

The risk management framework within the BT Group is based on the following principles that apply to all activities and risk types:

- ✦ the existence of a solid culture in terms of risk management, both at the level of the BT Group's structures and the level of its business lines;
- ✦ protection of the financial stability: Banca Transilvania controls the risk in order to limit the impact of potential adverse events on the capital and profitability;
- ✦ limiting the excessive risk-taking;
- ✦ ensuring a solid and sustainable capital and financing base;
- ✦ independent perspective: the risk management function is structured so as to identify, assess, monitor, and report risks; the risk management function, as well as the compliance and internal audit functions operate independently of the activity lines that they monitor and control, in order to ensure the integrity of the bank's control processes;
- ✦ portfolio diversity in order to prevent dangerous concentration risks;
- ✦ limiting the concentration and volatility of the income sources;
- ✦ homogenous approach and global risk monitoring at BT Group level;
- ✦ compliance with the norms and regulations imposed by the national and international authorities in the field;
- ✦ the existence of business continuity plans for the banking activities;
- ✦ issuance and periodic revision of the recovery plan at the level of the BT financial group;
- ✦ Banca Transilvania Financial Group does not carry out activities in jurisdictions that reduce transparency, such as off-shore jurisdictions, or via certain structures that decrease transparency.



Risk management is part of all decisional and business processes that take place in the Banca Transilvania Financial Group and in this regard, the management team:

- ✓

**Continuously assesses the risks likely to affect the bank’s business** and goals and takes action whenever any changes appear in its business conditions.
- ✓

**Assessing/measuring risks:** the Group evaluates the identified risks through specific models and calculation methods: a system of ratios with related limits, a methodology for assessing the risk events likely to generate losses, calculation methodology for specific credit risk provisions, assumptions regarding the future evolution of assets’ value, etc.
- ✓

**Reporting risks:** Periodic and transparent reporting mechanisms have been established for specific risk categories so that the management body and all relevant structures benefit promptly from accurate, concise, intelligible, and meaningful reporting, but can also exchange relevant information on the identification, measurement, or assessment and monitoring of risks.
- ✓

**Ensures the existence of an adequate activity management framework within the BT Group,** considering both internal factors (the complexity of the organizational structure, the nature of the activity, staff quality, and fluctuation) and external factors (macroeconomic factors, legislation changes, competition changes in the banking sector, technological progress).
- ✓

**Calculates and evaluates internal capital and internal capital needs:** In order to assess the adequacy of the internal capital to risks, the bank identifies and assesses all significant risks to which it is or may be exposed and continuously assesses the internal capital and the internal capital needs to cover the bank’s business needs and of the related risks, including through stress tests.
- ✓

**Risk identification:** exposure to inherent risks through day-to-day operations and transactions (including lending, dealing, capital market activity, asset management, and other specific activities) is identified and aggregated through the risk management infrastructure implemented at the Group Level.
- ✓

**The policy and the procedures implemented for effective risk management are meant to mitigate risks inherent in the bank’s business.** The bank implemented procedures for the supervision and approval of decision and trading limits per person/ unit/ product etc. Such limits are monitored daily/ weekly/ monthly depending on operations.

The risk management framework includes internal regulations, risk limits, and risk control mechanisms adapted to the proper functioning, financial soundness, capital base, and strategic objectives of the credit institution, which ensure proper, timely, and continuous identification, assessment, monitoring, mitigation and reporting of the risks related to the bank’s activities, as a whole, as well as at the business lines’ level (Large Corporate, Mid-Corporate, SME, Micro, and Retail).

**The main risk categories to which the BT Group is exposed to, are:**

!

Credit Risk;

!

Liquidity and credit risk;

!

Operational risk;

!

Market Risk;

!

Interest rate risk from activities outside the trading book;

!

Reputation risk;

!

The risk associated with excessive usage of leverage;

!

Strategic risk;

!

System risk;

!

Compliance risk.

🔍

More information on risk management can be found in the [Report of the Board of Directors of Banca Transilvania 2021](#) <sup>🔗</sup>.



# Assessing and managing climate change risks and opportunities

**The impact of climate change and the acceleration of initiatives at the level of regulators, as well as at the level of public policies, contribute to a growing concern of the financial services sector on the identification and management of related risks, more so as financial institutions are expected to play an important role in the transition to a sustainable economy.**

Without being regarded as a separate category of risk, climate risk is an accelerator of the risks traditionally managed by the Group (such as credit, market, liquidity risk, etc.).

Climate risk is assessed within the bank from two perspectives:

- A** **at the client level**, as part of the environmental and social risk analysis, the impact of climate risk on the company's activity and the extent to which its activity affects the environment (emissions to water, air, soil) is analyzed - based on the principle of double materiality;
- A** **at the portfolio level**, based on a heat map reflecting the environmental, social, and governance risks associated with the sectoral distribution of the loan portfolio, the exposure of the portfolio to these risks, including climate risk is analyzed.

**Physical risk** is caused either by extreme weather events related to temperature, wind, and water (such as floods, hurricanes, fires) or long-term changes in weather patterns (such as high temperatures sustained over a longer time horizon, heat waves, droughts, or sea-level rise).

**Transition risk** arises as a result of measures taken to mitigate the effects of climate change and the transition to a low-carbon economy (such as changes in laws and regulations, litigation due to failure to mitigate or adapt to climate change), as well as changes in demand and supply for certain goods, products, and services due to changes in consumer behavior and investor demand.

To manage these climate risks, BT Group uses the sectoral exclusion list aligned with IFC/EBRD recommendations. In addition, BT Group uses processes and tools to identify and assess environmental risk in line with best practice and IFC/EBRD standards in its corporate credit analysis, which are translated into internal working instructions, and regularly reviewed. This analyses the environmental impacts (water, soil, and emissions) of the company applying for funding, as well as the impact of climate change on the company's business. The level of detail and complexity of this analysis is also determined by criteria related to the size of the company, project, or transaction.



**The Bank has no exposure to the mining/fossil fuel-based energy production sector, having implemented an exit strategy in these areas in recent years.**

In the case of BT, climate risk is mainly related to agriculture sector exposure (about 9% of total exposure to legal entities) in counties potentially affected by drought/floods, as such the exposure is relatively low.

The Bank performs an environmental risk factor analysis on any credit application, based on an internal matrix, adapted to the value of the transaction and the risk level of the sector. The assessment is performed through questions addressed to the client, and additional specific data collection, with the client's answers critically evaluated by the credit/ risk analyst based on internal rules and specific environmental, social, and governance risk analysis guidelines. The risks identified are factored into the internal analysis models (e.g. by including an additional Capex for the implementation of a drip irrigation system for an agricultural activity).

The internal risk factor assessment models are in line with the best practice and are built on IFC performance standards. The internal lending rules provide for the possibility of impacting the client's internal rating following the performed environmental and social risk analysis.

Following the analysis of environmental and social risks (including climate risk) E&S risk is associated with the exposure, which translates into: additional cash flow scenarios impacting the lending decision, impact on the client's internal rating, and consequently the collateral level or price level.

The Bank is continually refining and mapping the entire financing and investment portfolio against environmental, social, and governance risks for each sector of activity (such as agriculture, construction, transport, etc.) in order to identify the necessary measures to mitigate the potential negative effects of climate change on outstanding loans. This mapping can contribute to the adoption of measures in the lending business so that the negative environmental impact is mitigated and the positive impact on the environment, but also on society and the communities we are part of, is enhanced.

Concerning the real estate collateral portfolio, the Bank does not accept assets located in areas with a potential risk of flooding or near watercourses/ wetlands, which may affect the structural strength of buildings, so from the perspective of the real estate collateral portfolio we do not estimate substantial risks from natural risks associated with climate change.

The Board of Directors is informed at the transaction level (in terms of exposures) on the climate risk. Regular Board briefings are also made on the implementation of the sustainability strategy, with the assessment of the portfolio's exposure to environmental risks (including climate risk).

Last but not least, Banca Transilvania seeks to strengthen its skills in analyzing these risks by allocating specialized resources, such as the team dedicated to environmental experts and the training of credit analysts through courses held by internal experts or external specialists in this field. The environmental and social risk analysis department in the Risk Department has relevant expertise in climate risk analysis (3 out of 5 people have technical degrees, including a Ph.D. in environmental protection); in the last year, sustained efforts have been made to raise awareness throughout the organization on the importance of quantifying the potential impact of climate risk on the credit portfolio through specific training for credit analysts, but also for the sales force that interacts directly with customers.



In addition to closely monitoring all regulations that are or will come into force in the future, the BT Group is actively involved in working groups at national and European levels. The Bank and its subsidiaries follow the initiatives of task forces (such as TCFD) or the private sector (UNEP FI-PRB - membership completed in January 2022) to improve reporting of non-financial information and to align with the vision the company has set for the future within the Sustainable Development Goals and the Paris Agreement.

Opportunities arising from exposure to climate risk are related to increased financing in the agriculture sector (e.g. implementation of irrigation systems), as well as an overall increase in green financing, expected to have a low environmental impact.

**7 areas of interest** have been identified:

- ⚡ financing projects for renewable energy production and distribution
- ⚡ supporting companies of all sizes for higher energy efficiency especially in the current national and global context of evolving costs
- ⚡ allocating capital to the area of sustainable mobility and transport and related projects (charging stations, etc.)
- ⚡ crediting climate change adaptation projects
- ⚡ supporting projects that generate efficiency in terms of water consumption and quality
- ⚡ financing real-estate green building projects and special environmental transactions



At the same time, our sustainability strategy also takes into account national priorities and objectives for the implementation of the Sustainable Development Goals (SDGs): such as: eradicating poverty, doubling the share of agriculture in the country's GDP, increasing financial literacy, reducing gender inequality, improving recycling and reducing plastic, connecting households to running water, improving air quality, etc. Thus, our sectoral specialization in areas such as agriculture, health, or education will also contribute to placing capital in projects in these areas. In addition, we are also paying more attention to sectors and/or projects under the National Recovery and Resilience Plan, especially in the area of digitization.

Regarding the targets set by the organization for managing the risks and opportunities associated with climate change and the performance of these targets, by the end of this year, we aim to conduct an elaborate analysis of the portfolio's exposure to climate change risks.

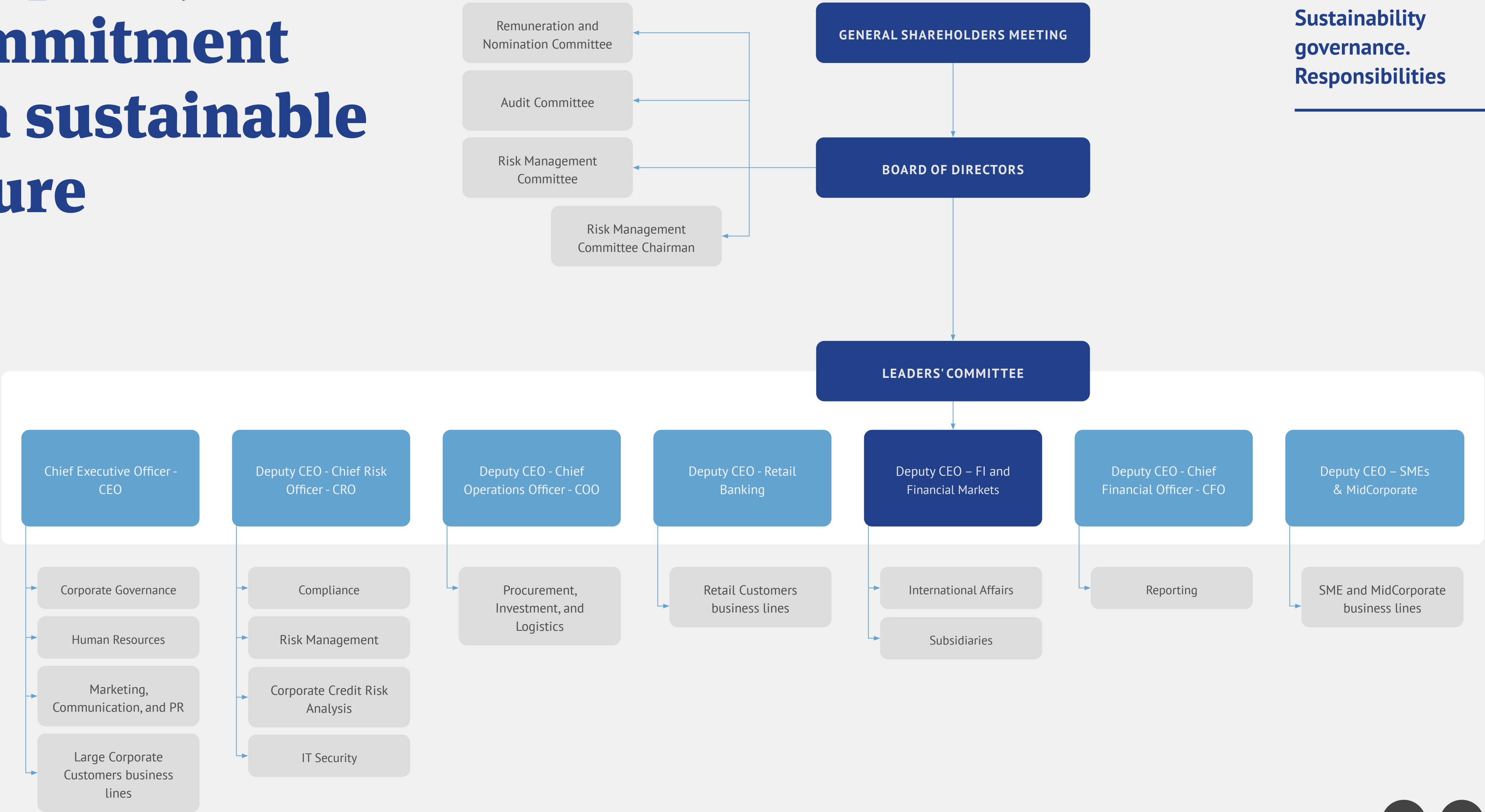
**At the same time, in 2022 we plan to start the impact analysis as part of the PRB (Principles for Responsible Banking) process of adherence to the UNEP FI (United Nations Environmental Program - Finance Initiative) to identify the main sectors in the portfolio with a negative impact on the environment, i.e. areas with potential added value in mitigating climate risk.**

Another objective for the end of 2022 is to establish and implement a methodology to determine Scope 3 greenhouse gas emissions, while in the short run we aim to increase the share of green finance in the total portfolio so that GAR (Green Asset Ratio) reaches a minimum of 5% in no more than 3 years (by progressive increases from the previous year).



# Our policy and commitment to a sustainable future

## Sustainability governance. Responsibilities





**The General Meeting of Shareholders (GMS)** is the authority that ensures the bank’s strategic management, being responsible for the definition of the strategic organizational objectives and the allocation of the resources required for the achievement thereof, through the income and expenditure budget for the next financial year and the activity program, including sustainability initiatives.

The duties of the members of the Board of Directors expressly include, through the Rules of Organisation and Administration (ROA), the supervision of the implementation of and compliance with high sustainability standards (ESG), both in terms of lending activity and in day-to-day business. At the Board level, BT Group's sustainability strategy is set for a horizon of at least three years, in close correlation with the business strategy. Specifically, the Chairman of the Risk Management Committee has ESG responsibilities, overseeing the implementation of the ESG strategy at the bank level as well as at the BTFG level and the alignment of risk management policies with ESG standards.

At the same time, the organizational and management regulations state that the Audit Committee is responsible for verifying compliance with internal regulations on ESG standards, while the Remuneration and Nomination Committee approves remuneration and nomination policies in line with ESG principles and standards. Similarly, the Risk Management Committee is also empowered to align sound risk management policies with ESG standards. At the executive management level, the Deputy General Manager of Financial Institutions and Markets is responsible for coordinating the implementation of the ESG strategy at the level of Banca Transilvania, as well as at the level of GFBT through the Subsidiaries Directorate, in collaboration with the departments involved in this process:



### SME and Mid-Corporate business lines

At the SME and Mid-Corporate business line level, each directorate is assigned at least one person with sustainability responsibilities. Thus, the structures in charge of product development, specialized sectors, SMEs, and micro or mid-corporate customer segment coordination have specific resources allocated to implement strategic sustainability objectives.

At the same time, during 2021, the need to establish a dedicated structure for sustainable programs and credits has emerged to provide support in coordinating the process of consulting, loan origination, and management of projects funded by various European or governmental

programs and green projects. More specifically, this structure will have the role of supporting and implementing the Bank's strategy in the green finance sector, aiming to strengthen this portfolio under the dispersion and credit risk conditions pursued at the Bank level. The team in this structure identifies with colleagues in the branches the types of clients/projects potentially falling within these criteria, promotes financing alternatives for various green and sustainable investment projects, develops products dedicated to these financings, and, last but not least, manages training programs for colleagues in the BT network. This structure will implement initiatives to increase internal ESG skills, acting as a commercial interface for the dissemination of regulations that are or will come into force.



### Retail Banking business line

Within the Retail Banking business line there are specific responsibilities for the implementation of particular objectives in the area of retail products and campaigns, including those with green or sustainability components, as well as responsibilities for monitoring, implementing, and reporting on the relevant regulations that are or will come into force, such as the EU Taxonomy.



### Large Corporate Customers business line

Within the Large Corporate Clients business line there are responsibilities to meet and manage the expectations of the most sophisticated client segment with complex financings, including ESG aspects.







Under the Deputy General Manager there is a structure dedicated to environmental and social risk analysis which has significant tasks related to environmental and social issues: drafting the environmental policy, conducting E&S risk analysis for corporate clients, providing support and advice to colleagues in branches, departments or subsidiaries, assessing E&S risk for financing, categorizing client activity by risk level and establishing mitigation measures, monitoring environmental and social incidents reported by clients. Thus, dedicated support is available to all credit risk analysis departments with financing approval tasks.

In addition, within the non-financial risk management structure, there are specific tasks relating to trend analysis and recognition of new or emerging risks arising from changing market and macroeconomic circumstances and conditions, including potential risks associated with climate change.



A structure with specific responsibilities for the implementation of corporate governance practices and non-financial reporting in accordance with best practice and internationally recognized standards reports to the Senior Executive Director of Corporate Governance and Litigation.



Under the Senior Executive Director of Human Resources, there are dedicated resources for sustainability topics, in particular those related to the social area represented by the bank's employees. Whether it concerns staff training, maintaining a working climate in line with human rights principles (non-discrimination, equal opportunities), or capitalizing on the benefits generated by a diverse workforce, these resources contribute to the objectives of the business lines through initiatives aimed at increasing the commitment of colleagues and ensuring professional and personal well-being.

The Executive Director of Marketing, Communication, and PR coordinates the BT Group's CSR activity, as well as internal and external communication including ESG topics.



Reporting to the Deputy General Manager, the BT Group's infrastructure unit manages the procurement, investment, and logistics activity, which has recently taken on increasingly complex responsibilities with regard to managing the environmental impact of the Bank's activity, including through its approach to selecting suppliers. Thus, by incorporating ESG aspects into the procurement methodology and regulations, external resources needed for BT's business are secured from appropriate sources that meet the conditions for collaboration, including ESG criteria. Also within this structure, the various consumptions of the bank and its subsidiaries are monitored and measures to increase their efficiency are identified both to reduce costs and the negative environmental impact. The investments made by BT Group in the premises where it operates take greater account of current regulations and environmental standards, thus contributing to a reduced negative environmental impact. The logistics activity also coordinates the way documents are archived within the bank aiming to reduce physical archiving as much as possible and promote electronic archiving.

The Bank's reporting activity falls under the Deputy General Manager and includes reporting on sustainability topics such as EU Taxonomy, CRC, etc., through the appointment of specific individuals who liaise constantly with the Sustainability working group to keep up to date with reporting requirements, standards, and best practices.

At the Bank level and covering the whole spectrum of activities, representatives of these structures form an internal working group coordinated by the Deputy General Manager of Financial Institutions and Markets. Without becoming a formalized structure, the working group meets regularly to implement the Bank's ESG strategy and promotes good interdepartmental collaboration, shares knowledge, reviews initiatives, and reports on progress against each strategic objective, either through the Sustainability Report or internal reporting.





# Sustainability strategy

The way we operate and the activities of all BT Group companies are directly linked to the global, European and national sustainable development agenda.

We know that as a leader in the Romanian banking system, our business model and operations play a key role in Romania's transition to a sustainable economic environment.

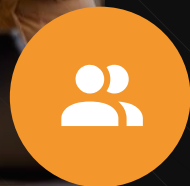
Thus, in line with global and national priorities, BT's Sustainable development strategy is based on three main pillars: Performance, People, Environment.

All these aspects are built on a system of corporate governance characterized by honesty, with a focus on the adoption and implementation of best practices in terms of sustainable development, as fundamental prerequisites for ensuring progress and performance in achieving the objectives set for each of the three pillars.

## Performance



## People

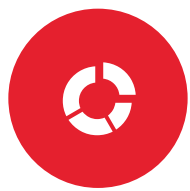


## Environment





The three main pillars  
of BT's Sustainable  
development strategy



# Performance

As a leader in the banking sector and the main financier of the Romanian economy, we know what our responsibility is and what people expect from us; we contribute to the growth of the Romanian financial sector; we invest in digitalization to broaden financial inclusion; we contribute to the financial education of companies and entrepreneurs; our lending policies and procedures are based on responsible financial principles; we focus on developing our loan portfolio and investing in sustainable sectors where we can stimulate innovation and have a positive impact on our communities.



# People

Diversity, respect for human rights, ensuring equal opportunities in recruitment and remuneration processes are key elements that characterize all relationships with our stakeholders: employees, suppliers, customers, and other partners.



# Environment

Managing our direct and indirect environmental impacts and integrating environmental principles into our lending policies. Our priorities are governed by our interest to reduce the environmental footprint of our business, aiming to make a positive contribution to combating climate change by reducing negative environmental impacts.



# Performance

 OBJECTIVE

 DEADLINE

 PROGRESS IN 2021



Use of CAFI application (Climate Assessment for Financial Institutions) to check eligibility for green funding. Testing of investment financing with potential green financing characteristics above a certain threshold (100 thousand lei) to verify eligibility for green financing in the areas defined in the assessment methodology.

 2021

 **achieved: 100%**

The app was used throughout 2021 (testing as early as December 2020), 65 records were made, of which 34 transactions were approved and in 25 transactions the amounts were used. Most validation attempts were related to transactions of companies operating in Agribusiness and forestry. The largest transactions related to renewable energy production whereas the companies' core business is energy production and construction.



Increase the expertise of the credit and risk analyst team in non-financial risk analysis:

- the team of environmental analysts at Headquarters will participate in at least one external specialized training
- each member of the credit and risk analyst team will participate in an internal training course organized by the environmental risk analyst team at Headquarters

 2021

 **achieved: 100%**

In 2021 internal training was conducted to increase the expertise of the credit and risk analyst team in assessing environmental and social risks:

- training session organized by the green finance commercial team and the environmental and social risk analysts aimed to increase the team's awareness of the importance of non-financial factors in credit and risk analysis;
- 26 webinars were organized between July and October, attended by 955 employees in the following categories: Regional Managers, Branch Managers, Deputy Managers, Relationship Managers, Analysts, Heads of Agencies;
- more applied training sessions were held for the risk analysts' team, in branches and Headquarters, and webinars including case studies on the impact of environmental and social factors in risk analysis;
- dedicated sessions on corporate governance risk assessment were also organized for the credit and corporate risk analyst team, considering the introduction of a specific corporate governance risk assessment model in 2021;

- the team of environmental and social risk analysts in the Bank's Headquarters attended specific courses in 2021, as follows:
  - UNEP FI Climate Change. Risk and opportunities for the financial sector (1 participant), UNEP FI.
  - Environmental and Social Risk Analysis (1 participant), Quartic Training.
  - ESG Investing (1 participant); IBR (Romanian Banking Institute).
  - Sustainability and environmental, social, and governance (ESG) factors implications for the banking system, November 25 ( 2 participants), IBR.
  - Incorporating ESG data into financial analysis, October 26 (5 participants).





Extend the detailed ESG risk analysis model currently used for transactions above €5 million to the eligible portfolio level.

Extend the detailed non-financial analysis model, SMART (environmental and social risk assessment), currently used for large corporate customers and other corporate customers to the whole portfolio.

🕒 2023

📈 **achieved: 50%**

In the previous year, changes were made to the internal environmental and social risk assessment models, in line with the EBA guidelines on loan origination and monitoring and taking into account the Bank's stated objective of extending the detailed risk analysis model previously used for large corporate customers and other categories of corporate customers.

Thus, the number of environmental and social risk analysis model transaction categories increased (from 2 to 3) in order to implement models as applicable as possible to each client category while the models used were revised in order to align with good practice in non-financial risk assessment as well as with IFC environmental and social risk assessment standards. The review of internal models also aimed to highlight the climate and transition risk exposures of funded companies.



Launch dedicated products and complement the current product range with green funding, financial education, and positive social impact components.

🕒 2023

📈 **in progress**

In 2021, 7 types of green credits have been defined within the investment lending products as follows: Renewable Energy, Energy Efficiency, Transport, Green Buildings, Water Efficiency, Climate Change Adaptation, Special Environmental Finance.

From 22 November to 24 December, the "Energy Month" campaign took place, offering price advantages (zero commission) for investment loans - for amounts between 100,000 lei and 25,000,000 lei and leasing facilities for cars and machinery - for amounts between 50,000 lei and 5,000,000 lei. The following have been financed: the purchase of photovoltaic panels, electric or hybrid cars, the purchase of equipment that achieves energy savings of at least 30%, etc.

For private individual customers, the product offer also includes the personal needs credit with a green offer, which encourages our customers to have a healthy and sustainable lifestyle, with limited purchases and opting primarily for eco-friendly goods.

In 2021, the green mortgage loan for the purchase of an eco-friendly property with preferential interest rates was also launched.

To encourage customers to take steps towards sustainable mobility solutions, BT Leasing came up with environmentally friendly products with reduced interest and fees - Green Mobility Leasing (RON and EUR) in the last quarter of 2020. In 2021, BT Leasing continued to encourage the transition to green options, and customers who opted for electric or hybrid cars benefited from better interest rates.

In terms of social impact products, the offer for private individuals includes personal loans dedicated to certain social matters, such as the Gaudeamus Loan (education), and the Patient Loan (health care). This offer will continue to be developed in the coming periods for various topics.

🚩 OBJECTIVE

🕒 DEADLINE

📈 PROGRESS IN 2021

Susținem producerea de energie din resurse regenerabile și eficiența energetică prin proiectul **Luna Energetică**.

“Angajamentul nostru în zona ESG – sustenabilitate este ferm.”

Ömer Tetik  
CEO Banca Transilvania

“Modul în care vom produce și consuma energia este determinant pentru succesul societății în tranziția către o economie cât mai **verde**.”

Ömer Tetik  
CEO Banca Transilvania

“Testăm acum interesul clienților companii pentru soluții mai ieftine, destinate creșterii **eficienței energetice**.”

Ömer Tetik  
CEO Banca Transilvania





Map the carbon footprint of our portfolio and progressively reduce it through specific targets with continuous monitoring.

2023

in progress

Determining the carbon footprint of BT's portfolio is a committed medium-term objective, which will be achieved in 2021 in relation to green funding, based on the CAFI methodology; for each green funding, the positive impact is assessed in terms of carbon emission reduction as a result of the investment project.

In order to determine the carbon footprint across the portfolio, it is intended to explore several methods, namely:

- estimation based on the share of credit in collateral (for real estate secured loans), taking into account the energy performance of the real estate assets under collateral,
- by working with a third party,
- based on the carbon footprint of the financed companies (for entities that publish sustainability reporting/are subject to non-financial reporting requirements).



Launch responsible marketing campaigns to promote our products, including green finance and positive social impact components.

2021

achieved: 100%

At the end of 2021, a month-long campaign was launched to promote credits for renewable energy (RE) production and the purchase of machinery/equipment leading to a minimum 30% reduction in energy consumption, resulting in energy efficiency. The campaign highlighted customer interest, in particular in investing in renewable energy solutions, aiming to lower costs and reduce dependence on a single energy source, mainly electricity.



Maintain NPS at levels at least equal to 2020 levels.

2023

achieved: 100%

Banca Transilvania's recommendation rating (NPS BT) increased slightly in 2021, reaching 77.3, up from 77.0 in 2020.



OBJECTIVE



DEADLINE



PROGRESS IN 2021





# People

 OBJECTIVE

 DEADLINE

 PROGRESS IN 2021


Implement a diversity and equal opportunities awareness program through campaigns and training sessions.

 2021

 **achieved: 100%**

The Bank's e-Learning platform includes two courses covering diversity and equal opportunities topics: a course for new employees, and a course for managers.



Conduct an impact study to measure the positive impact that the Bank has generated through community investments.

 2023

 **in progress**

We have initiated dialogue with several agencies to assist us in conducting an impact analysis on the scale of impact generated by community investment.



Keep the eNPS level at 50, with a 70% minimum participation rate.

 2021

 **achieved: 100%**

Following the EEI survey conducted for the period July-December 2021, both the participation rate and the eNPS score exceeded these values.



Facilitate recruitment within communities through internship programs and partnerships with educational institutions.

 2021

 **achieved: 100%**

Several internship programs have been implemented, both in BT branches across the country and the BT Headquarters in Cluj and Bucharest.

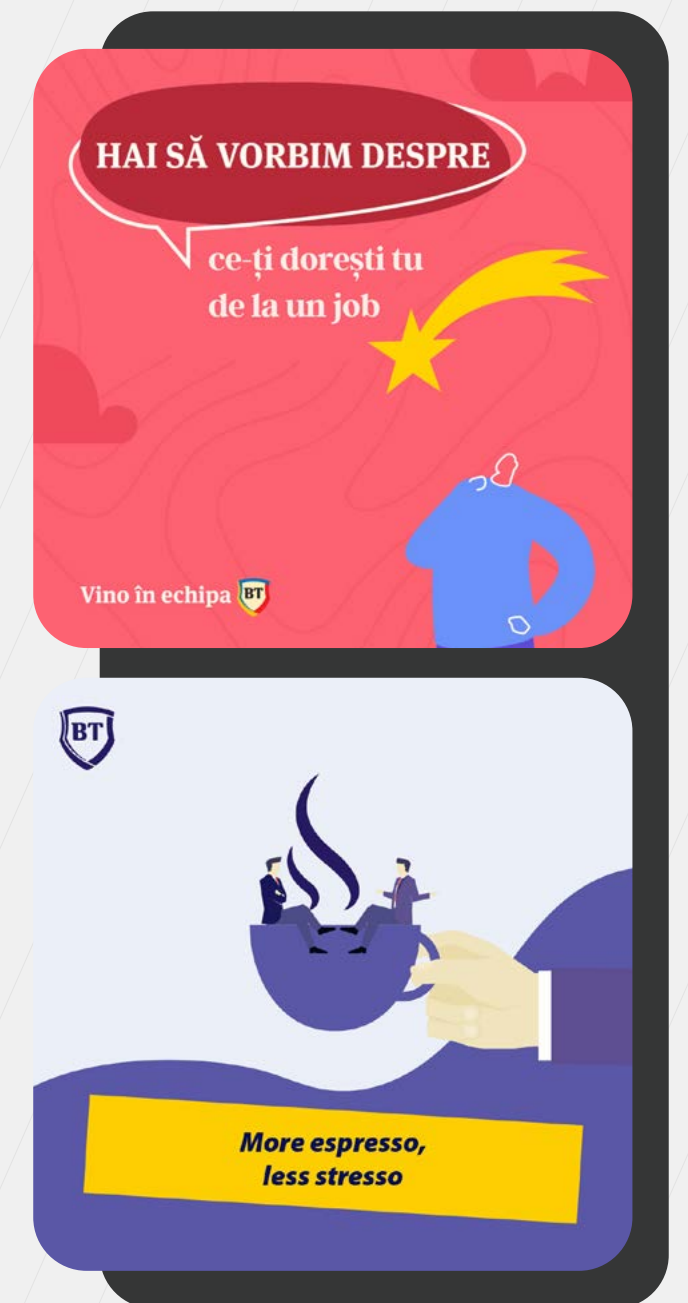


Develop awareness campaigns and promote a healthy lifestyle through the wallet app.

 2021


 **achieved: 100%**


During 2021, we ran a series of 7 campaigns encouraging customers to get moving and take as many steps as possible. Customers who exceeded the target number of steps set by each campaign received different prizes: health insurance/ double points for purchases paid with the Star card/ prizes in items or access to events (helmets and other sports accessories, passes to music festivals in Romania - Electric Castle and Summer Well).







# Environment


 OBJECTIVE


 DEADLINE

 PROGRESS IN 2021




Provide infrastructure at BT Financial Group units and run information and awareness campaigns on the importance of the selective waste collection.


 2021


 **achieved: 100%**

Starting March 1, 2021, a separate collection stream has been implemented through the Waste management and handling policy.




Issue new cards using recycled materials.


 2021


 **achieved: 100%**

In 2021 we started issuing cards made of recycled materials for most of the card types in our portfolio and we also started using recycled materials for the reissue of BT cards upon expiry.




Reduce paper consumption by 10% by implementing digital workflows for products, digital signatures, etc.


 2023


 **in progress**

We reduced paper consumption by more than 111 tonnes by digitizing some processes ( card PINs sent via SMS, notifications, and statements sent electronically, etc.), i.e. about 20% more than in 2020.




Decrease greenhouse gas emissions related to BT Financial Group's car fleet (Scope 1 emissions) by 20% compared to the baseline year 2018.


 2023


 **in progress**

Two low greenhouse gas emission cars (one electric and one hybrid) were purchased.




Increase the share of renewable energy in BT Financial Group's total electricity consumption to 75% (Scope 2 emissions) by 2021, reaching 85%.


 2023


 **achieved: >100%**

In 2021, 87% of the electricity purchased by the Bank came from renewable sources.



Carry out the indirect emissions inventory (Scope 3).

 2023

 **in progress**



# Governance, ethics, and compliance

 OBJECTIVE DEADLINE PROGRESS IN 2021

Training on personal data processing and protection of 100% of BT Group employees, at least once every calendar year, by a course followed by knowledge testing, in order to train and continuously improve their knowledge in the field, to ensure the highest level of protection of personal data and to prevent security breaches of this type of data.

 2021 **achieved: 100%**

The mandatory courses were attended by all BT Group employees.



Integrate at least one specific ESG criterion (KPI) in the list of individual performance objectives set for each member of senior management as well as for the executive management in order to determine the amount of variable remuneration paid.

Each individual criterion will relate to the ESG objectives that are set in the member's area of activity and expertise, so as to ensure alignment of remuneration with the Bank's sustainability objectives, facilitating an organic increase in ESG initiatives to achieve specific sustainability objectives.

 2021 **achieved: 100%**

ESG criteria have been established and integrated into the list of specific performance objectives set for each member of senior management as well as executive management to determine the variable remuneration paid, by reference to the ESG objectives that are set in the member's area of activity and expertise, so as to ensure alignment of remuneration with the Bank's sustainability objectives, facilitating an organic increase in ESG initiatives to achieve specific sustainability objectives.





Establish clear criteria for working with our suppliers to meet high social and environmental standards by developing and implementing an assessment methodology.

2021

**achieved: 50%**

Criteria for assessing suppliers against environmental and social standards have been established and the assessment methodology will be implemented by the end of 2022.



Integrate specific ESG criteria (KPIs), relating both to objectives and the reporting process, into the process of assessing the individual and collective suitability of the governing body, including at the Board committee level.

We plan to add new targets to this assessment to ensure a better continuous assessment of the management body's expertise to reflect relevant changes in the institution's business activities, sustainability/ESG strategies, and risk profile.

2022

**achieved: 100%**

Individual competence criteria relating to ESG standards and principles have been included in the evaluation questionnaires of suitability and the actual assessment of the suitability of the members of the governing body, both individually and collectively, in order to have a better continuous review of the expertise of the governing body to reflect relevant changes in the institution's business activities, sustainability/ESG strategies, and risk profile.

OBJECTIVE

DEADLINE

PROGRESS IN 2021







# Plans for the future



# Performance

 OBJECTIVE

 DEADLINE



Complement the range of products and offers with green funding, financial education, or positive social impact components to support the transition to a more sustainable economy.

 2023



Support green projects by allocating a budget in areas with a positive impact on the environment: renewable energy, and energy efficiency.

 2022



Improve internal skills, both at headquarters and network level, by sharing and promoting information resources and practices.

 2023



Expand and adapt the detailed non-financial analysis model currently used for large corporate customers (environmental and social risk assessment) and other corporate customers to the eligible portfolio level.

 2023



Identify methods to inventory the carbon footprint of our portfolio and measures to progressively reduce it through specific targets with continuous monitoring.

 2023




Keep the NPS level at least equal to the 2020 level.

 2022




Regular and consistent training for the entire BT team on GDPR and IT security.

 2022, then annual



Ensure quality reporting on BT's progress towards sustainability by tracking and embedding sustainability standards and best practices.

 2022-2023





Supplement new ESG criteria (KPIs) related to both objectives and reporting process in the process of assessing individual and collective suitability of the governing body, including at the Board committee level, to reflect relevant changes in the institution's business activities, sustainability/ESG strategies, and risk profile.


 2022




# People


 OBJECTIVE

 DEADLINE





Maintain the eNPS level at 50 with a minimum 70% participation rate.

 2022, continuare din 2021





Develop CSR and community engagement campaigns on our own and with our clients.

 2023




Support local community programs in sports, culture, and education by allocating a dedicated budget, but also by engaging the BT team in volunteer activities.

 annual




Continue awareness-raising programs for diversity and equal opportunity topics through campaigns and training sessions.

 2022, ongoing from 2021




Facilitate recruitment within communities through internship programs and partnerships with educational institutions.

 2023, ongoing from 2022



Conduct an impact study to measure the positive impact that the Bank has generated through community investments.

 2023



# Environment

 OBJECTIVE

 DEADLINE



At least 90% of new cards issued and reissued to be made of recycled materials.

 2022



Purchase 90% renewable energy.

 2022



Carry out the indirect emissions inventory (Scope 3).

 2023



Use FSC paper for ATMs and POS.

 2022



Replace all cards in circulation with cards made of recycled materials.

 2027





# Materiality analysis

At BT Financial Group, the materiality analysis is the basis of sustainability reporting, as it is the process that helps us identify material topics. Material topics are those that reflect the economic, social, and environmental impacts that BT Group generates through its activities.

In addition, the materiality analysis process helps us strengthen our knowledge of our impact, better understand the risks and opportunities that arise from an ESG (Environment, Social, Governance) perspective, and improve our stakeholder engagement and dialogue processes.

The analysis is based on the assessments following the consultation process of all external stakeholders, grouped into 11 categories, and on the assessments of BT Group management and specialists (Board members, Leaders' Committee members, and department directors). Using two online questionnaires, they assessed the extent of the economic, social, and environmental impact that BT Group has through its activities and business relationships.

The starting point of this analysis was to establish the potentially material topics, those topics/issues on which BT Financial Group, through its activity and business relationships, generates impact. The list of potentially material topics was based on an analysis of current global and national trends (technological developments, health crisis, climate disruption, etc.), industry best practices, local and legislative context, and other sustainability reporting standards such as SASB (Sustainability Accounting Standards Board).

Based on the list of potential material topics, two online questionnaires were sent to the stakeholders involved in the process: a questionnaire distributed to the stakeholder categories identified by the BT Group team (external analysis) and a questionnaire distributed to BT Group management and specialists (internal analysis). The process took place between January and February 2022.

A total of 847 responses were recorded, which were then centralized and analyzed to highlight the extent of impact as perceived by stakeholders and the extent of impact as perceived internally. Each stakeholder category was given an equal weighting in determining the final score.



Evaluations and feedback from stakeholders, both external and internal, help us better understand their expectations and needs and effectively prioritize material topics based on the extent of the impact we have, through our products and services and our business relationships, on the economy, the environment, and society.

The stakeholder categories consulted when setting the material topics were identified following a dedicated workshop, organised together with relevant consultants, attended by representatives of the main departments and directorates within Banca Transilvania and its subsidiaries. The workshop is dedicated to materiality analysis and includes updates to the GRI standards on the stakeholder consultation process. The workshop identified the stakeholder categories addressed by each department or directorate. Following this listing, stakeholders were grouped into 11 main categories, outlined on the next page.



The stakeholder categories identified by the BT Group team and consulted in the process were:

- Employee
- Customer - Private individual
- Customer - Legal entity
- Shareholder
- Government Agency/Regulatory Authority
- Financial Institution
- Investor/Analyst
- Supplier
- Business Partner
- Non-governmental organization
- Industry association

The questionnaire also allowed the selection of the *Other category* option for consultees who felt that they did not fit into any of the categories identified by the BT Group, but there was only one response to this option.

At the same time, to ensure that the analysis would provide us with a comprehensive view of the economic, social, and environmental impacts generated by our activity, respondents were also provided with an open-ended question section, allowing them to specify and detail other forms of impact not covered by the potentially material topics under consultation. Analysis of the open-ended responses did not reveal any other areas of impact.

The material topics resulting from the analysis (defined internally as those topics where the impact of the BT Group is high or very high) have been divided into 3 categories, and the size of the positive or negative impact as a result of the analysis is graphically represented in the materiality matrix below.

Impact means the effect that an organization has or could have on the economy, the environment, or people as a result of its activities or business relationships. Impacts can be negative or positive, actual or potential, short-term or long-term, intended or unintended, reversible or irreversible.

Material topic	Where the impact occurs			How the impact is manifested	
	upstream of the organization*	inside the organization	downstream of the organization**		
ECONOMIC AND GOVERNANCE TOPICS					
1	Economic value generated	✓	✓	✓	Through taxes paid to the state budget, salaries paid on time to employees, or community investments, the Bank has a direct positive impact on the Romanian economic environment. The negative impact is felt when the Bank's workplaces are closed and jobs are lost.
2	Compliance, ethics, and business responsibility	✓	✓	✓	Our policies on anti-corruption, anti-bribery, anti-competitive behavior, legal compliance, and industry standards generate a positive impact throughout the value chain. Non-compliance can have a negative impact on both the economy, the environment, and society, which is why our partners are constantly informed of any policy changes.
3	Sustainable finance	✗	✓	✓	By integrating ESG criteria (environmental, social, and governance aspects) into our products and services, we contribute to the sustainable development of society as a whole by allocating available resources as we see fit. We have a moral responsibility to the bank's depositors and channeling the resources we attract from them to projects that contribute positively to a better society is the way we exercise this responsibility. Failure to do so can have a negative impact on the transition towards a sustainable economy and a better society.

\* Entities upstream of the organization (brokers, consultants, suppliers, etc.) offering a product or service to the organization

\*\* Entities downstream of the organization (e.g. customers, NGOs, etc.) receiving products and services from the organization



4	<b>Procurement practices</b>	✓	✓	✗	By introducing criteria for assessing suppliers against environmental and social standards we generate a positive impact throughout our supply chain. The lack of such criteria can generate a negative impact along the supply chain by increasing social inequalities (very low wages, poor working conditions, etc.), but also climate inequalities (irresponsible resource consumption, use of polluting production processes).
5	<b>Risk management</b>	✓	✓	✓	The banking system is exposed to two types of risks, one arising from the Bank's management and the other from customer behavior. By identifying threats and risk factors (operational, reputational, credit, liquidity, funding, or climate change-related) and analyzing and assessing them, the Bank prevents and/or mitigates the risk associated with that threat.
<b>ENVIRONMENT</b>					
6	<b>Resource consumption and waste management</b>	✓	✓	✓	The policies and measures we implement on responsible resource consumption have a direct impact on the natural environment, reducing pressure on its components. An indirect impact (positive or negative) on the components of the natural environment is achieved through our lending policies, the nature of the activities, and projects financed determining the direction of the impact.
7	<b>Action against climate change</b>	✓	✓	✓	The impact of our actions to combat climate change derives from two directions: from our internal procedures and measures to reduce energy consumption and greenhouse gas emissions, and from our financing policies, which focus on activities and projects that are green or have a low environmental impact.

<b>SOCIAL</b>					
8	<b>Access to financial services, inclusion, and financial education</b>	✗	✓	✓	Through the programs and projects implemented, we have a positive impact on communities by promoting financial education and access to financial services (this is one of the most important factors leading to the exclusion of the rural population) and supporting small entrepreneurs, start-up companies that do not yet have the expertise to make the soundest financial decisions.
9	<b>Digitization and cyber security</b>	✓	✓	✗	Digital transformation brings both benefits, such as streamlining business processes, making banking products and services more accessible to the public, and risks, such as cyber-attacks or the unintended exclusion of some groups who are not technologically savvy. By implementing strong information security policies and programs we generate a positive impact on our customers and partners.
10	<b>Responsible employer</b>	✓	✓	✓	Being a responsible employer brings certain responsibilities, such as providing a fair and safe workplace, a place where all employees can feel valued and respected and develop professionally, which we honor by implementing strong HR policies.
11	<b>Community investment</b>	✗	✓	✗	With a community investment strategy already in place, which is based on projects and programs focused on five strategic directions, we are making a positive impact in our communities and contributing to improving their quality of life.

\* Entities upstream of the organization (brokers, consultants, suppliers, etc.) offering a product or service to the organization

\*\* Entities downstream of the organization (e.g. customers, NGOs, etc.) receiving products and services from the organization





# Materiality matrix

## ECONOMIC AND GOVERNANCE TOPICS

- 1 Economic value generated
- 2 Compliance, ethics, and business responsibility
- 3 Sustainable finance
- 4 Procurement practices
- 5 Risk management

## SOCIAL TOPICS

- 8 Access to financial services, financial inclusion, and education
- 9 Digitalization and cyber security
- 10 Responsible employer
- 11 Community investment

## ENVIRONMENTAL TOPICS

- 6 Resource consumption and waste management
- 7 Action against climate change

-  very high impact
-  high impact
-  moderate impact
-  low impact








# Transparency in relation to stakeholders

Stakeholder category	How we engage	Frequency	Communication channels	Top material topic/area (economic and governance, environment, social)
Shareholders	Meetings	Quarterly and on request	General Meeting of Shareholders	Sustainable finance
	Conferences		Conference calls available on the BT website	Climate action
	Stakeholder consultation as part of the sustainability reporting process		Roadshows and presentations	Digitization and cybersecurity
	Access to information published on the BT website		Financial reports	
			Newsletter	
			Sustainability report	
Employees	BT Employee Experience Index (BT EEI)	Biannual	BT Con(vention), the festival dedicated to employees	Compliance, ethics, and business responsibility
	Stakeholder consultation as part of the sustainability reporting process			Resource consumption and waste management
				Digitization and cybersecurity

Customers <i>private individuals and legal entities</i>	NPS	Occasional/Annual	Social media channel	Sustainable finance
	Stakeholder consultation as part of the sustainability reporting process		BT Talks Podcast	Resource consumption and waste management
	Întreb BT Platform		BT Blog	Digitization and cyber security
			E-mail	
			Sustainability report	
Suppliers	Meetings	Occasional	E-mail	Economic value generated
	Stakeholder consultation as part of the sustainability reporting process		Financial reports	Action against climate change
			Sustainability report	Digitization and cyber security
Regulatory authorities	Stakeholder consultation as part of the sustainability reporting process	Occasional	Financial reports	Economic value generated
				Compliance, ethics, and business responsibility
				Procurement practices
				Risk management
				Action against climate change
				Access to financial services, financial inclusion, and education



Stakeholder category	How we engage	Frequency	Communication channels	Top material topic/area (economic and governance, environment, social)
<b>Financial institutions</b> 	⚡ Stakeholder consultation as part of the sustainability reporting process	⚡ Occasional	⚡ Financial reports	Economic value generated <div><div></div></div>
				Compliance, ethics, and business responsibility <div><div></div></div>
				Resource consumption and waste management <div><div></div></div>
				Action against climate change <div><div></div></div>
				Digitization and cyber security <div><div></div></div>
				Community investment <div><div></div></div>
<b>Investors/Analysts</b> 	⚡ Stakeholder consultation as part of the sustainability reporting process	⚡ Occasional	⚡ Conference calls available on the BT website	Risk management <div><div></div></div>
			⚡ Roadshows and presentations	Resource consumption and waste management <div><div></div></div>
			⚡ Financial reports	Action against climate change <div><div></div></div>
			⚡ Newsletter	Digitization and cyber security <div><div></div></div>
			⚡ Sustainability report	
			⚡ Dedicated website	

<b>Business partners</b> <i>consultants, auditors, lawyers, PR agencies</i> 	⚡ Meetings	⚡ Occasional	⚡ E-mail	Procurement practices <div><div></div></div>
	⚡ Stakeholder consultation as part of the sustainability reporting process			Action against climate change <div><div></div></div>
				Digitization and cyber security <div><div></div></div>
<b>Non-governmental organizations</b> 	⚡ Stakeholder consultation as part of the sustainability reporting process	⚡ Occasional	⚡ Partnership projects	Sustainable finance <div><div></div></div>
			⚡ Sustainability report	Action against climate change <div><div></div></div>
				Community investment <div><div></div></div>
<b>Profile associations</b> 	⚡ Meetings	⚡ Occasional	⚡ Financial reports	Compliance, ethics, and business responsibility <div><div></div></div>
	⚡ Stakeholder consultation as part of the sustainability reporting process			Sustainable finance <div><div></div></div>
				Risk management <div><div></div></div>
				Action against climate change <div><div></div></div>
				Community investment <div><div></div></div>





## 2 Products and services

Our portfolio

Sustainable financing

Digitalization

Access to financial  
services, financial  
inclusion, and  
education

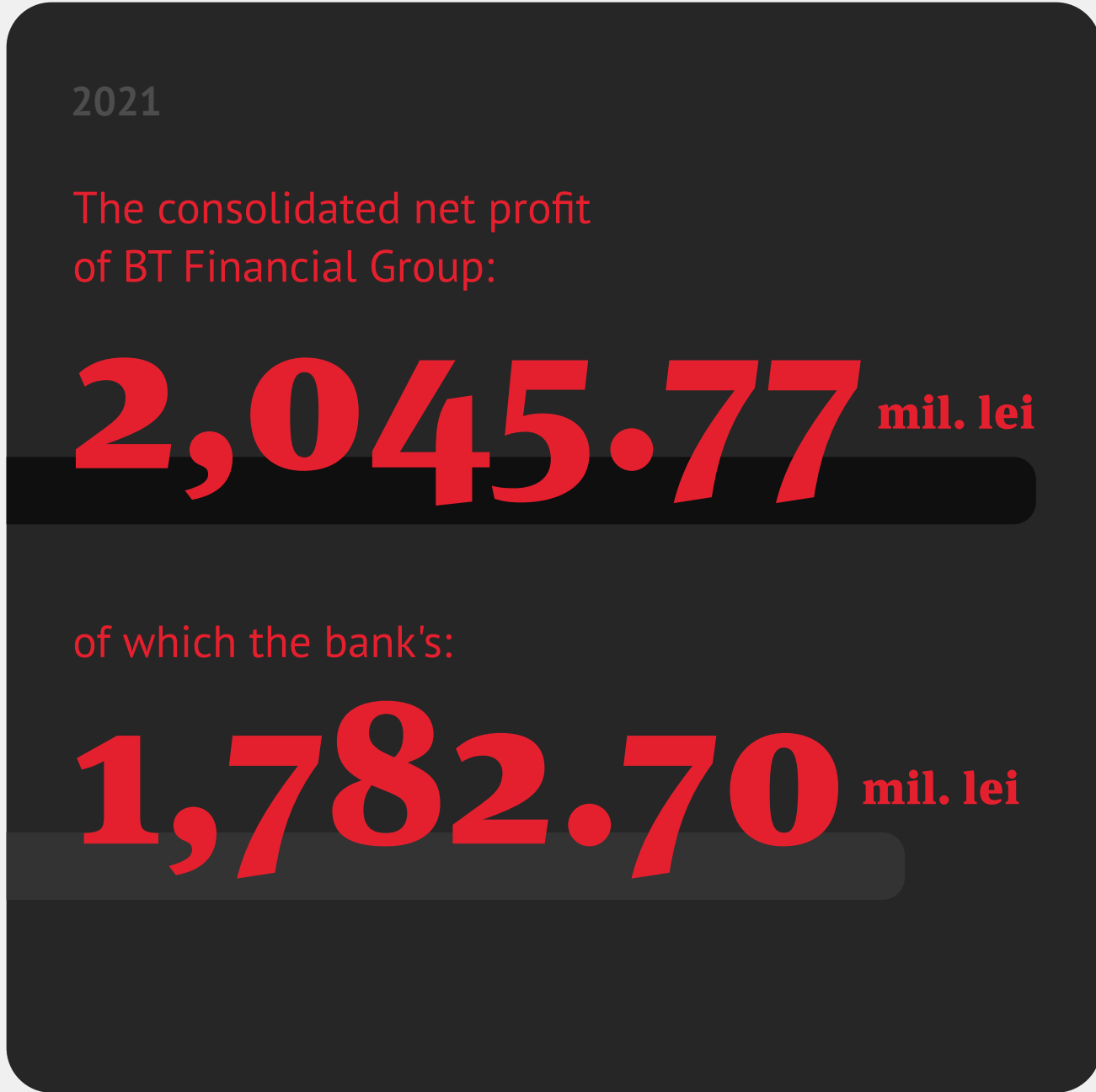


# Our portfolio

2021 was for Banca Transilvania Financial Group, but also Romania, the year of recovery in the context of the pandemic. The positive climate in the domestic banking sector strengthened in 2021, in a development supported by the recovery of the real economy, a decrease in the non-performing loan ratio (towards a historical low), and a low level of real funding costs.

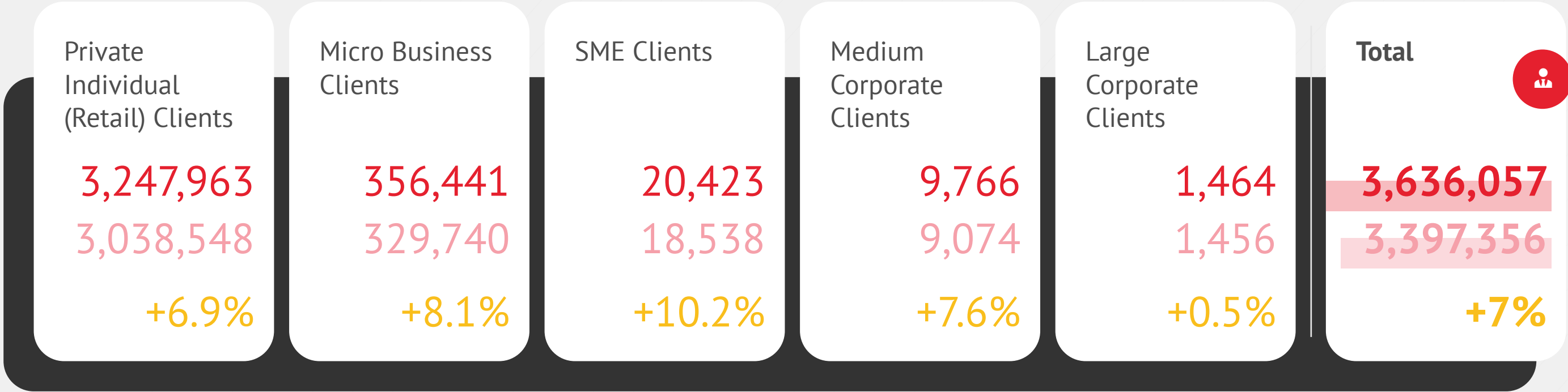
Despite an economic and social climate with many complex and unpredictable aspects, BT has kept its commitment to contribute to this recovery through solutions tailored to each business segment it serves. In doing so, we have contributed to supporting the business environment and responsible consumption, while supporting government measures for the entire macroeconomic ecosystem.

Our efforts had an impact and the number of active clients by business lines, for which Banca Transilvania is the main bank, increased by 7% in 2021 compared to 2020. Thus, Banca Transilvania ended 2021 with results above the market average both in terms of lending and operational volume management.



## BT active clients:

○ 2021   ○ 2020   ○ 2021/2020





## Private Individual Clients

The accelerated digitization process continued in 2021, with the launch of digital solutions tailored to customer needs, including 100% online card loans via the BT Pay app, online consumer loans, new functionality in BT Pay such as utility bill payments, and BT One subscriptions available to all retail customers; at the end of 2021, there were over 100 thousand such subscriptions linked to new customers.

In 2021, we also recorded significant performance in the individual customer segment as follows:

increase of around 7%  
in the number of customers  
compared to 2020, reaching  
**>3.2 million**



**4.74 million  
cards**



**1,775 ATMs**  
including 567 BT Express Plus  
multifunctional ATMs



**>84,000 POS**



**>2.4 million**  
digitized customers



**>14,000**

Romanians bought a house with the  
help of BT, the amount granted being  
**>3,7 billion lei**

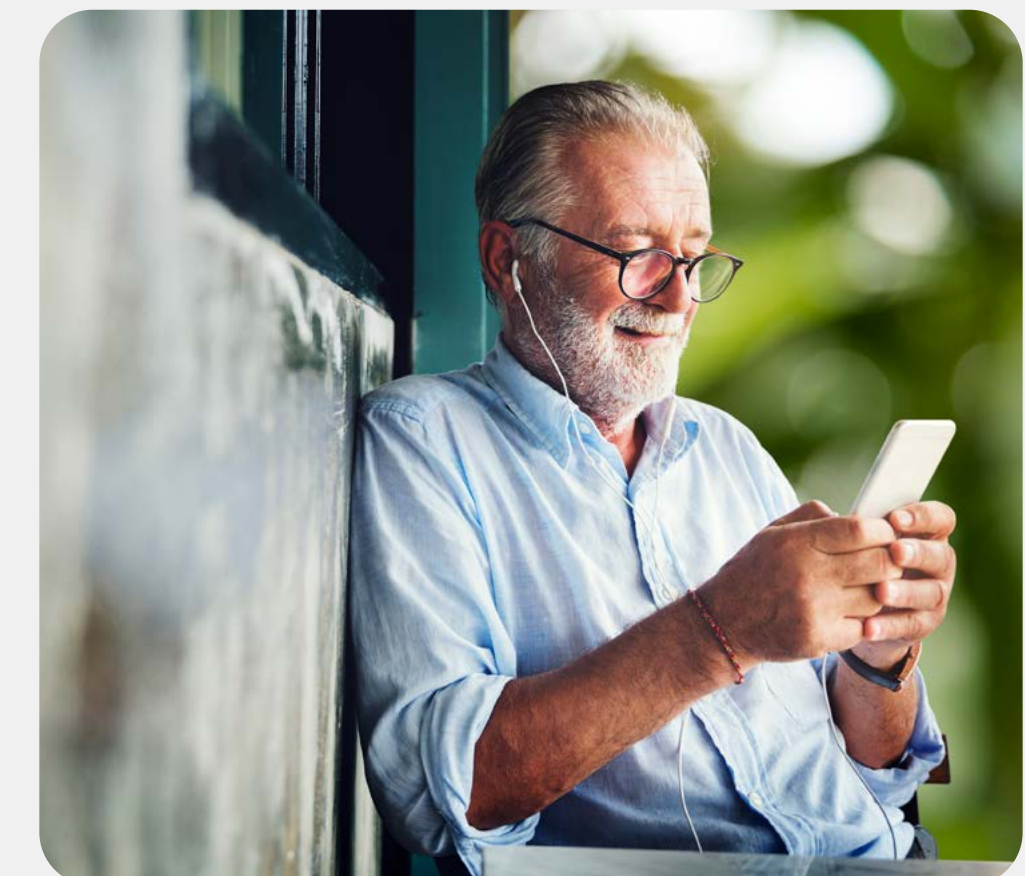
the balance of mortgage loans was  
15.5 billion lei



**>100,000**

consumer loans worth  
**~4 billion lei**  
were granted

total outstanding loans  
amounted to 11.4 billion lei.





## Micro Business clients

We have strived to provide ongoing support to small businesses throughout the crisis, understanding their significant role in our communities. Micro Business customers have benefited from government programs to support Romanian entrepreneurship, such as IMM Invest or the grant program, but also from all our support through proactive solutions. Thus, in 2021 we registered:

an 8% increase in the number of active customers compared to 2020, to over  
**356,000**



**>12,600**  
loans granted



**2 billion lei**  
value of loans granted



3% increase in loan balance and  
19% increase in deposit balance  
compared to 2020



To support access to finance for micro-enterprises and start-ups, BT Mic has played an extremely important role, with the following developments in 2021:



5,800 loans granted worth over 350 million lei



22% increase in the loan balance.

Moreover, BT Mic also continued in 2021 to contribute to a higher level of financial education among entrepreneurs:



is the primary lender for about 75% of its loan customers;



20% of the loan portfolio is represented by loans to start-ups in Romania.

## SME clients

We pride ourselves on having the most diverse ecosystem supporting companies in Romania, in terms of approach, team, products, and services. During 2021, we granted over 4,200 loans under the government's IMM Invest and AGRO IMM Invest programs (both SMEs and large companies), totaling 1,925 million lei and 685 million lei respectively to companies that meet the European definition of SMEs.

Besides the active involvement in government support programs or those run at European level by renowned international financial institutions, initiatives to improve the digital experience were also prioritized in 2021: the launch of the loan origination and management platform and the “Unlimited” package which counts more than 300 thousand customers and can be set up and managed 100% online.



**Timp limitat,  
opțiuni nelimitate.**

**nelimitat**  
oriunde și oricând

pentru  
antreprenori



At the SME customer level (internal definition) we recorded:

**>2,400**  
new loans, totaling more than  
1.6 billion lei



a 19% increase in the balance of SME loans compared to 2020, to more than  
**3 billion lei**







# COSME

te face să visezi la viitor

## Medium corporate clients

Regarding medium corporate clients, in addition to the financing provided from its own funds, BT actively participated in conveying to the business environment the benefits offered by financing programs with price or guarantee advantages - IMM Invest, POIIMM, COSME, and loans from EIB sources. Thus, we reached:

### 14%

increase of loan balance at bank level and

### +16%

at a consolidated level, compared to 2020, reaching 7.3 billion lei and 7.8 billion lei respectively



### 21%

increase of deposits balance, reaching 8.3 billion lei



## Large corporate clients

The Bank strengthened its role as a strong supporter of the local corporate sector by providing financing solutions for both investment projects and the establishment of a liquidity buffer either downstream or upstream in the supply chain.

### 4.8 billion lei

new loan production related to large corporate clients



### 9 billion lei

at the end of 2021 - the balance of the business line's loans at the bank level





# Sustainable financing

**Climate change and the increasingly degraded state of the natural environment pose extremely serious threats to the planet's population.**

**To mitigate the effects of these phenomena, the European Union has adopted the European Green Deal, a wide-ranging set of measures to transform the European economy into a modern, competitive, and resource-efficient economy. The plan's fundamental objectives are to reduce net greenhouse gas emissions to zero by 2050 and to decouple economic growth from resource use, leaving no one behind.**

Sustainable financing policies play a crucial role in achieving European climate and environmental objectives. In order to reach the targets set out in the European Green Deal, the Commission has committed to allocate at least €1 trillion in sustainable investments over the next decade.

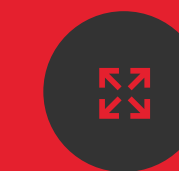
We know that the leading role of the banking system makes Banca Transilvania one of the actors that must make an essential contribution to supporting the Romanian economy in this transition process, by identifying and supporting these sustainable investments. Thus, in 2021 we revised the Banca Transilvania Financial Group's Sustainable Development Strategy 2022-2024, adopted in early 2022.

**In the short and medium-term, our objectives focus on increasing and promoting impact finance, i.e. green or sustainability-oriented lending. We want to support our clients in all their projects, supporting both their development and their adaptation to the sustainable development context, with the two objectives often interlinked.**

The strategy defines the main pillars that will underpin our activity in the coming years and sets several objectives, as follows::



**objectives for quality corporate governance and the adoption of best practices in the field**



**objectives for sustainable performance**



**objectives for the development of our people**



**objectives to reduce negative environmental impacts**



**The measures we plan for the coming years include:**

- ✿ continuously update the Social and Environmental Policy to include current IFC/EBRD performance standards as well as best practices in ESG analysis and current regulations;
- ✿ prepare and promote green and sustainable credits to support investments by companies and public authorities under the National Recovery and Resilience Plan (NRRP) and other EU funding schemes;
- ✿ launch annual specific campaigns to promote social and green projects. The first campaign planned for 2022 is dedicated to the green energy sector;
- ✿ increased focus on energy efficiency projects, smart agriculture and adaptation, efficient transport, and water efficiency;
- ✿ define and implement the renewable energy strategy;
- ✿ develop a dedicated online platform for the dissemination of ESG/sustainable development information as a measure to increase competence in the field;
- ✿ launch dedicated products and complement the current product range with green finance, financial education, and positive social impact components. These launches will be promoted through responsible marketing campaigns;
- ✿ extend the use of CAFI (Climate Assessment for Financial Institutions) to check the eligibility for green funding;
- ✿ ongoing partnerships with international financial institutions;
- ✿ develop entrepreneurial and financial education through our events.

As of April 2021, the Bank applies the instruction on low environmental impact financing (green or special environmental financing), which classifies a transaction as green in terms of the climate objective (i.e. climate change mitigation or adaptation, pollution prevention, and control, biodiversity protection, etc.).

**In terms of green funding recipients, seven categories of funding have been created:**

- |   |   |
|---|---|
| energy from renewable sources (solar, wind, biomass/biogas, hydro)            | green buildings   |
|   | water efficiency  |
| energy efficiency (15% reduction compared to the national technology average) | adaptation to climate change  |
| efficient transport (electric vehicles, hybrids)                              | other transactions with a climate objective are to be classified as special environmental financing |

In addition, for all these transactions, we carry out our standard analysis of the impact of non-financial factors (Environmental, Social, and Governance) on both the company's business and the transaction.



# Credit assessment using CAFI



In order to assess an investment loan's potential to qualify as "green financing", Banca Transilvania uses the **CAFI - Climate Assessment for Financial Institutions** application provided by the IFC (International Finance Corporation). The platform is a tool to help determine the climate eligibility of financed projects and measure their development impact and is currently used by 136 partner financial institutions.

The analysis process of the projects submitted to the application initially requires that they fall into one of the above-mentioned potentially eligible categories (climate change adaptation, energy efficiency, green buildings, renewable energy, transport, water efficiency, and others). The actual analysis is carried out either according to a pre-established algorithm or by a panel of (internal/external) specialists (depending on the characteristics of each grant) able to determine whether a funded project can be considered a green grant.

In 2021, 64 employees were granted access to the platform and checked the "green" potential of the funding based on information collected using specific forms. In total, 66 potentially eligible projects were registered in 2021, of which 56 projects were classified as "green funding".

Also during 2021, important changes were made to the platform, both to streamline the user process and to expand the scope of eligible projects. The application was enhanced by the development of a document library, which made it possible to store both documents and certificates attached to transactions and other relevant documents (e.g. data collection forms).

In addition, the Green Building category has been improved. The improvements to the Green Building category are as follows:



the application can automatically propose estimates of climate impacts resulting from non-EDGE green building transactions,



the reporting process for green building standards, which are not yet integrated into the application, has been clarified: green building specialists review local certification schemes, based on user requests, and if the schemes are in line with IFC methodology, the CAFI team adds these specific certificates to the verification tool. This has made it possible to expand the scope of real estate investment projects eligible for "green financing".



# Reporting requirements under Regulation 852/2020 of the European Parliament and of the Council of 18 June 2020 establishing a framework to facilitate sustainable investment



We support the steps taken at the European Union level towards the transition to a sustainable economy and we are aware of the role we have, as part of the financial sector in Romania, to allocate capital to projects or causes that contribute positively to this transition.



In this regard, we welcome the benefits of the EU Reporting Taxonomy that provides aligned principles and definitions across industries and companies for coherent and consistent non-financial reporting. At the same time, this is the first step in the implementation process of the EU Taxonomy requirements, and, while we are confident that our entire



portfolio as of 31 December 2021 reflects our mission and values, only certain financings and investments represent exposures to eligible economic activities, while other types of impact financings, such as those contributing to social objectives, are not yet incorporated into the taxonomy. In addition, as of this date, no information has been collected from our clients regarding eligibility of their activities with the taxonomy.

Based on the requirements of the EU Taxonomy Regulation (EU Regulation 2020/852), the information as of 31.12.2021 is presented below at individual and consolidated level, taking Annex VI as a starting point:

	Individual	Group
Total assets	125,062	132,501
Exposures to eligible economic activities	5,589	6,340
<i>Proportion of exposures to eligible economic activities in total assets</i>	<i>4.47%</i>	<i>4. 78%</i>
Exposures to non-eligible economic activities	59,990	63,721
<i>Proportion of exposures to non-eligible economic activities in total assets</i>	<i>47.97%</i>	<i>48.09%</i>
Exposures referred to in Article 7(1) and (2): central governments, central banks, supranational issuers, and derivatives	64,058	66,576
<i>Proportion of exposures referred to in Article 7(1) and (2) in total assets</i>	<i>51.22%</i>	<i>50.25%</i>
Financial assets held for trading	31	32
<i>Proportion of assets held for trading in total assets</i>	<i>0.02%</i>	<i>0.02%</i>
Exposures referred to in Article 7(3) to undertakings not subject to the obligation to publish non-financial information under Article 19a or 29a of Directive 2013/34/EU	59,665	64,043
<i>Proportion of exposures referred to in Article 7(3) in total assets</i>	<i>47.71%</i>	<i>48.33%</i>





**Reporting requirements under Regulation 852/2020 of the European Parliament and of the Council of 18 June 2020 establishing a framework to facilitate sustainable investment**



For reporting at individual level, the exposures represent gross carrying amounts, not reduced by impairment allowances, as per the Financial Reporting for Regulatory Purposes (FINREP). For the reporting at a consolidated level, the exposures represent gross carrying amounts, not reduced by impairment allowances, as per the IFRS financial statements.



Exposures to eligible economic activities have been identified based on the client's CAEN level 4 code, with the related limitations, given that the eligibility based on the CAEN code may differ from the eligibility determined following further analysis of the financing. Therefore, we have also included in the category of eligible exposures the green loans granted in 2021 to companies according to the CAFI assessment, the financing of BREEAM certified real estate projects, and the financing granted to companies for energy optimization under dedicated programs ran by the European



Energy Efficiency Fund and EBRD through the RoSEFF program (Romania - SME Sustainable Energy Efficiency Financing facility). Please note that these exposures do not include any type of financing granted to retail customers, regardless of the lending product or the related real estate guarantees. The 4.47% and 4.78% ratios, respectively, have been calculated by reference to total assets, regardless of their type ("covered" or "uncovered").

Exposures to non-eligible business activities were determined as the difference between the value of the loan book and exposures to eligible business activities.

The exposures referred to in Article 7(1) and (2) shall include all types of exposures to central governments, central banks, supranational issuers as well as financial derivatives instruments.

The exposures referred to in Article 7(3) are exposures to undertakings that are not subject to the obligation to publish non-financial information under Article 19a or 29a of Directive 2013/34/EU, namely loans to companies with less than 500 employees, but excluding those companies which are part of a group which, at a consolidated level, has more than 500 employees.

In order to comply with the reporting obligations, but also to provide as transparently as possible the information required by the EU Taxonomy, certain reported data have been subject to value judgments that have been described above. Moreover, compliance with the EU Regulation (EU) 2020/852 is embedded in BT Group's business strategy and sustainability strategy, through the implementation of initiatives that address product design processes, collaboration with customers and counterparties so as to ensure the highest degree of compliance and relevance to the EU Taxonomy requirements.



# Environmental and social risk in credit policy

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 specificities.

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

The list of exclusions includes sectors that are not eligible for credit, regardless of the company's financial performance. Also, tobacco and alcohol production and trade are eligible sectors for financing provided that the maximum exposure per sector does not exceed 1% of the value of the entire portfolio. The list of exclusions is updated regularly. Following the 2021 updates, new sectors that the Bank excludes from financing have been added to the list (e.g. video chat).

The bank's environmental and social risk analysis and compliance with IFC/EBRD standards also exclude from financing investments in protected areas or areas that could potentially have a negative impact on the environment or communities, as well as on protected plant or bird species inhabiting the areas. Thus, Banca Transilvania, through its team of specialists at headquarters, is constantly informed about the areas classified as nature reserves, protected sites or national

parks, etc. according to NATURA 2000 and thus ensures that no projects/works are financed or real estate/land located in these areas is taken as collateral.

The analysis of environmental and social risks is carried out using specific assessment forms based on best practices in the field; **transactions above certain thresholds and involving a moderate or high degree of risk require additional advice from the specialized team in the Bank's Headquarters. In 2021, 2,004 opinions were issued (compared to 1,628 in 2020).**

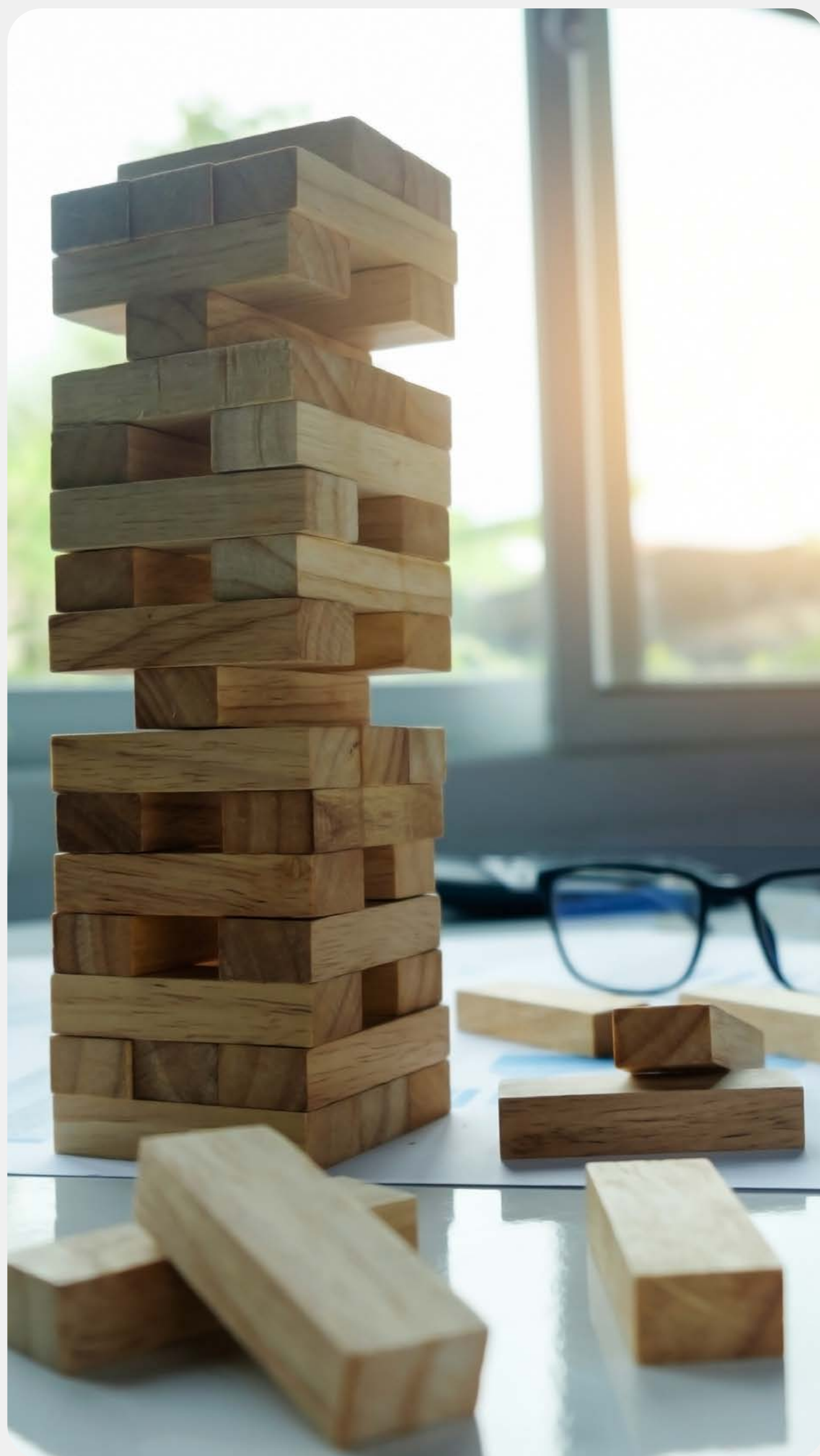
In accordance with the provisions of the Corporate lending policy, environmental, social, and corporate governance risk analysis chapter, any client/transaction will be analyzed with regard to the impact of non-financial factors on the business and the proposed transaction. Thus, the principles of responsible lending (*financing that incorporates environmental,*

*social, and governance factors in the credit and risk analysis*) are applied to our entire loan portfolio, differentiated on proportionality criteria (e.g. different environmental and social risk analysis forms depending on the value of the transaction, including at least: assessment of the environmental management system, of measures to prevent and control pollution and emissions to water, air, soil, climate impact, transition risk, compliance with occupational health and safety measures, etc.).



As of June 2021, Banca Transilvania applies the EBA guidelines on loan origination and monitoring, which introduces the mandatory inclusion of environmental, social, and corporate governance (ESG) factors in credit and risk analysis.





The Bank has revised its internal regulatory framework to introduce the provisions of the new guidelines, the changes made consist of:

- ▣ the implementation of two internal corporate governance risk assessment models, differentiated by company size;

- ... for large, listed companies, the management framework of the company (such as independence of the Board of Directors, its diversity and expertise), transparency in relation to stakeholders and protection of minority shareholders, the effectiveness of the risk management system (e.g. the existence of an audit committee, internal control mechanisms, etc.) are examined;

- ... for smaller companies, the implementation of governance principles is assessed based on the existence of control functions, their independence, transparency in relation to the dividend distribution policy, etc.

Corporate governance risk analysis is performed for all our large and other corporate clients;

- ▣ revision of the environmental and social risk analysis forms, which have different characteristics corresponding to the classification of the portfolio into 3 categories (compared to 2 categories in 2020). We considered it necessary to have more granularity in terms of the classifications in order to adapt the analysis of environmental, social, and governance factors to the characteristics of the Bank's portfolio, as follows:

- ... for transactions over 25 million lei, we have maintained our detailed analysis, using the SMART model, which is based on a detailed assessment of the IFC environmental and social risk performance standards.

**In 2021, the total value of transactions that involved this detailed analysis was 5.2 billion lei, approximately double the previous year's level;**

- ... for transactions between 500,000 and 25 million lei, **we developed a more detailed model than the previous one, extending the detailed SMART model** to this category of transactions as well;

- ... for transactions below 500,000 lei, **we introduced a simplified environmental and social risk analysis model**, but it allows highlighting the main non-financial risks and the company's response thereto;

- ▣ review environmental and social risk analysis forms to capture sector/company specific climate and/or transition risk;

- ▣ conduct a materiality analysis to highlight the main environmental, social, and governance risks specific to each sector.





At the same time, in order to develop the skills of the people in our team regarding social and environmental risk analysis, a series of 26 webinars were held in 2021, between July and October, attended by 955 employees in the following categories: Regional Managers, Branch Managers, and Deputy Managers, Relationship Managers, Analysts, Heads of Agencies. The trainees covered all branches and agencies, both staff who have direct contact with customers and back-office staff who participate in the analysis of credit applications. The course was organized in partnership by the Environmental and Social Risk Analysis Team and the Commercial Team from all Business Lines. The course aimed to familiarise colleagues with the ESG concept and the categorization of loans into environmental and social risk classes. Environmental and transition risks were discussed in detail, as well as climate change adaptation and mitigation concepts. The presentation was accompanied by examples from different business areas.

Client type	Total number of loans on December 31	Total number of environmental and social permits and exclusions	Percent-age of total corporate clients	Number of low-risk loans	Number of moderate-risk loans	Number of high-risk loans
Micro Business Clients	43,071	2,088	25%	7,127	6,036	1,215
SME Clients	14,378	3,222	39%	26,486	15,168	1,417
Medium Corporate Clients	6,120	2,686	32%	2,749	2,538	833
Large Corporate Clients	299	299	4%	150	87	62
Total	63,868	8,295	100%	36,512	23,829	3,527





# Positive environmental and/or social impacts financing

At BT, impact financing also means our positive footprint in financing key areas for community and societal development, whether we are talking about specific sectors we focus on (such as healthcare, agriculture, education) or whether our financing activity has a strong social dimension. More specifically, we consider it a priority to support start-ups, or companies operating for less than 12 months, or to encourage female entrepreneurship in Romania, by providing access to funding.

Distribution of the bank's portfolio by sector of activity	Legal entities		BT Group-wide	
	2020	2021	2020	2021
A Agriculture, forestry, and fisheries	9.66%	9.47%	9.29%	8.77%
B Extractive industry	0.53%	0.46%	0.64%	0.55%
C Manufacturing industry	19.63%	18.15%	18.91%	17.16%
D Electricity, gas, steam, and air conditioning supply	1.80%	3.23%	1.62%	2.79%
E Water supply	0.74%	0.66%	0.90%	0.85%
F Construction	10.06%	7.91%	10.11%	8.47%
G Wholesale and retail trade	26.83%	29.30%	26.71%	28.73%
H Transport and storage services	9.12%	9.05%	10.01%	10.68%
I Accommodation and restaurant services	3.79%	3.34%	3.71%	3.30%

J Information and communication	1.19%	1.10%	1.41%	1.40%
K Financial and insurance activities	0.12%	0.75%	0.11%	0.65%
L Real estate activities	5.14%	5.93%	5.25%	5.65%
M Professional, scientific and technical activities	2.81%	2.50%	2.98%	2.90%
N Administrative services and support activities	1.98%	1.51%	2.04%	1.74%
O Public administration and defense; compulsory social security	0.00%	0.01%	0.00%	0.01%
P Education	0.24%	0.11%	0.26%	0.20%
Q Human health and social work activities	4.75%	4.83%	4.37%	4.32%
R Arts, entertainment, and recreational activities	1.17%	1.32%	1.13%	1.24%
S Other service activities	0.44%	0.36%	0.56%	0.58%
	100,00%	100,00%	100,00%	100,00%



In 2021 we granted green loans to legal entities (Corporate and SME), according to [CAFI](#) assessment, amounting to

**538,140,533**

for destinations benefitting the environment



green constructions

**340.5** mil. lei



renewable energy production:

**153.9** mil. lei



energy efficiency

loans for equipment and machinery, leading to a decrease in energy consumption by at least 15%, worth

**33.5** mil. lei



transportation

**9.8** mil. lei

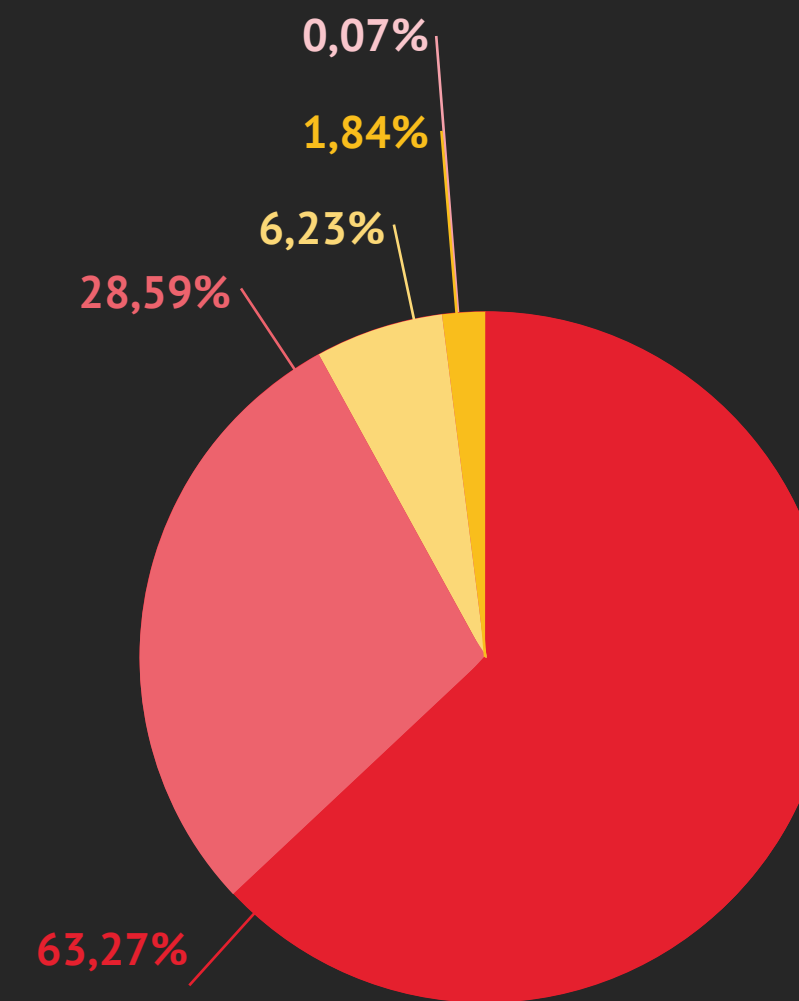


special environmental funding

**400** mii. lei

such as wastewater treatment etc.

## Share of green funding by sector in 2021, according to the Climate Assessment for Financial Institutions (CAFI)



63.27% Green buildings  
28.59% Renewable energy  
6.23% Energy efficiency  
1.84% Transportation  
0.07% Social environmental funding

CAFI = Climate Assessment for Financial Institutions

Analyzing the investment loans granted during 2021 of a value greater than 1 million lei, 1 out of 4 supported investment projects for energy efficiency. Thus, 14% of the value of these loans financed energy efficiency equipment purchases, 7% was directed to energy-efficient buildings, 6% to agricultural land purchases or APIA loans, 4% to projects addressing social needs, 3% to purchases of eco-friendly cars or cars with higher pollution standards, 1% to other businesses with reduced environmental impact through the use of improved technologies and equipment.



As of December 31, 2021, the financing portfolio (gross balance sheet values, not including non-cash or unused exposures) with impact also includes:

Legal entities:

financing of BREEAM certified real estate projects:  
**360 mil. lei**

loans for energy optimization:  
**46 mil. lei**

financing granted to waste recycling companies:  
**71.5 mil. lei**

or waste treatment and disposal companies:  
**20.3 mil. lei**

Private individuals:

loans to private individuals, in partnership with the EBRD, for the purchase of residential property or energy-efficient assets:  
**144 mil. lei**

in financing under the Green Mortgage Loan product;  
**959 mil. lei**

car leasing for electric or hybrid vehicles:  
**253 mil. lei**





# Agriculture and agribusiness

In 2021, the Agribusiness Department also served corporate clients with crop, animal, or mixed production activities in rural areas. The department, which celebrated its 10th anniversary in October, supports both lending activity and meeting the needs of farming customers with non-cash, transactional products.

Since the clients targeted are rural people with less economic knowledge, the role of the Department was to advise its clients on loan sizing and sustainable investments. The activity has grown, and in 2021, the department has a team of 30 specialized Relationship Managers, who have agricultural knowledge, possess a vocabulary appropriate to this economic sector, and are very familiar with the characteristics of the 21 counties they serve.

Out of a portfolio of approximately 32,139 clients, similar to previous years, it can be noted the prevalence of clients from the most disadvantaged categories to be served by the banking system (the number of PFA, II, and IF clients are 20,190). This customer category benefits from products tailored to their activity: working capital for setting up crops, investments in tractors, and harvesters.

In 2021, the Federation of Beekeeping Associations of Romania "ROMAPIS" started the implementation of two projects with non-reimbursable funding, co-financed by BT, entitled: **"APISANA - mobile laboratory for collecting and preserving samples to evaluate the toxicity of crops on honey bees"**, and **"AGROAPIS - Project for raising the beekeeping production value by using bee and pollinator beneficial crops in accordance with agri-environmental conditions"**.

The APISANA project is a pilot project aimed at scientifically determining the types and levels of contaminants with effects on bees in the Romanian beekeeping system. The project will consist of the development of a methodology that will be applicable on a large scale for the testing of biological samples taken from bee habitats. Through this project, ROMAPIS will be able to provide beekeepers with a database with free online access, making it a useful tool

for beekeepers in pastoral planning. The database, which will be built based on the results obtained from the analysis of samples collected from beekeepers in Romania, will allow understanding for the first time of the type of impurities present in the bee habitat and the level of contamination.

Beekeepers who are not part of the partnership will be able to access the results of this study and request ROMAPIS support to determine the contamination level in their own hive. This will raise awareness of the importance of the use of harmful compound-free practices in beekeeping. Beekeepers who are not part of the partnership will be able to protect their bees by using the information obtained from the project or by applying the methodologies developed through the project. Thus, the project will contribute to increasing beekeeping sector sustainability and will develop the productivity of the fruit and vegetable growing process.

Both the above-mentioned projects are part of Measure 16.1 Support for the setting up and running of operational groups (GOs) for the development of pilot projects, and new products in the agricultural sector. Banca Transilvania has supported their co-financing as part of a wider movement at the federation level, namely the European Citizens' Initiative "Save the Bees and Farmers". This is on track to become the seventh successful European Citizens' Initiative in the European Union and the second anti-pesticide initiative aimed at greening Europe. ROMAPIS has been a full member of APIMONDIA since 2009.





## Education funding

The Bank supports projects developed by companies active in education and training. In 2021, we granted a total of 166 loans worth over 18.76 million lei to such companies. At the end of the year, the Bank had 408 loans for such projects in its portfolio with a balance of approximately 29.1 million lei.

### Ep. Dr. Alexandru Rusu" Gymnasial School

The bank granted the school a 24-month line of credit of 400,000 lei, necessary for working capital, in order to pay the salaries of teaching and non-teaching staff, contributions to the state budget, utilities, and other expenses generated by the teaching activity. In the 2021-2022 school year, the school had an enrolment of 204 children, including 91 preschoolers and 113 schoolchildren. 75% of the children enrolled in school and 80% of the children enrolled in kindergarten attend the after-school program.





# Healthcare funding

## Transylvania Medical Centre, Cluj-Napoca

The project entailed the financing of a research and development center for the diagnosis and treatment of cerebral-vascular accidents, including the building and equipping with high-performance medical equipment (MRI, angiograph), as well as 2 4x4 ambulances. The objective of the project is to develop and upgrade society's infrastructure and capacity, achievable by developing a Healthcare Research and Development Centre on one of the most common causes of morbidity and mortality in Romania - cerebral vascular accident (CVA), with specialized research departments where studies on neurovascular emergencies will be carried out.

## Provita Diagnostic and Treatment Centre, Bucharest

The Bank provided funding to equip the center with a Da Vinci Xi surgical robot, the most advanced surgical platform created to overcome the limits of classical and laparoscopic surgery. In the therapeutic arsenal available to contemporary medicine, the Da Vinci Xi robot undoubtedly ranks first. The surgeon is able to explore 3D anatomical structures with millimeter precision, performing controlled and safe 540-degree movements.

## Dental Alex, Brasov

The bank provided financing for a 4-level dental clinic, operating theatre with state-of-the-art equipment, 2 operating rooms, 10 treatment rooms, 2 dental radiology rooms equipped with computer tomography, photo studio, and dental technique laboratory equipped with Cad Cam robots.



## Manager Zalău

We supported the financing of the construction and equipping of a Wellness and Medical Rehabilitation Centre in Zalau. For the construction loan, we received the CAFI qualification for green credit. The wellness center's amenities and the facilities offered in the recovery clinic through the purchase of state-of-the-art equipment for magnetotherapy, laser therapy, and TECAR (Capacitive and Resistive Energy Transfer) make this investment an important one in this area of the country.

## Medima Health

The project consisted in financing a radiological diagnostic and imaging center in the oncological field - the only one in Romania that integrates radioisotope production with PET-CT examination in the same site and the possibility of merging PET-CT images with 3 TESLA MRI images, allowing an accurate scan of any anatomical region. The center will be located in Sangeorgiu de Mures, Mures county.

At the same time, for private individual customers who need financing to cover their medical expenses, the bank offers, through the Patient Loan, funds for medical care, including drug treatments for the customer or his first and second-degree relatives - an amount of up to 50,000 euros (or RON equivalent) - for a loan secured by a mortgage. With a long credit period - a maximum of 10 years for loans without a real estate guarantee and a maximum of 30 years for loans with a real estate guarantee, the loan does not involve an early repayment fee. At the end of 2021, the bank's portfolio included 104 loans of this type (17 granted in 2021), with a balance of 2.1 million lei.



Medima Health  
#BTClients





## Positive environmental impact financing



As of 2017, the Bank has been in partnership with the European Bank for Reconstruction and Development (EBRD) to provide green loans to private individuals, both for the purchase of energy-efficient residential properties and personal loans for the purchase of energy-efficient goods (e.g. the purchase of small or large household appliances of a higher energy class).

Banca Transilvania was among the first banks to join this program (Romania - Green Economy Financing Facility "GEEF"), managing to grant loans worth **€40 million**:

- ❖ **€37.7 million** for the purchase of residential properties
- ❖ **€2.3 million** for consumer loans

These financings also had commercial discounts in terms of interest and fees.

Of the approximately 1,500 loans granted, 1,061 loans with a value of 144,400,736 lei were still outstanding on December 31, 2021.

Also following a partnership with the EBRD, through the Roseff program (Romania - SME Sustainable Energy Efficiency Financing Facility - "RoSEFF"), 172 loans were granted for energy optimization, totaling approximately 129 million lei (2013-2019 period). At the end of 2021, 6 Roseff loans were still in the Bank's portfolio, with a RON equivalent balance of 3,368,311 lei.

Furthermore, as an official partner of the European Energy Efficiency Fund in Romania, the Bank has granted 161 loans worth 436 million lei since the start of the collaboration, for energy efficiency improvement of the financed objectives or the implementation of renewable energy production facilities. As of December 31, 2021, outstanding loans amounted to approximately 42 million lei.

## Financing BREEAM-certified buildings

The financing portfolio of BREEAM-certified real estate projects includes outstanding loans amounting to 358 million lei, some of which were presented in detail in the previous edition of the Sustainability Report.

In the field of green buildings, one of the projects financed by the Bank in 2021 was Paneracons I&I (green credit according to CAFI). Thus, starting in 2021 tourists or business people visiting Timisoara can stay in a BREEAM-certified building at the Mercure Hotel which has been substantially upgraded. The building received this certification following the upgrade of the entire ventilation - cooling - heating system, fully automated, making it the first hotel and even the first building in Romania, and the fourth hotel in Europe with this system (the levels of carbon dioxide, oxygen, chemicals, pressure are constantly monitored and the regulation and filtering of airflows are also fully automated).

BREEAM®



**The bank also has other positive environmental financings in its portfolio.**

**This includes companies active in waste collection, recycling, and management.**

As of December 31, 2021, the Bank had 220 outstanding loans in this sector (CAEN Code 3832 - Recovery of sorted recyclable materials), totaling exposures of more than 71.49 million lei. The Bank also has outstanding loans amounting to 20.31 million lei in its portfolio for activities related to the treatment and disposal of non-hazardous and hazardous waste (CAEN Codes 3821 and 3822).

At the same time, the Bank granted several loans to Minet, the largest producer of non-woven textiles in Romania. In addition to the two loans granted for the expansion of production capacity, the Bank also financed a company project implemented by accessing Norwegian funds, with 50% grant intensity for eligible project expenditure. The project entails the development of new non-woven textiles by introducing environmentally friendly solutions using recycled waste in the production process. BT funding for the implementation of the project will exceed 16 million lei.





# Sustainable financing through BT subsidiaries

The positive impact we generate through the sustainable financing we provide to clients is also supported by the activity of our subsidiaries.

Victoriabank's financing is regulated internally by the Legal Entities Lending Policy. The purpose of the Policy is to establish a long-term partnership with the community by making investments that benefit both the company and the community as a whole. It is important for the bank to identify whether there is an environmental risk in the projects it finances, as high risks can lead to disruption or discontinuation of production, decrease in sales volume, and if the product/project is deemed harmful - additional costs may arise for both the client and the bank.

As part of the BT Group, Victoriabank applies the Group-wide environmental and social risk management system. The bank classifies each project according to the type and location of the project, complexity, size and nature, and degree of the initial environmental impact. Compliance with applicable environmental and social legislation, together with the use of appropriate environmental and social practices, are important factors in demonstrating responsible business management. In this regard, the Bank continues its efforts to integrate environmental and social risk assessment into its risk analysis processes, mainly by strictly funding activities that comply with national environmental, health, and safety laws and regulations.

In 2018, the **Green Council** was created as a permanent, independent, advisory body aimed at monitoring, managing, and developing policies in the field of energy efficiency, bio-agriculture, and ecology. The Green Council is composed of members of the Board of Directors.

The Bank also finances clients from EBRD resources, so there are contractual commitments to align with EBRD requirements, including those related to sustainability. At the same time, several areas of activity are excluded from lending under the contractual commitments and the terms and conditions of financing.

In December 2021, Victoriabank signed a new loan agreement with the EBRD to access a new line of credit through the EU4BUSINESS program for €5 million. A minimum of 70% of this funding will be provided to support green projects.

Victoriabank also lends from its own resources to energy efficiency projects, but as this category of loans is not yet marked in the internal systems, no relevant statistics are currently available.

Victoriabank's objectives for 2022 include the launch of a sustainable project financing product for corporate clients.





Through BT Leasing, we support green mobility solutions, offering customers the opportunity to purchase electric or hybrid cars. Promoting green financing solutions is one of the company's strategic objectives, which is why we have created attractive solutions for our customers, both private individuals, and corporate clients.

**In 2021, 1 in 4 cars financed was 100% electric or hybrid.**



**At the same time, we are proud that BT Leasing financed the first Romanian electric bus e-UpCity, produced in Baia Mare by our partners at ATP Trucks & Buses.**

Client type	Total no. of loans at December 31, 2021		Value of loans <i>thousand lei</i>	
	electric cars	hybrid cars	electric cars	hybrid cars
Private individual clients	27	93	4,547	13,185
Micro Business clients	123	681	23,146	117,832
SME clients	36	201	10,161	45,334
Medium Corporate clients	22	113	5,541	26,712
Large Corporate clients	1	15	1,856	4,481
<b>Total</b>	<b>209</b>	<b>1,103</b>	<b>45,251</b>	<b>207,544</b>

In 2021, BT Capital Partners advised on the launch of SMITEL on the AERO market, the company's business lines being renewable energy, telecommunications, and automation.

At the same time, BT Capital Partners intermediated the issuance of sustainability-linked bonds issued by Autonom, with a value of 48,030,000 lei. The project aimed to create an authentic and sustainable business model, with a strategy for reducing environmental impact, developing various projects for the education of children and employees in line with ESG principles, and offering sustainable and environmentally friendly mobility solutions for Autonom's clients.





Through its business model, BT Mic directly generates a positive impact by providing access to financial services and products to small businesses of all forms of organization: authorized private individuals, sole proprietorships, self-employed professionals, individual agricultural producers, associations/foundations.

Starting from the 1st quarter of 2021, BT Mic is financing education, featuring a product dedicated to private schools and kindergartens, aiming to facilitate access to finance for a category that is not normally eligible for funding and has not been included in state aid schemes in recent years. The initiative is supported by a guarantee from the EIF. **By the end of the year, 120 schools and kindergartens had been funded, helping to improve educational conditions for around 7,400 children.**



Other measures to support our clients

**Start Online** is the only online business acceleration program in the small business market that has provided customers with both the training and infrastructure they need to grow their online business. 30 entrepreneurs were selected to take part in the program. They gained knowledge in areas such as the current situation of the online market in Romania, customer service and digital marketing. Out of the total number of participants, 10 online stores were developed at the end of the program. The strategic partners of the program, that provided the services needed to help the clients go online were MTH Digital, GoMag, TRUSTED, Hosterion, GPeC and EFSE.

**Și eu sunt client BT Mic** (I am also a BT Mic Client), an initiative to support and promote small businesses, brought the attention over 120 small businesses, promoted on the BT Mic blog.

Client type	Total no. of loans at Dec 31, 2021	Total number of environmental and social opinions and exclusions	% of total corporate clients	Number of low-risk loans	Number of moderate-risk loans	Number of high-risk loans
Micro Clients	15,236	15,236	94.96%	12,875	2,216	145



# Inclusion and access to financial 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 engine. BT Mic aims to complement BT Group's financial ecosystem by providing financing to the smallest businesses in the market, businesses that in most cases do not have access to funding.

Thus, BT Mic offers financing both for starting entrepreneurs (start-ups operating for only 3 months) and for small companies with an annual turnover of up to 1 million lei. This is the maximum limit at the governance level, as, in reality, more than 80% of the disbursements/ portfolio is concentrated in businesses with

an annual turnover of up to 500,000 lei. Through BT Mic, we finance businesses of any form of organization, beyond the classic commercial company, i.e.: authorized private individuals, sole proprietorships, self-employed professionals, individual agricultural producers, associations/foundations. Our typical client is usually a family business, often merging the family unit with the economic unit.

The purpose of the loans granted by BT Mic is as diverse as possible: from the support and development of day-to-day business, purchase of goods, payment of suppliers to invest in workplaces and/or opening of new ones, purchase of machinery, equipment.

BT Mic is considered to be the **first lender for about 75% of its customer portfolio**, and its approach can also be seen as an important education component, which it provides with each financing. Of the entrepreneurs financed so far, **about 20% were only starting out when they turned to BT Mic**, having been in business for less than 12 months.

For about 3 years, **BT Mic has also been offering loans with a European guarantee**, through the EaSi program, during which time we have granted more than 8,000 guaranteed loans.

We know that inclusion and diversity contribute to innovation and economic growth, which is why BT Mic supports and encourages the development of female entrepreneurship. At the end of 2021, BT Mic had approximately 6,400 outstanding loans to female-owned customers. At the same time, funding received from IFC (part of the World Bank) to increase access to financing for microenterprises and to facilitate the financial inclusion of women entrepreneurs in Romania, has helped us to provide support to 600 companies majority-owned by women.

BT Mic financing	31 December 2020	31 December 2021
No. of clients financed from start to date:	13,598	17,600
No. of loans granted from start to date:	17,705	23,460
Amount granted from start to date:	932,000 thousand lei	1,290,000 thousand lei



Tu ce planuri ai pentru afacerea ta?

Noi te finanțăm integral, fără avans și fără garanții materiale



# Digitalization

The last two years have highlighted the importance of digital platforms and remote access to financial products and services, contributing significantly to the growth in the number of customers using online and mobile banking platforms.

Beyond the benefits it brings to customers (real-time access to their account information, immediate payments, and transfers, faster banking, etc.), the digitization process also helps us to streamline our processes and continuously improve the services we offer to customers.

The process of accelerated digitalization continued in 2021, with significant increases in the use of the remote banking solutions we offer our customers:



the number of digitally-enabled unique customers (private individuals and corporate customers) increased by 31% compared to 2020, reaching over

**>2,7 mil.**

(i.e. 75% of active customers)



BT card transactions increased by 35% compared to last year,



phone payments doubled compared to 2020 to

**68 mil. lei**

At the same time, we continued to launch new facilities to support customers by developing new digital solutions tailored to their needs:



**100% online credit cards**

in the BT Pay app;

over 3,000 of these products were granted online in 2021



**100% online consumer loans**



**new functionality in BT Pay**

such as utility bill payments



**BT One subscriptions**

available to all retail customers, including current customers; at the end of 2021, there are over 100 thousand such subscriptions linked to new customers

News for 2021 includes:



BT Pay facilities:

- ⚙ applying for the STAR Forte shopping card and overdraft 100% online directly from BT Pay,
- ⚙ direct payment of utility bills and their management,
- ⚙ updating personal data in the application.



integrating the online scheduling solution in all BT network units;



the option for entrepreneurs to open a current account with BT, 100% online; without company documents, only based on ID;



accessing the Unlimited current account package online.

The new functionality is aimed at both new and current customers who already have the package and want to apply for extra options.



## Internet Banking and Mobile Banking

Internet banking and mobile banking users exceeded 1.8 million, up 29% from 2020, and generated 35% more transactions than in the previous year.

## Integrated wallets

**Apple Pay** – in June 2019, when Apple Pay entered the Romanian market, BT was among the first banks in Romania to facilitate the addition of BT cards to the Apple Pay wallet, thus offering iPhone and Apple Watch customers the option to pay with their phone using NFC technology.

**Garmin Pay and Fitbit Pay** – contactless payment options via smartwatch, which marked a first in Romania: the possibility to shop with compatible Garmin and Fitbit smartwatches by adding BT cards in the related apps. By adding the cards to one of the compatible Fitbit and Garmin gadgets, customers have an easy, handy way to shop.

**Google Pay** – is another option for Android phone payments and ATM withdrawals, offered to customers alongside the bank's payment solution, BT Pay, launched in 2020, which complements the range of contactless alternative payments in the portfolio.

BT Pay, Apple Pay, Google Pay, Fitbit Pay, and Garmin Pay wallets have over

**>2,1 million unique cards**

Phone payments have doubled since 2020 to

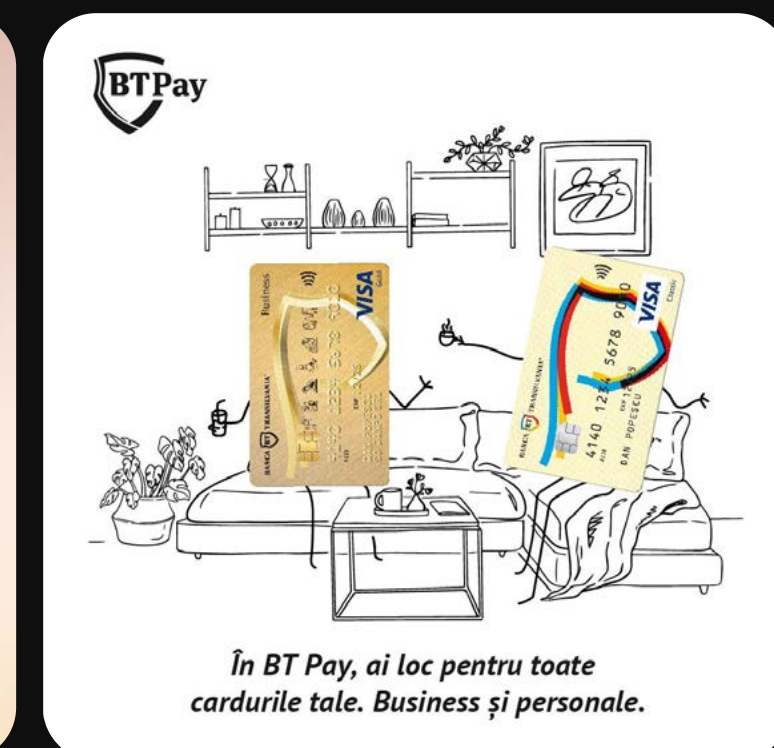
**68 million**

## BT Pay

Launched in January 2018 as the first wallet in Romania and Southeast Europe to allow contactless payments via Visa Token Service smart payment technology, BT Pay surpassed 1.9 million users by the end of 2021 and saw a multitude of new features added, becoming the first banking and payments super-app in Romania.

BT Pay helps us to encourage and support fundraising through the dedicated in-app functionality, BT Pay - Donations component, where users can donate to their favorite causes. These transfers are free of charge and users can choose to support non-governmental organizations from a predefined list or any other organization. The donation component was also supported during 2021 with fundraising actions with selected NGOs during which BT doubled or tripled the amounts donated by customers.

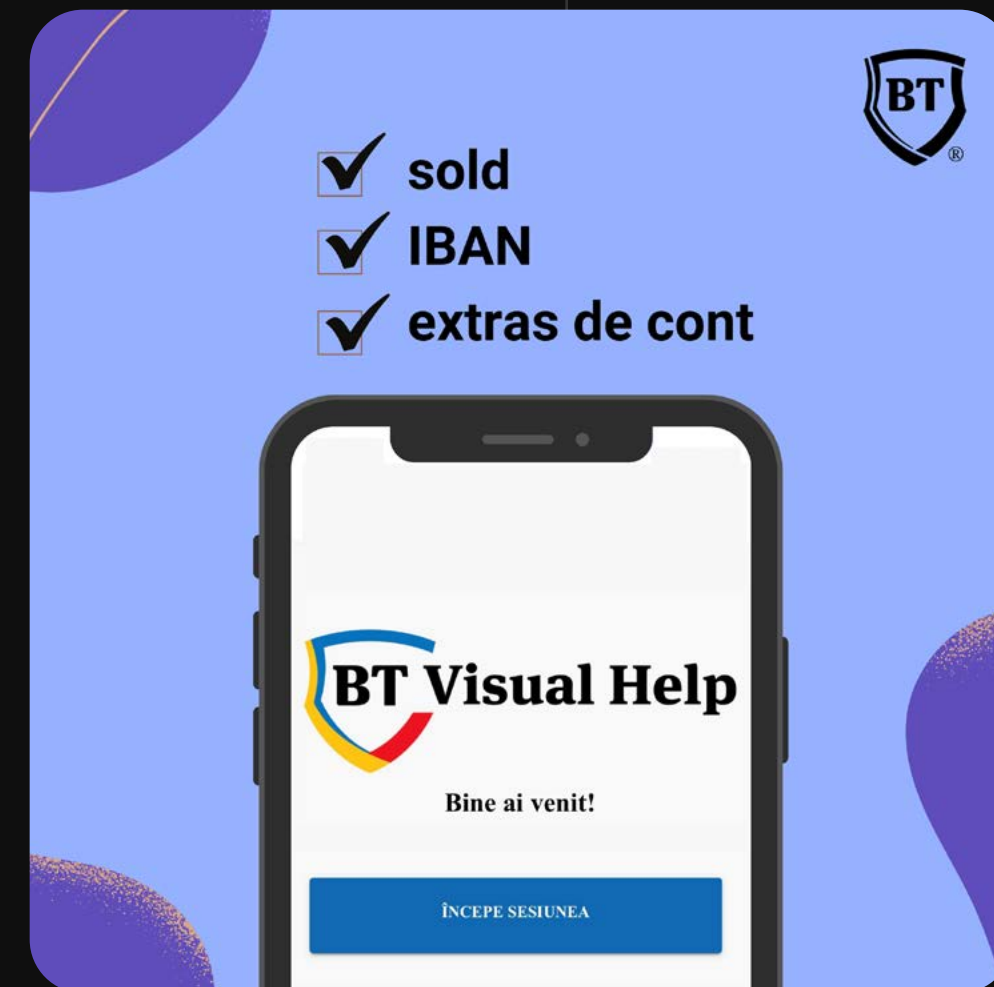
With BT Pay's physical activity monitoring functionality, we encourage customers to adopt a healthy lifestyle by integrating movement apps that are easily accessible to the population (native iOS and Android operating system apps - Apple Health and Google Fit, plus Fitbit for Fitbit fitness device owners).





## BT Visual Help

The digital platform provides customers with account, transaction, and card information. To access the service, customers need to follow two simple steps, contacting a dedicated number by phone and then accessing the link received by text message. Once logged in, customers can block their cards and change their transaction limits, check balances or transaction details, credit card payment obligations, or request statements.



## BTePOS

BTePOS.ro is an online hub of electronic payment acceptance products, a platform through which merchants can order everything they need to offer their customers the option to pay by card, by phone, or online, with customized solutions according to industries.



## Extras de cont online?

BT24

Neo BT

BT Visual Help



## NeoBT

NeoBT is the internet and mobile banking platform where customers can quickly access account and transaction information. Through NEO Control, customers can view details of their personal accounts with fintech or banks operating in Romania. Thus, Banca Transilvania marked a first in Romania, NEO Control is a multi-banking service based on interconnection using the BT Open Banking platform.

## NeoCont

For those who do not have an account with BT and want to become a customer, the Bank has launched NEOcont, the possibility to open a current account 100% remotely. NEOcont is a very easy gateway to the rest of BT's products and services for individual customers. Opening an account requires a video call with one of the bank's representatives, and within 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.



# Lending platform for entrepreneurs

Towards the end of 2021, we managed to take another big step in the process of lending to legal entities. We managed to simplify the lending process through digitization and make it transparent for our customers through our new lending platform for entrepreneurs. The platform automatically checks certain eligibility criteria and we find out the customer's specific needs through a series of questions. What does this mean? Fewer trips to the bank for entrepreneurs, more transparency on the process, and more satisfied customers.



What can entrepreneurs do in the new lending platform?

- apply online for a loan;
- see loans under review and/or in balance, regardless of whether they were initiated online or in the unit;
- upload documents for loans under analysis as well as loans in balance;
- track the status of credit files in real-time;
- electronically sign credit statements and applications directly during the application process.

But before this platform was accessible to corporate customers, other digital initiatives were available to ease the necessary steps of the lending workflow, such as:

**A Fileshare functionality:** solution for secure document transfer between client and bank, widely used during the pandemic as well as during government programs such as IMM Invest, and grant programs. More than 400,000 documents were transferred via this solution from launch to the end of 2021. In July 2021, new functionality for receiving and verifying electronically signed documents was accessible: almost 3,500 were uploaded since July 2021.

**B The SME almost online credit,** a platform where corporate customers can apply for a loan, make an appointment at the branch they want to work with, or upload documents. During 2021, about 300 credit applications were submitted through this channel each quarter.



Also by the end of 2021, the Unlimited for corporate customers package can be accessed 100% online, directly by customers who can make settings or changes to the package 100% online.



Other digital initiatives, concerning financial products and services that facilitate business transactions, were accessible during 2021:

**A** **NEOCont Legal Entities** - a platform through which corporate customers can open a current account 100% online by applicant identification, video call, signing the necessary documentation, and selecting the current account package. At the end of the process, the customer receives the electronically signed documentation and access data to the NEO internet and mobile banking application. Over 500 such online enrolments were processed on average each quarter;

**B** **Equity account setup** - a platform through which corporate clients can open an equity account 100% online. In November 2020, the requirement to open a share capital account for newly established companies was removed, which is why account openings decreased to around 100 applications on average each quarter (from 500 on average each quarter in 2020);

**C** **CallVu** – a solution dedicated to improving communication with corporate clients is the virtual assistant that is available by phone. În 2021 am înregistrat o creștere cu 82% a numărului de SMS față de anul precedent.

**EVO-BT Trade platform** – is the BT Capital Partners platform through which clients can trade on their own as an alternative to broker-assisted trading.

**BT Leasing** provides customers with a self-care service [my.btleasing.ro](https://my.btleasing.ro), where customers can generate documents of interest in relation to the leasing contract and the asset used.

In 2021, the platform saw a 5% increase in the number of registered users, reaching approximately 85% of the active customer portfolio.

**VB24** is Victoriabank's online and mobile banking platform that allows customers to remotely manage their accounts and payments, and make purchases and transfers from anywhere in the world at any time.

In 2021, VB24 had 248,721 users, including 50,733 new users. At the same time, VB24BUSINESS, the platform for business customers, offers two types of access: informational - the user has access to the balance, transaction history, account status, and the possibility to generate electronic statements and transactional - the user can perform online operations (payments, conversions, etc.). In 2021, the number of VB24BUSINESS users increased by 6.2%, from 7,136 in 2020 to 7,582.





# BT chatbots

## Livia

Livia is a chatbot dedicated to private individuals that communicates with customers via Facebook, Skype, and phone. It was born in 2017 and is the first chatbot in bank communication in Romania. Developed in partnership with Microsoft, Livia helps customers with information about money in their account, BT products, and services, IBAN, rates, interest, fees, garnishments, etc.

## Ino

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

## Raul

Born in 2018, it is the first chatbot for entrepreneurs in Romania. Thanks to Raul, corporate customers can find information about their BT accounts, products, and services 24/7 via Facebook Messenger and Skype. The Raul bot provides entrepreneurs with details about the IBAN of their current account in RON or other currencies, the balance of their current account in RON or other currencies, payment amounts on credit card loans, details about installments, interest, credit fees, garnishments, exchange rates, information about cheques or promissory notes, the number of loyalty points earned on their STAR shopping card, details about the Unlimited package in the BT network and its extra options.

## Aida

Born in 2019, the chatbot is BT's employee assistant on HR topics. Aida helps employees with information, requests, and documents in the HR area. In 2021, Aida sent over 3.8 million messages to 10,552 unique users.

## Raul BT Mic

It is a chatbot for potential BT Mic customers, whether they are BT customers or not, that allows them to apply online for a credit product. In 2021, a total of 11,400 chatbot hits were recorded through the Raul chatbot, of which over 6,000 resulted in credit applications, and approximately 800 customers were financed.

## 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.

David chatbot proved to be a real help in 2021 to the 2,953 distinct users (about 60% of staff in territorial units), who called on the information it provided 4 times more than in the previous year. Around 900,000 messages were exchanged this year, reaching over 100,000 messages exchanged on average per month, according to statistics from the last quarter.

## Raul SME

It is a chatbot launched in July 2019 that helps colleagues by filling out the most commonly used forms (credit applications, CRC agreement, AGM resolution template, prepayment request, loan subordination statement), providing information about the customer's company and BT's internal products. Among other things, Raul SME also includes an FAQ section that provides colleagues with answers in different categories, such as loans, operations, commercial issues, and workflows. At the end of 2021, 10,871 unique users were registered and over 660,000 messages were sent to corporate customers. As of March 2021, the chatbot has a new functionality: it allows to request debit instruments (BO/CEC, ORN).





# Access to financial services, financial inclusion, and education

In addition to remote banking platforms that facilitate customers' access to financial products and services, the Bank provides its customers with a range of solutions to support Romanian private individuals or entrepreneurs, regardless of their income level or business size.

Access points in economically underdeveloped or less populated areas	2020	2021
Number of ATMs	5,1%	5,4%
Number of POS	6%	7%
Cards	15%	15%

## BT Pay:

In 2021, 31.3% of rural BT customers had BT cards in their BT Wallet (BT Pay) or BT-integrated wallets (Apple Pay, Google Pay, Fitbit Pay, Garmin Pay), an increase of 6.3% from 2020.



Among the solutions the Bank has implemented to facilitate access to products and services and financial inclusion are:



### student dedicated cards



### Gaudeamus credits for students



**salary/pension/allowance/scholarship card** – salary/pension/allowance/scholarship card - a basic card with minimal costs for customers, allowing them to easily and free of charge cash and access their salary, pension, allowance, or scholarship money



**accounts for the financially vulnerable** - according to the legislative regulations in force, individuals who do not have an account with BT or another bank and have an income of less than 2,500 lei gross per month can apply for a basic RON payments account for the financially vulnerable.

## Free first-year account for start-ups (CPAG)

For start-up entrepreneurs, we designed a package with everything they need: Visa Business Silver debit card, Internet&Mobile banking, current account, and unlimited transactions in lei and foreign currency, all free of charge.

After one year of use, customers automatically benefit from the Unlimited current account package, which offers them reduced costs and greater ease of banking.

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

Number of new CPAG	2020	2021
	33,607	45,804*

\*of which 42,613 new customers



# Financial education

**For us, education is an investment. Whether we are talking about our people or the partners and clients we work with on a daily basis, we believe that financial education is one of the ways we can increase our positive impact on society.**

At the Bank level, the main projects we support in this regard are:



## BT Club - The Romanian Entrepreneur's Club

founded by Banca Transilvania in 2006, is the first initiative addressed to entrepreneurs, in order to offer continuous and free services and access to relevant information in an interactive environment, both through training and seminars and virtually via the Internet. The Club operates in the business environment by providing consultancy and regular information, entrepreneurial education, and networking tools, as well as support in accessing European funds, aiming to actively and effectively contribute to the sustainable development of business throughout the country and to always be the first choice for the entrepreneurial community in Romania.

BT Club aims to keep the Romanian entrepreneur informed on European funding opportunities while offering advice in the development of his projects within the partnerships initiated by the Club, as well as through specialists from the European Programs Department of Banca Transilvania. Through the Club, Banca Transilvania's specialists provide entrepreneurs with the knowledge and experience acquired in the financial-banking field, so that people with an entrepreneurial spirit can benefit to the maximum from their membership in the BT Club. Any private individual or legal entity, Romanian or foreign, established in Romania, can be a member of the Club and register as a member through the website, expressing their agreement to adhere to the Club's statute. In 2021, BT Club members were able to participate in 11 online sessions on various topics to help them grow their businesses. The total number of registered participants was 1,721.

The club is active through:

- ✦ free training programs
- ✦ free consultancy services
- ✦ financial-banking seminars
- ✦ conferences and courses that respond to the real needs of entrepreneurs
- ✦ encouraging partnerships within the Club

## Spark Days

is designed for high school students passionate about business and entrepreneurship. High school students learn hands-on about entrepreneurship, train their entrepreneurial mindset and bring out the skills they already have.

## Transylvania College – Money fest

financial education for kindergarten, elementary, middle, and high school (workshops, presentations, TED Talks).



In addition to the above, several financial education initiatives have been carried out, supported by colleagues in the agencies. These were mainly aimed at secondary school pupils and took place in schools, with presentations and discussion sessions attended by over 70 pupils. In 2021 there were 2 such actions.

## Întreb BT

The bank's largest financial education platform, with over 1,600 questions and answers about banking and how a person should proceed in certain contexts: change PIN, renew the card, what ROBOR means, how to pay bills, etc.



[Read more here](#)



## Blogul BT

with information on how to proceed in certain "How To" situations: check transactions, remote banking, online security, etc.



## BT Capital Partners

### Fluent in Finance


[fluentinfinante.ro](https://fluentinfinante.ro) 

is an online educational platform that aims to provide information and education materials about investing on the Bucharest Stock Exchange, investing in investment funds and pension funds, as well as organizing events to improve people's knowledge.

### World Investor Week

Online presentation with capital market information for students, Demo account trading, and account opening. The project aimed to educate the participating students about the capital market and initiate them in the processes of account opening and trading.

 **Beneficiaries:**  
about 100 UBB students

 **Partners:**  
ASF and UBB

### Made in Romania 2021

The platform is dedicated to investors, consultants, and, in particular, companies with growth prospects, who want to attract financing from investors or who are in the process of preparing a private placement on the AeRO Market or the Main Market. The media content provided by consultants through the platform supports companies in implementing best practices and preparing their business for the next level of growth.

 **Beneficiaries:**  
+1.000 companies nominated,  
more than €50 million funding  
for participating companies that  
subsequently went to the capital  
market.

 **Partners:**  
BVB

## BT Leasing Moldova

As a result of the collaboration between BT Leasing Moldova and the Green for Growth Fund (GGF) over the last 2 years, a successful marketing and promotion strategy for financial leasing products was developed and implemented, which aimed to improve the financial literacy of the population and encourage SMEs to learn about the advantages of financial leasing, in order to benefit from financing for the purchase of new low CO<sub>2</sub> emission cars and modern energy-efficient equipment/vehicles, which would increase the profit of SMEs by increasing the efficiency of the production process and optimizing expenditure.

Through social media posts, newsletters, articles on media portals, google advertising, and physical presence in partners' showrooms, customers were intensively informed about the significance of the DAE, the advantages of lease financing as well as the possibilities of securing financing for greener lease items.



# 3 BT people and communities

Our team

Responsible employer

Community investment

Responsible procurement





# Our team

We understand that we cannot contribute to financing a sustainable future without a team of professionals guided by strong values and most importantly, the BT Spirit. Our year-on-year performance and good results would not be possible without our people, who work every day to provide customers with the best financial products and services. Our success is directly proportional to the development and growth of our people, which is why we focus on providing them with the resources they need to reach their potential.

In 2021, the BT Group team employed **11,314** people.

**RO** **9,940**  
7,339 women  
2,601 men

**MD** **1,374**  
1,092 women  
282 men



## Number of employees

by employment contract	ROMANIA		MOLDOVA		Total
	men	women	men	women	
Permanent	2,387	6,528	278	813	10,006
Fixed-term	214	811	5	278	1,308

by working hours	ROMANIA		MOLDOVA		Total
	men	women	men	women	
Full time	2,568	7,264	283	1,091	11,206
Part-time (<8h)	33	75	0	0	108



Employee distribution:

Administrative offices – branch and agency network	number	2021 %
ROMANIA		
Headquarters (30-36 Dorobantilor)	1,119	11.26
Other administrative offices in Cluj	1,218	12.25
Administrative offices Bucharest	1,342	13.50
Branches and agencies in the country	6,261	62.99
Total	9,940	100
MOLDOVA		
Chisinau Central Office	528	39.73
Chisinau Branches	395	29.72
Branches and agencies in the country	406	30.55
Total Victoriabank	1,329	100
BT Leasing Moldova	45	100

New employees and turnover rate:

	ROMANIA				MOLDOVA: Victoriabank				MOLDOVA: BT Leasing Moldova			
	New employees		Employees who left the company		New employees		Employees who left the company		New employees		Employees who left the company	
	no.	rate	no.	rate	no.	rate	no.	rate	no.	rate	no.	rate
Gender												
Women	1,023	11.46	845	9.46	204	20.08	236	23.23	9	24.32	2	5.40
Men	402	4.50	311	3.48	63	6.20	79	7.77	1	2.70	3	8.11
Total	1,425	15.96	1,156	12.95	267	26.28	315	31.00	10	27.02	5	13.51
Age group												
<30	912	10.21	521	5.83	167	16.44	120	11.81	8	21.62	4	10.82
30–50	460	5.15	568	6.36	90	8.86	174	17.12	2	5.40	1	2.70
>50	53	0.59	67	0.75	10	0.98	21	2.07	0	0	0	0
Total	1,425	15.96	1,156	12.95	267	26.28	315	31.00	10	27.02	5	13.51
Location												
Headquarters	653	7.31	428	4.79	95	9.35	103	10.14	Not applicable.			
Network/agencies	772	8.65	728	8.15	172	16.93	212	20.86				
Total	1,425	15.96	1,156	12.95	267	26.28	315	31.00				

Note: New employees and employees who left the company rates are calculated relative to the average number of employees in 2021





At Victoriabank, **Onboarding\_RPA**, an induction and integration program using Robotic Process Automation, was launched to support and guide new colleagues.

Onboarding\_RPA is the automated sending of *Welcome to the team* emails and presentation of Victoriabank's structure and benefits for new employees. The robot connects to the database, identifies the email address of the new employee(s), and sends notifications on important matters, to be known when starting in the bank:

- ✦ The story of Victoriabank and Banca Transilvania Financial Group;
- ✦ Victoriabank's organizational structure;
- ✦ Email signature setting;
- ✦ What are employee benefits and other HR specifics;
- ✦ What and how they can learn at Victoriabank;
- ✦ Instructions to access the e-learning platform;
- ✦ Information security details;
- ✦ Occupational health and safety;
- ✦ What AML means and why it is important.

Other robot features in the Onboarding module:

- it is always informed when a new colleague/colleague starts working;
- greets each colleague with a personalized *Welcome to Victoriabank* message;
- holds a library of information resources needed by colleagues for guidance/information;
- sends messages once a day at 8:15.

## Third-party activities

There are several workers in the BT Financial Group companies who are not directly employed but work in our offices. Their activities are mainly non-core, support activities (cleaning services, security, etc.). Workers who provide services for the organization are paid above the minimum wage required by national legislation, based on working hours, according to the terms of their contracts with the companies we work with.



# Collective labor contract

Number of employees covered by collective labor agreement	2021	
	number	% of total
ROMANIA	9,915	99.75

Members of the management of all subsidiaries, in line with the members of the bank's management, are not covered by the collective labor agreement, as they operate on a mandate contract.

At the company level in Romania, the collective labor agreement stipulates the notice period, which is in line with the provisions of the Labour Code and the provisions for consultation and negotiation with employees. The organization consults with employee representatives before making reorganization/restructuring decisions affecting more than 2% of employees, at least 60 days before implementation.

As far as the Group's companies in Moldova are concerned, similarly, the collective labor contract provides a notice period in line with the legislative regulations in force (Labor Code of the Republic of Moldova).

# Employee representation

Employee representatives are elected by the free vote of their colleagues in the BT team. Any employee of Banca Transilvania with a permanent employment contract may apply for the representative's role, and they must submit their application in person. Voting is conducted electronically. The last employee election process was held in 2021 and consisted of open nominations. The employee representatives were nominated by votes of about 4,600 colleagues. 9 candidates out of the total number of those who applied were elected as Employee Representatives.

Given that we are the largest financial group in Romania, employee representatives are a dialogue partner for BT management, taking part in decisions that are directly related to the team and organizational culture at BT.

Employee representatives are responsible, among other things, for negotiating the collective labor contract, ensuring that employees' rights are respected, promoting employees' interests concerning pay, working conditions, working time and rest time, job stability, and any other professional, economic, and social interests related to labor relations,

participating in the preparation of internal rules, etc. They gather proposals from colleagues and negotiate with management representatives.

During the previous two years of mandate (for colleagues who ended their mandate in 2021), Banca Transilvania's employee representatives ensured a constant dialogue with Management. Their achievements include securing additional benefits for employees, such as additional days off in case of events, increasing the minimum wage (as of 01.01.2020, the minimum wage in Banca Transilvania is RON 2,500 net, regardless of position), as well as supplementing the amounts allocated for health insurance or private pension contribution.

There are 3 employee representatives at the subsidiary level that have more than 21 employees (except BT Pensii, which has less than 21 employees).

At Victoriabank, employees are represented by the trade union, whose role is to support the rights of employees, to collaborate with the management structure for the employees' compliance with internal regulations, to support corporate activities and to provide mutual support between employees.

Employee information was collected from internal databases. No estimates have been made and the data shows the status of active employees as of December 31, 2021. Where applicable, employee information has been presented at the level of the country in which BT Financial Group operates.



# Responsible employer

## Remuneration policy

Fair remuneration for all our employees is a core principle of BT Group's human resources strategy. A working environment supported by fair remuneration contributes to increased employee satisfaction, with a direct impact on employee welfare, retention, and turnover.

Each BT Group company has a remuneration policy that regulates the types of remuneration that apply under European directives, which are then adopted into national law.

The remuneration policy of Banca Transilvania and its subsidiaries addresses the objectives in this regard: encouraging teamwork and cooperative relationships between colleagues, ensuring a strong link between remuneration and performance, while respecting clients' interests, building a benefits mentality linked

to individual and team performance, attracting, retaining and motivating employees in key positions, ensuring flexibility so that the team can adapt quickly according to the bank's objectives while complying with the legislative framework.

At Victoriabank the objectives of the remuneration policy are performance-oriented - evaluating results, not efforts; fairness - evaluating and rewarding bank employees strictly in line with their performance, following internal guidelines and preventing subjective approaches; interaction - interpreting results as a product of the team; equity - providing equal opportunities for promotion and remuneration to all bank employees and respecting employees' interests - disciplinary satisfaction, psychological comfort, promotion prospects.

The ratio of the minimum wage in the company to the national minimum wage

Banca Transilvania

Victoriabank

BT Leasing  
Moldova

Men	Women	Men	Women	Men	Women
1.86	1.86	2.39	2.39	1.70	1.70

Men/women wage ratio

Banca Transilvania\*

Victoriabank

BT Leasing  
Moldova

First level of management	1.29	Not applicable.	
Second level of management	0.96		
Other management positions	1.21	1.51	0.94
Specialists - head office	1.22	0.99	1.29
Specialists - branch	1.07	1.05	Not applicable.

\*data covers bank employees only, not including subsidiaries in Romania



## Employee development

At BT, our priority is to ensure that the people who work with us have all the channels and tools necessary to develop both professionally and personally. We encourage continuous professional development by providing employees with both internal and external learning programs. This ensures that all our team members evolve and develop in line with trends in the banking system and best practices in the industry.

Although 2021 was another challenging year in terms of professional development, we continued to implement projects for the professional development of colleagues and students interested in a future banking career.

The training process is a dual responsibility of both the employer and the employee.

The training needs of each employee are analyzed during the annual evaluation and the planning of objectives for the next period. All training needs thus identified, which must be relevant to the employee's position and the objectives to be achieved, are mentioned in each employee's appraisal form. They are then included in the annual training plan devised by

the BT Academy and are subject to review and approval by the Human Resources Committee, in line with the annual training budget approved by the Board of Directors.

Methods that encourage the learning activity include temporary transfers to other positions; transfers for fixed periods to different departments/divisions/directories; participation in projects; on-the-job training for newly hired colleagues or colleagues who have taken up a new position; in-house courses facilitated by trainers inside or outside the bank; courses organized by specialized companies in the country or abroad; webinars facilitated by trainers inside or outside the bank; individual training through online courses developed by BT or by various providers; training programs organized by prestigious educational institutions.

In order to facilitate access to continuous training for colleagues in the Network, Operations, and Retail Divisions, who work permanently with customers at the front desk and cannot learn during working hours, Banca Transilvania has implemented a special benefit: one day/quarter for Learn from home. By implementing this program, as of 2021, a total of 1,483 colleagues have learned from home.

### Annual training budget at Banca Transilvania

2019

4,351,627 lei

2020

3,578,828 lei

2021

5,125,891 lei

**Learn from Home** is a program dedicated to front-office staff only. This program allows our colleagues to plan the courses they want or need to take and gives them the space and time to focus only on the courses they choose to attend.

In 2021, the annual training budget at Banca Transilvania increased by more than

>43%



compared to the previous year.



**Mandatory training programs** address all employee categories. Mandatory training programs are carried out based on an annual training plan developed by the BT Academy in the Human Resources Department together with the Bank's specialist departments and approved by the Human Resources Committee (HRC).

Mandatory continuous training programs can be found on the internal e-Learning platform, under the category "Mandatory courses" and are compulsory for the Bank personnel to whom they are addressed, according to the job description.

Mandatory personnel training is carried out at least once every calendar year, based on the training material developed/purchased by/through the specialized departments and implemented in the internal e-Learning platform by BT Academy.

We want to encourage our employees to invest in their professional training and therefore provide partial financial support when we believe that certain **long-term programs** are relevant to the organization and the employee's future in the organization.

The Human Resources Committee decides which employees are supported and the amount of the sponsorship. The conditions an employee must meet to access this type of funding are:

- ✎ have a permanent employment contract;
- ✎ have at least one year's seniority within the Bank;
- ✎ the program is relevant to the employee's position and future career at the Bank.

At the same time, the Bank sponsors 3 employees/year/program to participate in MBA (Master of Business Administration) training programs, and the selection of employees is done by the Human Resources Committee. In 2021, 9 colleagues were enrolled in this type of training program.

Another development area that the Bank provides for its employees is participation in long-term professional training programs such as ACCA (Association of Chartered Certified Accountants), CFA (Chartered Financial Analyst), ACI (Association Cambiste Internationale), etc., subject to the approved annual training budget. As above, the selection of employees whom the Bank sponsors is carried out by the Human Resources Committee.

At Victoriabank, the employee training and development process is described by the personnel training procedure, which regulates the process of identifying training needs to

continuously improve the professional skills of employees, aimed at general development, updating, and learning new information in the field, as well as strengthening current skills. At the same time, the main objectives of the procedure are to integrate new employees, increase competitiveness, and create favorable conditions for the development and achievement of professional potential. Training is carried out through courses delivered by internal trainers, training organized by other institutions, in the country or abroad, on-the-job training, etc. At the same time, the procedure on the order and terms of practice of employees in the territorial units defines the practice terms for colleagues in the Front Office, aiming to train specialists in internal banking operations and improve on-the-job skills.

In 2021, BT Group employees were provided with an average of

**30**  
hours of training/employee.







## Development programs for employees

**Since 2018, Banca Transilvania has launched a dedicated training application for all employees at the group level, both through classroom courses and e-learning sessions. Thus, each employee is notified of the mandatory courses and deadlines that need to be met, but moreover, they can opt to enroll in various online courses offered by Banca Transilvania.**



In addition to the programs already implemented in the bank, which address specific needs in the hard skills area (products, services, lending, methodologies/workflows, regulations, internal rules, work security, privacy and other ethical issues, software platforms, and applications, etc.), several programs have also been developed to address development needs in the soft skills area.

Record numbers were reported for participation in development programs: 272,356 cumulative participations: in classroom, webinars, e-Learning. The Training Administration and Learning Consultancy department provided employees with more than 800 training modules, including mandatory sessions on compliance, data protection, etc., technical sessions on hard skills, but also optional modules, including 9 webinars on ESG skills with more than 1,000 unique participations. Most sessions during 2021 addressed hard

skills (97%): knowledge related to products and services, applications, workflows, and specific skills (financial analysis, project management, legal, IT, etc).

At the subsidiary level, in addition to the mandatory BT Financial Group courses, employees also benefit from training programs dedicated to their activity (business and compliance training programs).



HAI SĂ VORBIM DESPRE

human banking,  
nu doar credite  
și depozite.

Vino în echipa







Performance evaluation and  
career development plan

Number of employees who completed  
a performance evaluation process

	ROMANIA				MOLDOVA: Victoriabank				MOLDOVA: BT Leasing Moldova			
	Men		Women		Men		Women		Men		Women	
	no.	%	no.	%	no.	%	no.	%	no.	%	no.	%
First level of management	15	0.16%	10	0.11%	0	0.00%	0	0.00%	5	41.66%	0	0.00%
Second level of management	8	0.09%	8	0.09%	-	-	-	-	-	-	-	-
Other management positions	449	4.98%	698	7.95%	44	16.30%	142	13.41%	2	16.66%	4	12.12%
Specialists - head office	1,105	10.85%	1,982	20.26%	162	60.00%	192	18.13%	5	41.66%	17	51.51%
Specialists - branch	802	10.76%	3,562	44.75%	45	16.67%	416	39.28%	-	-	-	-
Total	2,379	26.84%	6,260	73.16%	251	92.97%	750	70.82%	12	100%	21	63.33%



In 2021 we continued a series of impactful projects for recruitment, retention, and employee engagement.

### BT Career Plan

The BT Career Plan, a program developed to ensure predictability and transparency in promotion and career development opportunities in Banca Transilvania, active throughout the network, continued in 2021. 701 employees benefited from this program.

### GROW X(perience)

GROW X(perience) is a project to map professional skills and create a career plan for all positions in Banca Transilvania, aiming to build motivated and high-performing teams. The program was carried out across the Bank and 9 competencies were set for each position in Banca Transilvania (3 core competencies, 3 job family competences, 3 job-specific competencies). These competencies will be integrated in all HR processes, starting with the recruitment process, in the annual performance evaluation process, the training & development area, and remuneration.

## INTERNSHIP AT BT

### Hai la practică cu ZÂMBT! (Let's intern with a smile!)

In 2020, Banca Transilvania signed a new funding contract from the European Union to continue the internship programs in 2020-2022. The "Let's intern with a smile!" project runs for 2 years and includes 325 students (bachelor and master level) from 10 university centers, with 325 tutors from the network and the bank's head office. In 2021, 2 iterations of this internship program were implemented: the first one was held in May 2021, when 40 students from 6 university centers were selected, and the second one in December 2021, when 123 students from 10 university centers were selected. The team dedicated to the deployment of this project consisted of 8 recruitment consultants and 1 compensation and benefits consultant. Approximately 5,300 students applied and 600 selection interviews were scheduled.

### Legal Internship (Legal Department)

13 young people joined this program, and 9 of them were hired on a fixed-term basis to support the increased workload.

### Audit Internship (Internal Audit Department)

Out of 17 participants, 9 candidates were selected for the 5-month program and most of them continued in the areas they were selected for: Audit, IT Audit, etc.

### Internship in Bucharest branches

Front Office activity - out of 17 people part of the project, 14 were hired, thus filling the vacancies.

### IT Internship (Paving Project)

Held in partnership with the Faculty of Automatics and Computers - UTCN Cluj-Napoca, from July 19 to August 27, 2021, during which 6 students did a summer internship in Chatbots and QA Automation teams, using the latest technologies. As a result of this program, 4 students joined the Banca Transilvania team.

IT Internship - project ran from 1-30 September 2021. The recruitment and selection process was conducted in 3 stages: HR interview, technical challenge, and technical interview. 320 candidates applied, out of which 147 were considered eligible to enter the recruitment process. After the completion of the stages, 30 candidates were admitted and 15 tutors were assigned to train the students for one month. Following the internship, 27 students out of the 30 were hired in the IT teams, which delved into the following technologies: .NET, Java, PHP, React, DevOps, QA Automation, Chatbots, RPA, IOS, and QA Manual.





## BTransformers

in 2021 we carried out a reskilling program dedicated to BT colleagues. Participants had the chance to learn the methodologies & technologies used in the technical area in BT and were supported to make a career change. The program aims to reskill towards three areas through courses supported by the Informal School of IT:

- ✦ Business Analyst (BA)
- ✦ QA Automation
- ✦ Manual Testing (QA Manual)

216 employees applied, of which 52 colleagues were selected for the program. The courses supported by the Informal IT School ran from November 2021 to January 2022 (BA and Manual Testing) and November 2021 to March 2022 (QA Automation).

## Expanding the geographic area for IT recruitment and setting up IT HUBs in Oradea, Alba Iulia, Suceava, and Constanta

In 2021 we used the opportunity to work remotely and set up technology offices in smaller cities across the country. Many tech-savvy candidates prefer to stay in their hometowns, and we've given them the opportunity to work remotely/on-site. This way, Banca Transilvania contributes to economic development and living standards in smaller cities and communities.

In addition to identifying and hiring senior resources on various technologies in these areas of high growth potential (.NET, Android, iOS, QA Automation, and BA), the focus of this initiative will also be on developing young talent (from universities and local retraining schools) alongside existing teams. This way, colleagues in the Hub will work as a separate project team and will be able to handle all stages of the development of new functionalities of an application.

## „Buddy” program for the technical area

In July, we launched a 4-month buddy program for each new colleague in the technical area. This program helps us provide support during the induction period for new colleagues and accelerate their learning speed and integration into the organizational environment. New colleagues will gain a better understanding of their role, projects and processes, inter-dependencies, and how the Bank works. At the same time, the buddy role is a good growth opportunity for existing members of the technical teams, as they are selected as promoters of BT's vision and values. At the same time, our colleagues taking part in the program will have the opportunity to develop their communication and mentoring skills by sharing their acquired knowledge.



# Employee benefits

**Beyond the professional development programs we provide to employees, we carefully analyze their needs and develop benefits packages that cover a wide range of issues: work-life balance, health care, and disease prevention programs, gym memberships, book rental subscriptions, etc.**

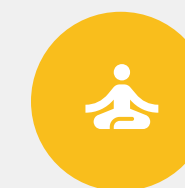
In 2021, following proposals received from colleagues and decisions taken by the Bank's management, an **additional financial benefit** was granted - an extra €100 granted per year/employee with the option to direct it either to the Pillar III voluntary pension plan or to health insurance (which covered the risk of Covid-19 illness).

One of the most appreciated benefits in the health care area and one that we have continued in 2021 is the **Screening Saves Lives** program for the prevention of the most common types of cancer, developed and carried out together with our partner Regina Maria Clinic Network. The program is addressed to every employee of Banca Transilvania Financial Group and includes specialized investigations for the detection of the 4 most common forms of cancer (breast, cervix, skin, and colon) for women and 3 most common forms of cancer (skin, colon, and prostate) for men.

Banca Transilvania is the first and only company in Romania to run such a program available to all its employees. All investigations in the program are carried out free of charge. Data for 2021 counted 1,207 screenings performed, of which 1,110 were accessed by women and 97 by men. Benign and malignant cellular changes were detected at an early stage as a result of this program and were treated in time saving the lives of affected colleagues.

The SARS-COV-2 pandemic has prompted us to introduce a series of new benefits for BT employees: roll-out of the work from home option (telecommuting), days off/business continuity in the pandemic context, the launch

of the Learn from Home program (during the state of emergency) for colleagues in the network who, due to the specifics of their work, could not work from home, but could access the learning platforms, paid days off for self-isolation for colleagues who were at risk of contamination and were unable to take sick leave, flu vaccination campaign for all colleagues who chose to have the flu vaccine, psychological counseling sessions with both BT staff psychologists and therapists from outside the bank, yoga and mindfulness sessions, emotional agility webinars facilitated by BT Academy trainers (including a module for managers) to help our colleagues understand and manage their own emotions and those of others (colleagues, family).



For BT employees, a dedicated page was created on the internal communication platform (**BTHub**) - **For You** - where all the materials addressed to colleagues were posted, grouped in 3 main areas: physical health/financial health/mental health.

A dedicated section has also been created for employees' children, called **For You and Your Child**, which includes a collection of useful materials and websites in various fields, such as Arts & Culture, Theatre, Games, Art & Craft, Sports, Virtual Travel, etc.).



	Banca Transilvania			Victoriabank			BT Leasing Moldova	
Benefits/ Contract type	Full time	Part-time	Fixed-term/ Internships	Full time	Part-time	Fixed-term/ Internships		Full time
Medical insurance	✓	✓	✓	✓	✓	✓		-
Life insurance	-	-	-	✓	✓	✓		-
Disability or invalidity insurance (resulting from work-related accidents)	✓	✓	✓	✓	✓	✓		✓
Parental leave	✓	✓		✓	✓	✓		✓
Retirement benefits	✓	✓		✓	✓	✓		✓
Shares	✓	✓	✓	✓	✓	✓		-
Additional days off	✓	✓	✓	✓	✓	✓		✓
Flexible working hours	✓	✓	✓	✓	✓	✓		-
Voluntary pension plan	✓	✓	✓	-	-	-		-
Second Opinion - dental clinic	✓	✓	✓	-	-	-		-
Loyalty bonus	✓	✓		-	-	-		-
Vaccination bonus	✓	✓	✓	-	-	-		-
Meal vouchers	✓	✓	✓	✓	✓	✓		✓
Work from home	✓	✓	✓	✓	✓	✓		✓
Flu vaccination	✓	✓	✓	-	-	-		-
Covid-19 testing covered	✓	✓	✓	✓	✓	✓		✓
Social assistance for events (death, childbirth)	-			✓	✓	✓		✓



## Emotional balance program

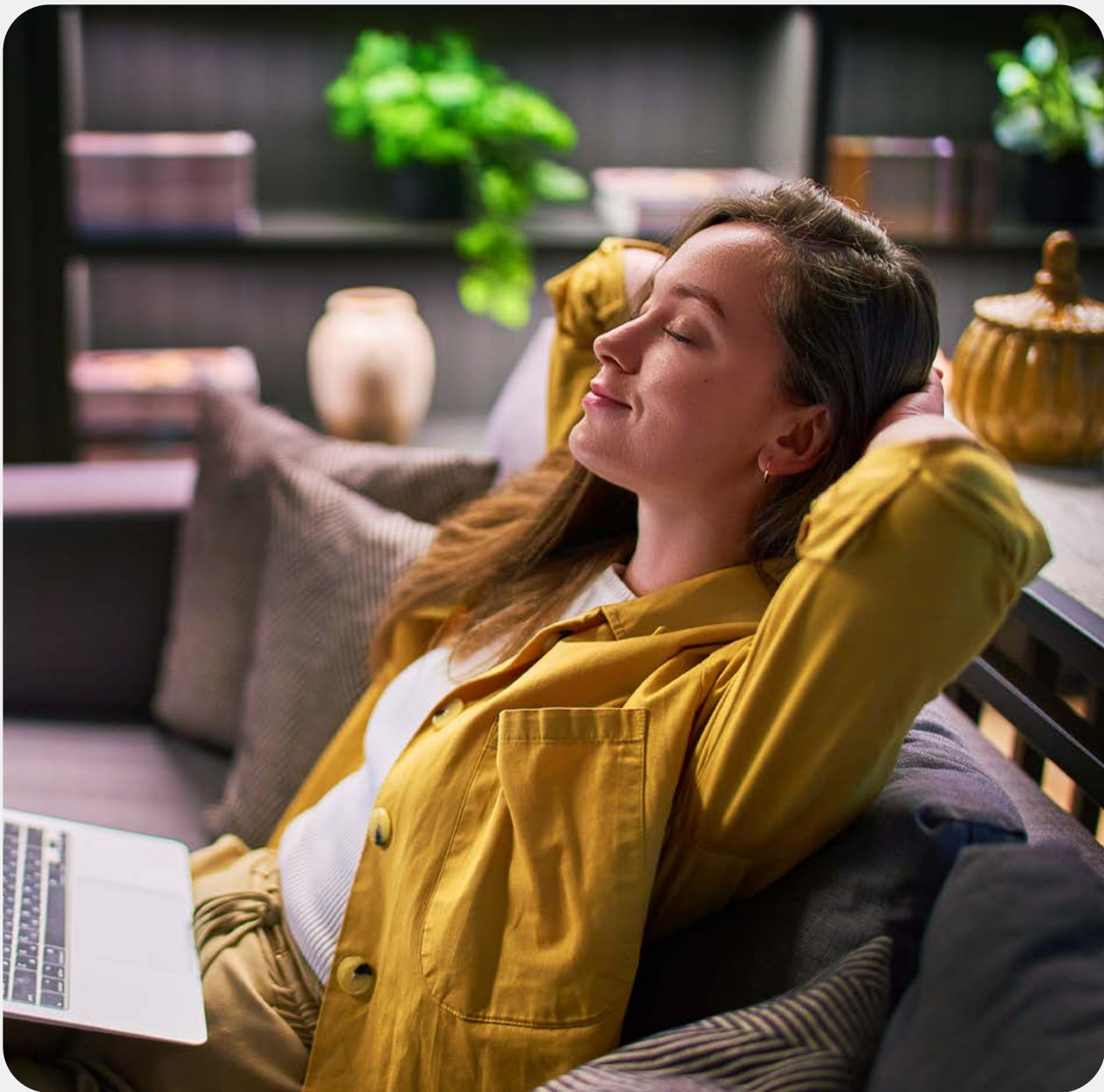
The project started in 2020 after the COVID-19 pandemic put several topics on the HR agenda, including how we can help or intervene to reduce ambiguity, anxiety, stress and identify ways to effectively manage identified problems.

Thus, our actions in this regard have resulted in a series of psychological articles and advice, gathered under the Wellbeing umbrella, which can be accessed from the BT Hub, psychological counseling in an organizational setting, for specific problems related to anxiety and stress adjustment in the work context, with the help of experienced colleagues. The program was appreciated by our colleagues and the feedback received from employees who accessed this benefit was positive.

## Program to integrate parents returning from parental leave

The project is aimed at parents returning from childcare leave, providing gradual integration of the employee after an absence of about 2 years. We believe that such a program is necessary, which offers parents a flexible schedule in the first month after their return. Following the trial period, the result was positive regarding the emotional health of the colleagues concerned.

The overall process is managed by a Human Resources Department Consultant.





# Organizational environment study

Constantly concerned with developing the best possible organizational climate and making Banca Transilvania a place where employees come to work with pleasure, we continued consultations with employees in 2021, including through the BT Employee Experience Index (BT EEI) survey.



BT EEI is a bi-annual project with three main objectives: to measure the Net Promoter Score of the employer (eNPS), to measure the quality of the interaction between managers and their team members, and to gather suggestions/recommendations to increase employee satisfaction. The survey helps us ensure that all colleagues receive correct and complete communication, that they are professionally supported, and that managers at Banca Transilvania know how to take care of their colleagues.

The information gathered from the data analysis helped us design an effective benefits strategy and implement targeted actions to support employees by providing additional support and comfort at work (e.g. reduced lunch breaks).

Following the approximately 5,000 suggestions received from our colleagues through the survey, we have implemented the following actions:

- ✦ **Lunch break:** we decided to continue to close our network for half an hour during lunch even after the pandemic is over.
- ✦ **Digital hour:** the digital hour has recently become part of our network's daily schedule again. The benefits of this program are twofold, on the one hand, it helps to educate customers on the use of online machines and channels, and on the other hand, it frees up the time for colleagues in the units to carry out daily operations and closing activities.
- ✦ **Customer scheduling system:** partially implemented in 2021, the initiative allowing customers to schedule a visit to the bank will be completed by the end of March 2022, at which point all BT units will be enrolled in the program.
- ✦ **Work from home:** a benefit implemented in 2020 and continued in 2021.

The survey conducted in the second half of the year recorded a participation rate of 92% and an eNPS score of 56.31. At the Group subsidiary level, the participation rate was 94% while the eNPS score was 68.



# Diversity of the BT Financial Group team



**We aim to have a fair and equitable working environment, characterized by diversity, inclusion, and equal opportunities - principles that are fundamental to the way we do business.**

Within the BT Group, the Gender Equality and Treatment Policy, in place since 2020, is designed to:

- ✎ guide employees in understanding what discrimination and harassment mean, what their roles and responsibilities are and what the procedures are if there are harassment concerns;

- ✎ correct those attitudes and behaviors that may lead to the exclusion or alienation of people of either sex and promote the benefits of building an inclusive and non-discriminatory society, in which the gender dimension is integral, so as to bring real benefits to the lives of all women and men and eliminate all forms of discrimination and violence;
- ✎ set out the provisions for applying the principle of equal opportunities as regards access to employment, promotion, vocational training, working conditions, pay, and occupational social security schemes, as well as the concrete measures for implementing this principle.

At the same time, issues relating to diversity, inclusion, and equal opportunities and describing the behavior we expect from all people in our team are also included in BT Financial Group's Internal Rules and Code of Ethics and Conduct.

In accordance with the provisions of the Code of Ethics and Conduct of BT Financial Group, the entities of BT Financial Group are committed to providing employees with a work environment free from all forms of discrimination and harassment. Equality of opportunity and treatment between women and men means taking into account the different abilities, needs, and aspirations of men and women respectively and treating them in a non-discriminatory manner. In 2021, the Training Administration and Learning Consultancy department in the

Human Resources area has included a module in the list of mandatory courses that address gender equality in particular. Thus, any new employee is required to complete the course within 30 days of employment, and current employees must complete it every year.

At Victoriabank level, the Internal Regulations provide for the employer's responsibility to ensure equal opportunities and treatment for all employees and fair access to training and promotion in an objective and non-discriminatory manner. The fundamental principles underlying any employment relationship are the principle of equal treatment of all employees, the principle of non-discrimination, and the principle of equal opportunities between women and men.



	Banca Transilvania and its subsidiaries in Romania		Victoriabank		BT Leasing Moldova	
Employees in senior management positions recruited from local communities	no.	%	no.	%	no.	%
	25	100	2	40	0	0

At Banca Transilvania and Victoriabank, senior management is represented by the members of the Management Committee, and at the subsidiaries by the director and deputy director.

Local community = Romania/Republic of Moldova

#### Total number of employees by age, gender, and category (Romania) in 2021

	ROMANIA								MOLDOVA							
	Men				Women				Men				Women			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
First level of management	0	12	3	15	0	6	4	10	0	7	1	8	0	1	0	1
Second level of management	0	6	2	8	0	6	2	8								
Other management positions	4	396	68	468	6	600	149	755	3	45	6	54	14	131	29	174
Specialists - Head office	305	844	117	1,266	641	1.617	188	2,446	39	87	47	173	81	178	24	283
Specialists - branch	208	567	66	841	1.037	2.747	336	4,120	29	14	1	44	250	372	17	639
<b>Total</b>	<b>517</b>	<b>1,825</b>	<b>256</b>	<b>2,598</b>	<b>1,684</b>	<b>4,976</b>	<b>679</b>	<b>7,339</b>	<b>71</b>	<b>153</b>	<b>55</b>	<b>279</b>	<b>345</b>	<b>682</b>	<b>70</b>	<b>1,097</b>

	Romania		Victoriabank		BT Leasing Moldova	
Number of employees with disabilities, by category	Men	Women	Men	Women	Men	Women
First level of management	0	0	0	0	0	0
Other management positions	0	2	1	0	0	0
Specialists - Head office	5	12	1	1	-	-
Specialists - branch	6	14	0	7	-	-
<b>Total</b>	<b>11</b>	<b>28</b>	<b>2</b>	<b>8</b>	<b>0</b>	<b>0</b>

#### The average age in the company:

Romania	Victoriabank	BT Leasing MD
37	36	31.6



Any form of discrimination consisting of any distinction, exclusion, restriction, or preference based on race, nationality, ethnicity, language, religion, social category, beliefs, gender, sexual orientation, age, disability, chronic non-contagious disease, membership of a disadvantaged group, as well as any other criterion aimed at or resulting in the restriction or removal of 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 field of public life are prohibited within the GFBT companies.

The responsibility to prevent harassment and discrimination in the workplace lies primarily with the employer, and to this end, Banca Transilvania has taken specific measures during 2021, starting by designing a training and awareness campaign on gender-based non-discrimination. Managers must create a stable psychosocial climate, they must constantly set a positive example through appropriate behavior and respectful attitude, but also by establishing minimum rules of politeness. Reducing occupational stress is also an effective way of minimizing the risk of abusive behavior in the workplace.

Thus, members of senior management are responsible for:

- ✎ approving policies and rules of conduct to eliminate discrimination and harassment and monitoring their implementation and compliance;
- ✎ promoting a culture of honesty and a pragmatic approach to handling sensitive situations. They are a model of 'zero tolerance' by enforcing all legal requirements and implement the values of BTFG at an organizational level;
- ✎ proactively supporting the reporting and resolution of misconduct, without relying solely on formal or informal complaints from employees;
- ✎ ensuring that reports of discrimination and harassment are thoroughly investigated and reported in accordance with Group policies;
- ✎ ensuring that employees know that they will be listened to, that they have no hesitation in raising their concerns, and that issues raised are treated with care, sensitivity, and full confidentiality;
- ✎ ensuring that those found guilty in confirmed cases of discrimination or harassment are dealt with in accordance with the Disciplinary Investigation Procedure and applicable legal regulations.

The Human Resources Department conducts and coordinates investigations of incidents of alleged discrimination and/or harassment, manages the grievance and/or disciplinary processes, and provides support and counseling for employees adversely affected by discrimination and harassment.

# Grievance Mechanisms

All our employees have the right and are encouraged to report any alleged harassment or discrimination case. They are provided with several channels to report such situations:

- ✎ 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.

**i**  
In 2021, 2 incidents of discrimination were recorded at Banca Transilvania. The complaints were investigated according to internal procedures, and following the analysis, they were considered unfounded.





## Occupational health and safety

Issues relating to the occupational health and safety of employees are internally regulated in the Occupational Health, Safety (OHS) and Emergency Situations (ES) Rules, which are under the responsibility of the Physical Security Directorate.

The OHS 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 the branch level, a person designated with prevention and protection (OHS) and emergency, training/coordination on the OHS 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 the European level.

All workplaces are assessed in terms of the risk of occupational injury and illness, according to the assessment method developed by the National Research and Development Institute of Occupational Safety Bucharest, while employees may report hazards/situations dangerous to their health and safety by phone or email. At the same time, they are required to immediately communicate to the employer and/or designated workers any work-related situation in 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. An accident investigation is carried out by the research committee issued by an 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 assessor's course. The risk assessment includes measures to eliminate hazards and minimize risks. During both general introductory and periodic training, company and workplace level risks are processed.



The Occupational Health and Safety Committee (OHSC), consisting of employer representatives, employee representatives, and the occupational physician, 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.

OHSC meetings are held quarterly or whenever necessary.



In 2021, there was one work-related accident among employees (careless slip on ice) and one accident among workers (slip of cleaning service company employee).





# Employee training on OHS

On the BT Academy's E-learning platform, employees have access to training modules for all types of training in the field of OHS and ES, i.e. general instructional training, on-the-job training, and periodic training, which is conducted every six months. On the first day of employment, all new employees go through the modules of general introductory training and on-the-job training in the field of OHS and ES (8 hours) on the E-learning platform.

Every six months (June and December) all employees complete the one-hour regular training modules on OSH and SU on the E-learning platform. There are also additional 4-hour periodic training programs that take place in special situations (when a worker

has been absent for more than 30 working days; change of workplace of an employee in the company even if the nature of the activity performed (function) does not change; when changing function; when 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; when any new technology or work procedures are introduced).

## The 2021 training sessions included:

Occupational Health and Safety (*mandatory course*): Emergency situations - Periodic training June 2021

Occupational Health and Safety (*mandatory course*): Regular training - June 2021

Occupational Health and Safety (*mandatory course*): Regular training - December 2021

Emergency situations (*mandatory course*): Regular training - December 2021

Physical security (*mandatory course*): Basic elements and ways to act in exceptional situations

Participants were tested following training sessions in December.



In 2021, our employees completed a total of

# 14,186

training hours on occupational health and safety topics.



As far as companies in the Republic of Moldova are concerned, the occupational health and safety management system is based on the national legislation in force (Law on Occupational Health and Safety, no. 186-XVI of July 10, 2008 and the Regulation on the organization of occupational protection and risk prevention activities, approved by Government Decision no. 95 of February 5, 2009).

Work-related risks are assessed using an assessment methodology developed by an outsourced OHS consultancy provider.


At Victoriabank, risk assessments are carried out jointly by the bank's Occupational Safety Officer and the external consultant. The risk assessment also includes the necessary measures to eliminate workplace hazards and minimise risks.

At the same time, in addition to the responsibilities provided by the legislation, the occupational safety officer has the following responsibilities:

- organizes the work protection activity and exercises control over the compliance of all employees with work protection legislation, rules, and regulations;
- contributes to ensuring every employee's right to fair working conditions, including working conditions that meet occupational safety and health requirements;
- analyses and submits proposals on occupational health and safety policy and the prevention and protection plan;
- monitors the implementation of the prevention and protection plan;
- analyses workers' requests regarding working conditions;
- monitors the application of and compliance with the legislative regulations on occupational health and safety and the measures ordered by the labor inspector;
- analyses workers' proposals on the prevention of occupational accidents and illnesses and the improvement of working conditions and recommends their integration into the prevention and protection plan;
- analyses the causes of work-related accidents, occupational diseases, and occurrences and may propose technical measures to supplement the measures ordered following the investigation;
- provides general induction training on occupational health and safety for new employees of the Bank;
- carries out own inspections regarding implementation of instructions.

For BT Leasing Moldova, risk assessments are carried out by an external consultant. At the company level, there is a designated worker to carry out protection and prevention activities who, together with the external consultant, analyses, develops, and updates, if necessary, the OHS instructions for all jobs and activities carried out in the unit, which correspond to the particularities of the activities carried out and of the workplaces/job descriptions.

The training provided to employees on occupational health and safety topics is general introductory training, periodic or in case of work-related accidents/events.



In 2021, there was one work-related accident at Victoriabank caused by a road traffic event.

BT Leasing Moldova did not record any work-related accidents.



# Community investment

We are aware of the role we play in the Romanian society, therefore, we know that we also have a responsibility to engage and contribute to the welfare of local communities.



Our community engagement strategy consists of five pillars:

**Supporting the Romanian economy and entrepreneurs**

**Supporting new ideas**

**Facilitating community access to information, know-how**

**Engaging in the communities where BT operates**

**Support, solidarity**



Our sponsorship policies and procedures are the responsibility of the Marketing, Communication, and PR Department. The main sectors we support are cultural, artistic, educational, scientific - basic and applied research, humanitarian, religious, philanthropic, sports, protection of human rights, medical, social welfare and services, environmental protection, social and community, representation of professional associations, and maintenance, restoration, conservation and enhancement of historical monuments. Eligible entities can be non-profit legal entities, public institutions and authorities, and public persons residing in Romania and operating in the above-listed sectors. Sponsorship may also be granted for radio and television programs or broadcasts, as well as for the printing of books or publications in the above-mentioned fields.

At the same time, the bank's branches receive an annual sponsorship budget that can be used in accordance with internal rules for projects and initiatives with local impact. The sponsorship thresholds and the branches receiving these funds are approved annually at the Leaders' Committee meeting.

**Banca Transilvania:**

Total investment budget:




27  
million lei

Total number of  
projects supported:




125

Total number of  
partner organizations:

115

-  Total investment budget
-  Total number of projects supported
-  Total number of partner organizations




**BT Asset Management**

-  270,000 lei
-  1  
U-BT Cluj Napoca Sports Club, in cooperation with the Bank
-  1




**BT Direct**

-  775,000 lei
-  2  
Heart of a Child Foundation, U-BT Cluj Napoca Sports Club
-  2




**BT Improvement Credit Collection**

-  100,000 lei
-  1  
U-BT Cluj Napoca Sports Club
-  1

**BT Mic**

-  700,000 lei
-  1  
U-BT Cluj Napoca Sports Club
-  1

**BT Leasing**

-  1,020,000 lei
-  1  
U-BT Cluj Napoca Sports Club
-  1



# Our projects

## Nucșoara day center

Banca Transilvania, Conservation Carpathia Foundation<sup>®</sup> și Casa Buna Association<sup>®</sup> are building a day center, Casa Bună, in Nucșoara (Argeș county) to give a chance for a better future to children in the area. It will be a place

where, every year, about **200 children from disadvantaged families in rural areas** will receive support and prepare for school.

At Casa Buna, children will benefit from a hot meal and internet access, play sports, and learn about nature and history. They will also benefit from both tutoring and medical consultations.



## „Inclusiv în cartier” (Inclusive neighborhood) program

The Inclusive in the Neighbourhood program, initiated by the Bucharest Community Foundation<sup>®</sup> and supported by Banca Transilvania, supports the development of neighborhood programs that identify and address educational,

environmental, and social concerns and opportunities in the neighborhood community.

The program selected the 5 best projects that came up with solutions to the problems identified in the capital's neighborhoods and that will be implemented in the coming period:

- ✦ Cartier circular (*Circular neighborhood*)
- ✦ Grădina cu oameni (*People garden*)
- ✦ BalCCOn Deschis (*Open balcony*)
- ✦ Livada comunitară urbană (*Urban community orchard*)
- ✦ Explorator în cartierul meu (*Explorer in my neighborhood*)

Banca Transilvania contributed €50,000 to the development of the program.





Dog-assisted therapy  
for children with  
special needs

Over 70,000 children suffer from some form of disability and unfortunately grow up isolated outside the community. MagiDream Association – Dogtors promotes the right to independent living for children and adults with special needs. The association adopts dogs from shelters, trains, and equips them to assist those in need.

★ Results:  
415 donations,  
worth 41,228 lei

👤 Beneficiaries:  
over 100 children

A colorful life  
for the visually impaired

The Scripor Association supports the education and social inclusion of visually impaired people by creating a color alphabet, a tactile alphabet.

To provide access to as many visually impaired people as possible, the association has created an eLearning platform for learning the tactile alphabet of colors. Through the platform, visually impaired people have access to sections on audio/video learning, accessibility, art therapy, sports, or orientation.

★ Results:  
170 donations through BT Pay,  
amounting to 6,226 lei  
120 website donations,  
amounting to 4,814 lei



With the support of Banca Transilvania, the association has produced a color alphabet for the visually impaired, which will be delivered to schools. The Scripor alphabet is a universal language and the color symbols can be easily recognized in any position. This innovative alphabet is made up of just 10 tactile elements and can be learned by anyone, making it particularly useful for people with visual and intellectual disabilities, enabling everyone to live fully and accessibly in an overwhelmingly visual world. The Scripor alphabet uses both two-dimensional geometric shapes and a simple point system, so the user can experience two ways of getting information by touch.

Cum ar fi să aibă toți  
o masă de Paște?  
(Imagine if everyone had  
an Easter meal)

Banca Transilvania joined the Dragoste Desculță Association and its project, the Meal Voucher, to provide needy families in Negrești, Vaslui County, with the necessary supplies for Easter meal. The value of a meal voucher is 250 lei, and families receive this voucher every month so they can buy everything they need from a store in town.

★ Results:  
more than 1000 donations worth  
172.173 lei

👤 Beneficiaries:  
over 800 people

In addition to doubling the amount raised through donations, Banca Transilvania contributed with an additional donation of €20,000.



## Another year at school, another chance for the future

SOS Satele Copiilor<sup>®</sup> provides long-term care and education for children who have lost the support of their biological family and helps those at risk of separation to remain with their biological family. With the Bank's support, the association has been able to provide children with school supplies, clothing, food, scholarships, and tutoring.

★ Results:  
more than 200 donations  
worth 26,235 lei

👤 Beneficiaries:  
350 children

Banca Transilvania supported the association with a donation of €30,000.

## Christmas Campaign - Choose your good deed. It's important to help.

Banca Transilvania carried out a donation campaign together with 5 associations: Dăruiește Aripă<sup>®</sup>, SOS Satele Copiilor<sup>®</sup>, Salvați Copiii<sup>®</sup>, Tășuleasa Social<sup>®</sup> and Hope and Homes for Children<sup>®</sup>. Donors were able to choose the cause they resonated with and wanted to support with a donation.

★ Results:  
2,151 donations  
worth 162,076 lei

👤 Beneficiaries:  
over 1000 children



In 2021

💳 **12,225**  
donations were made via BT Pay and

💳 **4,079**  
donations were made on the website.

In total, the amount donated reached

# 868,690 lei

**All donations made  
through BT Pay or on the  
website were matched by  
Banca Transilvania.**



## ENGAGEMENT BY VICTORIABANK

At Victoriabank, the community engagement strategy focuses on three pillars:




We want to support the local communities in which we operate through our projects, contributing to improving the quality of life by promoting sports and culture. At the same time, we show our solidarity with the people around us through specific initiatives, depending on the context, the needs of the people, and the requests we receive from non-governmental partners.

\*474,430.96 MDL, at the average exchange rate 2021 1 MDL = 0.2354 lei

### Victoriabank:

Total investment budget:   
**111,681 lei\***

Total number of projects supported:   
**11**

Total number of partner organizations:   
**15**



## The Child, Community, Family organization

The Child, Community, Family organization<sup>3</sup> was established in 2004 and since 2005 it represents the Hope and Homes for Children international organization in the Republic of Moldova. CCF Moldova creates an environment of hope and respect for children in need, where they can develop their full potential and provides practical tools for positive change in the lives of the child, family, and community.

Victoriabank is a long-standing supporter of the organization, and in 2021 supported the implementation of several of its projects, totaling over 40,000 lei.

### Stories from home

A fundraising campaign to support children to grow up with their parents. The campaign was joined by 18 celebrities across a range of sectors reading stories online. Among the protagonists of the "Stories from home" campaign were: the President of the Republic of Moldova, Maia Sandu, the opera singer Valentina Naforniță, the writer Claudia Partole, and the Head of Marketing and Public Relations of Victoriabank, Sorin Balanel.



### Generosity Gala

The biggest charity event in Moldova. Victoriabank supported The Generosity Gala for the seventh consecutive year. The 2021 edition gathered important artists, bringing classical music, voices and talents appreciated all over the world to the stage of the Harmonium Hall. Alongside the talented soprano and CCF Moldova patron Valentina Nafornița, violinist Rusanda Panfili, pianist Marcel Lazăr, and mezzo-soprano Lilia Istrati took to the stage. The artists performed in support of CCF Moldova's cause of creating a safe and secure family environment for every child.



### Buy art - support a child

Charity auction, part of the "Nobody stops spring" campaign, during which 12 paintings in wine, created by journalist and artist Vasile Botnaru, especially for this event, were on sale. The amount collected was donated to the Child, Community, Family organization.





**Geneza Art Theater**

Victoriabank has supported the people of culture in the Republic of Moldova, thus helping to overcome the crisis they faced following the restrictions imposed by the COVID-19 pandemic. Geneza Art<sup>TM</sup> is an independent theatre in the Republic of Moldova. Over the years, the theatre company has won several awards for directing, acting, and costume design.

The main objective of Geneza Art Theatre is to promote young actors and to choose a repertoire that is accessible to all ages and authentic.



**Basketball Federation of Moldova**

Victoriabank supports athletes from the Republic of Moldova, providing funding for the activities and plans of the Basketball Federation of the Republic of Moldova<sup>TM</sup> and thus becoming its main partner. The bank supports all categories of teams, both women's and men's leagues, as well as junior and adult leagues.



**Association of Romanian Investors in the Republic of Moldova**

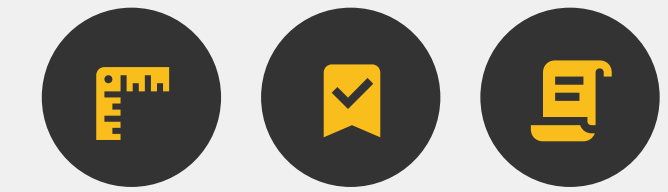
Victoriabank supported the campaign "AIR of Culture", which aims to donate books to Romanian-teaching high schools on the left bank of the Dniester River. In 2021, the "Alexandru cel Bun" Theoretical High School in the city of Bender benefited from the campaign.

Victoriabank has supported various other organizations and causes such as the Republican Association of War Veterans of the Romanian Army, and Comrat Health Center. In addition, the bank has donated electronic equipment to the Republican Rehabilitation Centre for Children, the District Hospital of Hincesti, Tataresti Gymnasium - Straseni district, Professional School No. 6 - Chisinau, the "Politehnic" Technical Creation Centre for Children and Adolescents.





# Responsible procurement



Within the BT Group, the procurement process is regulated internally by the rule and procedure for the procurement of works, goods, and services in Banca Transilvania, updated and amended in 2020 and 2021 respectively. Procured products and services are divided into several categories, such as Investment and Logistics, IT, Human Resources, Marketing and Communication, Information Security, Retail, and Legal Services.

The Procurement, Investment and Logistics Directorate is responsible for all procurement in BT, except the procurement of goods, IT services, and software, related licenses and maintenance, the procurement of goods, services and software, related licenses and maintenance carried out by the Information Security Department, the procurement of equipment, products, and services used in the card issuing and approval process, legal assistance, human resources services as well as the procurement of marketing and advertising services, which are the responsibility of the Directors of each department.

As a rule, purchases are made by selecting the supplier from at least three bids from the same number of different and independent bidders. The selection process for goods and services suppliers is carried out using Oracle Fusion Cloud Procurement, implemented in 2020.

For new goods or services procurement contracts whose estimated value exceeds a certain limit, the approval of the Compliance Department - Compliance Risk Management Service is required for potential conflicts of interest and reputational risk.

The BT Group's suppliers respect the principles of business continuity, providing services and goods for both critical and non-critical activities at all times. As for the other entities, suppliers participating in the tender selections organized by the Bank have agreed to extend the contractual terms and prices offered to other BT Group entities.



In 2021, there were no significant changes in the location of the supply chain.

ISO14001 certification is an important component of the goods and services supplier quality assessment criteria in the selection or verification process of new suppliers. In 2021, 15 suppliers were evaluated using a criterion related to this certification. Over the next period, a similar process is to be implemented at Victoriabank.

As part of the same supplier selection and assessment process, BT Group does not use social and environmental criteria but aims to introduce both a declaration by the suppliers' legal representatives on compliance with social criteria such as child labor, equal opportunities, non-discrimination or negative social impact and a supplier environmental impact assessment methodology as part of the non-financial evaluation of tenders.



# Supplier expenditure

## BT Financial Group in Romania

### Supplier expenditure in 2021

Local suppliers expenditure  
**1,177,963,820.49 LEI**

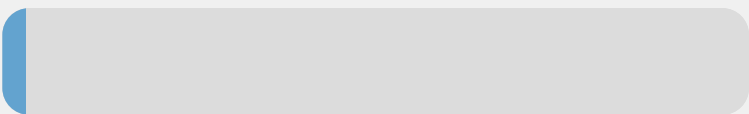
Other supplier expenditure  
**88,088,465.33 LEI**

**Total**  
**1,266,052,285.82 LEI**



### Number of suppliers in 2021

New suppliers  
**146**



Local suppliers  
**4,505**

Other suppliers  
**215**

**Total**  
**4,720**

## BT Financial Group in Moldova

### Supplier expenditure in 2021

Local suppliers expenditure  
**39,270,798.66 LEI**

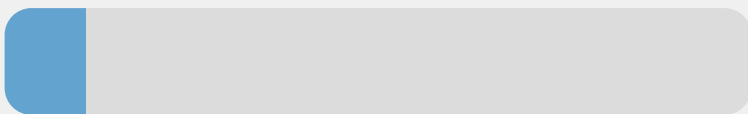
Other supplier expenditure  
**15,617,196.14 LEI**

**Total**  
**54,887,994.80 LEI**



### Number of suppliers in 2021

New suppliers  
**28**



Local suppliers  
**486**

Other suppliers  
**62**

**Total**  
**548**





# 4 Caring for the environment

Resource consumption  
and waste management

Energy consumption

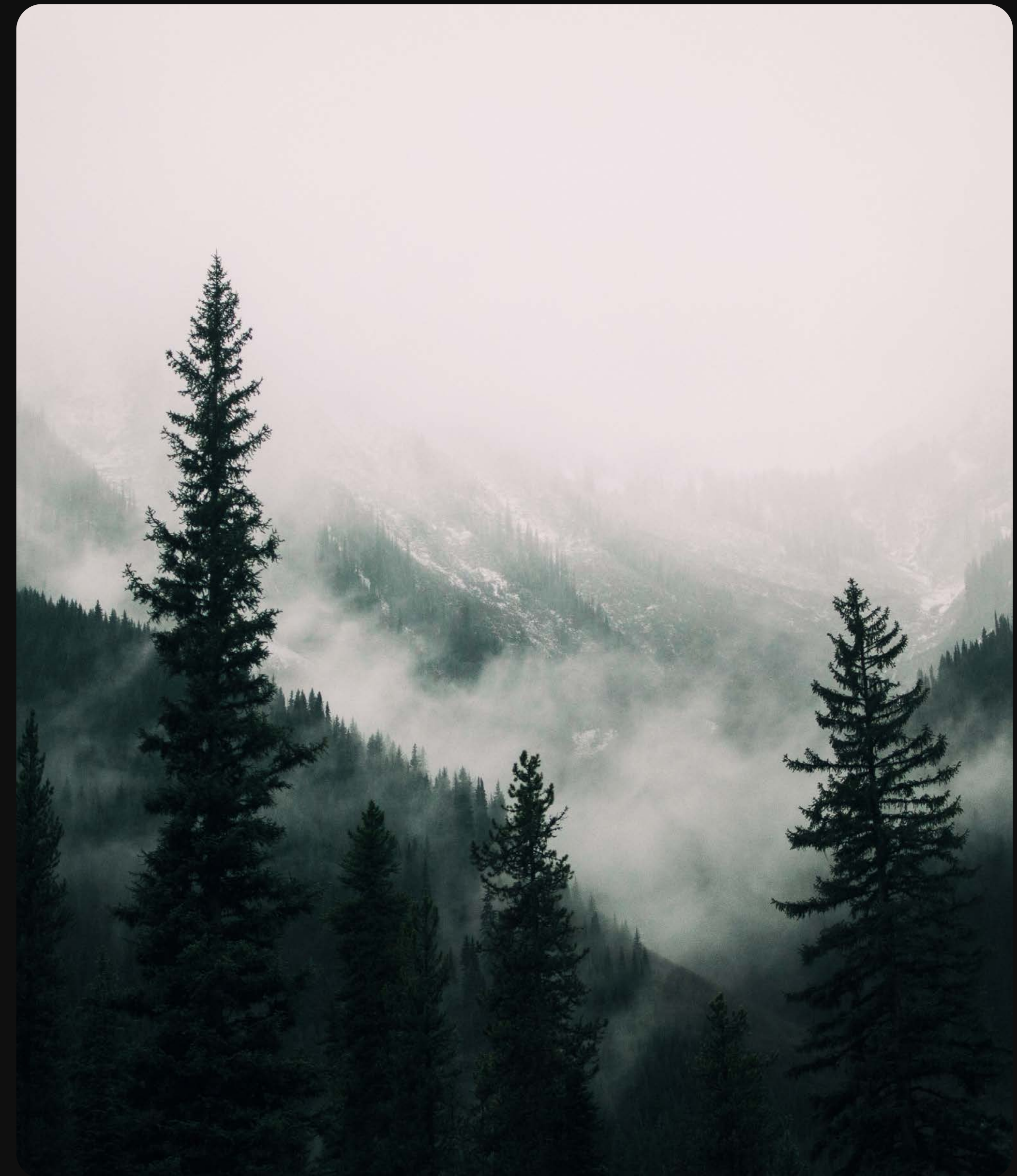
Emissions



At the level of the banking financial system, a significant proportion of the environmental impact is generated indirectly through the projects that Banca Transilvania chooses to finance.

We are aware, however, that the administrative activity of the day-to-day operations also generates a negative environmental impact, especially through the consumption of materials, energy, waste, and emissions.

Their proper management, more efficient consumption and a low rate of landfilled or incinerated waste without energy recovery contribute to reducing the negative impact.





# Resource consumption and waste management

At the BT Group level, waste is generated from both the employee activity and the day-to-day operations of all banking units. Paper, plastic, electronic and electrical equipment, batteries and accumulators, lighting fixtures, printer cartridges, and household waste are the main materials included in the waste management process.

The vast majority of the processes carried out in the bank require the use of paper and plastic to draft documents, issue cards, or send out information letters. Batteries and accumulators, printer cartridges, and WEEE (end-of-life electrical and electronic equipment) generated by certain activities, if improperly managed, can contaminate the environment, and impact wildlife or human health.

**Banca Transilvania focuses on waste management methods, aiming to continuously update all processes in order to reduce the amount of waste generated, in particular by reducing resource consumption and by selective and efficient waste collection.**

We are aware of the significant impact that plastic has on the environment. Starting in 2021, a large proportion of cards issued are made from recycled plastic and biodegradable elements. We plan to continue issuing cards made of this material, phasing out "classic" plastic cards altogether.

## 390,000

**cards made from recycled materials**

were issued as of July 2021, reducing the amount of plastic used by approximately

## 1,170<sup>kg</sup>





Fizic sau digital, știi că e prietenos cu mediul



Moreover, the applications developed and implemented at the bank level contribute to the reduction of materials used: issuing electronic cards leads to a reduction in plastic usage, and the option to electronically request and receive bank statements as password-protected files reduces paper consumption.

## Paper consumption reduction

A4 sheets

Banca Transilvania

Electronic notifications

570,000

Card PINs sent via SMS vs. paper

985,000

Account statement

12,520,000

Online accounts and cards with digital signature

36,000

Updating customer data through electronic channels

366,000

Total

14,477,000

In addition, paper envelopes used to send notifications and statements was reduced by approximately 7,815,000 envelopes in 2021.

Paper reduction measures resulted in savings of

**111,460 kg**  
of paper,

about 20% more than in 2020.

Starting in 2021, the Bank will use 100% FSC certified paper for letters and card envelopes, as well as for account statements sent to customers in physical format.



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 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 activities are carried out in accordance with the regulations defined in the Bank's Waste Management and Handling Policy. The main objective of the waste management policy is to set out the general methods the organization uses to manage waste resulting from day-to-day activities. Waste management responsibilities are assigned to the Waste Management Specialist, Building Managers, and Heads of Agencies. The policy regulates how waste is transported, and how data is reported to the competent authorities, contains information on waste management records, and sets out the measures to be taken by individual employees to keep the amount of waste generated to a minimum.



2021 (t)	Waste generated		Of which recycled	
	Banca Transilvania	Victoriabank	Banca Transilvania	Victoriabank
Paper	93.93	Data not monitored.	93.93	22.45
Fluorescent tubes	0.12		0.12	Retrieved by the supplier.
Batteries and accumulators	0.05		0.05	Data not monitored.
Plastic	19.31		19.31	1.5
WEEE*	4.04		4.04	Data not monitored.
Other end-of-life equipment**	2.22		Other recovery method	Data not monitored.
Household waste	1,449.92		-	Data not monitored.

\*includes waste from the 16.02.14 category - discarded equipment other than transformers and capacitors containing PCBs (polychlorinated biphenyls) and other than equipment containing hazardous components (except chlorofluorocarbons, hydrochlorofluorocarbons, and hydrofluorocarbons). Hazardous components from electrical and electronic equipment may include mercury switches, cathode ray tube bottles, and other types of activated bottles.

\*\*scrapped equipment containing chlorofluorocarbons, hydrochlorofluorocarbons, and hydrofluorocarbons and scrap equipment other than transformers and capacitors containing PCBs or hazardous components



Waste diverted from disposal 2021  
Banca Transilvania

Where they are managed →	Onsite	Offsite	Total
Hazardous waste (t)			
Recycling (downcycling, upcycling, composting, anaerobic digestion)	-	0.17	0.17
Other recovery operations	-	2.22	2.22
Total	-	2.39	2.39
Non-hazardous waste (t)			
Recycling (downcycling, upcycling, composting, anaerobic digestion)	-	117.28	117.28
Total	-	117.28	117.28

Waste diverted from disposal 2021  
Banca Transilvania

Where they are managed →	Onsite	Offsite	Total
Hazardous waste (t)			
Total	-	-	-
Non-hazardous waste (t)			
Landfilling	-	1,449.92	1,449.92
Total	-	1,449.92	1,449.92

Annually, the waste management officer in the Logistics Department at headquarters requests information on the quantities of waste collected for recycling (if applicable)/ final disposal from the recycling/sanitation companies or managers of the sites where we operate. This ensures the traceability of waste collected from our sites in order to track its final and correct destination.

Banca Transilvania contracts with 72 recycling/ waste collection companies, covering the needs of all agencies in the country.

Water consumption

In our daily activities, water is only used for sanitary purposes, in washrooms and kitchens. To reduce the consumption of this important resource, we have started upgrading our facilities, which included installing sensor taps in the toilets - both for our employees and our customers.

The water we use comes from the municipal network and domestic wastewater is discharged into the sewage network, in compliance with national regulations.

2021  
m³  
Banca Transilvania

Water consumption

49,000

Water discharged

49,000

\*data is estimated



# Energy consumption

Fuel combustion is a significant contributor to greenhouse gas emissions, the main cause of climate change.

That is why we are constantly trying to implement measures that contribute to lowering our fuel and energy consumption, thereby reducing the negative environmental impact of our activities.

Electricity consumption aspects are set out in the Bank's Environmental Policy. The Procurement, Investment and Logistics Department is responsible for monitoring consumption and reporting it to the Board of Directors as well as to other relevant departments. All daily activities of our employees require the use of electricity in one form or another: from lighting the workstations to ensuring the functionality of the equipment used. For this reason, we closely monitor consumption and continuously upgrade our facilities to achieve a high degree of energy efficiency.

## Total fuel consumption from conventional sources 2021

	Banca Transilvania			Victoriabank		
	GJ	MWh	toe	GJ	MWh	toe
Gasoline	11,494.69	3,192.97	274.55	729.09	202.52	17.41
Diesel	12,922.40	3,589.56	308.65	2,429.46	674.85	58.03
Natural gas	44,661.60	12,406.10	1,066.92	9,339.66	2,594.35	223.11
Total fuel consumption	69,078.69	19,188.63	1,650.12	12,498.21	3,471.72	298.55

Victoriabank: 1 m³ gas = 9.5 kWh

Gasoline density = 0.73 kg/l	1 t diesel = 1.015 toe
Diesel density = 0.85 kg/l	1 MWh = 3.6 Gj
1 t gasoline = 1.05 toe	1 toe = 11.63 MWh



### Electricity consumption 2021

	Banca Transilvania		Victoriabank	
	MWh	toe	MWh	toe
Electricity	18,917.90	1,626.94	2,656.10	228.42
of which renewable energy	16,458.90	1,415.47	Data not currently monitored.	

#### Banca Transilvania

Electricity

18,917.90 MWh

of which renewable energy

16,458.90 MWh

#### Victoriabank

Electricity

2,656.10 MWh

### Total energy consumption 2021

	Banca Transilvania		Victoriabank	
	MWh	tep	MWh	tep
	38,106.53	3,277.06	6,127.82	526.97

#### Banca Transilvania

38,106.53 MWh

#### Victoriabank

6,127.82 MWh

Starting 2021, we contracted renewable electricity supply for some of our administrative offices and agencies.

Thus,  
**87%**  
of Banca Transilvania's electricity consumption came from renewable sources.



Implemented measure Banca Transilvania	Energy savings in 2021 toe/ year
Purchase of new energy-efficient tyres	3.1
Upgrading 22 agencies with low energy and financial efficiency indicators	79
Replacing current thermal power plants with condensing thermal power plants as existing ones fail	29.8
Replacing all existing lamps in agencies with LED lamps	13.02
<b>Total</b>	<b>124.92</b>



# Energy intensity

Energy intensity (EI) 2021 =  $\frac{\text{Total energy consumption}}{\text{Turnover}}$

**Banca Transilvania:**

$$EI = \frac{3,277.03}{5,581,520.39} = 5.871 \cdot 10^{-4} \frac{\text{toe}}{\text{thousand lei}}$$

**Victoriabank:**

$$EI = \frac{526.97}{194,356.92} = 27.11 \cdot 10^{-4} \frac{\text{toe}}{\text{thousand lei}}$$



In 2021, the energy consumption intensity in Banca Transilvania increased by 1.6%. The increase is largely due to increased office activity and travel, with 2020 marked by the special working conditions imposed by the Covid-19 pandemic.

At Banca Transilvania, 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 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, following the energy audit processes that we regularly carry out, we have implemented several measures that have helped reduce the amount of energy and fuel consumed. All these measures are documented and monitored in the Bank's Energy Efficiency Improvement Program.

**We are constantly looking to reduce our fuel and energy consumption, and our regular energy audit processes help us size and implement the most appropriate measures.**





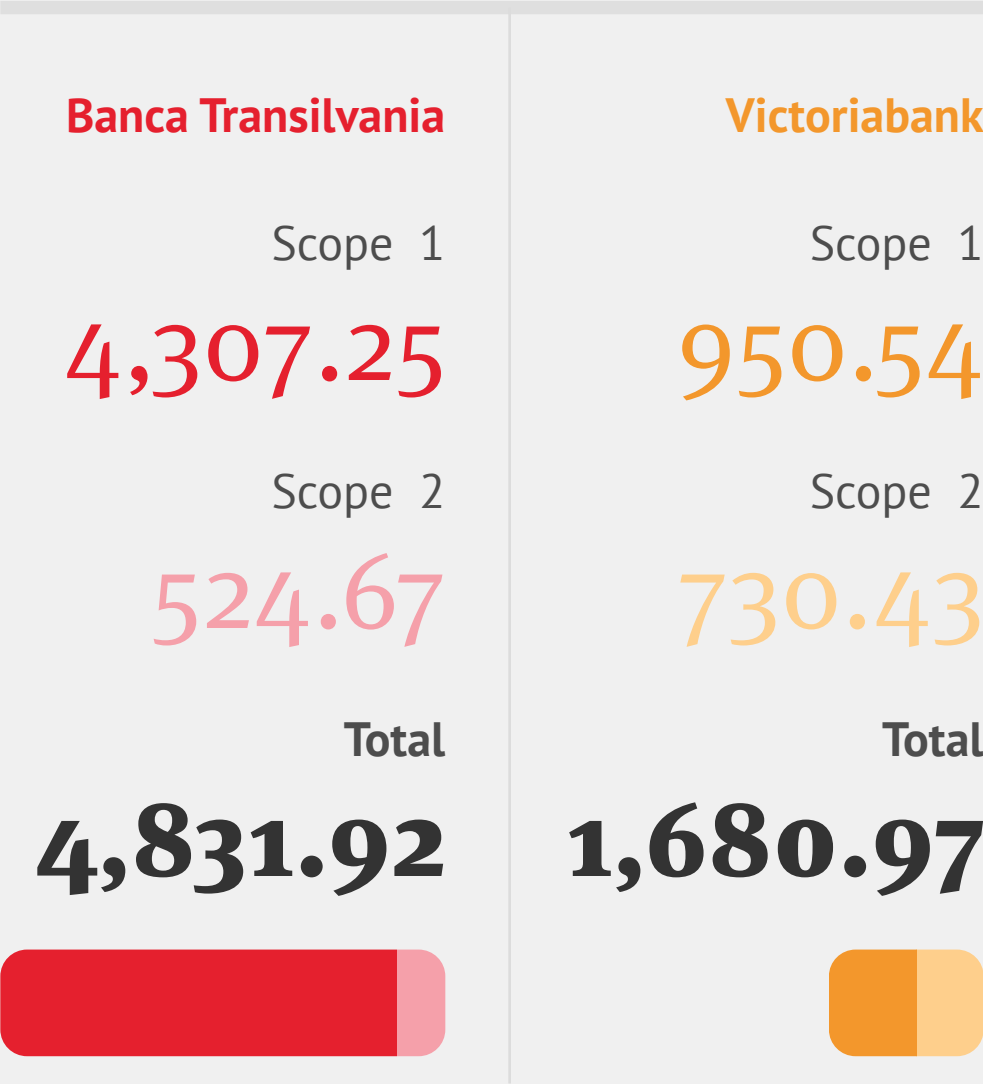
# Emissions

The way greenhouse gas emissions are managed is described by the provisions of the Bank's Environmental Policy. Scope 1 greenhouse gas emissions come only from direct sources, from the organization's fleet and air conditioning systems in the units. The Purchasing, Investment and Logistics Department is responsible for inventorying sources, metering, monitoring emissions, and reporting to the Board of Directors as well as other departments.

The main objective is to minimize greenhouse gas emissions. The most important measures we are implementing to achieve this goal are: upgrading the heating-cooling systems in buildings, replacing old systems with new, more efficient ones, and gradually replacing the cars in our fleet with more efficient vehicles that meet the most effective pollution standards and with electric or plug-in hybrid cars.



## GHG emissions 2021 tons CO<sub>2</sub>



Scope 1 emissions include emissions from fuel combustion in own equipment: gasoline and diesel for employee transport and natural gas for thermal plant combustion. The estimate of gasoline and diesel emissions was made using the amount of fuel consumed, without taking into account the technical characteristics of the car engines in the company fleet.

Scope 2 emissions include greenhouse gas emissions resulting from the consumption of electricity purchased from the supplier. In 2021, for Banca Transilvania, Scope 2 emissions decreased significantly due to an increase in the share of renewable energy purchased from the supplier.

For Banca Transilvania, the emission factors (EF) used were sourced from Order no. 2641/2017 amending and supplementing the technical regulation "Methodology for determining the energy performance of buildings", approved by Order no. 157/2007 of the Ministry of Transport, Construction, and Tourism.

For Victoriabank, the emission factors (EF) used were derived from Annex D of the Building Regulation NCM M.01.02:2016, Energy Performance of Buildings. Methodology for calculating the energy performance of buildings.



In 2021, for Banca Transilvania, greenhouse gas direct emissions intensity resulting from energy consumption (fuel and electricity) decreased by **51%**.

The decrease is due to the increase of renewable electricity share in the total energy consumed for the Bank's activities.

Direct greenhouse gas emissions intensity

Emission intensity (IEm) 2021 =  $\frac{\text{Total emissions}}{\text{Turnover}}$

**Banca Transilvania:**

$$IEm = \frac{4,831.92}{5,581,520.39} = 8,657 \cdot 10^{-4} \frac{\text{CO}_2}{\text{thousand lei}}$$

**Victoriabank:**

$$IEm = \frac{526.97}{194,356.92} = 86.48 \cdot 10^{-4} \frac{\text{CO}_2}{\text{thousand lei}}$$



Emission factors:

**Banca Transilvania:**

1 kWh electricity from non-renewable sources = 213.37 g

1 kWh natural gas = 202 g

**Victoriabank:**

1 kWh electricity from non-renewable sources = 275 g

1 kWh natural gas = 277 g

1 tonne gasoline = 2.392 kg

1 tonne diesel = 2.640 kg

Number of cars in the company fleet 2021

Banca Transilvania	Victoriabank
Diesel	Diesel
323	44
Electric	Electric
1	0
Hybrid	Hybrid
1	0
Gasoline	Gasoline
336	25

In 2021, the measures implemented to reduce the amount of emissions generated by the bank's activities (increasing the share of renewable energy in electricity consumption) resulted in preventing the release of 3,511.84 tonnes of CO<sub>2</sub> into the atmosphere.



# Banca Transilvania Headquarters in Cluj

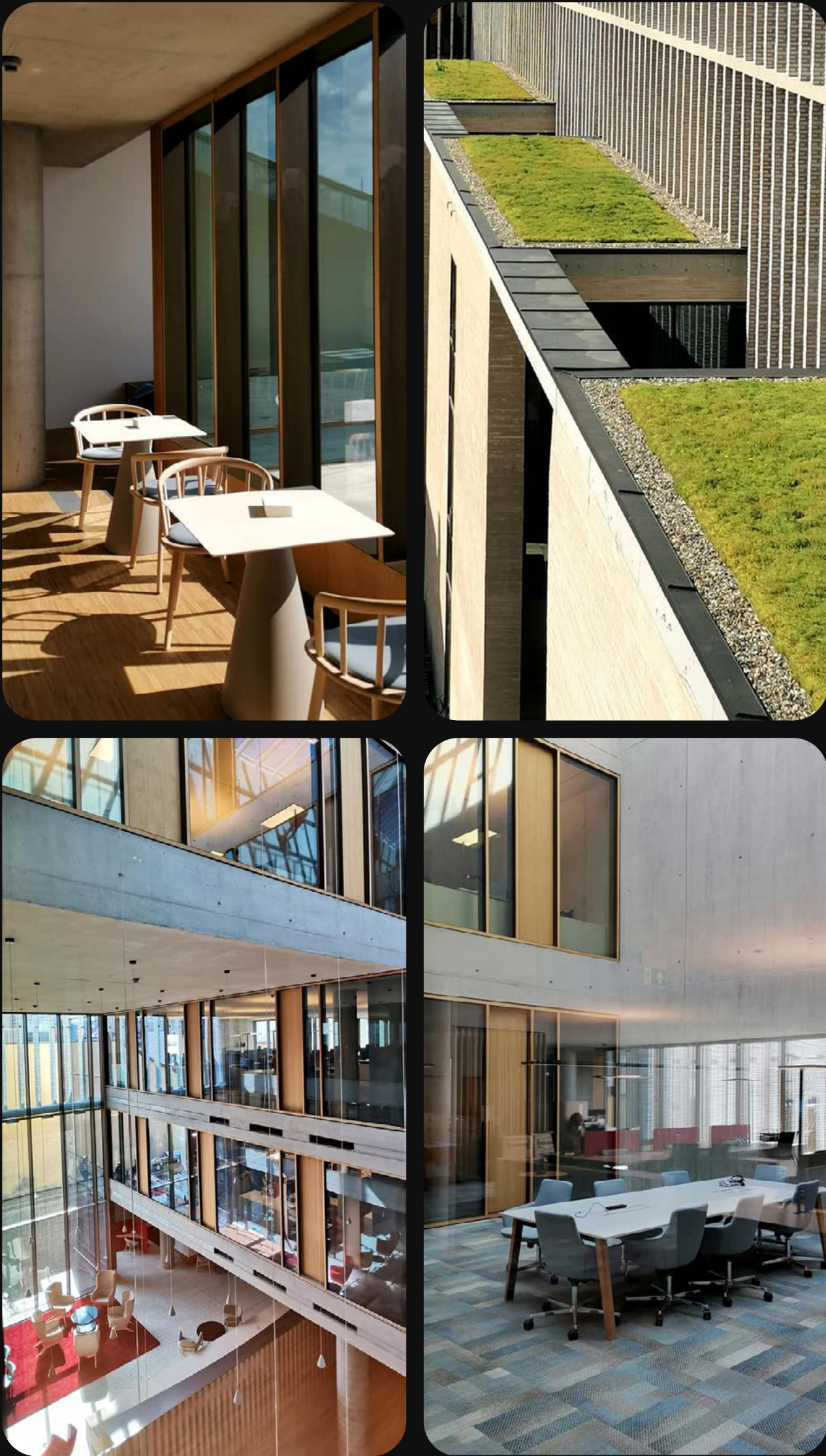
The new headquarters of Banca Transilvania in Cluj, where up to 1,400 BT employees will operate, was designed to be a landmark building, with a strong architectural aesthetic of apparent concrete and above all, a green building. With a built area of 20,000 sqm, the office building meets the most current and high standards of quality and sustainability.

The building has received the BREEAM Interim Excellent certification and is undergoing final certification on completion, aiming for BREEAM Outstanding certification.

The international BREEAM certification system includes 10 categories of sustainability criteria such as Building Management, Occupant Health, and Well-being, Energy, Transport, Water, Materials, Waste, Land Use, Ecology, Pollution, and Innovation.

The building, which houses the bank's new headquarters, performs remarkably well in the categories *Management* (responsible building practices) - score 100%, *Energy* (energy efficiency and emissions reduction, advanced metering) - score 91.67%, *Transport* (access to public transport, alternative transport - bicycles, electric cars) - score 100%.

By complying with certification criteria, the building contributes to reducing the negative environmental impact of our activities (climate change mitigation, conservation of water resources, clean air, clean soil, urban biodiversity, responsibly sourced materials) and at the same time provides users with a quality indoor environment that promotes health (optimal ventilation, natural light, thermal comfort, water, and air quality).





# Exclusion list

Banca Transilvania will not knowingly finance, directly or indirectly, projects involving the following:

- ✚ a) The production of or trade in any product or activity deemed illegal under Romanian laws or regulations, or international conventions and agreements, or subject to international phase-out or bans, such as:
  - ⚖ i) Production of or trade in products containing polychlorinated biphenyls (PCBs)
  - ⚖ ii) Production of or trade in pharmaceuticals, pesticides/herbicides, and other hazardous substances subject to international phase-outs or bans<sup>1</sup>
  - ⚖ iii) Production of or trade in ozone-depleting substances subject to international phase-out<sup>2</sup>
  - ⚖ iv) Trade in wildlife or production of or trade in wildlife products regulated under CITES<sup>3</sup>
  - ⚖ v) Transboundary movements of waste prohibited under international law<sup>4</sup>

- ✚ b) Production or use of or trade in unbonded asbestos fibres or asbestos-containing products<sup>5</sup>
- ✚ c) Activities prohibited by Romanian legislation or international conventions relating to the protection of biodiversity resources or cultural heritage<sup>6</sup>
- ✚ d) Drift net fishing in the marine environment using nets in excess of 2.5 km. in length
- ✚ e) Shipment of oil or other hazardous substances in tankers which do not comply with International Maritime Organization (IMO) requirements<sup>7</sup>

- ✚ f) Trade in goods without required export or import licenses or other evidence of authorization of transit from the relevant countries of export, import, and, if applicable, transit
- ✚ g) Production or activities involving harmful or exploitative forms of forced labor / harmful child labor<sup>9</sup>
- ✚ h) Production or trade in weapons and munitions<sup>10</sup>
- ✚ i) Production or trade in radioactive material. This does not apply to the purchase of medical equipment, quality control equipment, and any equipment where radioactive source is trivial and/or adequately shielded
- ✚ j) Tobacco cultivation
- ✚ k) Production of or trade in tobacco
- ✚ l) Production of or trade in wood and/or primary forestry other than from sustainably managed forests<sup>11</sup>
- ✚ m) Production of or trade in alcoholic beverages (excluding beer and wine)

<sup>1</sup> Reference documents are EU Regulation (EEC) No 2455/92 Concerning the Export and Import of Certain Dangerous Chemicals, as amended; UN Consolidated List of Products whose Consumption and/or Sale have been Banned, Withdrawn, Severely Restricted or not Approved by Governments; Convention the Prior Informed Consent Procedures for Certain Hazardous Chemicals and Pesticides in International Trade (Rotterdam Convention); Stockholm Convention on Persistent Organic Pollutants; WHO Classification of Pesticides by Hazard.

<sup>2</sup> Ozone Depleting Substances (ODSs): Chemical compounds which react with and deplete stratospheric ozone, resulting in widely publicised 'ozone holes'. The Montreal Protocol lists ODSs and their target reduction and phase out dates. A list of the chemical compounds regulated by the Montreal Protocol, which includes aerosols, refrigerants, foam blowing agents, solvents, and fire protection agents, together with details of signatory countries and phase out target dates, is available from the EBRD.

<sup>3</sup> CITES: Convention on International Trade in Endangered Species of Wild Fauna and Flora. The lists of CITES protected species are available at [www.cites.org/eng/app/index.shtml](http://www.cites.org/eng/app/index.shtml).

<sup>4</sup> Documente de referință sunt: Regulamentul (CE) nr 1013/2006 din 14 iunie 2006 privind transferurile de deșeuri; Decizia C (2001) 107/Finală a Consiliului OCDE privind revizuirea Deciziei C (92) 39/Finală privind controlul mișcărilor transfrontaliere de deșeuri destinate operațiunilor de recuperare; Convenția de la Basel din 22 martie 1989 privind controlul circulației transfrontaliere de deșeuri periculoase și al eliminării acestora.

<sup>5</sup> Reference documents are: Regulation (EC) No 1013/2006 of 14 June 2006 on shipments of waste; Decision C(2001)107/Final of the OECD Council concerning the revision of Decision C(92)39/Final on the control of transboundary movements of wastes destined for recovery operations; Basel Convention of 22 March 1989 on the control of transboundary movements of hazardous wastes and their disposal.

<sup>6</sup> This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is <20%.



- o) Logging operations in tropical forests
- p) Pawnbroking activities and Currency exchange offices
- q) Pornography, prostitution, videochat

Against the exclusions defined above, the following exceptions are accepted, for which Environmental and Social Risk Officers will be able to approve further analysis:

- production or trade of alcohol and tobacco if that activity represents an insignificant proportion of the customer's total business or is within 1% of BT's total portfolio;
- trade in hunting weapons and ammunition, subject to careful monitoring of the customer, in order to have the assurance that the customer will only trade in hunting weapons and ammunition.
- for gambling: SGBs with cash collateral to guarantee budgetary obligations (Ordinance 77)

If the Environmental and Social Risk Officer does not approve the further analysis, the credit will be rejected and the client will be informed.

# EBRD reference list

The financing of the following environmentally or socially sensitive business activities is subject to referral to EBRD. The principal Performance Requirement that proposed transactions will be expected to meet is indicated in italics:

- a) Activities involving involuntary resettlement - *EBRD Performance Requirement 5*
- b) Activities within, adjacent to, or upstream of designated protected areas under national law or international conventions, sites of scientific interest, habitats of rare/endangered species, fisheries of economic importance, and primary/old growth forests of ecological significance - *EBRD Performance Requirement 6*
- c) Activities within, adjacent to, or upstream of land occupied by Indigenous Peoples and/or vulnerable groups including lands and

watercourses used for subsistence activities such as livestock grazing, hunting, or fishing - *EBRD Performance Requirement 7*

d) Activities which may affect adversely sites of cultural or archaeological significance - *EBRD Performance Requirement 8*

e) Activities in the nuclear fuel production cycle

f) Energy generation using nuclear fuels (excluding electricity import/export)

g) Activities involving the release of Genetically Modified Organisms (GMO) into the natural environment – *EBRD Performance Requirement 6*

h) Construction of mini-hydro cascades – *EBRD Eligibility Criteria for Small Hydro Projects*

<sup>7</sup> Relevant international conventions include, without limitation: Convention on the Conservation of Migratory Species of Wild Animals (Bonn Convention); Convention on Wetlands of International Importance, especially as Waterfowl Habitat (Ramsar Convention); Convention on the Conservation of European Wildlife and Natural Habitats (Bern Convention); World Heritage Convention; Convention on Biological Diversity.

<sup>8</sup> This includes: tankers which do not have all required MARPOL SOLAS certificates (including, without limitation, ISM Code compliance), tankers blacklisted by the European Union or banned by the Paris Memorandum of Understanding on Port State Control (Paris MOU), and tankers due for phase out under MARPOL regulation 13G. No single hull tanker over 25 years old should be used.

<sup>9</sup> Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat or force of penalty.

<sup>10</sup> Harmful child labor means the employment of children that is economically exploitative or is likely to be hazardous to, or interfere with the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development.

<sup>11</sup> This does not apply to funders of a project who are not substantially involved in these activities. 'Not substantially involved' means that the activity in question is secondary to the primary operations of a project funder.



# Definitions and criteria

#	Selected non-financial indicator	Definition	Material topic	GRI Reference	Sustainability Report Reference
1	Access to financing and financial education	Proportion of the loan portfolio granted to companies for which Banca Transilvania Financial Group ("the Group"), through the subsidiary BT Microfinantare IFN S.A. ("BT Mic"), has been the first creditor of the company. The first creditor of the company is defined as the first financial institution in the history of the company since its establishment, which has granted financing to that company. This information is identified at the time of the credit analysis performed by BT Mic and captured in the relevant computer systems. The ratio is determined as the ratio between the number of customers for which BT Mic was the first creditor of the company and the total number of customers as of 31 December 2021.	Access to financial services, inclusion and financial education; Sustainable financing	Non-GRI Indicator	Section 2.2 Sustainable financing, page 93
2	Supporting gender diversity in Romanian entrepreneurship	Number of outstanding loans and their proportion in total outstanding loans as at 31 December 2021 granted to customers having women as shareholders at the reporting date.	Access to financial services, inclusion and financial education; Sustainable financing	Non-GRI Indicator	Section 2.2 Sustainable financing, page 93
3	Investing in communities	The total amount of sponsorships granted by the Group during 2021, defined as the material support towards a non-profit entity in order to support an activity, action, project that contributes positively to the well-being of communities.	Investing in communities	Non-GRI Indicator	Section 3.3 Investments for communities, page 128

4	Green loans granted to Romanian companies	Loans granted during 2021 to Romanian companies that have been validated for eligibility criteria in order to be included in the green category by the CAFI (Climate Assessment for Financial Institutions) platform, developed based on IFC standards. The process of analyzing the projects within the application involves initially the classification in a potentially eligible category mentioned above (adaptation to climate change, energy efficiency, green buildings, renewable energy, transport, water efficiency, etc.). The analysis is then carried out either on the basis of a pre-established algorithm or by a group of specialists (internal / external) (depending on the characteristics of each funding) able to determine whether a funded project can be considered a green funding, as presented on page 83.	Sustainable financing, Risk management	Non-GRI Indicator	Section 2.2 Sustainable financing, page 83
5	Proportion in total assets of exposures related to eligible economic activities and other green funding	Based on the requirements of the EU Taxonomy Regulation (EU Regulation 2020/852), exposures towards eligible economic activities were identified under the NACE code, by also considering green loans granted in 2021 to companies according to the CAFI assessment, financing for BREEAM certified real estate projects and financing for companies to optimize energy consumption in dedicated programs run by the European Energy Efficiency Fund and EBRD through the RoSEFF program (Romania - SME Sustainable Energy Efficiency Financing Facility). These exposures represent financing granted to customers, regardless of the number of their employees. The ratio was calculated by reporting these on balance sheet exposures as at 31 December 2021 to total assets, according to the IFRS financial statements as at 31 December 2021, both individually and on a consolidated basis.	Sustainable financing, Risk management	Non-GRI Indicator	Section 2.2 Sustainable financing, page 77
6	Number of Employees	Number of employees, active and inactive, by type of contract and number of employees, active and inactive, by type of employment as at 31 December 2021. Local community = Romania / Republic of Moldova.	General Indicator (reported regardless of material topics)	GRI 102-8	Section 3.1 Our team, page 105











7	The diversity of the BT Financial Group team	"Total number of employees, active and inactive, by age, gender and level of management: (i) the first level of management is represented by the general managers and deputy general managers; (ii) the second level of management by executive directors and coordinators; (iii) the third management level of other middle management positions; (iv) specialists at the level of administrative headquarters, (v) specialists at the level of territorial units and (vi) governance bodies. Governance Bodies are represented by a committee or board responsible for the strategic guidance of the organization, the effective monitoring of management, and the accountability of management to the broader organization and its stakeholders. Local community = Romania / Republic of Moldova."	Responsible employer	GRI 405-1	"Section 1.4. Corporate Governance, pages 23, 29 and 31. Section 3.2. Responsible employer, page 121"	10	Material topics	"List of material topics that emerged from the stakeholder consultation process. Material topic = topic for which the impact generated by Banca Transilvania Financial Group activities, products and services was rated (internally and by stakeholders) as high or very high, as presented on page 66."	General Indicator (reported regardless of material topics)	GRI 102-47	Section 1.8 Materiality analysis, page 66
8	Employees in senior management positions recruited from local communities	In the case of Banca Transilvania and Victoriabank, the senior management is represented by the members of the Leaders' Committee, and in the case of the subsidiaries, by the director and deputy director, which were recruited from local communities. Local community = Romania / Republic of Moldova. The number of employees is total, comprising of both active and inactive employees.	Responsible employer	GRI 202-2	Section 3.2. Responsible employer, page 121	11	Proportion of purchases from local suppliers	"Proportion of purchases from local suppliers during 2021, represented by payments performed and accruals. Local community is Romania / Republic of Moldova. Local suppliers = suppliers based in Romania / Republic of Moldova."	Procurement practices	GRI 204-1	Section 3.4 Responsible Procurement, page 136
9	List of stakeholders	"Stakeholder categories were identified by Banca Transilvania Financial Group team and approved by senior management for consultation in the materiality process, as presented on page 64. Stakeholders = an entity or individuals that may be significantly affected by Group's activities, products and services or whose actions may have a significant impact on Group's ability to successfully implement its strategy and achieve its objectives."	General Indicator (reported regardless of material topics)	GRI 102-40	Section 1.8 Materiality analysis, page 64	12	Average number of training hours per year, per employee	Total training hours during 2021, both in physical and online format, captured and recorded in the online training platform available to all employees of Banca Transilvania Financial Group, compared to the average number of active employees, rounded up to a whole number of hours. The indicator is reported as the ratio between this average number of hours and the average number of training hours per year per employee.	Responsible employer	"based on GRI 404-1"	Section 3.2. Responsible employer, page 111
						13	Average number of training hours per year, per employee, for data protection and information security	Total training hours during 2021 on themes such as data protection and information security, captured and registered in the online training platform available to all employees of Banca Transilvania Financial Group, compared to the average number of active employees, rounded up to a whole number of hours. The indicator is reported as the ratio between this average number of hours and the average number of training hours per year per employee.	Business compliance, ethics, and responsibility	Non-GRI Indicator	Section 1.5. Business compliance, ethics, and responsibility, page 38



# GRI Content Index

GRI Standard	Description	Sustainable Development Goal	Page/pages no. or direct response	Omission	External Assurance
GRI 101: Foundation 2016					
General disclosures					
GRI 102: IGeneral disclosures 2016	Profilul organizației				
	102-1 Name of the organization		10		
	102-2 Activities, brands, products, and services		10-16, 70-103		
	102-3 Location of headquarters		5		
	102-4 Location of operations		10		
	102-5 Ownership and legal form		11		
	102-6 Markets served		10		
	102-7 Scale of the organization		12-16		
	102-8 Information on employees and other workers	 8.5	105-107		✓
		 10.3			
	102-9 Supply chain		135, 136		
	102-10 Significant changes to the organization and its supply chain		135		
	102-11 Precautionary Principle or approach		79-81		

102-12 External initiatives			12, 74-80		
102-13 Membership of associations	 17.3		17		
Strategy					
102-14 Statement from senior decision-maker			3		
102-15 Key impacts, risks, and opportunities			42-62, 79-84		
Ethics and integrity					
102-16 Values, principles, standards, and norms of behavior	 16.3		11, 32-41		
102-17 Mechanisms for advice and concerns about ethics	 16.3		36		
Governance					
102-18 Governance structure			21-26, 29-31		
102-20 Executive-level responsibility for economic, environmental, and social topics			24, 30		
102-22 Composition of the highest governance body and its committees	 5.5		21-26, 29-31		
	 16.7				
102-23 Chair of the highest governance body	 16.6		23		
102-24 Nominating and selecting the highest governance body	 5.5		23-27		
	 16.7				
102-25 Conflicts of interest	 16.6		36		
Stakeholder engagement					
102-40 List of stakeholder groups			64, 67, 68		✓
102-41 Collective bargaining agreements	 8.8		108		

102-42 Identifying and selecting stakeholders			63, 64		
102-43 Approach to stakeholder engagement			67, 68		
102-44 Key topics and concerns raised			66-68		
Reporting practice					
102-45 Entities included in the consolidated financial statements			10		
102-46 Defining report content and topic Boundaries			4, 64-66		
102-47 List of material topics			64-66		✓
102-48 Restatements of information			No restatements of information.		
102-49 Changes in reporting			There were no changes in the reporting process.		
102-50 Reporting period	 12.6		01.01.2021 - 31.12.2021		
102-51 Date of most recent report	 12.6		Published in March 2021, for 2019-2020 financial years.		
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			153		
102-56 External assurance			The Independent Limited Assurance Report is available <a href="#">here</a> <sup>15</sup> .		






Material topics				
ECONOMIC				
ECONOMIC VALUE GENERATED				
Economic performance				
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		20, 64
	103-2	The management approach and its components		20, 51-54, 60, 70
	103-3	Evaluation of the management approach		20, 35, 36
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	<div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>8.1 8.2</div> <div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> <div>9.1 9.4 9.5</div>	20
	201-4	Financial assistance received from government		72
Impact economic indirect				
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		64
	103-2	The management approach and its components		52-55, 61, 127, 128
	103-3	Evaluation of the management approach		18, 19, 36
GRI 203: Indirect economic impacts 2016	203-1	Infrastructure investments and services supported	<div>5 GENDER EQUALITY</div> <div>5.4</div> <div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> <div>9.1 9.4</div> <div>11 SUSTAINABLE CITIES AND COMMUNITIES</div> <div>11.2</div>	95-100, 129
	203-2	Significant indirect economic impacts	<div>1 POVERTY</div> <div>1.2 1.4</div> <div>3 GOOD HEALTH AND WELL-BEING</div> <div>3.8</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>8.2 8.3 8.5</div>	128, 130-134

Market presence				
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		64
	103-2	The management approach and its components		55, 61,109
	103-3	Evaluation of the management approach		19, 36
GRI 202: Market presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	<div>1 POVERTY</div> <div>1.2</div> <div>5 GENDER EQUALITY</div> <div>5.1</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>8.5</div>	109
	202-2	Proportion of senior management hired from the local community	<div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>8.5</div>	23-25 ✓


COMPLIANCE, ETHICS, AND BUSINESS RESPONSIBILITY				
Anticorruption				
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		32, 33, 64
	103-2	The management approach and its components		32, 33
	103-3	Evaluation of the management approach		18, 19, 36
GRI 205: Anti-corruption 2016	205-2	Communication and training about anticorruption policies and procedures	<div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div> <div>16.5</div>	32, 33
	205-3	Confirmed incidents of corruption and actions taken	<div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div> <div>16.5</div>	33





Anti-competitive behavior				
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		34, 64
	103-2	The management approach and its components		34
	103-3	Evaluation of the management approach		18, 19, 34, 36
GRI 206: Anticompetitive behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div> <div>16.3</div>	34
Socioeconomic compliance				
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		35, 64
	103-2	The management approach and its components		35
	103-3	Evaluation of the management approach		18, 19, 35, 36
GRI 419: Socioeconomic compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	<div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div> <div>16.3</div>	35
Politici publice				
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		37, 64
	103-2	The management approach and its components		37
	103-3	Evaluation of the management approach		36
GRI 415: Public policy 2016	415-1	Political contributions	<div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div> <div>16.5</div>	37







Marketing and labeling				
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	64	
	103-2	The management approach and its components	35, 54, 75, 103	
	103-3	Evaluation of the management approach	18, 19, 36	
GRI 417: Marketing and labeling 2016	417-2	Incidents of non-compliance concerning product and service information and labeling	 16.3	35
	417-3	Incidents of non-compliance concerning marketing communications	 16.3	35
Human rights assessment				
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	41, 65	
	103-2	The management approach and its components	41, 49, 122	
	103-3	Evaluation of the management approach	36, 122	
GRI 412: Human rights assessment 2016	412-2	Employee training on human rights policies or procedures	 16.10	41



Sustainable financing						
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		64, 74		
	103-2	The management approach and its components		74-92		
	103-3	Evaluation of the management approach		18, 19, 36, 82-84		
Sustainable financing	Corporate green loans in Romania		2.3 2.4	83		✓
			17.3			
	Proportion of exposures of total eligible economic activities in total assets			77		✓
	Positive social impact corporate loans		2.3 2.4	82		
			8.3			
			9.3			






PROCUREMENT POLICY						
Procurement practices						
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	65, 135			
	103-2	The management approach and its components	58, 135, 136			
	103-3	Evaluation of the management approach	36, 136			
GRI 204: Procurement practices 2016	204-1	Proportion of spending on local suppliers	 8.3	136	✓	

Supplier social and environmental assessment				
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		65
	103-2	The management approach and its components		58, 135
	103-3	Evaluation of the management approach		36
GRI 414: Supplier social and environmental assessment 2016	414-1	New suppliers that were screened using social criteria	 5.2	136
			 8.8	
			 16.1	
GRI 308: Supplier environmental assessment 2016	308-1	New suppliers that were screened using social criteria		136
Risk management				
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		42, 43, 65
	103-2	The management approach and its components		42-46, 52, 53, 79-81, 152, 153
	103-3	Evaluation of the management approach		36, 52
Risk management		Classification of the corporate loan portfolio by environmental and social risk classes		81
		List of industries excluded from financing	 16.4	152, 153







SOCIAL						
Access to financial services, financial inclusion and education						
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		65		
	103-2	The management approach and its components		53, 60, 75, 92, 93, 100-103		
	103-3	Evaluation of the management approach		18, 19, 36, 53		
Access to financial services, financial inclusion and education	Proportion of loans granted to companies for which BT Financial Group, through its subsidiary BT Microfinanțare, is the first lender	 1.4	93			✓
		 8.3  9.3				
	Number of outstanding loans as of December 31, 2021 to customers with female shareholders	 2.3  8.3  8.10	93			✓
	Access points in economically underdeveloped or less populated areas	 1.4	100			
	Initiatives aimed at financial education of the population and entrepreneurs in Romania	 8.10  9.3	101-103			
Digitization and cyber security						
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		37, 65		
	103-2	The management approach and its components		37-40, 56, 57, 94-99		
	103-3	Evaluation of the management approach		19, 36, 57		
Digitization and cyber security	Number of unique digitized customers		94			
	Average number of training hours per year per employee on data protection and information security topics		38			✓






Customer privacy				
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		37, 65
	103-2	The management approach and its components		37-40, 57
	103-3	Evaluation of the management approach		36, 57
GRI 418: Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	 16.3  16.10	40


RESPONSIBLE EMPLOYER				
Employment				
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		65, 105
	103-2	The management approach and its components		55, 61, 105-109, 116, 117
	103-3	Evaluation of the management approach		36, 55, 122
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	 5.1  8.5  10.3	106
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	 5.4  8.5	117

Occupational health and safety				
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		65












	103-2	The management approach and its components		55, 118, 119, 123-126
	103-3	Evaluation of the management approach		36, 55, 124, 126
GRI 403: Occupational health and safety	403-1	Occupational health and safety management system	 8.8	123-126
	403-2	Hazard identification, risk assessment, and incident investigation	 8.8	123-126
	403-3	Occupational health services	 8.8	123, 124
	403-4	Worker participation, consultation, and communication on occupational health and safety	 8.8  16.7	123, 124
	403-5	Worker training on occupational health and safety	 8.8	125, 126
	403-6	Promotion of worker health	 3.3  3.5  3.7  3.8	118, 119, 123, 124
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	 8.8	42, 43
	403-8	Workers covered by an occupational health and safety management system	 8.8	The occupational health and safety management system covers 100% of the company's employees.
	403-9	Work-related injuries	 3.6  8.8  16.1	124, 126














Diversity and equal opportunity					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		65, 120	
	103-2	The management approach and its components		55, 61, 120-122	
	103-3	Evaluation of the management approach		36, 55, 122	
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees		5.1 5.5	23, 25, 105, 121
				8.5	
	405-2	Ratio of basic salary and remuneration of women to men		5.1 5.5	109
				8.5	
				10.3	

Non-discrimination					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		65	
	103-2	The management approach and its components		49, 55, 120, 122	
	103-3	Evaluation of the management approach		36, 55, 122	
GRI 406: Non-discrimi- nation	406-1	Incidents of discrimination and corrective actions taken		5.1	122
				8.8	
















Training and education					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		65, 110	
	103-2	The management approach and its components		110-115	
	103-3	Evaluation of the management approach		36, 122	












GRI 404: Training and education 2016	404-1	Average hours of training per year per employee		4.2 4.3 4.5	111	The average number of training hours per year per employee was reported in relation to the average number of active employees. The average number of training hours per employee, by category and gender, could not be extracted from our internal systems at the time of the reporting.	✓
				5.1			
				8.2 8.5			
				10.3			
	404-2	Programs for upgrading employee skills and transition assistance programs		8.2 8.5	110, 111, 114, 115		
				5.1			
				8.5			
				10.3			
	404-3	Percentage of employees receiving regular performance and career development reviews		5.1	113		
				8.5			
				10.3			

Community investment					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		65	
	103-2	The management approach and its components		55, 127-134	
	103-3	Evaluation of the management approach		36, 55	
Community investment	Total number of projects supported			128, 132	
	Total value of sponsorships			128, 132	✓


ENVIRONMENT					
ACTION AGAINST CLIMATE CHANGE					
Energy					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		65, 138	
	103-2	The management approach and its components		56, 62, 143-145	
	103-3	Evaluation of the management approach		36, 56	
GRI 302: Energy 2016	302-1	Energy consumption within the organization		8.4	143, 144, 148
				12.2	
				13.1	
	302-3	Energy intensity		7.3	145, 148
				8.4	
				12.2	
				13.1	
	302-4	Reduction of energy consumption		7.3	144, 148
				8.4	
				12.2	
				13.1	




Emissions					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		65, 138	
	103-2	The management approach and its components		56, 62, 146-148	
	103-3	Evaluation of the management approach		36	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions		3.9	146
				12.4	
				13.1	
				14.3	
				15.2	
	305-2	Energy indirect (Scope 2) GHG emissions		3.9	146
				12.4	
				13.1	
				14.3	
				15.2	
	305-5	Reduction of GHG emissions		3.9	146, 147, 148
				12.4	
				13.1	
				14.3	
				15.2	

RESOURCE CONSUMPTION AND WASTE MANAGEMENT					
Waste					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		65, 139	
	103-2	The management approach and its components		56, 62, 139-142	
	103-3	Evaluation of the management approach		36, 56	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts		3.9	139-142
				6.3	
				11.6	
				12.4 12.5	
	306-2	Management of significant waste-related impacts		3.9	139-142
				6.3	
				11.6	
				12.4 12.5	
	306-3	Waste generated		3.9	141
				11.6	
				12.4 12.5	

306-4 Waste diverted from disposal		3.9	142
		11.6	
		12.4 12.5	
306-5 Waste directed to disposal		3.9	142
		11.6	
		12.4 12.5	

Water					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		65	
	103-2	The management approach and its components		142	
	103-3	Evaluation of the management approach		36	
GRI 303: Apă și efluenți 2018	303-1	Interactions with water as a shared resource		6.3 6.4 6.6	142
	303-5	Water consumption		6.4	142

Environmental compliance				
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary		65
	103-2	The management approach and its components		139, 141
	103-3	Evaluation of the management approach		36
GRI 307: Environmental compliance	307-1	Non-compliance with environmental laws and regulations		16.3 There were no cases of non-compliance with environmental laws and regulations.



The background of the entire image is a sunset or sunrise scene with a warm orange and yellow sky. In the foreground, two silhouetted figures are standing on a grassy field, placing large puzzle pieces into a larger structure. The puzzle pieces are dark, and the figures are positioned on either side of the central text area.

# Financing our future

Banca Transilvania  
Financial Group:  
Sustainability  
Report  
**2021**

