Corporate governance framework report 2024

Banca Comercială Română S.A.

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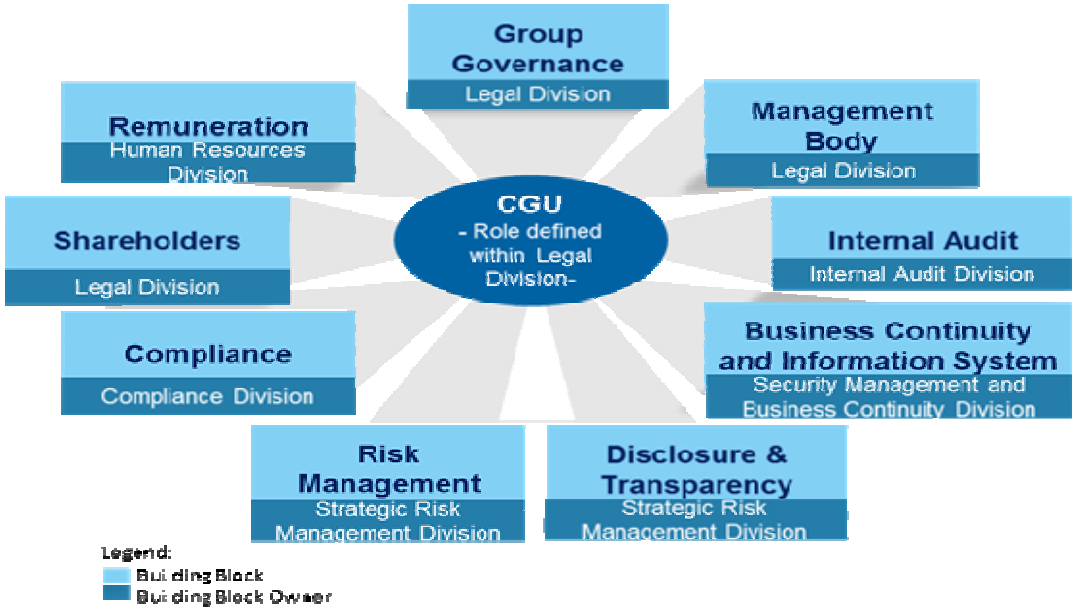
I. Company's profile

Banca Comercială Română SA ("BCR" or "the Bank") has a two-tier governance structure and carries out its activity based on a corporate governance framework in observance of the Romanian and European Union (EU) legal and regulatory requirements, as well as in alignment with Erste Group guidelines and the best international practices in the field.

Corporate governance in BCR

For BCR, corporate governance is a key element of its business success. BCR meets the expectations of its stakeholders through an integrated system of values, principles and rules that ensure it operates in a responsible, transparent and specific way.



BCR objectives regarding corporate governance focus mostly on:

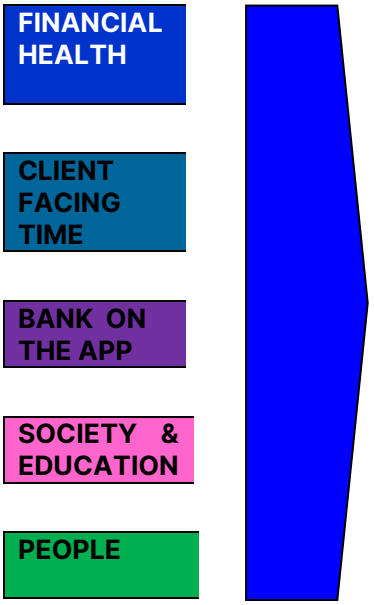
- Adapting to most recent changes;
- Strengthening the trust of stakeholders
- Speeding up the decision making and execution process;
- Corporate governance processes and capacities clearly defined and communicated;
- Improved risk management; and
- Alignment to legal requirements and to Erste Group requirements and standards.

BCR commits itself to continuously improve the corporate governance framework in order to observe the legitimate rights and interests of all the stakeholders, by ensuring the efficiency of its activity, maintaining Bank's financial stability and profitability, through:

- Activity transparency;
- Policies and procedures well defined within the activity of the management body and of other bodies responsible for decision-making;
- Prevention of conflicts of interest;
- Implementing an efficient internal control system;
- Adequate segregation of duties.

The corporate governance model applied both at BCR Group level and at individual Bank level and is based on the interaction between the essential components of corporate governance, as shown in the picture above. These components are implemented through dedicated policies, procedures, work instructions and processes, developed at the level of the functional lines of each entity (the Bank and its subsidiaries).

In 2024, BCR strategy was based on the same 5 strategic Pillars, namely:



BCR create a ***Financial Health Context,*** supported by products, loyality & gamification. BCR offer the best financial mentoring, tools and products at the right time, in the right context.

BCR's advisory approach, process and comercial focus reflect Financial Health and massively scale-up our client reach

BCR will be the bank that is digital to the core, inside and outside, paving the way for Financial Health and for higher efficiency

BCR will stand out through its Education commitment aiming to have a positive impact on society

BCR employees will be valued and will feel valued, BCR aiming to be a company that helps them grow

BCR Mission

BCR's mission is to transform Romanians' relationship with money, giving them the confidence and resources they need to build their prosperity. That is why we place financial education at the center of all our solutions, alongside the accountability, respect and expertise we offer our customers.

We are leaders in digitizing banking and democratizing financial planning. We simplify the customer experience, support financial inclusion and offer a diversified portfolio of products and services tailored to everyone's objectives - individuals, entrepreneurs, companies or public institutions.

More than a bank, we are a trusted partner, creating real value through strategic investments, economic development and community impact initiatives. Our team, through every person at BCR, makes a difference every day. We listen, understand our customers' objectives and provide solutions that anticipate their needs. Moreover, every moment, we act responsibly and with vision to create a more resilient, predictable and sustainable financial future - for every Romanian, for every community, for Romania.

II. BCR principles, corporate governance structure and shareholding

From BCR's perspective, Corporate Governance means all rules, systems and processes implemented with a view to establish the relation between shareholders, management, clients, employees, suppliers and other parties involved in setting the objectives and the manner to achieve them, for increasing economic performance and, implicitly, the Bank's value. It also highlights the efficiency of the management systems, namely the role of the Supervisory Board and of the Management Board, the responsibilities and remuneration of these structures' members, the credibility of the financial statements and the efficiency of control functions.

BCR establishes, reassesses on an annual basis and publishes on its website the corporate governance principles that ensure an adequate framework for its activity, in observance of the legal and regulatory requirements of the legislative framework in Romania, of Erste Group Bank guidelines, as well as the best international practices in the field.

The goal of this report is to annually assess the manner in which the general principles and the governance policy are implemented and reflected through the presentation of the corporate governance structure, including the manner in which it is transposed in the bank's internal governance and the manner in which its management body defines, supervises and implements an activity management framework that ensures the efficient and prudent management of the credit institution.

Based on the provisions of Companies Law no. 31/1990, with the subsequent amendments and completions ("Companies Law") and the Government Emergency Ordinance no. 99/2006 on credit institutions and capital adequacy, with the subsequent amendments and completions, and in compliance with its Charter, BCR's management body is organized in a two-tier structure, namely the supervision function is separated from the executive management.

The management body of the bank has the ultimate and overall responsibility for the institution and defines, oversees and is accountable for the implementation of the governance mechanisms within the credit institution that ensure effective and prudent management of the institution.

The management body's responsibilities include setting, approving and overseeing the implementation of:

- the overall business strategy and key policies of the institution within the applicable legal and regulatory framework, taking into account the institution's long term financial interests and solvency;
- the overall risk strategy, including the institution's risk appetite and its risk management framework and measures to ensure that the management body devotes sufficient time to risk issues;
- an adequate and effective internal governance and internal control framework that includes a clear organisational structure and well-functioning independent internal risk management, compliance and audit functions that have sufficient authority, stature and resources to perform their functions;
- a remuneration policy that is in line with the remuneration principles set out within the applicable regulatory framework as well as a selection and suitability assessment process for key function holders;
- arrangements aimed at ensuring the internal functioning of each committee of the management body, when established, detailing the: i. role, structure and tasks of each of them; ii. appropriate information flow, including the documentation of recommendations and conclusions, and reporting lines between each committee and the management body, competent authorities and other parties;
- a risk culture in line with the regulatory framework and aligned with the bank strategy which addresses the institution's risk awareness and risk-taking behaviour;
- a corporate culture and values in line with the regulatory framework and aligned with the bank strategy, which fosters responsible and ethical behaviour, including a code of conduct or similar instrument;
- a conflict-of-interest policy at institutional level and or staff, arrangements aimed at ensuring the integrity of the accounting and financial reporting systems, including financial and operational controls and compliance, a process of disclosure and communications with external stakeholders and competent authorities.

The management structure is set up so as to meet the following objectives:

- to fit the dimension and complexity of the bank activity;
- to allow a clear separation of responsibilities between the supervisory function and the executive management function;
- to assign responsibilities and competencies along the functional/reporting lines in a clear, precise, well-defined and transparent manner;
- to ensure independence of the internal control system, so as to properly cover its main functions: risk management, compliance, internal audit;
- to improve the information flow, vertically, from top to bottom, and vice versa, and also horizontally, so as to ensure the delivery of comprehensive information, relevant in terms of the proper fulfilling of each organizational structure's tasks, in due time.

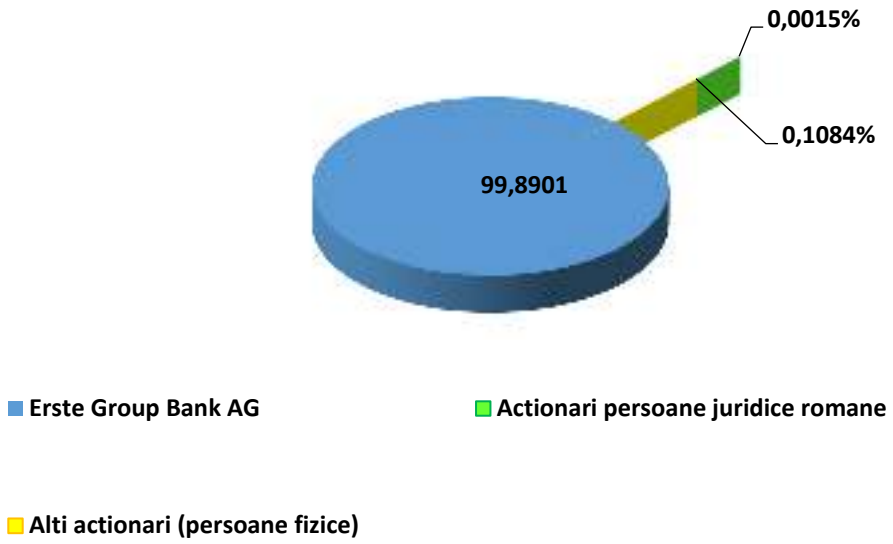
The BCR management structure consists of the **Management Board** – representing the **executive management function**, which ensures the operational management of the Bank, and the **Supervisory Board** – representing the **supervisory function**, which ensures the supervision, management and coordination of the Management Board activity. Their competencies and responsibilities are regulated through the Charter, the Internal Rules of each structure and also, through BCR's Operational Book.

An efficiently organized corporate governance helps ensure the Bank's stability and maintains corporate governance and business conduct standards.

Shareholding

The Bank's subscribed and paid-up capital is RON 1,625,341,625.40, divided in 16,253,416,254 nominative shares, with a nominal value per share of RON 0.1.
In 2024, the shareholding structure as per the BCR shareholders' register valid on 31.12.2024, was the following:

- **Erste Group Bank AG**, AM Belvedere 1,1100 Wien, Austria, holds **16,235,530,563** nominative shares, with a nominal value per share of RON 0.1, accounting for **99.8901%** of the total share capital, namely **RON 1,623,555,334.2**;
- **Other shareholders (Romanian legal entities)**, namely: 1. SC Actinvest SA holds 226,802 shares; 2. FDI Certinvest Dinamic-administrator SAI Certinvest SA holds 13,699 shares; 3. BCR Leasing IFN SA holds 109 shares; holding together **240,610** shares with a nominal value of RON 0.1 each, accounting for **0.0015%** of the total share capital, namely **RON 24,061.00**
- **Individual shareholders** own **17,622,302** shares with a nominal value of RON 0.1 each, accounting for **0.1084%** of the total share capital, namely **RON 1,762,230.2.**



Shareholders - General Shareholders Meeting

The shareholders exert their rights within the **General Shareholders Meeting** ("**GSM**" or "**General Meeting**").

The Bank's shares are indivisible and offer its shareholders equal rights, each share representing the right to one vote in the General Shareholders Meeting.

The General Shareholders Meetings are convened by the Management Board at least 30 days before the established date. In extraordinary cases, as provided in the Companies Law, the Supervisory Board may convene the General Shareholders Meeting, depending on the Bank's interests.

The General Shareholders Meetings are ordinary and extraordinary.
The Ordinary General Shareholders Meeting is held at least once a year, within the term established by the applicable regulations and whenever it is necessary to approve the subjects falling under its competence.
The Extraordinary General Shareholders Meeting also meets whenever necessary.

The Bank ensures the protection of the shareholders' rights, enabling them to exercise the latter, by clear and transparent provisions at the Bank level that protect the shareholders' rights. BCR observes the rights of its shareholders and ensures that their rights are exercised effectively through a successful communication with the shareholders.
The shareholders have:

- the right to safe registration means for shareholders/shares owned;

- the right to receive timely, regular and relevant information with respect to the company's development, as provided by the proper legislation in force;
- the right to attend and vote during the GSM and, in this regard, the right to be informed with respect to the voting rules and procedures, applicable to this type of meetings;
- the right to receive dividends pursuant to the provisions of the relevant legislation and the Charter;
- the right to ask questions, also with respect to the independent auditor's report
- the right to participate in strategic decision-making processes such as electing the Supervisory Board members or expressing opinions with respect to the remuneration of the Supervisory Board and Management Board members, according to BCR Charter.

In 2024, a number of 4 GSMs took place, out of which 3 were ordinary and 1 was extraordinary session. The items included on the agenda of the 4 GSMs were the following:

- Issuance of additional Tier 1 ("**AT1**") own funds instruments up to EUR 350 million, having the main characteristics described in Section III according to the note presented, in accordance with the legal provisions and capital requirements established under the legal framework in force in Romania implementing the provisions of the CRD V Directive and the CRR II Regulation..
- Financial statements for the year ended 31.12.2023
- Distribution of profit for 2023 and distribution of dividends from retained earnings
- BCR and BCR Group budget for 2024
- Appointment of BCR's external financial auditor for the year 2024 and minimum duration of the contract
- Liability discharge of the members of the Supervisory Board and of the members of the Management Board for the financial year 2023
- Remuneration structure of BCR Supervisory Board members for the year 2024 and its update
- Information on the significant shareholders' assessment Report, as well as the need for significant shareholders to comply at all times with legal and regulatory requirements relating to their financial integrity and soundness, as well as the influence they exercise over the bank's management

The transparency and timely dissemination of information is ensured in the Bank by:

- Regular and timely communication of relevant and material information with respect to the company, in order to guarantee that voting rights are properly exerted in the general shareholders meetings;
- Timely, regular, complete and accurate reporting to shareholders of all current, financial, administrative and extraordinary activities.

III. BCR management structure

BCR organizational structure

BCR is organized on functional lines at the level of the BCR Head Office.
Thus, at the end of 2024, the Bank was organized on 5 functional lines, as follows:

- One line subordinated to the CEO, covering support functions such as human resources, internal audit, strategy, change management, marketing and communication, corporate coverage, financial markets, sustainability, corporate coverage, corporate products and
- Four lines covering the following areas: Operations & IT, Retail & Private Banking, Financial, Risk, each made up of several functional entities subordinated to the respective 4 Executive Vice-presidents.

At territorial level, the retail and corporate activity is organized in territorial areas, coordinated for retail by a Retail Area Manager, reporting to the Deputy Executive Manager of the Retail Distribution Division, and for Corporate, by a Corporate Area Executive Manager, reporting to the Executive Manager of the Corporate Banking Division.

The branch network of the Bank is composed of branches without legal personality, namely county branches, branches and units. The Retail Area Manager ensures the coordination of the retail activity, organized based on branches type A, B, C, which differ depending on the segment of clients and the product structure they offer. The Corporate Area Executive Manager ensures the coordination of the activity performed in corporate business centres.

According to the legal requirements, the management structure has the role to monitor, assess and regularly revise the efficiency of the management framework of the Bank's activity and of the policies which refer to it, so that it takes into consideration any change of internal and external factors which affect the Bank.

A. Supervisory Board (SB)

Members – persons, appointment

In accordance with the provisions of the BCR Charter, the Supervisory Board may comprise minimum five (5) members and maximum nine (9) members, appointed by the Ordinary General Shareholders Meeting for a mandate of maximum four years, with the possibility to be re-elected for subsequent mandates of maximum four years.
According to the provisions of Article 17.3, letter a of BCR's Charter, the Supervisory Board members are nominated by the shareholders or by other Supervisory Board members.

The current structure of the Supervisory Board consists of 7 members.

Thus, the Supervisory Board structure **at the end of 2024** was the following, out of which four members are independent:

SB Member	Position	Start date of the mandate	End date of the mandate
Manfred Wimmer	**Chair**	24.04.2023	24.04.2027
Stefan Dörfler	**Deputy Chair**	24.04.2023	24.04.2027
Hildegard Gacek – independent member	**Member**	24.04.2023	24.04.2027
Elisabeth Krainer Senger – Weiss – independent member	**Member**	24.04.2023	24.04.2027
Daniela Camelia Nemoianu – independent member	**Member**	24.04.2023	24.04.2027
Iris Bujatti	**Member**	24.04.2023	24.04.2027
Christine Catasta – independent member	**Member**	29.12.2022	29.12.2026

Aspects related to the **selection process, eligibility requirements, independence criteria of Supervisory Board members**, **as well as other areas which have an impact on the credit institution** are included in the **Policy concerning the nomination and suitability assessment related to BCR management body.**

Professional experience

Members of the Supervisory Board regularly participate in various training programs in order to improve their competencies and to continuously fulfill the relevant requirements specific to their positions contributing to the consolidation of a broad multidisciplinary expertise.

	Main competences						**Specific competences**		
Nume	Bank and financial sector	Industry	Advisory	Managers/ Senior management	Accounting/ audit/ risk management	Compliance/ public area	*IT/ digitization/ innovation*	*Corporate acquisitions/ reorganizations/ capital market*	*Sustainability***
Elisabeth Krainer Senger-Weiss	x	x	x		x	x	x	*x*	*x*
Christine Catasta	x	x	x	x	x	x		*x*	*x*
Manfred Wimmer	x		x	x	x	x		*x*	*x*
Stefan Dörfler	x			x	x	x	x	*x*	*x*
Iris Bujatti	x		x	x	x	x		*x*	*x*
Hildegard Gacek	x	x		x	x	x			*x*
Daniela Camelia Nemoianu	x	x	x	x	x	x		*x*	*x*

** All members of the Supervisory Board attended the "Annual Training for Management Body" course (November 21, 2024), which also covered ESG regulation updates

Internal structure – Committees subordinated to the Supervisory Board and their responsibilities

The Supervisory Board convenes in quarterly meetings or on any occasion necessary and the meeting calendar for the on-going year is established by the end of the previous year. In 2024, 35 meetings of the Supervisory Board took place being organized and held in compliance with the provisions of the Charter and the Supervisory Board Internal Rules, out of which 4 were regular meetings, while the other meetings were held by other means of distance communication.

Furthermore, BCR follows the model of the Three Defence Lines through which the Bank ensures the efficiency and effectiveness of the risk management and the control processes.
In order to fulfil all these requirements, the Supervisory Board established the following advisory committees:

The membership of the Committees subordinated to the Supervisory Board at 31.12.2024:

SB member	Audit Committee	Remuneration Committee	Risk and Compliance Commitee	Nomination Committee
Manfred Wimmer		✓	✓	✓
Stefan Dörfler	✓	✓		
Hildegard Gacek			✓	✓
Elisabeth Krainer Senger Weiss		✓	✓	✓
Daniela Nemoianu	✓	✓		
Iris Bujatti	✓		✓	✓
Christine Catasta	✓			

- **Audit Committee** – is a consultative body, which reviews, briefs, provides consultancy and assists the Supervisory Board in fulfilling its tasks in terms of internal control and audit, as well as in terms of the quality and performance of the Bank's internal and external accountants and auditors, the authenticity of the Bank's financial information and the adequacy of the controls and financial policies.

The Audit Committee is composed of three members and a replacement member, elected from the Supervisory Board members, of which the majority / two independent members including the chair of the committee.

- **Risk and Compliance Committee** - is a consultative body that reviews, briefs, provides consultancy, and assists the Supervisory Board in fulfilling its tasks related to risks management, internal control and compliance and issues recommendations, according to the established authority limits.
  The Risk and Compliance Committee is composed of three members and a replacement member, elected from the Supervisory Board members, out of which the majority/two independent members, including the chair of the committee.

- **Remuneration Committee –** is a consultative body that reviews, briefs, provides consultancy, issues recommendations and assists the Supervisory Board in fulfilling its tasks and responsibilities related to the remuneration policy and especially provides consultancy and monitors the remuneration, bonuses and benefits of the Management Board's members.
  The Remuneration Committee is composed of three members and a replacement member, elected from the Supervisory Board members, out of which the majority/two independent members, including the chair of the committee.

- **Nomination Committee** – is a consultative body that reviews, briefs, provides consultancy, issues recommendations and assists the Supervisory Board in fulfilling its tasks and responsibilities related to the nomination and suitability assessment of the Supervisory Board and Management Board members, and of individuals holding key offices, as well as of the management framework of the Bank's activity.
  The Nomination Committee is composed of three members and a replacement member, elected from the Supervisory Board members, out of which the majority/two independent members, including the chair of the committee.

Management Board control instruments

The Supervisory Board supervises and coordinates the activity of the Management Board, as well as compliance with legal provisions, the Charter and the decisions of the General Shareholders Meeting related to the Bank's activity.
The Supervisory Board is responsible for setting and reviewing an adequate and efficient framework related to the internal control, which comprises risk management, compliance and audit functions, as well as an appropriate framework related to the financial reporting and accounting.

The Supervisory Board is directly responsible for supervising the activity of the Internal Audit Division, whose main goal is to perform in due time the audit missions or any other audit investigation covering the entire activity of the bank and its subsidiaries; the audit reports are submitted to the Management Board and/or to the Audit Committee, respectively the Supervisory Board.

The Supervisory Board is responsible for the supervision of the activity carried out by the Compliance Division, as well as the supervision of the compliance risk management.

The Supervisory Board exerts a permanent control over the Bank's administration and the Management Board, by the following means:

- The Supervisory Board is responsible to check the compliance of the administrative operations performed by the Management Board based on the applicable legislation, the Bank's Charter and the decisions of the Bank's General Shareholders' Meeting;
- The Supervisory Board represents the Bank in its relations with the Management Board;
- The Supervisory Board is not involved in the daily management of the Bank, and these tasks are not delegated to the Supervisory Board except for some clauses included in the applicable legislation and/or the Bank's Charter.

B. Management Board (MB)

Members – persons, appointment

According to the provisions of the Management Board Internal Rules, it provides the current executive management of the Bank and performs its duties under the supervision of the Supervisory Board, which appoints and revokes Management Board members and the Management Board chairman from the members of the Management Board, acting in accordance with the provisions in force and the Bank's Charter.

According to the provisions of article 20.1 of the Charter, the number of Management Board members is minimum 3 and maximum 7 members, as established by the Supervisory Board.
At December 31st, 2024, the Management Board had 5 members.

Thus, during 2024, the following changes occurred in the Management Board membership:
- end of Mrs. Ilinka Kajgana's mandate starting August 1, 2024
- the Supervisory Board, in its meeting held on October 31, 2024, approved the appointment of Ms. Ioana Anca Gheorghiade as Executive Vice-President of BCR, responsible for Risk functional line, effective from the date of authorization by the NBR until October 31, 2027 -as of December 31, 2024, the NBR authorization was pending.

The Management Board membership aa of December 31st, 2024 was the following:

MB Member	Position	Responsibility area
Sergiu Cristian Manea	President – CEO	Executive President
Elke Meier	Executive Vice-President - CFO	Financial
Dana Luciana Dima	Executive Vice-President	Retail & Private Banking
Vacant position	Executive Vice-President - CRO	Risk
Thomas Kolarik	Executive Vice-President - COO	Operations & IT

Professional experience

The members of the Management Board are continuously engaged in ongoing training programs to ensure compliance with current regulations and maintain a framework of interdisciplinary expertise, which is essential for making informed strategic decisions and integrating the latest industry developments.

	Main competences						Specific competences		
Name	Bank and financial sector	Industry	Advisory	Managers/ Senior management	Accounting/ audit/ risk management	Compliance/ public area	*IT/ digitization/ innovation*	*Corporate acquisitions/ reorganizations/ capital market*	*Sustainability* **
Sergiu Cristian Manea	x	x			x	x	x	x	x
Elke Meier	x	x			x	x	x	x	x
Dana Luciana Dima	x	x		x	x	x	x	x	x
Thomas Kolarik	x	x			x	x	x	x	x

** All members of the Management Board attended the "Annual Training for Management Body" course (November 21, 2024), which also covered ESG regulation updates

Internal structure – Management Board subcommittees and their responsibilities

The Management Board meets in weekly meetings or whenever necessary. During 2024, the Management Board had 108 meetings, namely 40 regular meetings and 68 ordinary meetings held through other means of distance communication.

As of 31.12.2024, the structure of the Management Board subordinated committees was the following:

Subcommittee	Role and scope
Assets and Liabilities Management Committee (ALCO)	ALCO reviews, briefs and assists the Management Board in fulfilling the responsibilities assigned to it in the field of asset and liability structure management, financing strategy, interest policy, liquidity policy, pricing for saving/credit/card and service products, introduction/suspension of services and products and is an analysis and decision body that issues decisions and recommendations according to the established authority limits. During the year, 17 meetings were held, of which 13 regular meetings and 4 per rollam.
Credit Committee (CC)	Revises, briefs and assists the Management Board in fulfilling the responsibilities assigned to it in the field of granting credits, the modification of conditions for the granting, using and/or guaranteeing some previously granted credits, concluding agreements, extending the term of validity of agreements, issuing letters of guarantee, factoring operations and other activities for retail, corporate and workout clients. During the year, 54 meetings were held, of which 44 regular meetings and 10 per rollam.
Risk Committee (RC)	It is subordinated to the Management Board, it has responsibilities for analysing, pre-approving and approving aspects regarding risk management. During the year, 8 meetings were held, of which 6 regular meetings and 2 per rollam.
Business Information Center Committee (BICC)	BICC is subordinated to the Management Board and its responsibilities are delegated by the MB for all aspects related to data in BCR, regulatory requirements related to Data Management and approval of BIC Operational Decision Body data related initiatives and prioritizations, takes strategic decisions on topics associated with Data Management and Reporting or projects and initiatives related to the BI area. During the year, there were held 3 regular meetings. The committee changed its name starting October 1, 2024 into **Data Analytics & AI Committee**.
Data Analytics&AI (DAAI)	DAAI remained under the Management Board's subordination, retaining the same responsibilities delegated by MB regarding all data-related aspects within BCR, regulatory requirements for data management, as well as initiatives and priorities related to data from the Data Analytics & AI Operational Decision Body, making strategic decisions on topics related to data management and reporting, along with BI projects and initiatives. 1 meeting was held during the year.

Sustainability Committee (STC)	STC is subordinated to the Management Board and its responsibilities are delegated by the MB for all aspects related to sustainability, namelystrategy proposals to be incorporated into BCR's General Strategy, key policies related to the Sustainability Strategy, the corresponding governance framework and sustainability objectives, commitments to associations, ESG reporting, and recommendations regarding project initiatives or investments in sustainability During the year, 4 meetings were held, out of which 3 regular and 1 per rollam.
Capital Management Committee (CMC)	CMC is subordinated to the Management Board and is a review, consultation and decision-making body for all joint alignments, approvals, decisions, and confirmations on matters relevant to capital management within the BCR Group in all its divisions, departments, staff units and subsidiaries. During the year, there were held 4 regular meetings.

Membership of DAAI Committee at 31.12.2024:

No.	Functional entity	Position
1.	Financial functional line - CFO	Chair
2.	Operations & IT – COO functional line	Deputy Chair
3.	Risk functional line - CRO	Member
4.	Retail & Private Banking functional line	Member
5.	Executive Manager **Data Analytics & AI Division**	Member

IV. Policies regarding diversity

BCR's approach to diversity policies is based on the fundamental principles of non-discrimination, equal opportunities and inclusion of all forms of diversity, as well as the integration and balancing of work with personal life and family-related needs, always ensuring that human rights are respected and protected.

Diversity as an inclusive principle

For BCR, an inclusive corporate culture means recognizing the individuality of each employee. We understand diversity and inclusion as a mindset that leads us to treat each other with respect, so that everyone feels comfortable when expressing their own opinions. We try to create an environment where people are allowed to grow, support each other when faced with challenges and give their best.

Diversity as part of corporate strategy

Diversity management is part of our corporate strategy and includes dimensions such as age, gender, sexual identity and origin as well as cognitive diversity. As part of our diversity policy, we define common standards and key performance indicators for all seven countries in which Erste Group operates. These are implemented locally and taking into account local priorities.

Responsibilities of the Management Board

(i) Appoint a Board member responsible for diversity issues

(ii) Discuss Erste Group's and the Bank's diversity strategy and diversity targets

(iii) Ensure local adoption of these targets and will adopt a local catalogue of measures to achieve them

(iv) Support and implement activities that promote diversity and inclusive corporate culture

(v) Approve a local budget dedicated to diversity management

(vi) Engage in discussions on achieving our group targets and implementing measures at least once a year in the Erste Group CEO Council

Responsibilities of the Nomination Committee of the Supervisory Board

The Nomination Committee of the Supervisory Board, in accordance with its responsibilities as set out in the Rules of Organisation and Functioning of the Supervisory Board (C00083), shall have the following responsibilities:

(i) make recommendations to the Supervisory Board on a target related to the representation of the underrepresented gender in the management bodies, in accordance with the Erste Group target setting process and the provisions of NBR Regulation No. 11/2020 amending NBR Regulation No. 5/2013 on prudential requirements for credit institutions

(ii) develop a strategy to increase the number of persons representing the under-represented gender in the governing bodies

(iii) monitor the activities with a view to achieving that target.

Furthermore, BCR and the Nomination Committee consider a wide range of competencies and skills when recruiting members for the governing bodies, in order to obtain a variety of viewpoints and experiences and to facilitate the expression of independent views and a sound decision-making process of the governing body. Aspects such as education and professional experience, age and geographical origin (especially for internationally active banks) of the members of the management body are taken into account, in addition to gender aspects.

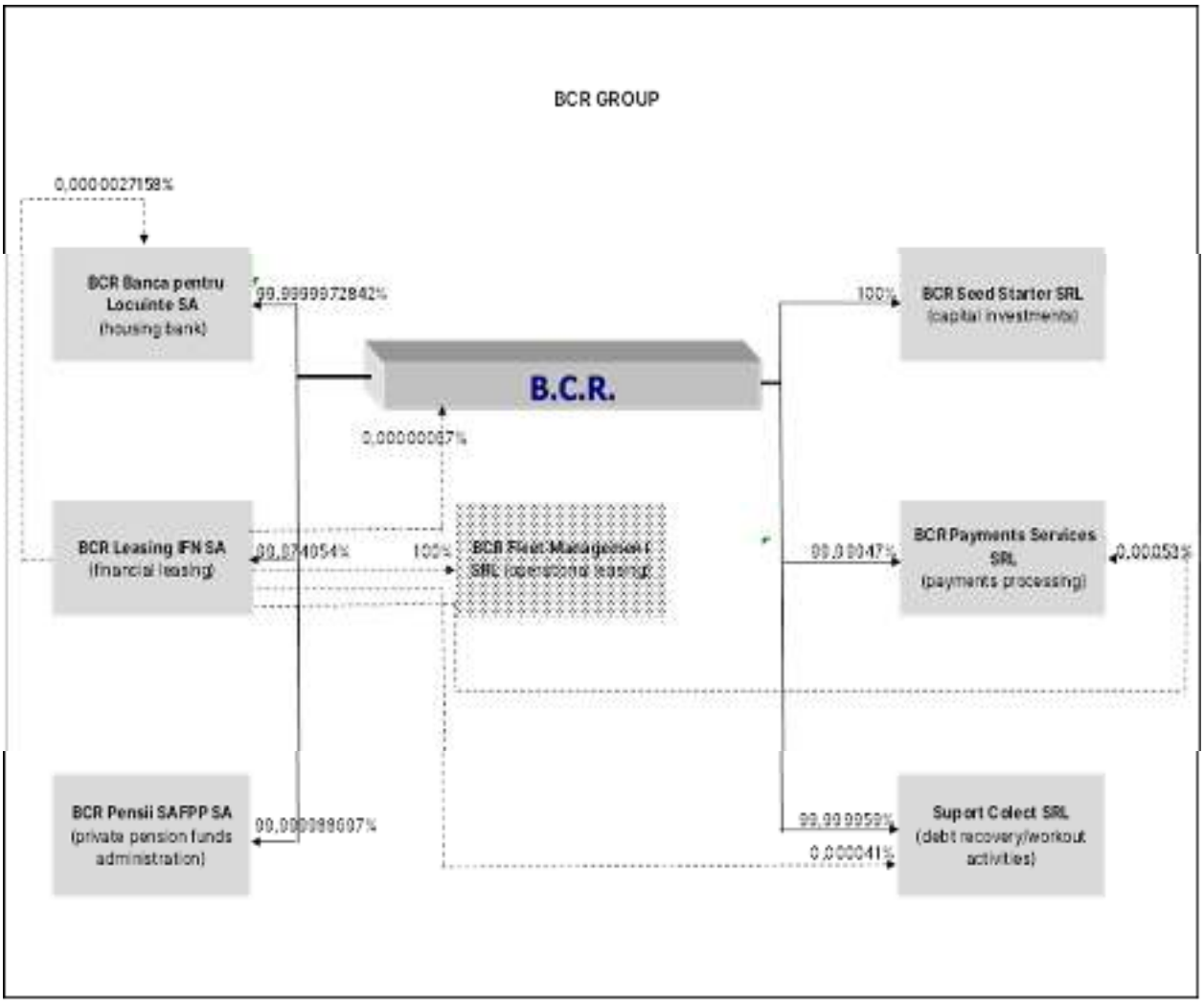
V. BCR Group structure and governance framework

The corporate governance model at BCR Group level (and at the individual Bank level) is based on the interaction of corporate governance structures at the bank level (e.g. shareholders, Management Board, group structure governance, risk management, compliance, internal audit, remuneration, communication).

The model for the governance of subsidiaries is decentralized using function coordinators in BCR with assigned responsibilities and with a centralized reporting system to the BCR management body regarding the main activities and risks assumed. The unitary supervision of the BCR Group governance structure is carried out by the corporate governance function exercised in BCR by the Legal, Governance and Public Affairs Division.

A. BCR Group structure – overview

As of December 31st, 2024 the BCR Group structure (Bank and its 7 subsidiaries) was as follows:



The BCR subsidiaries are registered companies active on the Romanian market, organized from a legal perspective as joint stock companies or limited liability companies, with a governance system such as:

- **two-tier system** (the management function is carried out by the Management Board/Directorate and the supervisory function ensured by the Supervisory Board): BCR Banca pentru Locuinte SA, BCR Pensii SAFPP SA and BCR Leasing IFN SA
- **unitary system** (management ensured by the Board of Directors): BCR Payments Services SRL, Suport Colect SRL, BCR Fleet Management SRL and BCR Seed Starter SRL

BCR Banca pentru Locuinte SA

Subsidiary directly held by BCR, registered as a joint stock company, in 2008, operating under the regulations of the National Bank of Romania regarding credit institutions, as well as under specific provisions and regulations for housing banks issued by the supervisory authority, the Ministry of Public Finance and the European Commission (with respect to the Basel III regulations).The company's objective was to promote, support and capitalize on the development of the Romanian savings and loans system, offering savings and loans products (bauspar products), especially to individuals, as an alternative to housing loans, as well as medium - term deposit products.

Starting February 1, 2016, the company has no longer concluded savings-lending contracts for the housing sector, continuing to carry out only the execution of contracts existing at that time in the portfolio.

The structure of the Supervisory Board on December 31st, 2024:

Name	Position
Elke Meier	**Chair**
Alexandru Berea	**Deputy Chair**
Pavel Vanek	**Member**

Structure of the Management Board on December 31st, 2024:

Name	Position
Mircea Sacuiu	**CEO**
Marilena Popovici	**Member**
Calin Lucian Grigoras	**Member**

BCR Pensii, Societate de Administrare a Fondurilor de Pensii Private SA

Subsidiary directly held by BCR, registered as a joint stock company in 2007, under the specific legislation issued by the Financial Supervisory Authority. The company operates in the management of private pension funds and voluntary funds: Fondul de Pensii Administrat Privat BCR (Pillar 2) and Fondul de Pensii Facultativ BCR Plus (Pillar 3), being authorized to carry out activities of management of occupational pension funds (Pillar 4).

The structure of the Supervisory Board on December 31st, 2024:

Name	Position
Dana Dima	**Chair**
Elke Meier	**Member**
Vacant position	**Member**

The structure of the Directorate on December 31st, 2024:

Name	Position
Radu Craciun	**CEO**
Dragos Gheorghe	**Member**
Adela Maria Cercel	**Member**

BCR Leasing IFN SA

Subsidiary directly held by BCR, registered as a joint stock company in 2001 is one of the important players on the Romanian leasing market. The company is governed by Law no 93/2009 on non-banking financial institutions.

The company provides competitive, fast and flexible financing solutions, with staged VAT payment, for the purchase of vehicles (cars, light and heavy commercial vehicles, car fleets), agricultural and industrial equipment, construction equipment, medical equipment, IT components, etc. BCR Leasing offers are addressed to individuals and companies, bank's customers, as well as its own customers, directly of through collaborating dealers and brokers.

The structure of the Supervisory Board on December 31st, 2024:

Name	Position
Elke Meier	**Chair**
Sergiu-Cristian Manea	**Member**
Gernot Suessenbacher	**Member**

The structure of the Directorate on December 31st, 2024:

Name	Position
Vlad Bogdan Vitcu	**CEO**
Maria Magdalena Turiac	**Member**
Adrian Stefan Melinte	**Member**

BCR Payments Services SRL

Subsidiary held directly by BCR, incorporated as a limited liability company in 2011 to take over from BCR a part of the payments processing and maintenance operations on customers' accounts, activity previously performed by Sibiu BCR Processing Centre, with the aim of increasing the operational efficiency and optimisation of the costs related to this type of activity. The company became operational after receiving the NBR authorisation at the beginning of 2012 and is responsible for processing activities: centralised processing of payment transactions in local and foreign currency, processing activities for debit instruments and direct debit mandates, as well as account and liability management activities: enrolment of clients in the system, account openings and banking services, their

administration and closure, as well as data updates for customer knowledge purposes, both for individuals and corporate customers.

The company services all local units of BCR, as well as the internal departments from BCR, based on the outsourcing contract signed with BCR.

The structure of the Board of Directors on December 31st, 2024:

Name	Position
Thomas Kolarik	**Chair**
Lelia Chitu	**Member**
Dana Luciana Dima	**Member**

Suport Colect SRL

Subsidiary directly held by BCR, organized as limited liability company, in 2009, with the purpose of improving the recovery of the overdue loans granted by BCR, in the context of the global crisis. Its main activity is monitoring and recovering/buying receivables from clients.

The structure of the Board of Directors on December 31st, 2024:

Nume	Position
Sergiu Cristian Manea	**Chair**
Gina Badea	**Member**

BCR Fleet Management SRL

Subsidiary indirectly held by BCR, through the BCR subsidiary and BCR Leasing IFN SA (sole shareholder) in 2009, organized as a limited liability company, which provides for BCR Group operational leasing services and car fleet management.

In 2022, the company concluded the partial sale of the portfolio to Arval Service Lease in the form of a Business Transfer Agreement (BTA) covering all cars and light commercial vehicles in the portfolio (about 4,000 assets in total). The rest of the portfolio, not transferred to Arval Service Lease, will be liquidated in line with the Group's strategy.

The structure of the Board of Directors on December 31st, 2024:

Name	Position
Vlad Bogdan Vitcu	**Chair**
Ioana Gheorghiade	**Member**
Anca Paula Gherasim	**Member**

BCR Seed Starter SRL

Subsidiary directly held by BCR, a corporate venture capital company (CVC), organized as a limited liability company, incorporated in 2023 for the purpose of providing capital (minority shareholding up to

25% without control within the meaning of Regulation 575/2023 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012) for innovative technology startups with the potential to optimise internal banking processes, improve the service portfolio offered to BCR customers or support the integration of ESG standards.
The company became operational at the beginning of 2024 and its first investment of RON 2,500,000 was in Smarthuts SRL (FieldOS) — an innovative platform in the Field Services Management/Computerized Maintenance Management Software vertical — was made in December 2024.

The structure of the Board of Directors on December 31st, 2024:

Name	Position
Thomas Kolarik	**Chair**
Sergiu Cristian Manea	**Member**
Vacant position	**Member**

B. BCR Group governance framework

The organizational structure of the BCR Group is transparent, in accordance with BCR organizational structure, established as a means to promote efficiency and show a prudent management.

The basic principles for an efficient supervision of the BCR subsidiaries, together with the internal regulations of the Bank, represent in the same time, the framework and sound basis for the compliance, supervision, governance and risk management activity.

The roles and responsibilities of BCR's Management Board members include, as well, the activity of supervision of the Bank's subsidiaries, which are responsible for ensuring:

- a corporate governance framework within BCR Group;
- the implementation of the governance polices and mechanisms adequate to the structure, activity and risks incurred by the BCR Group entities.

In this context, in establishing the corporate governance framework at BCR Group level, the BCR Management Board holds the following competences (of approval/pre-approval) regarding the subsidiaries:

- the governance structure;
- the general business strategy, the business plan and the main activity fields;
- changes of the main object of activity;
- merger/split, dissolution and liquidation;
- acquiring its own shares exceeding 10% of the subsidiary's share capital, when such acquisition is allowed according to the Companies Law; and

- proposals of candidates for the appointment as members in the Supervisory Board or Board of Directors;
- decides on the approval, at subsidiary level, of all topics included on the agenda of the General Shareholders Meeting of such company, except for those under the responsibility of the BCR Supervisory Board.

Likewise, BCR Management Board supervises the activity of the bank's subsidiaries by means of its subordinated committees, thus ensuring the implementation of a joint strategy at Group level. Based on specific roles and responsibilities, the Management Board members are appointed within the Supervisory Boards/Boards of Directors of such entities, as the case may be.
The BCR Management Board members appointed within the Supervisory Boards/Boards of Directors of BCR subsidiaries have specific duties established by the Companies Law, the Charter and other internal regulations of such entities, depending on the nature and complexity of their type of activity, by observing, at the same time, the legal requirements at local level.

In order to ensure an adequate corporate governance framework within BCR Group and also governance policies and mechanisms proper to the structure, activity and risk implied by the group entities, each member of the BCR Management Board, who is also a member of the Supervisory Board/Board of Directors of a subsidiary, will ensure that all strategic decisions, standards and policies implemented in BCR/Erste Group will be observed and properly implemented within each company.

C. Data protection at BCR Group level

BCR places significant importance on protecting the personal data of its customers, employees, and other collaborators. To this end, it has undergone a comprehensive process to implement the General Data Protection Regulation 679/2016 (**GDPR**).

BCR's data protection strategy focuses on maintaining a robust and appropriate data protection framework, in line with regulatory and business requirements, and continuously improving its GDPR compliance maturity and related legislation in the field. Key components of this strategy include:

- **Data Protection Mechanisms**

BCR's data protection policies and procedures (aligned with Erste Group policies and procedures) include mechanisms for:

- ✓ Implementing a data protection governance framework.
- ✓ Implementing and monitoring compliance with GDPR principles, including lawfulness, transparency, integrity and confidentiality, data security, data minimization and need for data access, accuracy, etc.

- ✓ Defining and implementing a process for fulfilling privacy requirements by design and by default.
- ✓ Maintaining a comprehensive training program to foster data protection awareness and culture within BCR.
- ✓ Managing data subject requests (e.g., access, erasure, objection, rectification, restriction, portability, etc.), including consent withdrawal.
- ✓ Conducting impact assessments, including DPIAs/LIAs (Data Protection Impact Assessments/Legitimate Interest Assessments).
- ✓ Implementing technical and organizational measures to protect against unauthorized access, unlawful processing, and accidental loss, destruction, or damage of personal data.
- ✓ Managing personal data breaches, including prompt investigation, mitigation/remediation measures, and notification of the National Supervisory Authority for Personal Data Processing (ANSPDCP) and of data subjects, where applicable
- ✓ management of third parties, including for the selection of authorized persons and risk assessments;
- ✓ transfer of data outside the EEA (European Economic Area), on the basis of transfer guarantees;
- ✓ regular updating of the register of personal data processing activities, etc.

- **Data protection roles and responsibilities**

BCR Group's organizational structure also includes functions that provide oversight of compliance with GDPR and BCR's data protection policies.

At the BCR Group level, a single Data Protection Officer (**DPO**) is appointed, who coordinates the implementation and monitoring of data protection requirements, together with an internal team of data protection experts.

The DPO's responsibilities include: (i) informing and advising on how to comply with BCR's specific data protection obligations; (ii) monitoring compliance with the obligations under the GDPR and related legislation, as well as data protection policies and procedures; (iii) conducting regular assessments and audits to ensure compliance with data protection requirements; (iv) carrying out a program to raise awareness of personal data protection; (v) advising on the conduct of impact assessments, including DPIAs/LIAs; and (vi) collaborating and acting as a single point of contact for the relationship with the ANSPDCP.

The DPO team collaborates with employees with specific duties in this area, designated at all directorates/departments, in order to implement and monitor at BCR level the technical and organizational mechanisms designed to comply with GDPR. These employees benefit from dedicated trainings and knowledge on data processing and are involved in activities with impact from a data protection perspective, including the development and implementation of the analyses, records, measures and technical and organizational mechanisms necessary to demonstrate compliance with GDPR requirements.

The activity of BCR's subsidiaries is closely monitored by the DPO, thus ensuring the implementation of a unified data protection strategy at Group level. In this regard, the DPO ensures that each BCR subsidiary properly integrates the data protection policies and procedures implemented at BCR Group level.

VI. Performance management and remuneration strategy

The professional activity of BCR staff is periodically evaluated, by assessing individual performance, the degree of achievement of pre-established objectives, the quality of their activities, in compliance with the provisions of BCR Internal Regulations.
The Performance evaluation is carried out within a multi-year framework to ensure that the evaluation process is based on long-term performance and that the actual payment of the performance-based remuneration components is spread over a period that takes into account the bank's business cycle and the specific risks of its activity.
The key prerequisite to achieve the bank’s objectives is the performance of the staff.
Individual performance in BCR is understood as a summary indicator. Its measurement requires a complex view of each person’s actions, combining:

- The accomplishment of individual objectives/ performance indicators (KPI);
- Staff competencies, reflected in his/ her professional conduct.

The recommended share of the two perspectives is 75% objective and 25% competencies.
Performance and professional development management in BCR is sustained by Emma PDS application.

The remuneration philosophy of BCR adapts to the realities of the banking sector and economic environment. It is based on BCR business strategy and long-term goals, the Bank’s culture and organizational structure and is influenced by market practice.

Remuneration decisions are made based on a combination of:

- Business results;
- Performance against objectives set out in performance scorecards;

- General individual role performance;
- Local market position and practice

The past years were marked by the focus of the remuneration strategy on issues of transparency and predictability, thus supporting employees' needs and ensuring a better understanding of the elements of remuneration.

BCR regularly assess its remuneration practices (at least on annual basis), in order to ensure that:

- incentives are correctly established, risks are efficiently managed and excessive risk taking is not encouraged;
- the principles envisaged within the Remuneration Policy comply with all regulation principles in force.

In 2024, considering the financial results, Erste Group continued WeShare by Erste Group programme. WeShare by Erste Group is a key part of the Erste Vision 2030: "Financial Health for All" also means caring for the financial health of all colleagues in the company.

This programme will run annually and consists of 2 parts:

1. A package of shares offered free of charge to employees who meet the eligibility conditions.
2. Employees' personal investment + Additional benefit

Within BCR, the total remuneration package is composed of the following elements:

- Fixed remuneration:
  - Base salary;
  - Benefits
  - Employees' participation in WeShare by Erste Group programme
- Variable remuneration

VII. Community, environment and sustainability

A. Community

BCR aims to be an active member in the communities where it operates, understands their needs and acts for the development of the local communities where it operates.

Thus, BCR's strategic directions regarding community outreach are as follows:

- Financial education, which started from a very clear need: Romania has one of the lowest levels of financial education in the European Union according to studies conducted by the European Commission. In this context, we have understood that it is essential to act,

to invest in dedicated financial education programs and to give Romanians the confidence to plan for their future, to make financially smart choices and to build their own path to prosperity.

- Through our programmes, such as **Școala de Bani** and **Financial Coaching**, more than 1.5 million Romanians have benefited from free financial education offered by BCR. Through **Scoala de Bani**, more than 800,000 Romanians have been helped in recent years to better understand the factors that influence their financial decisions and to develop responsible financial behavior. This has been made possible with the help of over 1,500 bank employees, who have voluntarily turned into specialized teachers, offering, in parallel with their current activity, free financial education courses in BCR units, in communities, schools or in the virtual environment, through online sessions.
- At the same time, in 2024, over 500,000 Romanians - customers and non-customers - have benefited from a personalized financial plan through Financial Coaching programme. The financial coaching service offered by BCR is unique in Romania, being available free of charge, in all the bank's units, to any interested person, regardless of whether he/she is a client or not. It is based on an innovative data analysis platform, designed in BCR's digital labs, to streamline the experience of its employees and to increase the efficiency of the solution proposed to those interested
- Under the umbrella of Școala de Bani, we launched the LifeLab program in 2022, which aims to introduce financial education in all levels of education, within the different school subjects. In 2024 the program was extended at national level, in 12 schools across Romania, offering financial education in a practical way to approx. 15,000 students
- Also, in 2024, BCR organized the third edition of EduFin Fest - the largest financial education festival in Romania, where we provided young people in Bucharest with practical knowledge on how they can support their life plans through smart financial decisions, as well as information on how they can improve their relationship with money and what are the first steps towards financial independence.
- We continued to support education for the development of practical skills, through strategic partnerships with the largest universities in the country, with the main aim of creating projects that help develop students' practical skills for easier integration into the labour market.
- Entrepreneurship education. **BCR Scoala de Business** entrepreneurship education platform has reached 8 free courses, with a total of 70 chapters, over 90 videos and 96 quizzes, after the launch of the new module: Entrepreneurs in technology, how to build a viable product. It is a program specially designed for Romanian entrepreneurs, through which they can access key information for developing a successful business. Courses

and management tips are offered on an e-learning platform, which has reached 24,000 users.

- Digital education. BCR supports Nextlab.tech - the largest school robotics competition in South-East Europe, involving around 150,000 children so far. In the 2024 edition of the competition, 40,000 entered projects in Phase I, and 500 roboticists reached the final stage of the competition. In addition, the event had an international dimension, with special guests from Serbia, Bulgaria and the Republic of Moldova bringing a regional perspective and highlighting the potential for cross-border collaboration. The competition covers the STEAM area, and 600 students received free robotics kits from BCR.
- At the same time, we supported rural schools to have access to the Adservio educational management platform (144 schools, 20,938 students, more than 30,000 parents and 2,000 teachers from disadvantaged areas had free access to the platform through BCR's cost support). We invested in supporting the digital education project for teachers and students - Brio - in which 3,500 students were involved and their digital skills were tested.
- Involvement in the community, by supporting hundreds of NGOs every year, thanks to the **Bursa Binelui** platform - supported by BCR and being the first and only one in Romania that did not commission donations - In 2024, 61 organizations and 60 new projects were registered. Most of them were enlisted under social projects, followed by education, health, environment and animal protection. 2,254 donations were registered on the Bursa Binelui platform, with a donation amount of RON 204,445. Also in 2024, Bursa Binelui has been re-launched so that donors and organizations registered on the platform can have a more intuitive and secure experience with greater impact for all involved.
- Civic leadership and youth support. We encourage young people to get more involved in their communities. One of the projects that inspire young people to do more for their local communities is the Romanian Youth Capital. It is the most ambitious national programme for young people, because it focuses on the development of youth ecosystems in Romanian areas in general and on the development of urban youth ecosystems in particular. Within the programme, local authorities collaborate with non-governmental organisations. The Romanian Youth Capital Programme was launched in 2016, and the cities that have been Youth Capitals so far are Timisoara, Bacau, Baia-Mare, Iasi, Constanta, Targu-Jiu, Ploiesti. In 2024 Ploiesti was awarded the title of Youth Capital of Romania and about 4,000 young people were involved in the project.
- Also in 2024, BCR launched **ZBOR, the most extensive youth ecosystem in Romania**, which includes a series of hubs, a non-formal education curriculum for 14-25 years old,

a mentoring program, dedicated competitions and an online platform, which will be available soon and will prepare young people for the jobs of the future. The investment amounts to over EUR 2 million, and the project is being implemented with an extensive network of local NGOs in Constanta, Iasi, Cluj-Napoca, Brasov, Ploiesti, Targu Jiu and Baia Mare. Through this project, BCR continues to expand its involvement in the community, investing in the education and future of young people in Romania, in order to create a healthy and safe environment where they can build their future with confidence

BCR aims to be an integral part of society, with responsible, principled citizens on our team. Our goal is to intermediate and support the development of value in the communities we are part of. Therefore, in addition to initiating or supporting impactful social responsibility programs, the bank's goal is for every BCR employee to become an ambassador of community involvement.

BCR employees benefit from a day off for volunteering, are supported to propose and implement projects with real social impact and are encouraged to redirect the 2% of their income tax to organizations that aim at social good.

At the same time, BCR aligns its business strategy to the needs of the community, constantly developing innovative products for our customers to help them reach prosperity and change their aspirations into real plans. BCR is also an important contributor to economic development by offering real support and knowledge to all the members of the business community in Romania.

B. BCR position regarding ESG (Environmental, Social and Governance)

ESG: Ecological Sustainability, Social Sustainability, Governance Sustainability

Bank’s motto in 2024 in ESG area:

“Together with the community, building tomorrow's future”

To this end, the Bank has engaged in various programmes to support the community and its own employees.

Educational projects were carried out to support environmental education both through Green School program and through the Ecoprovocarea project run by our partners from Viitor Plus, which involved 17,300 participants in educational workshops. In 2024, the AquaKit project run by Mai Mult Verde was also implemented, through which 5,000 children participated in workshops testing the water quality of their local lakes. AquaKit brought to the forefront the situation of surface water pollution in Romania by involving students in citizen science activities.

Through the RESPO CITY competition, organized by RESPO DEE Association, actions were carried out to educate young people in the field of waste management of electrical and electronic equipment. In 2024, there were 20,000 visitors to the Ivan Patzaichin Museum, a community innovation center that aims to show residents and visitors ways in which the Delta can develop sustainably. To help businesses transition to a green future and understand the importance of sustainability we partnered with the Sustainability Academy, a project developed by Social Innovation Solutions through which SMEs have free access to training courses, meetings with mentors to help them in this transition.

We aim to integrate sustainability into our business strategies, the way we evaluate funded projects and our own operations. This means ensuring compliance with frameworks such as CSRD and aligning financial targets with long-term business growth and responsibility to the environment and people, including through dedicated products and integrating climate risks into the risk matrix analyzed.

The integration of ESG factors for financing includes the analysis of climate, environmental, social and governance risks and their impact on the credit portfolio, the development of sustainable financing strategies by specific priority industries and themes and the definition of areas of controversy (e.g. arms, nuclear or coal-based energy). It also means full compliance with the regulatory framework and related recommendations and the Bank's intention to deliver value to the social and economic environment.

The Bank does not finance activities whose characteristics do not meet the environmental requirements specified in the regulations of Romanian legislation and in international conventions and agreements, to which Romania has expressly adhered. The analysis of environmental issues is part of the lending process and is mandatory for each transaction.

In this regard, in 2024, the Bank expanded its actions as follows:

- in terms of lending and client assistance, in particular through dialogue on ESG issues with existing and potential clients, institutional partners, NGOs and associations. We have provided green financing of over EUR 600 million for all client segments: retail and corporate, with the objective of reaching 25% green loans as a proportion of the total loan portfolio by 2026 in corporate area and by 2027 in retail.

-the Bank has also focused on product development, already offering clients products that support the importance of energy efficiency and low-energy buildings, the installation of photovoltaic panels, as well as involvement in large sustainable transport and energy infrastructure projects. Our cards are issued on biodegradable and recyclable media, and we have extended their validity period.

- At the partnership and engagement level, BCR's efforts are focused on reducing the carbon footprint for our existing customer portfolio. The bank follows the actions of the parent company Erste Group Bank AG, which has joined the Net-Zero Banking Alliance, committing to achieve a net-zero carbon footprint by 2050 at the latest. We have established a plan with 3 pillars of action: Assessment-Customer Dialogue-Decision to achieve decarbonization targets (with intermediate targets for the main industries) and net zero portfolio by 2050. We assess our funded emissions quarterly and work with clients on their decarbonization plans. We focus on the highest emitting industries, as 60% of our financed emissions are related to corporate clients. Strategy and coordination are aligned with the organization's initiatives and are to be further developed in 2025

- The Bank has the ambition to reduce its direct carbon footprint. Therefore, in terms of its own operations, the most efficient way for the Bank is to reduce carbon emissions by switching to renewable energy sources and purchasing electric vehicles for its fleet. In 2024, the target for the share of energy purchased by the Bank from renewable sources was around 90%, with the aim of increasing this share in the future. In 2024, the 100% share of electricity used in own premises was maintained, accelerating the use of renewable energy sources for own activities as well as changes in own employees' mobility behaviour, encouraging own employees' volunteering by offering a day off for this purpose. Through the Bank's commitment to set clear 'Net Zero' transition targets, we are already seeing that targeted investments in this direction have opened up new opportunities for growth, increase the resilience of our business model and create comfort in the regulatory area.

- Implementation of mandatory ESG training in the curriculum of mandatory courses for BCR employees.

In the last years, BCR has issued green bonds on the local market (denominated in RON) as well as green Eurobonds on the international market. BCR has also entered into issue and guarantee agreements with international institutions (EBRD, IFC), the funds being earmarked for projects with environmental and social impact, as defined in the Erste Group's Sustainable Financing Framework.

For 2024, the quantitative information required by EU Regulation 852/2020, as required by Article 19a of EU Directive 2013/34/EU, will be presented both in the consolidated non-financial report of parent bank Erste Group Bank AG and standalone, at BCR Group level and published on the Erste Group AG and BCR websites.