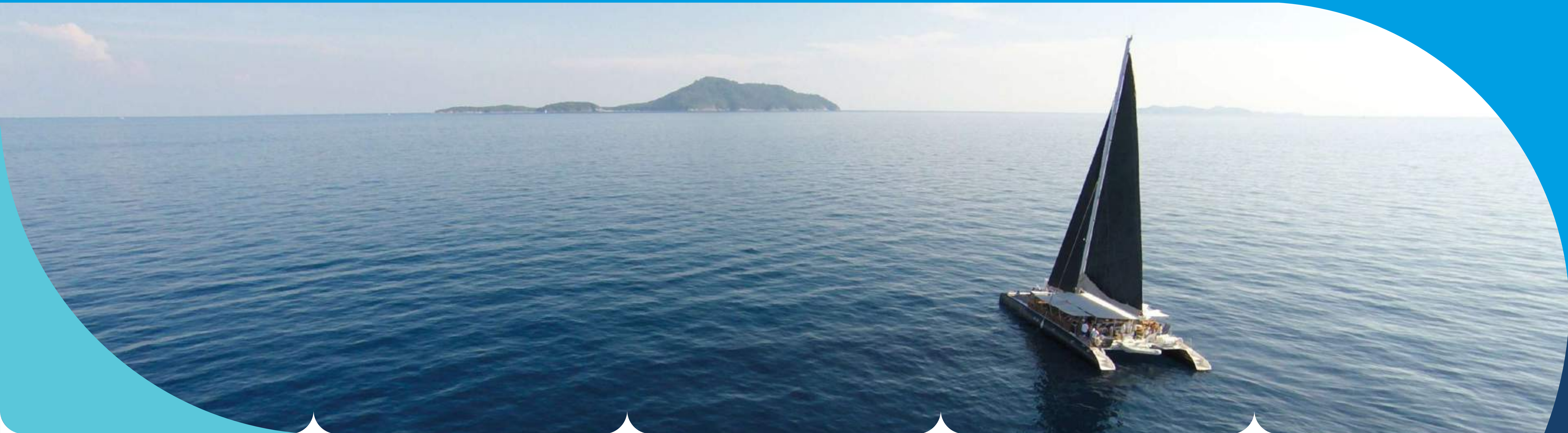


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About the Report

At KBC Group in Bulgaria, we believe that we can help make a positive difference in the transition to a sustainable economy and society. Through open collaboration with a rich ecosystem of partners, we create lasting value for our customers, work to empower our employees, and inspire sustainability in companies of all shapes and sizes. In this report, we seek to disclose our sustainability performance for 2023.

As we see it, our sustainability progress starts with getting our own house in order. We are taking accountability for our operational footprint and are committed to sharing learnings, solutions, and being transparent about our progress.

As a market leader in Bulgaria, we strive to be a reference for sustainability for the financial sector. We are committed to helping build the enabling conditions that will support our customers in their own transition, facilitate the discussion on the challenges posed by climate change and help raise general awareness with our stakeholders.

We have drawn up this Report using input from business and sustainability experts in all our departments. KBC Group in Bulgaria aligns its sustainable and corporate performance according to the global approach of KBC Group, using the UN Sustainable Development Goals (SDGs) 2030. Data and materials arrangement are based on the business activity of KBC Group in Bulgaria as bank-insurer company through all our entities. The Report has been reviewed by senior managers, discussed and approved by the internal CSR Committee. This Report has not been audited by an external party. KBC Group in Bulgaria sustainability development team is available to answer all your questions at ESG_team@ubb.bg

**We acknowledge that our parent company KBC Bank NV, Belgium participates in the UN Global Compact, and we support the Ten Principles and advancement of the Sustainable Development Goals. We consolidated our support for this initiative fully under the KBC Group commitment.*

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Dear reader,

Alongside a relentless focus on meeting our customers' needs, leveraging the opportunities of digitalization to increase the convenience of our services, and the expansion of our unique bank-insurance model in the country, the drive towards sustainability continues to be one of our four strategic pillars for the KBC Group of companies in Bulgaria.

I am convinced that companies that put sustainability at their core, embedding it in their business model, will be better prepared to meet the evolving requirements of customers and legislators, thereby ensuring the viability of their business. Also, they in this way can make a vital contribution to a viable and durable economy and society. For this purpose, we, at KBC Group, have made an explicit commitment to The Global Compact and the Social Development Goals of the UN.

In this report, we seek to inform our stakeholders on how the companies of KBC Group in Bulgaria continue to evolve to meet the urgent and complex environmental and social challenges.

For this, we work on multiple dimensions. Improving our own operations, engaging our suppliers and other stakeholders also, and – crucially – providing information, advice and solutions to our customers as they make their own transition to sustainable business models.

*Peter Roebben,
Country Manager of KBC Group in Bulgaria*

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2023 in a nutshell

KBC Group at a glance

Who are we?

Our area of operation

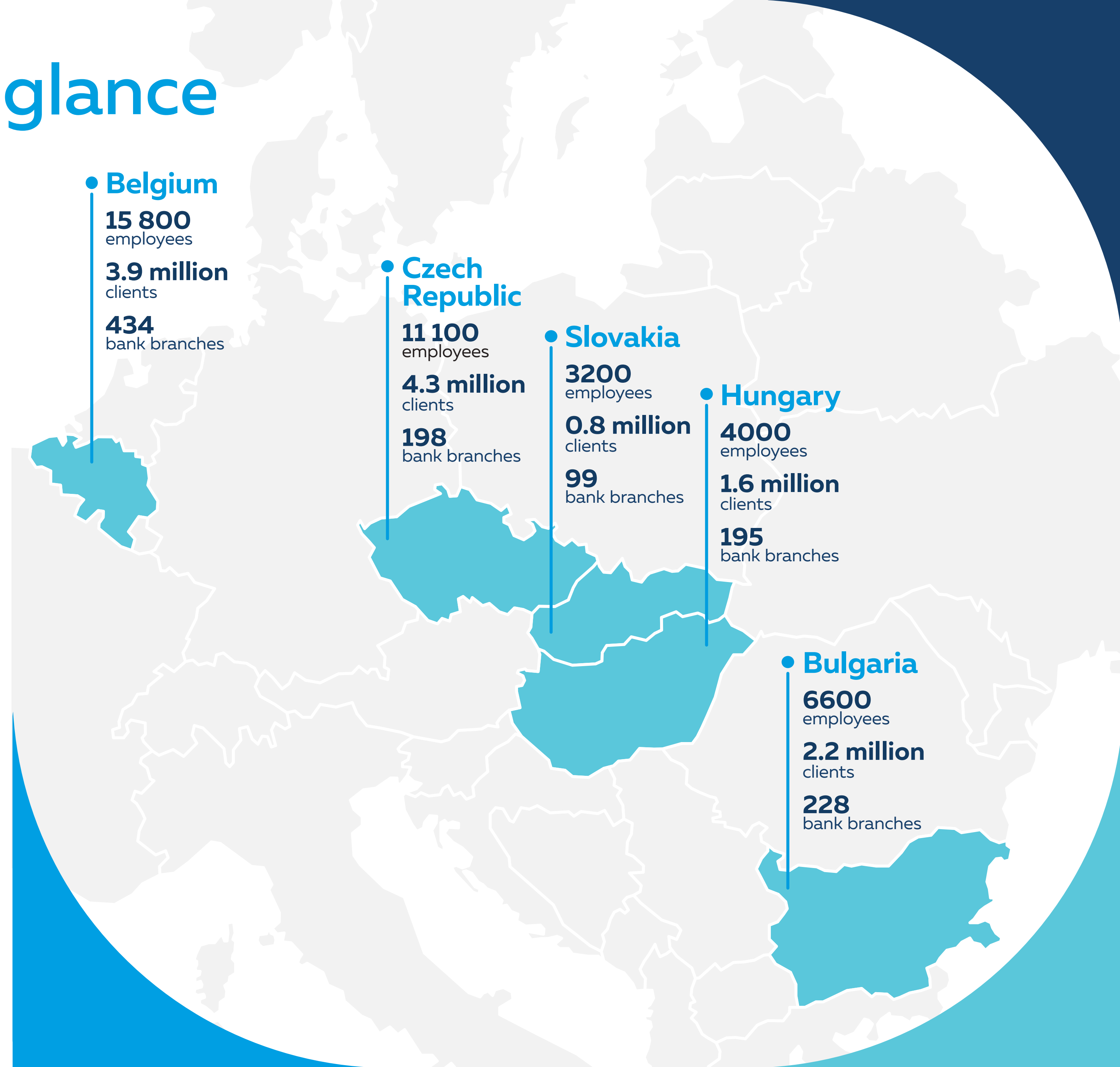
KBC is an integrated bank-insurance group, catering to the needs of our retail, private banking, small and medium-sized enterprises (SMEs) and mid-cap clients. We operate in our core markets of Belgium, Bulgaria, the Czech Republic, Hungary and Slovakia. We also operate to a limited extent in several other countries to support corporate clients from our core markets.

Our goal and ambition

Through our activities, we seek to help our clients achieve and protect their dreams and projects. We aim to serve as the reference for bank-insurance in all our core markets.

**number of employees at year-end 2023, in KBC Group five core countries Belgium, Czech Republic, Hungary, Slovakia and Bulgaria*

***READ MORE – KBC Sustainability report 2023*



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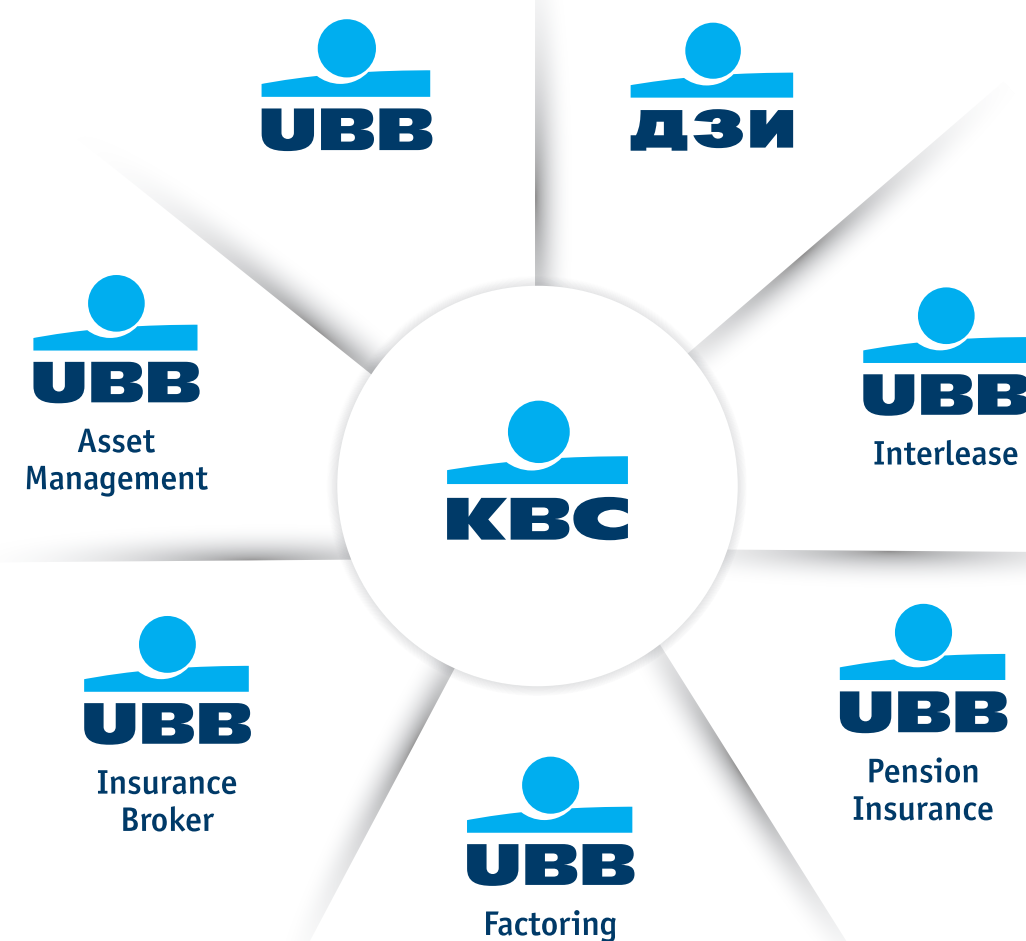
KBC Group in Bulgaria

Who are we?

KBC Group is the biggest investor in the Bulgarian economy. Over the last 15 years of being in Bulgaria, KBC has invested EUR 2.4 billion in the acquisition and development of some of the most significant local companies and projects, among which the consecutive acquisition of DZI, CIBANK, UBB, the Bulgarian operations of NN and of Raiffeisenbank International.

By means of a targeted policy for developing Bulgaria as their core market, both through acquisitions and in an organic way, the local bank of KBC has been constantly growing its market share, by rising from number 9 position in 2007 (CIBANK), going through number 3 position in 2017 (UBB and CIBANK) up to number 1 position, after the merger between UBB and KBC Bank Bulgaria (previously Raiffeisenbank Bulgaria).

The activity of our group in Bulgaria encompasses companies in the banking, insurance, leasing, insurance intermediation, investments management, pension assurance and factoring domains. The companies, part of KBC Group Bulgaria are United Bulgarian Bank, DZI, UBB Interlease, UBB Pension Insurance, UBB Asset Management, UBB Factoring, UBB Insurance Broker.



Fitch Rating

Long-term
IDR rating: **A1***

Short-term
IDR rating: **F1**

Outlook:
Positive

'A-'

*the highest rating
among banks in the
respective country
from 2017 onwards

KBC Group in Bulgaria

228
branches

6600
employees

2.2 million
clients

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Customer engagement dialog

- Strengthening the relationship with our clients through start of the unique for Bulgaria initiative “ESG in Bulgarian Economy. Challenges and opportunities” - series of 8 sector specific workshops supporting companies in their smooth transition to sustainable business model.
- Listening the voice of our business clients via the “SME Business: you can” initiative released in 3 Bulgarian regions with over 250 participants



Climate target setting

- We have set targets for 2030 and 2050 for the most carbon-intensive sectors in our loan portfolio and follow up on the emissions reductions annually.



Own footprint

- Our emissions reduction reached 82% compared to the base year 2015
- 99% of the purchased electricity comes from renewable sources
- 28 charging stations have been built for our own carfleet
- Our Blue forest - 8721 trees planted on area of 17 acres

Sustainable business opportunities



- Support acquisition of the second largest wind farm in Bulgaria with average annual output of 135 GWh
- New “Plug&Go” product - buying of electric vehicle with predefined option for using hybrid vehicle from UBB Interlease fleet in cases of long travels.
- In 2023 UBB has financed 22% of the total newly built PV capacity in the market



Social



Entrepreneurship

- 13 events with 560 entrepreneurs
- UBB Academy NextGEN under Family-Owned Business platform supporting second generation entrepreneurs.
- Supporting the National Competition for Best Youth Startup 2023
- Master class for young entrepreneurs from the Kardzhali region in collaboration with Sofia University
- Partnership with Bulgarian Angels Club



Health

- DZI and Healee – online health consultations
- Partnership for Medical Concierge Service
- DZI Kaksi app
- Partnership with Bulgarian Cycling Federation
- Upgrading and extension of the collection system of a waste-water treatment plant in Plovdiv



Financial literacy

- Handbook to Financial Solutions, Products and Services for Employees
- 11 financial literacy seminars for employees of corporate clients
- Financial literacy program for students in non-economic majors in 7 universities in Bulgaria



Employee engagement

- Sponsorship of PhD in the field of Sustainability
- ESG Academy – two new editions, investing in the professional advancement of stakeholders on the topics of sustainable development.
- Through 2023 our colleagues participated in 26 training courses focusing on Sustainability
- 82% understand why sustainability is integrated part of our strategy



Governance



KBC Group in BG sustainability governance

- Sustainability-related governance structure focusing on the implementation and monitoring the progress of group sustainability policy.



Leadership

- 50% of the members of UBB’s Management Board are women
- In 2023, more than 200 Managers participated in specially designed Pearl+ Leadership Academy with more than 2400 hours in total for 5 modules



Responsible Behavior

- Cyber security – in focus with multiple campaigns for prevention and awareness
- Whistleblowing policy - new reporting tool.
- My Responsible Behaviour Compass – values and ethics that reinforce our engagement with customers and amongst colleagues.



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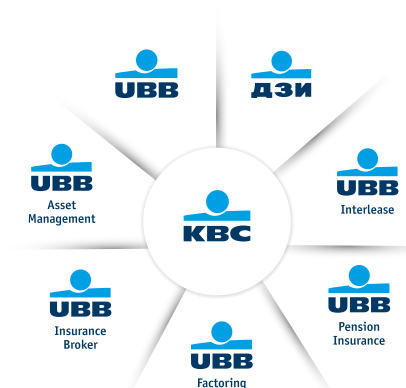
In a nutshell



The long time profitable market leader



Tailored to Private individuals & Corp/SME/Microbusiness



A unique bank-insurance model



Digital first with a Human Touch



Towards a sustainable economy & society

At KBC Group, we aim to strike a fair balance between the expectations of all our stakeholders.

Our strategy aims to create long-term value for customers, shareholders, employees and society as a whole.

We keep a close eye on the world around us to ensure that we are in touch with the changing demands and remain resilient bank-insurance in all our core markets.

The market leader with sustainable growth

Our "F1rst" strategy provides the framework to achieve this ambition:

- We seek a long-term leadership role in financial services in Bulgaria, based on sustainable and profitable growth, which ensures the stability of our business and provides the confidence that stakeholders expect from us
- We offer our customers the fully integrated banking and insurance services of our unique Bank-Insurance model
- We care for our clients and place them at the center of everything we do
- We leverage the full potential of new technologies to provide our customers with more convenient and personalized services, whilst ensuring that they always can benefit from a human-to-human advice when they so desire
- We take our responsibility towards the Bulgarian society seriously and take up our role in the journey towards a sustainable economy
- We conduct our business in line with our PEARL+ culture

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Model

Performance

We aspire to top performance and we sign up to that.

Empowerment

We give a chance to every employee to be creative and to develop his/her talent.

Accountability

We preempt and readily respond to the questions, proposals, contributions and efforts of our clients, colleagues and managers.

Responsiveness

We are personally responsible towards our clients, colleagues, stakeholders and the society.

Local embeddedness

We treat the variety of our teams and our clients as power and we remain close to them.

Pearl+

Our value creation

We continuously work to ensure our behavior reflects our corporate culture values imbedded in PEARL+: Performance, Empowerment, Accountability, Responsiveness, Local embeddedness and (+) adding value by working together and co-creating, locally and with other entities of the KBC Group across national borders.

Focused on People, Culture and Leadership

Our people are our greatest assets, and our ambition is to continuously make UBB a preferred place to work. We believe that investing in growth opportunities of our staff, strengthening our organizational culture and building the 'Team Blue' spirit is the way to attract and retain talent and capture the full value of our employees. Our highly engaged employees are our guarantee that we are progressing in the consistent delivery of our strategy.

Strategy deployment

A structured and well-coordinated approach of strategy deployment is put in place to ensure our successful strategy implementation. The strategy is aligned, approved and monitored by the UBB Management Board & the Country Management team. Strategical dialog cycles are regularly held with deep dives on the key strategic themes, direction and priorities.

87%

of our employees are familiar with the strategical direction of the Group

81%

of our employees strongly believe in the strategy of the Group

We focus on jointly developing solutions, initiatives and ideas within the group

Performance

We aspire to top performance and we sign up to that.

Local embeddedness

We view diversity of our teams and of our clients in the different core markets as a strength and we stay close to our clients.

Empowerment

We offer every employee the chance to develop their creativity and talent.

Responsiveness

We anticipate and respond proactively to the questions, suggestions, contributions and efforts of our clients, colleagues and management.

Accountability

We meet our personal responsibility towards our clients, colleagues, shareholders and society.

Results-driven

We do what we promise, we meet our objectives, we deliver quality and we do so on time and in a cost-effective manner.

Responsive

We anticipate and respond to suggestions and questions spontaneously and positively.

Respectful

We treat people as our equals, we are transparent, we trust them and appreciate them for what they do and who they are.

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In the spotlight

Investing in our people

Building future proof leaders

In 2023 our P1rvi Leadership Academy program was established aiming to systematically invest in leadership – to ensure that our leaders are future-proof and aligned with the strategy. Equipping them with the right skills to do the transition: effective leadership in the context of our values, mastering a way of working in an ever-changing environment, improving our customers' experience, building lean and automated processes and with a clear understanding of the impact of environmental, social and corporate requirements. We set the bar high. Next to building new skills building a culture of responsible behavior remains our focus.

Developing our people

We understand that the first months within the company are really essential and can be a stressful moment for each newcomer. This is the reason to create an onboarding program providing better understanding of our strategy, culture and values, and our expectations for responsible behavior. Additionally, we ensure the smooth preparation for daily responsibilities via specialized academies in different segments such as retail and microbusiness. In 2023 we continue further development of digi and tech skills and the ability to quickly adapt via change management trainings.



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Our sustainability strategy



The United Nations (UN) Sustainable Development Goals* (SDGs) have an important role in forming our sustainability strategy and journey. In this report we highlight the activities of KBC Group in Bulgaria through which we believe in our greatest positive impact. Overall, on group level we have identified five high-impact areas, and these SDGs are more specifically linked to our activities as a bank-insurer.



In Bulgaria we add several more goals to broaden our focus and commitment based on local market needs. Through them we mirror our ESG strategy, we disclose our actions and progress, and we build awareness as no other institution. We are convinced that KBC Group in Bulgaria must be a reference in the Bulgarian sustainability transition and is leading through example.



** The UN Sustainable Development Goals set the global agenda for governments, businesses and civil society on the best ways to address the major sustainable development challenges, such as how to end poverty, protect the planet and ensure prosperity for all. As a financial institution, we have a critical role to play in accomplishing these goals.*

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SDG Pioneer 2023

Each year, UN Global Compact nominates several SDG Pioneers as a part of its 'Making Global Goals Local Business' campaign. SDG pioneers are business leaders who use business as a force for good to advance the SDGs. Through their own companies or by mobilizing other businesses, they are helping to reach one or more SDGs while also contributing to business success.

Peter Roebben, Country Manager of KBC Group in Bulgaria, received this award in 2023. The award is a recognition of the stable and growing strategy on sustainable development of KBC Group in Bulgaria.



I personally believe that we must and can make the transition to a sustainable economy and society. And I am proud that KBC Group carries that same conviction. It is thus only logical that I make sure this is translated into our business here in Bulgaria. We are here to make a positive difference. We should talk the talk...and walk the talk.

In line with our Group's strategy, we are locally focusing most on SDGs where we can have a material impact. Among these, climate action and the transition to a climate-resilient economy currently have the highest priority. Creating sustainable financial solutions for our clients and the larger goal of actively supporting them in their transitions are fundamentally changing the way we do business. Showing a genuine commitment to the SDGs is also an ever more important reason for our – current and future – employees to prefer KBC as an employer in Bulgaria.

We can only pursue our sustainability agenda if everybody is on board. Our ESG Academy allows our employees to acquire the skills needed to help make the change happen in their own job. In bilateral engagements and sector specific workshops we explore the opportunities and challenges of SDGs with our business clients; through that process we can better understand their needs and prepare financial solutions to support them in their journey.

Peter Roebben,
Country Manager of KBC Group in Bulgaria

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Stakeholders' engagement

In UBB we believe that active collaboration with all stakeholders is key to making a significant impact in addressing sustainability-related challenges. As part of KBC Group we have also signed up to various sustainability-related commitments, such as the Principles for Responsible Banking (PRB), the Principles on Responsible Investments (PRI) and the Principles for Sustainable Insurance (PSI). For several years, we have been implementing a proactive approach to social and environmental responsibility to meet the essential challenges of environmental protection, regional development and equal opportunities. We cooperate with national banking, regulatory, academia, media and NGOs on various ESG-related topics.

Being a Sustainability leader means capturing opportunities at the crossroad of regulations, academia, financial institutions, innovation and business.

Impact on society

We ensure that we are able to do business sustainably into the future. Our sustainability strategy consists of three mainsprings: Maximise the positive impact of our products and services on society and the environment. Minimise and avoid any potential negative impacts. Care about and encourage responsible behavior in all our employees.

At KBC Group Bulgaria we pay close attention to the stakeholders in our ecosystem. In line with our company purpose, we have chosen to interact with our stakeholders through an open and constructive dialogue. This listening and interactive approach enables us to anticipate changes in our business lines, constantly improve the quality of our products and services, optimise the management of the risks faced by the Group and design innovative solutions with a positive impact on society.

Contractual stakeholders

Customers

Employees and employee representative bodies

Shareholders

Institutional investors

Suppliers

Strategic stakeholders

Regulatory bodies

Governments and parliamentarians

International organisations

Regional and local authorities

Financial and non-financial ratings agencies

Media

Academia

NGOs

Civil society

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Digitalization is transforming various aspects of our lives. It has many advantages for the society, such as increasing productivity, innovation and efficiency. However, it is important to promote digitalization among various groups of society, so that they are equally enabled to access and use digital technologies that suit their needs, preferences, and abilities.

Digitalization of elder people especially can have positive impacts on their quality of life and social inclusion, as well as on society in general. Thanks to Kate, UBB Mobile's AI assistant, thousands of elderly people can interact with an AI-based digital assistant in a medium they already use and trust, such as our mobile app.

Take for example Ivanka Eneva, 69-old, a retired woman from Pazardzhik, a client of ours for nearly 15 years. Ivanka uses our digital services on a daily basis – with UBB Mobile she transfers and receives money, tracks account transfers, monitors her funds' availability and so on. And she does so without visiting our branches three times in a week, leaving her with more time for the things she truly loves and cares for.

We have 14 600 active clients of UBB Mobile at the age over 65 who are using Kate as their trustful digital assistant.

In the spotlight

- Our ESG strategy is a differentiator for us
- Our people's mindset is changing to support our leadership in ESG
- Our Innovations and products in the field of ESG are one pillar of success
- The opportunities we secure through the use of Financial Instruments will be essential during this process of transformation

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SOFIA UNIVERSITY



ST. KLIMENT
OHRIDSKI
EST. 1888



Membership and cooperation with domestic and international organizations



LIFE



ASSOCIATION OF BULGARIAN INSURERS



CONFEDERATION
OF THE EMPLOYERS
AND INDUSTRIALISTS
IN BULGARIA
THE VOICE OF BULGARIAN BUSINESS



NON-LIFE



ASSOCIATION OF BULGARIAN INSURERS



НАЦИОНАЛНО БЮРО НА БЪЛГАРСКИТЕ
АВТОМОБИЛНИ ЗАСТРАХОВАТЕЛИ
NATIONAL BUREAU OF BULGARIAN
MOTOR INSURERS



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Corporate and Sustainability governance

Sustainability governance

We have embedded our sustainability strategy within every layer of our organisation and in all our core activities. Thus, we have set up our sustainability-related governance structure focusing on the implementation and monitoring the progress of group sustainability policy. We decide on our sustainability strategy at the central level.

Supervisory and management board level responsibility

Board of directors

- Oversees the implementation and progress of KBC's sustainability strategy.
- This includes all ESG-related themes.

Risk and compliance committee

- Closely monitors the management of ESG-related risks that are identified as top risks: climate risk, cyber risk, compliance risk and conduct risk.

Executive committee

- Highest-level decision-making body for sustainability.
- Decides on KBC's sustainability strategy and policies and monitors the group wide implementation of that strategy.
- Granted day-to-day decision-making powers to other relevant committees and senior positions.

Key executives and senior level responsibility

Internal Sustainability Board

- Chaired by the Group CEO
- Executive and senior representation of all our business units, core countries and group services
- Primary forum to discuss ESG-related issues at KBC

Senior General Manager Group Corporate Sustainability

- Leads the Group Corporate Sustainability Division
- Follows-up on ESG-related issues
- Develops and implements the sustainability strategy and policies and reports on this strategy

Sustainable Finance Steering Committee

- Monitors the progress and technical implementation of the Sustainable Finance Programme
- Focuses on KBC's approach to climate action and other environmental themes

Data and Metrics Steering Committee

- Manages the challenges related to climate-related data collection and reporting

CSRD Steering Committee

- Oversees and manages the implementation of the new European reporting legislation CSRD

Local accountability in our core countries

Country Sustainability General Managers

- Communicate on, translate and implement the sustainability strategy in their core countries and business units

Country sustainability departments and sustainability committees

- Support the Country General Managers Sustainability in their responsibilities.
- Steered by local senior management
- Organise the local sustainability teams.

External Sustainability Board

- Consists of external sustainability experts that advise KBC on its sustainability strategy and policies.

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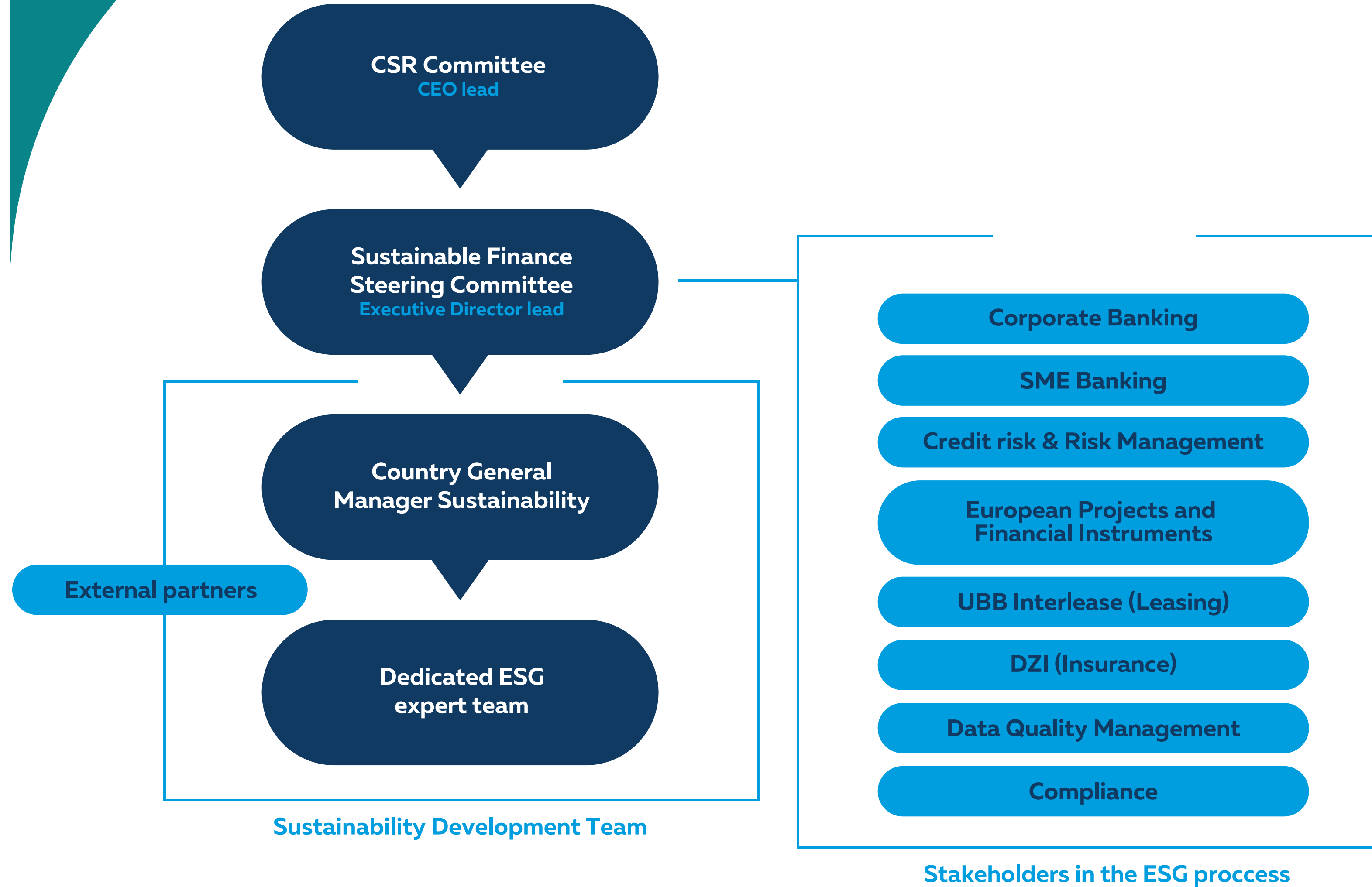
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Sustainability governance within KBC Group in Bulgaria

The overall sustainability for the KBC Group is set by the Group CSR committee. The Country manager of KBC for Bulgaria is a member of this committee.

Local teams in each of the core countries are responsible for implementing the strategy in their local markets. They do this under the supervision of the Country manager/CEO and the management board.

Our Country General Manager Sustainability also has a functional reporting line to the Senior General Manager Group Corporate Sustainability.



KBC Group in Bulgaria Governing bodies and committees

KBC Group in Bulgaria has management structure developed to reflect the business model and KBC Group's strategy and culture:

- Country team for KBC in Bulgaria;
- Management Boards of UBB, DZI, UBB Interlease, and UBB PIC, comprised of CEO, CRO, CFO, COO and board members catering the different client segments.
- Management Board is accountable before the Supervisory Board, under the two-tier managerial structure of the bank
- A dedicated Integration Committee to complete the merger of the banks;
- Strategy, transformation and innovations (STI) team focused on strategic governance, implementation monitoring and reporting.

- Service and control management on CRO, CFO and COO level;
- Special strategic 2-tier governance established both on Group and local level, to oversee the Next Level transformation strategy implementation per strategic pillars. The process is championed by Management Board members and monitored by STI.

50% of the members of UBB's Management Board are women, which is in line with our aim to be a company providing equal gender opportunities.



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Identified risks and mitigation measures

KBC Group in Bulgaria, active in banking, insurance, leasing and asset management, operates in a fast-changing environment and is exposed to a number of industry-specific risks. The financial industry is amid its biggest transition. Having strong risk identification processes in

place is a prerequisite for sound risk management, especially in an environment in constant flux. The cornerstone of UBB's risk management process is therefore 'risk identification', which is key to have a clear view on all the risks UBB is exposed to as a financial institution.



Climate and other environmental risks

UBB developed a local Climate Risk Impact Map.



Political, regulatory and supervisory interference

UBB is addressing in appropriate way all risks triggered by political interference, by being in a continuous connection with the regulators and scanning for any potential political situation.



Credit risk

Caps are in place to limit exposures in Commercial Real Estate and Building & Construction sectors.



Cyber risk

Major projects like implementing Data classification software, Internet gateway, Data Leakage Prevention software, Customer and employee behavior monitoring software, have been successfully completed.



Third-party, process & execution risk

UBB is addressing all risks triggered by the Euro Adoption through the RACEUR Program appropriately.



Abrupt behavioral shifts

Continuous monitoring of the relevant channels, in order to have a real time and vast covering of digital environment.



Compliance risk

UBB ensures to be fully compliant with the law and regulations.



Tech-driven business disruption

UBB is building capabilities through our P1rvi Leadership Program.

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Climate and other environmental risks

Transitioning towards a sustainable economy poses not only physical hazards but also financial risks that can impact both institutions and their clients. ESG risks are considered as key risk drivers of the external environment that manifest themselves through (all) other traditional risk areas, such as credit risk, market risk, technical insurance risk and reputational risk. UBB has identified climate risk as a top risk for 2023, given the increasingly apparent consequences of climate change. To ensure pro-active risk identification, we have already taken several initiatives with range of methodologies and procedures. Incorporating a forward-looking view-point, through our Climate Risk Impact Map we take into account emerging hazards in three-time horizons: short term (1–3 years),

medium term (4–10 years), and long term (over a period of 10 years). As of 2023, we began integrating the map findings into our core risk management processes (e.g., risk appetite). ESG risk signals are regularly reported to the Local Risk Management Committee. We assess the risk impacts of relevant climate risk drivers within our White Paper sectors. Customer dialogues are an essential part of UBB's approach to better understanding how business clients are already dealing or plan to deal with sustainability challenges, and to support them in this transition. We take sustainability and climate-related risks (e.g., greenwashing) into account in our products or services processes.



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Our people

In a nutshell

Our people as the driving force of our organization – TEAM BLUE

In 2023 our main focus continued to be our people and building engaged and united teams by creating a culture of collaboration and open communication. Through shared goals, mutual respect and sense of belonging we created cohesive and high-performing teams that achieved their objectives. 2023 was extra challenging of completing the merger of two banks which poses extra efforts from our people to support our clients smooth transition.

Health and well-being

As part of the integration process in August 2023 we completed the collocation of all employees. Gathering the teams in a single venue fostered more cohesive environment where employees collaborate effectively, share resources and expertise, create mutual goals.

Training and education

Investing in continuous learning and skills development of employees is a strategic imperative for our company. We believe continuous learning and upgrading skills empower our employees into their daily activities.



12,6

average number of trainings per employee for 2023

26

learning courses focused on sustainability



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Diversity and Inclusion

As part of our Diversity Rocks initiative senior leaders of KBC Group hosted different country sessions and shared their view on inclusive leadership and their own experience in navigating the complexities of the topic.

Ouremployeeswereabletoparticipateinthe sessions and learn from experts providing an outside-in and inside-out view on various diversity topics.

Diversity in figures

48%

of management positions are filled by women supporting our perfect gender balance aim.

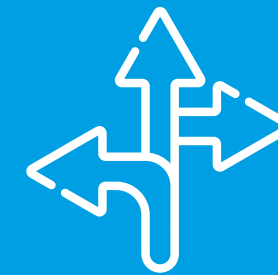
Listening to our people

We listen to our employees' voice as we respect, trust and believe this enhances engagement. As part of our corporate culture, we conduct employee engagement surveys twice per year. The second engagement survey was held in challenging technical context of integration, nevertheless posting an engagement score of 64%.

Social dialog

All employees of UBB have the opportunity to join the Trade Union of Banking Employees (non-profit organization established to regulate labor and social relations between employee and the bank as an employer).

Main figures based on the autumn employee engagement survey results:



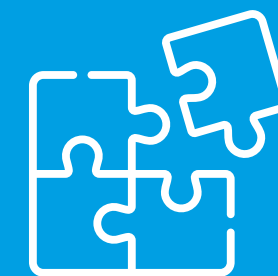
87%

confirm it is clear which strategic direction the company is taking



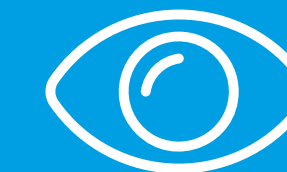
81%

believe in the strategic direction KBC is taking



82%

understand why sustainability is integrated part of our strategy



76%

of employees report that they have seen action from KBC Group regarding sustainability

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Voluntary work, charity and social investing

We care for our people

Via the partnership with the Association United for Charity we provide financial support to employees and/or their families and children in UBB.

In 2023 the following events took place:

- Art Photo Contest "My Fun and Responsible Summer"
- Children summer camp 2023

As a result of our compassion, empathy, and social responsibility, in 2023 105 colleagues in need and their children were supported, with a total collected amount of nearly 250 000 BGN.



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ESG Academy



The successful partnership with Sofia University “St. Kliment Ohridski” continued and we hosted two new editions of the certification program for specialists in sustainable management - “KBC Bulgaria - ESG Academy” in the Spring and Autumn of 2023. 60 employees from UBB, DZI, UBB Interlease, UBB PIC, KBC Asset Management participated. The main goal of the ESG Academy is to educate a new generation of specialists and provide our stakeholders - employees, customers and society with high quality knowledge, services and tailored solutions, aiming to ensure sustainability

and risk management. The ESG Academy, lasting three months, is to contribute to the goals of the Paris Climate Agreement, as well as to prepare the KBC Group companies in Bulgaria for the forthcoming EU regulations by integrating the principles of sustainable development financing. UBB invests long term in the concept of environmental, social and corporate governance and recognizes the added value of raising awareness on the matter. The training on the topics of sustainable business development is fully sponsored by KBC Group in Bulgaria.



**Assoc. Prof. Atanas Georgiev, PhD,
Dean of Faculty of Economics, Sofia University**

The Faculty of Economics of Sofia University is a leader in education for sustainable development and from 2021 proudly partners with the market leader KBC Group in the implementation of KBC Bulgaria ESG Academy. Industry worldwide is oriented towards the development and compliance of ESG practices and standards. There is a large-scale transition for the business, and we need to be well prepared with the relevant knowledge and skills. Training more experts in sustainable development gives us the confidence that the corporate world is aware of the need for ESG transformation and partnership with the academic community. We foresee joint activities related to our Master’s program “Responsible and Sustainable Governance”, to the development of projects and PhD, as well as research on sustainable development topics. I believe that this, as well as other topics such as analysis of big data and its use to help business, will be of common interest in the upcoming years.



**Dimitar Bonev,
Key Accounts SME Relationship Manager, KBC Bulgaria
ESG Academy alumni**

First of all, I would like to express my gratitude to the entire team behind ESG Academy, both from UBB and Sofia University “St. Kliment Ohridski”, to Assoc. Prof. Atanas Georgiev, PhD and especially to Assoc. Prof. Marina Stefanova, PhD. These are the people who truly believe in ESG and thanks to them I had the opportunity to understand what sustainable development is. Thanks to the ESG Academy, I was able to gain insight into the issues, learn about the measures that urgently need to be taken and understand the importance of the short and long-term goals of ESG. After going through the academy, my outlook on sustainability as well as all my beliefs and thoughts on the subject were completely changed. For the first time, I believed in the “mission” of sustainability, the changes that need to be made and the global impact that is desired. I want to express my gratitude to the ESG Academy and its organizers for allowing me to gain insight into the issues and be a part of our ESG community!



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In the spotlight

In 2023 KBC Group in Bulgaria in partnership with the Faculty of Economics of Sofia University provided opportunity for employees to apply for financial support (sponsorship) to conduct scientific research and defend a PhD degree on a topic related to sustainable financing. The sponsorship was provided for three years for PhD studies.

Yuliya Zharova is a Senior Legal Advisor at the Legal Directorate of UBB. Her PhD focuses on legal trends and risks in corporate sustainability. She also studies greenwashing by credit institutions from a legal perspective. Finally, her research focuses on legal challenges to the achievement of ESG compliance in sustainable finance.

ESG is a set of mind, lifestyle and philosophy. ESG is a must for a healthy planet, satisfied people and innovations. It is a journey which is and will be taken by role models. They will then raise it as an innovation and a business driver. I am happy that UBB gave me the opportunity to take a deep dive in the sustainable concept and learn on different ESG aspects daily. I acknowledge that it is an advantage of a highest honour and will do my best to meet the implied expectations. Raising ESG as a standard is a process, it is a long-run exercise. It needs motivation, patience and a character. I believe UBB has it all, which makes me confident that my devotion to the ESG cause will be of help. If I happen to change a single person belief that "someone else will save the Planet" this will worth my efforts. ESG driven conscious will then become the business changer and inevitably contribute to the sustainable ecosystem.

Yuliya Zharova,
Senior Legal Advisor at the Legal
Directorate of UBB



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Events



UBB Vertical Run Marathon – for yet another year, UBB Vertical Run 2023 brought together nearly 300 athletes and non-professionals for vertical running in the UBB Millennium Center. 24 floors up and down, 1012 steps and 190 meters of elevation gain were overcome by the participants in the shortest of time. The race is organized with the goal of motivating more people to use alternative means of transportation and to develop healthy habits.



Run2gether – once more in 2023 more than 20 UBB employees took part in the most successful mini-marathon with a cause in the world – Run2gether, which aims to raise funds to provide more opportunities to young people with different opportunities to participate in adapted training.



Legion Run – in 2023, over 60 UBB employees took part in the Legion Run 2023. An event that, in addition to testing the physical capabilities of the participants, also focuses on teamwork. The goal is for all participants to start together and with a team effort finish together, helping each other.



UBB Games – for the 13th time, UBB organized one of the most anticipated and exciting internal sports events. Over 230 UBB employees took part in three-day competitions in 9 sports.



SurfTalks & Surf O'clock – during the 2023 series of workshops were organized by the Strategy transformation and Innovation team reaching contemporary topics such as – Digital EURO, Agile way of working, Innovation and healthcare, The new electricity – business model made on data. More than 2000 employees participated supported by expert guest lecturers.



For the 11th time in a row, UBB participated in the initiative **“I am proud of my parents’ work”**, organized by the UN Global Compact in Bulgaria. The main goal of the initiative is to help children understand the role of work and creativity as a basis for satisfaction, self-esteem and fulfillment, giving them the opportunity to follow their parents’ work process in the workplace. During the special day on November 1st, over 150 children between the ages of 5 and 13 visited the UBB headquarters. The children took part in various educational and fun activities, including lectures on Sustainability and Cyber Security.

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Our role



We believe that corporate resilience and responsibility is the true way of doing business.

Resilience for us is not just part of a standalone strategy, but it is interwoven in our corporate vision, embedded in its five pillars and in our daily commercial activities. To us it means that we can meet the expectations of all stakeholders, not only today but with an outlook to the future.

We develop our role in society in 5 domains:

Entrepreneurship

Financial literacy

Health

Responsible behavior

Environmental responsibility

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Entrepreneurship

In a nutshell

KBC Group Bulgaria companies promote entrepreneurship, through the different phases of the business life cycle, as we believe it is a key true driver of economic growth and general prosperity.



In 2023, KBC Bulgaria had an impact in the entrepreneur ecosystem in Bulgaria with initiatives reaching over **560 entrepreneurs** (within **7 projects** and **13 events**). This was the result of the joint efforts from KBC Group Bulgaria companies, including our regional structures and head office.

Schools

Master class for young entrepreneurs from the Kardzhali region

National competition "Best youth startup in Bulgaria 2023"

Universities

Master class "ESG in the agricultural sector - innovations, opportunities and challenges"

Start-up phase

Partnership with Business Academy for Starting Entrepreneurs

Development phase

UBB Family business

Facilitating the access to EU subsidies

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Entrepreneurial programs and initiatives

KBC Group in Bulgaria supports entrepreneurs through the lifecycle starting from aspiring young entrepreneurs with initiatives targeting schools and universities. Our initiatives address both capital and other regions in order to facilitate the balanced entrepreneurship development throughout the country.

AGRO Entrepreneurship

UBB Master class on innovations and EU financial instruments for the agriculture sector, part of the MBA "Innovations and digital transformation of the agrobusiness" program of the FEBA, Sofia University was held. Within the master class called "ESG in the agricultural sector - innovations, opportunities and challenges" experts from UBB shared latest tendencies in the agriculture sector development and the opportunities for financing and innovations. More than 35 students and lecturers together with guests from the Academy of Agriculture in Kaunas, Lithuania participated in the event.

In the spotlight

Master class for young entrepreneurs in Kardzhali region

Supporting young entrepreneurship truly matter and in 2023 we continue to develop the young talents. Master class for young entrepreneurs from the Kardzhali region in collaboration with Sofia University "St. Kliment Ohridski" was organized during the summer 2023. The objectives are to encourage youth entrepreneurship and innovative ideas in the Kardzhali region, related to Sustainable Development, Health, Financial and Digital Literacy and Innovation and to increase the entrepreneurial culture (including generating and developing ideas; business planning; marketing, starting one's own business; presenting to investors, etc.). In this event included were Entrepreneurship trainings, Startups' Day, Final pitching mentoring for the selected start-ups with the involvement of local representatives of UBB and DZI. The best startups will be provided with mentoring support for realizing the ideas.

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We continue nurturing the regular business startups as well as ones with high-growth potential. We add value to the development of the business angels' community thus having a positive impact on the entire startup and investment ecosystem.

UBB and Bulgarian Angels Club partnership agreement

UBB and Bulgarian Angels Club (former CEO Angles Club) signed their partnership agreement in 2023. The first joint event was held in November in the UBB headquarters and gave the opportunity to promising start-up companies that focus on a sustainable business model to present their development plans. Three interesting ideas were pitched, and the founders sought support for their implementation from top managers and entrepreneurs, members of the CEO Angels Club, who invest their own funds in start-up companies in exchange for a company share.



BASE - Business Academy for Startup Entrepreneurs

Business Academy for Startup Entrepreneurs (BASE) is one of the programs of ABLE (Association of business leaders and entrepreneurs) – an active community of entrepreneurial young people. BASE is a free training program that follows a simple and highly successful model developed in the USA. Speakers are successful entrepreneurs and professionals who volunteer their time to share their experience and knowledge with approved candidates. For 5th consecutive year UBB representatives participated in the training and evaluation of the projects. Charity bazaars were also organized in the UBB Millennium Center and EXPO 2000 with the participation of the companies from the program and more than 1600 visitors. UBB was the general sponsor of the BASE program for Sofia and a representative from UBB was part of the jury for the final pitching of the 21 startups.

I am happy that we had the opportunity to work with the UBB team on the organization of the first startup event of its kind focused on ESG & fintech. We invited three innovative startups that presented their ideas to not only a special jury composed of top managers, representatives of the bank, but also the entire network of business angels of the Bulgarian Angels Club. I believe that similar projects, building bridges between entrepreneurs and businesses, will contribute to the development of the Bulgarian ecosystem and the development of the economy towards a more sustainable future.

Elena Nikolova,
Community Manager, Bulgarian Angels Club



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We put special attention on the family-owned business and the transition between the generations.

In the spotlight

Family-Owned Business

Family Owned Business is a platform focused on supporting the successful transition and preparing entrepreneurs for the new challenges.

UBB Academy Next GEN starts in 2023 as part of the program "UBB Family Business-Generations of Success", dedicated to UBB's family client companies and aimed at young entrepreneurs – second generation successors of prosper family businesses. The format aims to create a space for sharing ideas and good practices, as well as to draw on experience from already established successful examples. Participants have the opportunity to meet with representatives of the next generation from other countries in the KBC Group and visit family companies abroad. The program includes workshops on different topics – Growth Strategies and Corporate Governance, Sustainability, Risk management, Human resources and talent management, Leadership. In each of the modules there is a section "Let's peek into the "kitchen" of...", which presents the example of a successful entrepreneur or representative of a large international company, as well as their advice and guidance to the next generation in business on a specific topic.

In 2023 we have launched a special video production project – UBB & STORiO where the successful new generation shares their inspiring stories.



I would like to express my gratitude for the outstanding organization, the carefully selected topics and guests, and for the opportunity to participate in the UBB Academy NextGEN 2023. My participation in this initiative proved to be extremely valuable as it provided me with the opportunity to gain new knowledge, ideas and establish useful contacts. This experience not only enriched my professional path, but also gave me inspiration and motivation for future endeavors. I would like to thank the organizers for their tireless effort and for creating a truly stimulating environment for creative ideas.



Ivelin Panchov,
Business Development Manager,
Medina-Med
son of the founder of the
company Mr. Ivan Panchov

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Thanks to the successful partnerships with European and national financial institutions UBB continued to support the development of SMEs in Bulgaria. Loans were successfully offered under the COSME, COSME-Start up, JEREMIE TF, FMFIB, Invest EU Competitiveness, Invest EU Sustainability, NGF-7. UBB is the first bank to sign agreement under InvestEU in Bulgaria and it also signed an agreement with EIB for a guarantee for large corporate clients.

For 2023, UBB had 1582 new transactions with financial instruments with a total value of EUR 338 million. UBB Interlease had 122 new transactions with financial instruments for EUR 13 million.

In February 2023, Styronit Green Insulation JSC entered into a credit agreement with UBB for the following purpose: building of construction and purchase a product line for the production of dry plaster from environmentally friendly raw materials implemented in the village of Tsalapitsa, Plovdiv region. The investment was realized with the assistance of the UBB team, which made it possible to use the COSME guarantee instrument, thanks to financial credit terms were relaxed. The use of the guarantee instrument was extremely easy and fast and the whole process was managed by the UBB team for which I thank you!

Todor Ivandzhikov,
*Chairman of the Management Board
Styronit Green Insulation JSC*



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Financial Literacy

In a nutshell



With focus on society, we proactively use our professional knowledge and expertise to support the work of Financial Industry organizations; Professional associations, Government and regulator working groups focused on new legislation, codification of practices and digitalization in financial services. With focus on our customers, we educate them to understand, plan, navigate and control their financial present and future via webinars, tutorials, digital tools, advisory services. And with focus on employees, we enhance the opportunities with customised employee benefits programs and engage them by voluntary work in educational, academic and mentoring activities.

We help specific population groups to be better equipped to make well informed financial decisions.

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Financial Literacy initiatives

Employee Benefit Guide

In 2022, three of KBC Group companies in Bulgaria (UBB, DZI and UBB PIC) carried out a nation-wide survey on the benefits that employers provide to their employees.

Based on this research, in 2023 a Guide to Financial Solutions, Products and Services for Employees was compiled. The Guide is targeted at HR directors and managers of companies and aims to provide them with additional information related to the survey, as well as information on the opportunities provided by the banking, insurance, and pension systems for different types of employee-related financial solutions in these companies.

It was first presented at the Bulgarian People Management Association's Fall Session held in October 2023, and has been distributed to a number of HR directors and managers of companies in the country.

Our company practice is to periodically review and evaluate the benefits package we provide to our employees. In this respect, the "Financial Solutions, Products and Services for Employees" guide, developed by KBC Bulgaria, has helped us a lot to get an even better insight into the attitudes of employees in different-sized companies in Bulgaria regarding the financial products and services they would prefer. The availability of an electronic version of the guide makes its use accessible from different locations.

Zdravka Georgieva,
HR Manager, Ciela Norma



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Financial literacy program for students in non-economic majors in 7 universities in the country

In 2023 UBB Pensions and Junior Achievement Bulgaria joint forces for a new 5-year program period of the financial literacy program for students in non-economic majors. The program is run by Junior Achievement Bulgaria and prof. Daniela Bobeva from The Institute of Economic Research at the Bulgarian Academy of Sciences and is supported by UBB Pensions.

The focus of this project is to create educational opportunities in personal finance. UBB Pensions and JA Bulgaria are driven by the understanding that managing personal finance is a major functional competence and has a strong impact on the quality of life of young people. The financial literacy program is designed for students in non-economic majors and is running in seven universities around the country.

Under the program a new edition of the textbook "Personal Finance: The Third Revolution" was published.



We are inspired to collaborate with KBC Group on our project 'FinIQ: Enhancing Financial Literacy of Non-Economics Students.' This partnership represents a significant step forward in equipping university students with crucial financial knowledge and skills. Through 'FinIQ,' students from diverse academic backgrounds gain essential tools to navigate personal finances effectively, setting them on a path towards financial responsibility early in their careers. A key component of this initiative is the meticulously designed textbook, which facilitates rapid and comprehensive learning, ensuring students grasp complex financial concepts with ease. We extend our heartfelt thanks to KBC Group for their invaluable support, as together, we empower the next generation to achieve financial stability and success."

Irina Ilieva,
CEO, Junior Achievement Bulgaria



The financial literacy education needs a long-term support, and what unites us with JA Bulgaria and Prof. Bobeva in this context is not only the presentation of the new edition of the textbook "Personal Finance: The Third Revolution", but also the official start of the new program period, focused on students in non-economic majors in a number of universities in the country. The new textbook is really great and, yes, there is a lot of literature and content, created in this field, but none of them is focused on the local market and is so specific about the local context.

Prof. Krasimir Marinov,
Co-author of the textbook
"Personal Finance: The Third Revolution"

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Responsible investing

The continuous development of financial products and services and their digitisation gives rise to the need of adequate knowledge and skills of target audiences. UBB Asset Management is focused on increase of the financial literacy in the target segments so that they can learn and understand investment options and make confident and informed decisions.

For this purpose, UBB Asset Management develops and maintains a social media platform "Spesti.LI?" on Facebook and Instagram. It is designed to help clients access useful and practical content about the meaning of complex financial terminology, told in accessible language. The content includes color infographics and short videos, which are part of a rubric known as "UBBuchi se". The educational video series on average reaches 50 000 unique users in the first month of publication.

In 2023, several episodes of "Money with a Future" podcast for beginner investors were broadcasted. The podcasts aim to introduce the general audience to the ways investments could work for them. UBB Asset Management's financial specialists discuss trending topics for investors. Each of the podcasts were listened to by an average of 6000 listeners.



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In a nutshell



Part of the corporate social responsibility policy of KBC Group in Bulgaria is to promote healthy lifestyle by value propositions to employees, customers and society.

We support our clients and employees to improve their health and life receiving valuable information and tips on how to be more active, how to take care of their mental health, and try to focus their attention to prevention but not only to treatment of disease.

We develop Well-being programmes for our employees with focus on mental health, offering options for psychological support.

Our approach towards society is built upon already established and well-branded initiatives:

General partnership of the Bulgarian Cycling Federation

The annual partnership with the Federation is making DZI and KBC Group in Bulgaria to stand out with its commitment to healthy lifestyle and environmentally friendly transportation.

New digital solutions - Health app by DZI.

DZI is focused on providing to our Clients fast and high-quality individual service.

**We seek to build
an ecosystem
that supports
customers and staff
in their search for a
healthy lifestyle.**

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Health improvement digital solutions

In Bulgaria, DZI offers 'Kaksi': a mobile application that aims to motivate its users to live healthier. The app can hold the digital health card information of DZI's clients. They can also use the app to claim their healthcare costs, book medical services or online consultations, and access information about the availability and prices of medication. Through gamification and rewards, the app encourages its users to live a healthier and more active lifestyle. The app has been installed over 30 000 times with almost 10 000 active users per month. It offers integration with SuperDoc.bg (the biggest E2E innovative online doctor appointment booking platform in Bulgaria) which allows for easy and quick appointment booking online, while checking ratings and reviews of doctors. The synergy of digital healthcare and insurance allows our clients to proactively manage their health and take timely action on potential medical issues.



DZI and Healee offer fully digital platform for online consulting – Telemedicine, which provide broad range of services to our clients:

- Comprehensive Remote Medical Care – online medical consultations directly from the comfort of home or office.
- Wide Range of Medical Services – access to a broad spectrum of specialists for all healthcare needs.
- High Technological Standards – Through the Healee mobile app, medical documentation, streamlining the diagnostic and treatment process could be scanned and shared.
- Easy Activation and Management – every insured individual receives a DZI voucher for an online consultation, easily activated through personal registration in the app.
- Transparency and Security – high standards for data protection and confidentiality.

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Partnership for Medical Service

In December 2023, DZI announced the extension of its partnership with Lozenets University Hospital. According to the new agreement, the applicants for mortgage and consumer loans, who need to pass through medical examination will receive exclusive VIP service in Lozenets Medical center. In the new process the organization of the examinations is arranged by the medical center in the most effective way in order to limit the time spend by the client as much as possible.

DZI is exploring and plan to extend the VIP service provided to our clients in the other big cities like Varna, Plovdiv and Burgas.

Following this tendence, DZI released its pilot partnership for Medical Concierge Service with Vita diagnostic-consultative center where our clients will be greeted and assisted during their visit.

The DZI Concierge will assist with:

- Information for medical specialists;
- Booking of medical examinations;
- Coordinating with assigned additional examination, including highly specialized examinations and treatments;
- Support the clients visit to the Doctor's office;
- Assistance in case of need for coordination with the Health Contact Center of DZI.

The insured can contact the Concierge at any time during their stay in the medical facility.



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Health and longevity campaigns and investments

UBB financed the upgrading and extension of the collection system of a wastewater treatment plant in Plovdiv, Bulgaria's second largest city. The project aims to protect public health and the environment from water pollution and to develop solutions for wastewater collection

and treatment. These goals are balanced to safeguard the financial and operational viability of the water company. Potential environmental and social risks of this project financing are determined, assessed and managed according to the Equator Principles.



All KBC core countries are continuously working to improve the accessibility of their services. Our user experience experts do so by involving clients with a disability in their research. This gives the experts better insights into visual impairments and the prob-

lems our clients face when using digital applications. We recently improved color-contrast ratios in our digital applications and websites. In all new product developments, accessibility needs to be considered. It is embedded in our project lifecycle.

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Partnership with Bulgarian Cycling Federation – for healthy lifestyle!

“Clean air depends on each one of us, because together we can set an example to the children by getting out of the cars and trying alternative mobility in the urban environment.”

In April 2023, a bicycle tour “Together for cleaner air”: a cross country and a sports festival for the youngest took place in Sofia. The event was organized by “Sofia - European Capital of Sports” and Sofia Municipality and was supported by DZI. Over 200 children participated in fun and demonstration tours of the South Park alleys. There was a competition for the most beautiful bike and a drawing workshop on the theme - “My dream bike”. And yes, clean air depends on each one of us, because together we can set an example to the children by getting out of the cars and trying alternative mobility in the urban environment.

In the summer of 2023, the Bulgarian Cycling Federation (BFC) and DZI organized the 70th International Cycling Tour of Bulgaria (the fourth oldest cycling tour in Europe), thus continuing their long-term partnership. 21 teams from 28 countries passed almost 600 km in 5 phases for 6 days. Cycling happenings were organized for the local communities to promote DZI’s cause for bringing cycling beyond the scope of professional sport, making it a lifestyle for kids and families. DZI also supported the Cycling Festival in Sofia, held for the second consecutive year following the initiative of “Sofia - European Capital of Sports” program where professionals and amateurs race together in individual categories. International teams from Serbia, Greece and North Macedonia also participated.



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Responsible behavior

In a nutshell



Winning and retaining our stakeholders' trust is the foundation of our "social license to operate" principle. We are convinced that only by acting in a responsible and ethical way we can grow. We believe competence, open communication and individual integrity are the milestones of the trust we want to maintain. And exactly the trust of our stakeholders is the foundation of our continuing existence.

In order to win and retain our stakeholders' trust we continuously demonstrate that:

- We know our business (professionalism and competence);
- We are transparent in our communications (we provide clear, fair and not misleading information);
- We do what we say (we keep our promises and act with integrity);
- We aim for win-win relationships (we genuinely care about the interests of our customers).

Responsible behavior is the basic layer of sustainability at UBB and is considered as absolutely necessary to successfully implement an effective and credible sustainability strategy. The basic principles of responsible behavior are embedded into our PEARL+ values of Respect for our clients, colleagues, society and UBB itself, together with our Responsive and Result-driven spirit. In order to achieve the right balance between the interest of the company, the customers and the employees we have embedded clear standards and KPIs related to responsible behavior. Our ambitions started from within though regular staff trainings focused on dilemma discussions. As a next stage to raise awareness we created a Retail Academy, which dedicates a whole on-site lecture on responsible behavior for the new employees.

**We develop
and embed clear
standards to strike
the right balance
between the interest
of the company, the
customer, employees
and society as
a whole.**

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In the spotlight

Responsible behavior culture

We are focused on delivering the right results.

We strive to be respectful and responsible for the needs of our customers and colleagues by responding promptly.

We are building a responsible behavior culture from within the company by incorporating the key principles in our daily tasks.

We are conducting various trainings to further strengthen the responsible behavior culture among UBB employees

We aim to offer the best products and services to our customers to meet their needs.

Accountability

Each employee is accountable for living up to the values on responsible behavior. Our principles are identified in the "My Responsible Behavior Compass" guidelines where we set out expectations regarding the values that underpin our engagement with customers and amongst colleagues. We develop and embed clear standards to strike the right balance between the interest of the company, the customer, employees and society.

RAISING AWARENESS through

Awareness training

Responsible behavior is an integral part of the onboarding program for new employees. Follow-up sessions are held periodically with the aim to complement and enhance the understanding of the concept of responsible behavior.

Dilemma training

It is the core responsibility of senior managers to support employees in making the right choices for themselves and for their teams. Every employee in the KBC entities in Bulgaria is encouraged to speak and point out any dilemma that he/ she perceives. Managers are trained how to discuss complex decisions or dilemmas with their staff.

Business Ethics and Wistleblowing policy

We strictly follow our corporate policies to ensure ethical business, ethical behavior, openness, transparency, discretion and privacy. The entities in KBC Bulgaria expect their employees and contractual partners to follow the terms of their contracts in a loyal, co-operative manner and in a good faith. KBC Bulgaria's entities want to create and foster a corporate culture marked by honesty and openness, where any person to report potential breaches causing financial or reputational loss in the earliest possible stages. We have a global Whistleblowing policy and procedures in place and in 2023, as part of a group-wide initiative, we launched a new reporting tool in observance of the requirements of the new legislation on the protection of whistleblowers. This tool allows employees to report all forms of misconduct, including discrimination and retaliation against employer.

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Human rights

Since 2016, KBC Group has been committed to the UN Global Compact Corporate Responsibility initiative and its principles of human rights, labour, the environment and anti-corruption.

KBC Group entities in Belgium are committed to respecting human rights, in accordance with the guidelines of the UN Guiding Principles on Business and Human Rights and the Organisation for Economic Cooperation and Development (OECD). It is one of our responsibilities to reduce any potentially negative impact on society through our indirect activities.

In addition, KBC has signed the Gender Diversity in Finance charter, became a member of Women in Finance, and signed the Women Empowerment Principles.



Our value chain

Suppliers are important stakeholders, and we want them to integrate social, ethical and environmental criteria into their policies. Our stringent rules and frameworks for procurement, sale and subcontracting activities with suppliers are outlined in the 'KBC Code of Conduct for Suppliers'. Where applicable, an obligatory Environmental Preservation clause is always included in the contracts.



Data protection and privacy

Compliance with the General Data Protection Regulation (GDPR) and respecting the privacy of all stakeholders is an integral part of our profession as a bank-insurer. To maintain our stakeholders' trust, we process personal data in a lawful and transparent manner and take appropriate measures in order to be compliant with the data protection legislation and regulations.

We adhere to the following data protection principles:

- Purpose limitation: using the data only for the purpose for which they are collected;
- Data minimisation: not collecting more data than is necessary for the respective service;
- Transparency: being transparent about the data collected and used
- Storage limitation principle: destroying the data after expiration of the retention period.



Anti-money laundering and other financial crimes

Money laundering is a problem which financial institutions are tackling across the globe. To fulfil our role as a trustworthy bank-insurer, we set up a general Anti-Money Laundering policy to counteract money laundering and the funding of terrorism. A new AI platform for monitoring was developed in-house. Our senior managers and employees receive regular training on their duties with respect to anti-money laundering including real case studies.

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Cyber security and risks

Cyber risk and information security are one of the key components to provide quality, safe and cyber resilient services to our clients.

In current geopolitical situation there are a lot of challenges, especially when the clients and key services are exposed to Internet with different technologies used in a complex infrastructure.

The biggest threats are the organized hackers' groups, combining significant knowledge and motivation. Most of them are also with a solid financial support and backed up by nation states.

In situations like this, our information security team strive to have very flexible organization, motivated and knowledgeable

members and full support from the management board and all stakeholders.

The main focus is to protect our clients from malicious activities, using the combination of modern technologies and focus on awareness and continuous improvement.

On the other hand, all assets and processes that support client services are regularly evaluated, challenged and improved against existing and new threats. Using a risk-based approach, we are focusing our efforts with maximum efficiency and risk mitigation.

Security operations are also supported by group-wide Competence Centre for Information Risk Management. This approach guarantees the speed, flexibility and resources to manage all types of crisis related to cyber and security incidents.

In the spotlight

October 2023 - Cybersecurity Awareness Month.

It is an annual global event dedicated to raising cybersecurity awareness and education among individuals, organizations and governments. This month, cybersecurity experts are training people around the world to navigate the digital chaos safely. KBC Group is hosting number of events and initiatives this month to raise awareness of the ever-increasing challenges, opportunities and dangers in the digital world.

KBC Group CERT, the cybersecurity and response team of KBC Group contribute to increasing knowledge and awareness by organizing 4 presentations. The themes are Cyberwarfare, From losing vacation photos to destroying multinationals: a brief history of cybercrime, Cyber: moving target, Cyber Threat Landscape.

In addition, we organize info sessions and campaigns to create awareness among our clients of cyber risks. This includes phishing tests, smishing and vishing, how to protect their computer systems against online threats and general tips on how to act in cybersecure ways. We also continue to increase the awareness among our employees and perform group-wide phishing tests.

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Environmental Responsibility

In a nutshell

We aim to evolve the financial system so that it incorporates the value of nature and contributes to preserving the ecosystems and society.

KBC Group in Bulgaria is naturally in tune with the major economic, social and environmental challenges that mark our present and future. All these are analyzed by our teams and partners, and we mobilise all of our expertise and resources to address them.

In 2023 again we take an active role in increasing the sustainability awareness and sense of climate urgency in Bulgaria, taking specific steps to deliver change and showing high level of transparency.

Through transforming our lending and investment activities we help our customers to support the transition to a sustainable economy.

We raise the awareness and engage society by provoking honest dialogs, build partnerships, feel the pulse of the employees, and openly demonstrating our stand in front of all our stakeholders.

In the heart of our sustainability journey is a profound belief in the power of partnership and connection with our clients. We transform our lending and investment activities and help our customers to support the transition to a sustainable economy. It's not just about being a bank; it's about being a trusted companion on the path towards a more sustainable world.

UBB's focus over the past year has been on environmental and climate risks, biodiversity, and circular economy as a priority, following both the ECB guidelines and the Group's commitment to the Collective Commitment for Climate Action (CCCA). UBB as part of KBC Group is a member of the UN Global Compact Network, we are committed to the Principles for Responsible Banking (PRB), and from the end of 2022 we are also supporting The Science Based Targets initiative (SBTi).



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Our own footprint

We aim to reduce the direct environmental impact from our own operations. To this end, we have been measuring our direct, groupwide emissions since 2015. Since that time, we have put targets in place for reducing our direct environmental footprint.

The share of green electricity consumption for KBC Group in Bulgaria continues to grow - currently 99% of the purchased electricity comes from renewable sources. In 2023, we managed to join UBB PIC to the companies that use 100% green electricity.

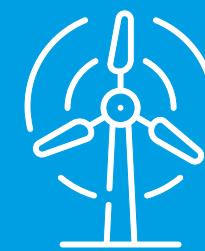
We continue to successfully implement our car fleet renewal strategy - in 2023 we replaced our own car fleet with 47 electric and 23 hybrid vehicles. This means that we are at 24% fulfilment of our target of reaching 70% fleet electrification of the whole car fleet.

Meanwhile, we started building a system of charging stations for our electric cars. The charging stations will be built in many points of the country near our branches and offices - they will be used by both our employees and our customers. Currently, 28 charging stations have been built and installed in Sofia city - at UBB Millennium Center and DZI Sofia North, 1 in the city of Montana - at the Head Agency of DZI and 1 in the city of Varna - at DZI Business Center.

The branch of KBC (Time Center) in Sofia became the next company to be certified according to the international environmental management system - ISO 14001. The benefits of the certification are related to the reduction of waste and pollution, as well as the efficient use of resources - electricity, water, gas, etc.

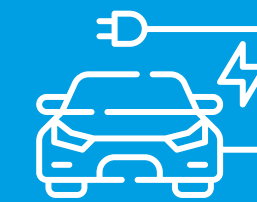
Environmental responsibility

Highlights of 2023



99%

of the purchased electricity in KBC Group comes from renewable sources



KBC Group car fleet consists of

47

electric vehicles

23

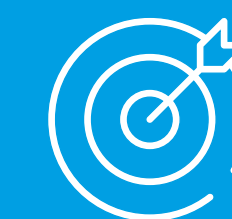
hybrid vehicles



Since 2023 UBB PIC uses

100%

green energy



reached

24%

of target of

70%

car fleet electrification



28

charging stations have been build

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Sustainable finance program

The focus of our Sustainable Finance Program is on our indirect environmental impact.

Through it in 2023, UBB continued to work actively on the identified main pathways:

- setting targets, measuring, collecting and reporting on financed sectors' emissions data;
- preparing and updating the so-called White Papers;
- expert documents for assessing the development of carbon-intensive sectors in our portfolio;
- developing and tracking banking products and services related to sustainability and green business solutions, validating sustainable activities;

- monitoring and analyzing the impact of our own and client activities on biodiversity;
- supply chain research on specific sectors;
- analysis of the business impact of adverse weather events;
- development of innovative digital solutions;

By the end of the year, the program had been successfully finalized with reported targets completed.

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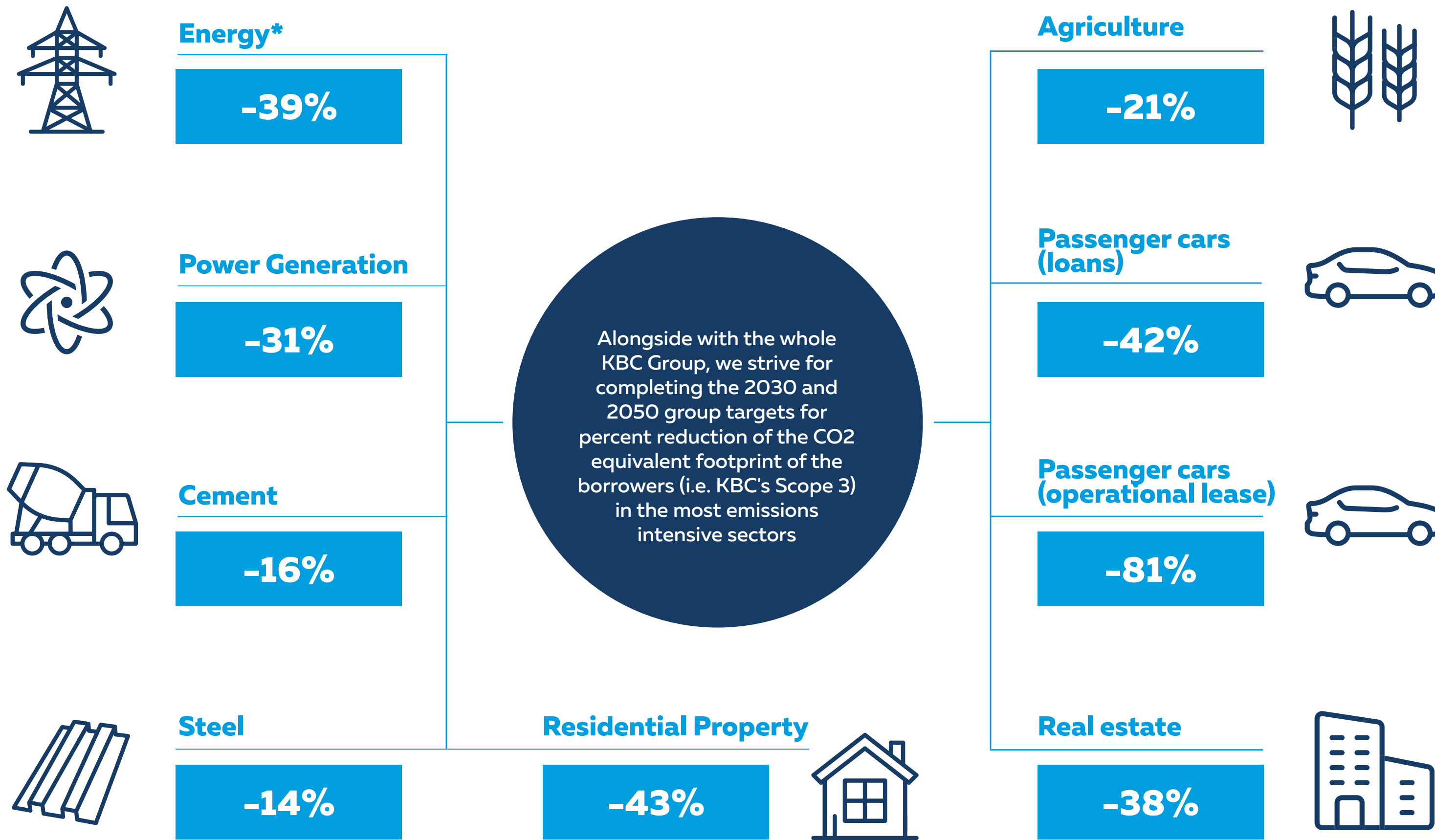
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Sustainability portfolio

UBB and UBB Interlease have annual targets for partial reduction, which have been strictly monitored.

You can find detailed information about the KBC Group targets [here](#).



KBC Group contributes to the decarbonisation of the energy sector by increasingly limiting its exposure to fossil fuels. The direct coal exposure in our loan portfolio was reduced to zero as early as 2021, in line with our commitments. From 2021, KBC also stopped financing the exploration and extraction of all new oil and gasfields. In addition, vertically integrated energy companies that operate in the field of oil and gas extraction are subjected to additional requirements. For our energy portfolio in Bulgaria the Bank has set a target of 75% share of new business for renewables employing our dedicated product for photovoltaics as well as large projects financing. To support the transformation of the energy mix UBB provides also value-added services to our clients through the Advisory Hub with specialised advisors in the field of energy.

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White Papers

Within the framework of our Sustainable Finance Program, again in 2023, we are performing assessment of the sectors from our portfolio, identified as being ones with the largest climate impact. Based on that assessment we're preparing the expert White Papers – strategic documents containing policies and key trends related to sustainability.

The White Papers include all climate-relevant information for the specific sector or product line concerned: the trends we observe, the risks we identify and expect, the technological changes and innovations to be faced, all relevant European and local regulations, targets we should set to align our portfolios with applicable climate scenarios.

All White Paper analyses focus on our credit business, advisory services and insurance activities.

In 2023, we broadened our focus by adding a White Paper on the Aviation sector, as well as including even more environmental objectives in the scope of our analyses, such as the sustainable use and conservation of water and ma-

rine resources, the transition to a circular economy, pollution prevention and control, biodiversity and ecosystem conservation and restoration. New international regulations were added and updated, as well as the methods for achieving the sectoral objectives.

The governing bodies of the KBC Group on local and group level closely monitor and approve actions and targets determined in the White Papers.

White Paper sectors

Energy

Transport

Agriculture

Building and construction

Commercial real estate

Residential Real estate

Metals

Chemicals

Food and beverages

Aviation

White Papers analyses

Identifying opportunities

Navigate (UBB and clients) in positive direction

Alternative & affordable energy sources

Use of Green hydrogen

Bioenergy from agri-food waste

Bio-based building materials

Innovative extraction of rare earth metals

Implementing mechanical and chemical recycling techniques

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Successful projects examples for the White Papers sectors

Energy



- UBB and ČSOB Czech Republic successfully closed the financing of the building of two solar power plants in the Southern part of Bulgaria. This project is a good example of cross-border cooperation between KBC entities in the financing of renewable resources. Together, the two power plants will have a total installed capacity of 26 MWp and will generate 41 000 MWh annually. They will supply approximately 130 households with renewable energy. The potential environmental and social risks of this project are determined, assessed and managed according to the Equator Principles.



- In September 2023 UBB extend its renewable energy portfolio with EUR 40 million, supporting acquisition of the second largest wind farm in Bulgaria. Located in Kazanluk municipality with total installed capacity 72.5 MW the wind farm has an average annual output of 135 GWh.

Metals



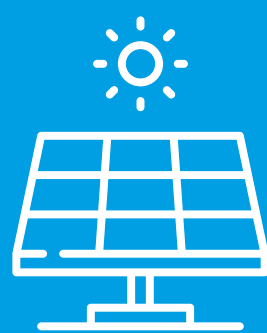
- Largest aluminium producer to shift renewable energy in Bulgaria ALCOMET JSC is one of the largest manufacturers of aluminium rolled and extruded products in Bulgaria. In 2023, UBB granted an investment loan to ALCOMET for the installation of solar panels in the company's production facilities. The total capacity of these solar panels is 2.1 MW. The loan will therefore help to reduce Alcomet's Scope 2 carbon footprint.

Transport



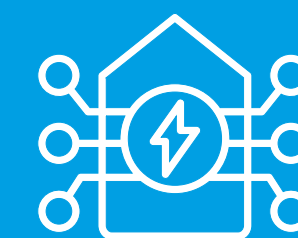
- UBB Interlease introduced new products specifically addressing electric vehicles. These products include a.o. specific additional insurance coverage for electric vehicles (e.g. road assistance in case of battery depletion and electric vehicle replacement solutions).

In 2023 UBB has financed:



22%

of the total newly built PV capacity in the market



305

RES projects for **457 million BGN**

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Digital solutions and Advisory services

Sustainability-related Advisory Hub

Comprehensive partnership program for advisory services

The banks are playing important role in the transition to sustainable economy.

Customer engagement is essential part of our group values, and we stand next to our clients when they need support to start their journey toward sustainability.

Through our Sustainability related Advisory Hub – 24 business leaders from 5 main areas share know-how and provide non-financial support, bringing useful analysis, insights and networks as external partners.

The experts provide extra knowledge to clients who are making first steps on the way of transforming the business and thus, we're advancing in sustainability enabling economic growth.

This consultancy hub will be further developed and deployed in the coming year as expert support for businesses.



NIK is a company that has been automating agriculture in Bulgaria for 21 years. We are delighted to have innovative partners in UBB and UBB Interlease who are boldly opening up new opportunities for farmers. The financing of the first autonomous robot in Bulgaria, which completely replaces the tractor on the farm, is just such an example. We believe that we are yet to expand our joint initiatives in support of sustainable farming practices, as Bulgaria is the first EU country with a ready legal framework for the application of drones in spraying and fertilising.

Ivo Kumanov,
CEO,
NIK



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UBB Agro Carbon Emissions Calculator

First digital tool for sustainability in the Agri sector

In collaboration with the Institute for Agricultural Economics, UBB has created a digital instrument to calculate the carbon emissions of agricultural producers and generate a report, which is available on the bank's website. Calculations can be made for 28 subsectors in agriculture and livestock, with plans to add 2 more subsectors in 2024. In addition to the Calculated Emissions Report, to address emerging challenges and to help farmers, UBB has built on the project by establishing a Partnership Program with companies to expertly support farms through the transition to precision and efficient agriculture.

The main purpose of this calculator is to spark interest in more in-depth analysis from the customer, while the data collected can be used to calculate the bank's financed emissions.



Моето стопанство:



Продължи и попълни информация

Растениевъдство



We very much welcome the approach and attention that UBB is giving to the social benefits and contributions of its presence and work in the country. This public role can be witnessed by ourselves at the Institute of Agricultural Economics of the SAA, which for almost 5 years now has implemented numerous joint initiatives and projects. As a public research institution, our mission is to help enhanced the scientific and the functional economic development of the country's native agriculture and rural areas. Therefore the cooperation with UBB is of great importance for us. It provide closer look to practical and real cases in the agricultural system, but also help us to have an additional criterion to illuminate the relevance and applicability of scientific knowledge in real life. Our cooperation with UBB is a recognition for us, we are satisfied that we continue to be in demand, and it is undeniable that expanding the interaction between the business and the scientific institutions is the way to create more innovation and therefore a prerequisite for a better social environment

**Bozhidar Ivanov, Researcher, PhD
Director of the Institute of Agricultural Economics**



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Initiatives

UBB continues to play vital role in stakeholders dialogue, making proactive contacts with our customers. Through creating a genuine connection, we not only gather the necessary sustainability data, but also aim to identify the challenges that customers are facing so that we can offer the right solutions and products to overcome the issues and achieve business transformation goals.

Sector specific conferences “ESG in Bulgarian Economy. Challenges and opportunities”

In 2023, within the framework of the first-of-its-kind expert forum under the “UBB and 24 Chasa for Sustainable Future project”, UBB was the only bank in Bulgaria who’ve started

a series of unique sector specific conferences dedicated to detail analyses of the ESG challenges and opportunities the business is facing. The first two events dedicated to specific sector ESG and investment needs, targeted the Agriculture and Transport sectors and gave the start of 8 consecutive conferences aimed at informing and supporting companies in their smooth transition to a more sustainable business. More than 130 business clients attended the events together with representatives of the Ministry of Agriculture and Ministry of Transport, and under the moderation of Sofia University. This commitment will be extended to other client groups and enriched with more topics for year 2024.



“Creating an environment for developing responsible and sustainable business is a challenge not only for banks but also for the media.” 24 Chasa” is the most influential media platform not only with its portfolio of established publications and sites, but also with the causes it stands for. UBB is the largest bank. That is why we have reached out in a joint initiative called 24 Hours and UBB for a Sustainable Future. Together we tell and show what is the new ethic in business – to earn while taking care of your business, people, nature.

*Venelina Gocheva,
publisher of the
newspaper “24 hours”*



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Blue forest

Engagement, dedication and impact

Although Bulgaria is a country with rich natural resources and biodiversity, it also faces serious environmental challenges. According to the European Environment Agency, Bulgaria has lost 7.5% of its forest area between 1990 and 2015, mainly due to illegal logging, fires, and urbanization. This has negative consequences for the climate, the soil, the water, and the wildlife of the country.

At KBC Group in Bulgaria we want to draw attention to this challenge, and the need to restore and take care of Bulgaria's forests. Forests are rich ecosystems that provide clean air and water, housing most of our planet's biodiversity and play a considerable role in reducing the risk of natural disasters. Globally, forests are essential in the fight to mitigate climate change given their function as a carbon sink. However, forests are not only important for the health of the planet, but they also promote the health and well-being of individuals. In line with the EU flagship initiative "Forest Strategy for 2030" we are making a statement and showing our commitment to the importance of sustain biodiverse forests.

KBC Group in Bulgaria's engagement began in 2019, when we launched our first forestation activity in Bulgaria. Back then we partnered with local authorities, NGOs, and volunteers to plant 3290 different saplings of native species in 7 different regions of Bulgaria. We provided the funding, the expertise, and the equipment for the activity, while also engaging the local communities in the process – our employees, clients and their families.

But we did not stop there. We soon realized that just planting trees was not enough to ensure their survival and growth. They also need regular care and monitor of their progress. That is why now, in the early years after the planting, we also support maintenance of the 'Blue Forest'.



For this we hired local workers to water, prune, and protect the trees from pests and diseases in every location. After two years, the survival rate of the planted trees was over 90%, compared to the average of 40% in the country.

In 2023 we decided to re-activate and expand our focus on reforestation. This time, we focused on one singular location – the municipality of Elin Pelin, near Sofia. Its village Golema Rakovitsa was facing difficulties with a collapsing slope over the important road for the village. There, at an area of 17 acres, 8721 acacia trees were planted. In these efforts, once again, we were assisted by our employees and their families. Our desire was to create a natural shield that would connect the fragmented forests in the region and enhance the ecosystem and the resilience of the landscape.

We intend to systematical continue the expansion of our Blue Forest in the coming years, putting the spotlight on the benefits of reforestation.

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We acknowledge the achievements of our clients

For a second consecutive year UBB awarded its clients the Green Transition Award at the national competition “The Greenest Companies in Bulgaria”, organized by B2B media, in three categories - Sustainability and Health, Sustainable Product and Circular Economy. Companies from SME and Corporate segments that have successfully transformed their businesses for the benefit of more sustainable future were honoured - FlavaPulse, Styronit Green Insulation JSC and Glavbolgarstroy.

“Capital Cities” – regional discussion platforms for the business, society and local authorities

UBB is the main partner of the initiative and in 2023 participated with expert analyses in 5 panel discussions with focus on top sustainability practices, investments and upcoming regulations. Thriving to support the business in all regions in Bulgaria and the sustainable urban development in the cities of Pleven, Burgas, Varna, Plovdiv and Stara Zagora.

Listening the voice of our business clients via the „SME Business: you can“ initiative

Dialogues were held with the most prominent companies in certain sectors in relation to their preparation to meet some new European regulations related to sustainability. For the SME segment customers and partners in Veliko Tarnovo, Plovdiv and Sofia region, workshops with a practical focus on Sustainability

were held with over 250 business participants in just two months at the end of 2023. This events marked the beginning of series of meetings with the SME business which will evolve through 2024.

European Community Project for increasing insurance protection

In line with EU Taxonomy requirements for sustainable insurance contributing to climate change adaptation by providing non-life insurance products, DZI participates Pro-bono in the EU funded project SOTERIA - SOLUTIONS TESTING for Regions through Insurance for climate Adaptation.

The aim of SOTERIA is to advance innovative insurance solutions for CCA in different European regions and communities. SOTERIA will take these solutions from the levels of research to demonstration and testing with some at the level of pre-commercial procurement in at least three pilot regions: Valencia (Spain); Athens (Greece) and Gabrovo (Bulgaria).

“

In order to efficiently protect our society, we need to address the concern of the increasing insurance protection gap by proposing and finding appropriate solutions.

”

**Petra Hielkema,
EIOPA chairperson**



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Sustainability products



Investment credit on preferential terms for the construction of photovoltaic installations for own needs – 200 projects for over 83 mln BGN.

Energy efficient home mortgage loan – a product for A and B class energy certified properties with primary energy consumption up to 150KWh per year.



E-line is our bestseller on the field of sustainable finance of cars targeting exclusively battery electric vehicles (BEV). The product comes with the support of the group by providing exclusive offer from DZI and overall price advantage to the customer both from leasing and insurance entities.
As of 31.12.2023 we succeeded to overachieve our target of 8% electric vehicles in new business for the year by reaching 9.56%.

Plug & Go is brand new product and as of now extremely innovative and without any analogue on the market. The buyer of electric vehicle has predefined option for using hybrid vehicle from UBB Interlease fleet, in cases of long travels. The product affix one of the main disadvantages of owning electric vehicle – the limited mileage and undeveloped charging infrastructure in BG. The client can book for its (for example) vacation hybrid vehicle from our dedicated Plug & Go fleet.



Blue Casco
Discount joint offer for battery electric vehicle – exclusively for UBB Interlease for the first year;
Value-added services: free travel assistance in case of battery drop;
Substitution in case of insurance event with electric vehicle from our partner rent-a-car company, under certain conditions.

Green Cover
New clause in GTC for Property insurance – valid since beginning of 2023 for all clients. In case of total loss, the indemnity could reach 150% of the insurance amount in order to rebuild the house in accordance with the valid energy efficiency standards.

Under the Sustainable Finance Program, we've developed key products, new solutions and projects have been initiated and successfully launched to position UBB and KBC Group Bulgaria entities as a leading financial institution – a partner to customers in the transition to a sustainable economy:

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1st prize

Best bank for ESG in Bulgaria
for 2023, **UBB**

Euromoney Awards of Excellence 2023

1st prize

Corporate educational program –
ESG Academy

PWC ESG Awards 2023

1st prize

Leader in Sustainable development –
Peter Roebben

PWC ESG Awards 2023

1st prize

Life Insurance
DZI

Insurers of the year 2022

Special award

Sustainable banking
Peter Roebben

SDG Pioneers 2023

1st prize

ESG Project
Agro CO2 Emissions Calculator, UBB

B2B Media Awards 2023

1st prize

Visionary Investor
F1st Strategy, UBB

B2B Media Awards 2023

1st prize

Best Trade Finance Provider
2023 Bulgaria

Global Finance

1st prize

Efficiency category
Stable growth of UBB, Peter Roebben

Bank of the year 2023

1st prize

Business Deal of the Year
Acquisition of the local companies of Raiffeisenbank International by KBC Group, UBB

B2B Media Awards 2023

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Abreviation	Name
AI	Artificial intelligence
APP	Application
BDB	Bulgarian development Bank
BGN	Bulgarian lev
BPMS	Business Process Management Systems
CCCA	Collective Commitment to Climate Actions
CEO	Chief Executive Officer
CO2	Carbon dioxide
CO2e	Carbon dioxide equivalent
Commercial real estate	Commercial real estate finance relates to the development of or investment in real estate assets (or a portfolio of such assets) by property developers or investors, which are subsequently sold or let to third parties.
COSME	European programme for the competitiveness of enterprises and small and medium-sized enterprises
CSRC	Corporate Social Responsibility Committee
EES	Employee Engagement Survey
EGF	The European Guarantee Fund
ESG	Environmental, Social and Governance
EU	European Union
EUR	Euro
EV	Electric vehicles
FEBA	Faculty of economics and Business Administration
FMFIB	Fund Manager of Financial Instruments in Bulgaria EAD - is a company fully owned by Bulgarian State which is represented by the Minister for Innovation and Growth. The FMFIB operated as a Fund of Funds (FoF). Its function is to allocate targeted public funds from EU programmes and notional co-financing by implementing special financing schemes (financial instruments).
FY	Financial year
GDPR	General Data Protection Regulation - A regulation in EU law on data protection and privacy.
GHG	Greenhouse Gas
HR	Human Resources
IDR	Issuer Default Rating
InvestEU	InvestEU Programme supports sustainable investment, innovation and job creation in Europe. It aims to trigger more than €372 billion in additional investment over the period 2021-2027.
ISO 14001	ISO 14001 is a basic standard for management systems with regulated specific requirements for the formulation and maintenance of an Environmental Management System (EMS). This helps you control your environmental aspects, reduce their impact and ensure regulatory compliance.
IT	Information Technology
K	Thousand
kW	Kilowatt
MBA	Master of Business Administration
mln.	Million
NGF	National Guarantee Fund
NGO	Non-Governmental Organisations
PCAF	Partnership for Carbon Accounting Financials
PEARL+	Performance, Empowerment, Accountability, Responsiveness, Local Embeddedness Plus
PRB	Principles for Responsible Banking
PRI	Principles on Responsible Investments
PV plant	Photovoltaic plant
PWC	Price Waterhouse Cooper
RSI	Principles for Sustainable Insurance
SDG	Sustainable Development Goal
SME	Small and Medium-sized enterprise
UBB AM	UBB Asset Management
UBB PIC	UBB Pension Insurance Company
UN	United Nations
UNWE	University of National and World Economy

Content

About the Report

2023 in a nutshell

Strategy and values

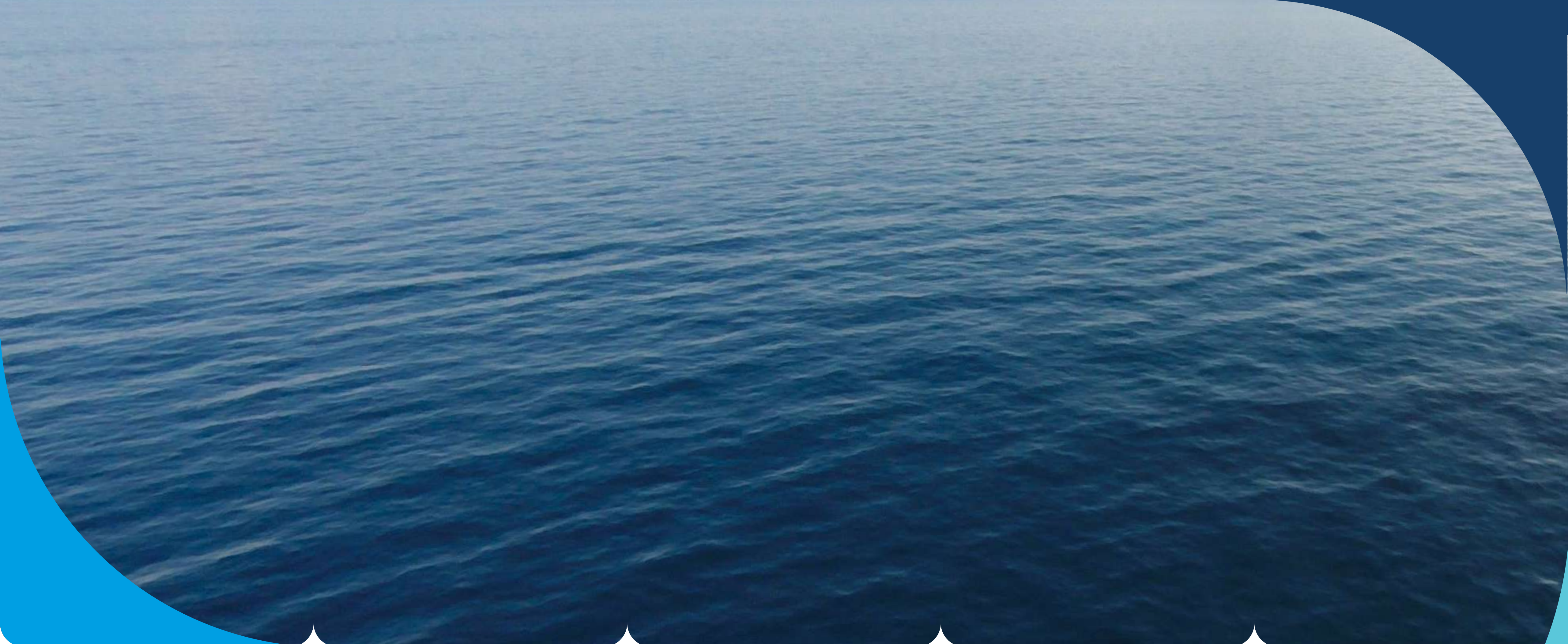
Our people

Our role

Environmental responsibility

Acknowledgement

Glossary



Thank you