

KBC Group Bulgaria Report to Society 2024

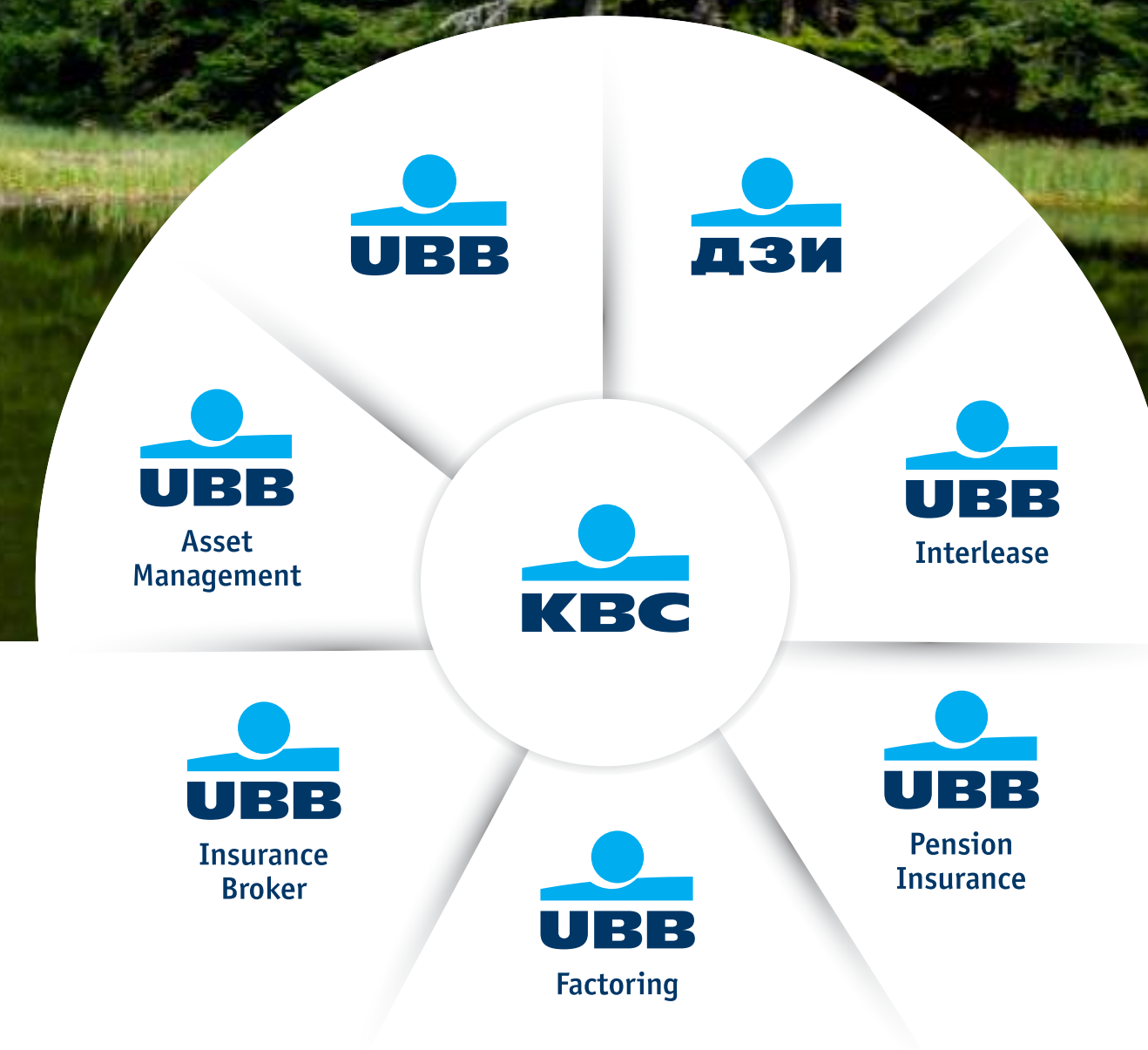


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About the Report

For a sixth consecutive year, KBC Group in Bulgaria is releasing our non-financial Report to Society. This report highlights our efforts that contribute to the transition towards a sustainable economy and society. In 2024, we continued to broaden our sustainability initiatives, partnerships, and investments. As always, through leadership, exemplifying best practices, and sharing insights, we aim to inspire and engage more companies, organizations, and partners in understanding the benefits of investing in sustainability.

Within this report, we outline our achievements for 2024, showcasing our progress in lowering our carbon footprint, enhancing the knowledge and culture among our employees, and collaborating with academic institutions and schools. You will discover new partnerships and initiatives, particularly our focus on SMEs and micro businesses. As a leading entity in Bulgaria, we are dedicated to setting a standard for sustainability within the financial sector. We remain committed to creating supportive conditions for our clients, assisting them in successfully planning, programming, and executing their own transitions.

We have initiated new projects and programs, introduced tools to enhance business knowledge, and simplified the preparation of sustainability reports, advising on measures to optimize their systems, supply chains, and business partnerships.

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 a bank-insurer company through all our entities. The Report has been reviewed and approved by our senior managers. 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 have consolidated our support for this initiative fully under the KBC Group commitment.*

** [KBC Group Sustainability report 2024 \(Sustainability Reporting\)](#)*

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CEO statement



Dear reader,

We are pleased to present the latest KBC Group Report to Society. It symbolizes our ongoing commitment to sustainability and highlights the dedication we, as a Group, have consistently demonstrated. Our strategy is clear. At its core are the clients and our constant commitment to delivering faster, improved and individualized services. We have a unique banking and insurance model which we are developing, and which is allowing us to meet all of society's financial services needs. Innovation and digitalization are key to our success, and we will continue to invest constantly. Of course, sustainability is also one of the key pillars of our strategy and we are proud of our leadership in this area of critical importance not only to us as a business organization, but to the better future of the planet.

I firmly believe that those societies and companies that engage in thoughtful and strategic development of their business models and practices – focusing on environmental protection, reducing carbon footprints, efficient use of natural resources, recycling, and embracing a circular economy – will emerge as leaders in the future.

Investing in these areas will undoubtedly enhance the viability and success of businesses over the medium and long term. Although political instability, global challenges, crises, and excessive regulation can create confusion and obstacles, we must remain optimistic about the opportunities that arise from these situations.

Let us collaboratively seek effective solutions, sharing our experiences, knowledge, and skills to gain competitive advantages and transform the future trajectory of our planet. Even small, focused efforts can create a wide and accessible path for us all to follow.

I assure you that by 2025, we will maintain our commitment to sustainable development through continued efforts and investments. We remain dedicated to fulfilling our collective obligations to the Global Compact and the UN Sustainable Development Goals. In this report, you will find that we aim to be as transparent as possible regarding the information we share about all KBC Group companies in Bulgaria and our responses to complex environmental and social issues. We reflect our work on five core pillars of Sustainability strategy – Entrepreneurship, Financial literacy, Health, Responsible behavior and Environment. We have established clear metrics to demonstrate our accomplishments, highlight trends, and illustrate our objectives.

We have embraced an important mission for society, and we will persist in our pursuit. Our customers, employees, suppliers, government bodies, and the community can rely on KBC Group companies in Bulgaria as trustworthy partners in sustainability.

*Christof De Mil,
Country Manager of KBC Group in Bulgaria*

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KBC Group at a glance

Who we are

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 on our core markets in Belgium, Bulgaria, the Czech Republic, Hungary and Slovakia.

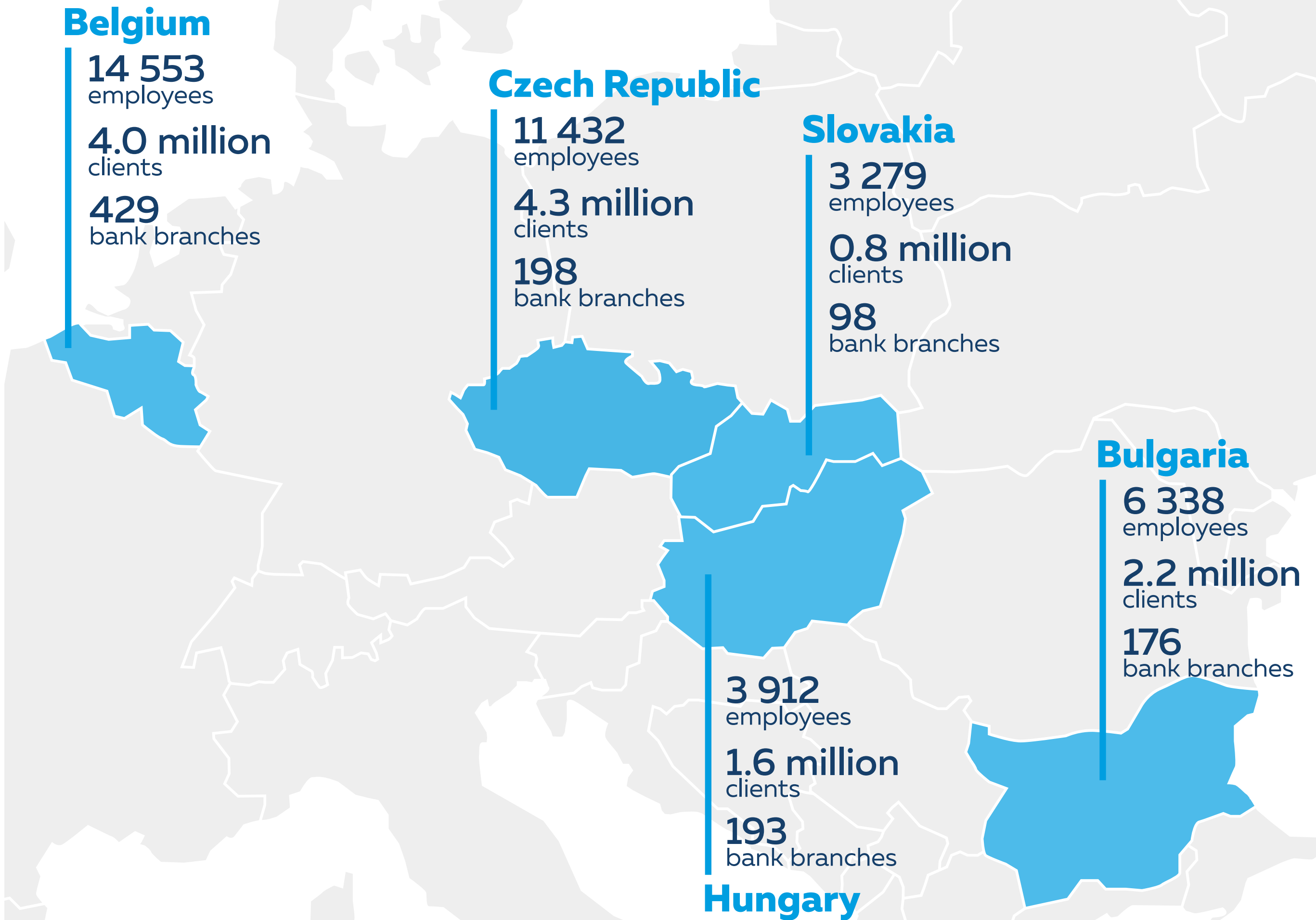
We also have a limited range of operations in several other countries in support of corporate clients in our core markets.

Our goal and ambition

Through our activities, we seek to help our clients fulfil their dreams and projects. We aim to be the point of reference as a bank-insurer in all our core markets.

*[*Read more – KBC Sustainability report 2024 \(Sustainability Reporting\)](#)*

Our clients, staff and network at KBC Group



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KBC Group in Bulgaria

KBC Group is the biggest investor in the Bulgarian economy. Over the last 16 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, supplementary 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 Insurance Broker.

Fitch Ratings confirmed the Long-Term Issuer Default Rating (IDR) of UBB.

Fitch Ratings continues being
'A-'
with Outlook Positive.

The rating agency also confirmed the awarded Shareholder Support Rating (SSR) to 'a-' and the Short-term IDR to 'F1'.

UBB's Viability Rating was increased from 'bb' to 'bb+'.

Bulgaria

6 338 employees

2.2 million clients

176 bank branches

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Sustainability highlights 2024

Environment



Own footprint

- Our emissions reduction reached 83 %, compared to the base year 2015
- 99 % of the purchased electricity comes from renewable sources
- 50 charging stations built for our & clients carfleet
- 4 SPP installed in our offices for our own needs
- Replacement of own carfleet with electric vehicles
- Our Blue forest – 13 011 trees planted since 2019 and onwards.

Climate target setting

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

Sustainable business opportunities

- 74.5 MEUR financing two large photovoltaic parks, located in Central and North-East Bulgaria
- 21 MEUR financing of production of thermodynamic heaters
- Financing a circular construction and demolition waste treatment plant
- 91.36% is the share of renewable energy in the total financed energy production for 2024
- New sustainability related guarantee programs launched – InvestEU sustainability and RRF Sustainability
- Two new White Papers developed on plastics and on deforestation topics.

Customer engagement dialog

- 5 sector-specific expert conferences, entitled “ESG in the Bulgarian Economy. Challenges and opportunities” under the “UBB and 24 Chasa for Sustainable Future” project, dedicated to detailed analyses of the ESG challenges and opportunities, faced by businesses.
- We engage in a variety of sustainability topics with a wide range of clients with respect to their sustainability transition.

Social



Entrepreneurship

- UBB NextGEN Academy and Family-Owned Business platform
- Supporting the National Competition for Best Youth Startup 2024
- Master class for young entrepreneurs from the Kardzhali region in collaboration with Sofia University
- National Trade & Banking High School Partnership
- Future Unicorns – supporting Bulgarian innovation hub
- Positioning as a learning organization, supporting innovation and entrepreneurship

Health

- DZI and Healee – online health consultations
- DZI Kaksi app
- Health bulletin and initiatives for our own employees
- Partnership with the Bulgarian Cycling Federation
- First Aid Academy – partnership with the Ministry of Education
- Investing with a social impact – financing the construction of a hospital in North-West Bulgaria

Financial literacy

- Pensionpedia.bg website
- European money week
- Authoring a chapter in the “Corporate and Financial Law Handbook”
- Increasing the awareness on responsible investing

Employee engagement

- ESG Academy – investing in the professional advancement of employees on the sustainable development topics
- Employee Experience Life Cycle initiative
- 85 % clearly see the strategic direction of KBC Group
- Well-being bulletin
- United for Charity Association

Governance



KBC Group in BG sustainability governance

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

Leadership

- 2024 P1rvi Leadership Academy

Responsible Behavior

- Cyber security – in focus, with multiple prevention and awareness campaigns.
- Whistleblowing policy.
- My Responsible Behavior Compass – values and ethics that reinforce our engagement with customers and amongst colleagues.
- Using AI in daily work – ethical guidelines
- Human rights policy

CSRD Reporting

- At Group level we have published our first Sustainability Statement in our Group 2024 Annual Report. These new disclosures align with CSRD requirements and detail how we integrate sustainability into our business.

Read more: [KBC Group Sustainability report 2024 \(Sustainability Reporting\)](#)

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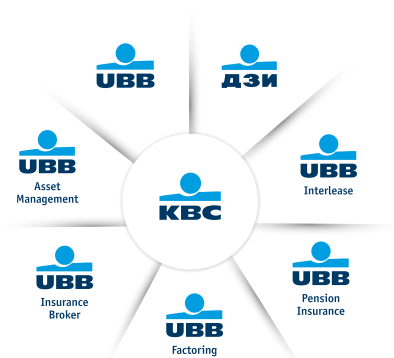
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In a nutshell



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

We at KBC Group 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 the entire society.

We keep a close eye on the world around us to ensure that we are in touch with the changing demands and remain a resilient bank-insurer 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 fully integrated banking and insurance services through our unique bank-Insurance model
- We care for our clients and place them at the core 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 desired
- We take our responsibility towards the Bulgarian society and our role in the journey towards a sustainable economy to heart
- We conduct our business in line with our PEARL+ culture

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Our values creation

We continuously work to ensure our behavior reflects our corporate culture values embedded 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 for our staff, by strengthening our organizational culture and building the ‘Team Blue’ spirit is the way to attract and retain talents and capture the full potential of our employees. Our highly engaged employees 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 dialogue cycles are regularly held with deep dives on the key strategic themes, direction and priorities.

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 society.
- **Local embeddedness**
We treat the variety of our teams and our clients as a driving force and we remain close to them.

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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 the diversity of our teams and of our clients in the different core markets as a strength of ours 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.



Pearl+ Flame

In 2024, our Pearl+ corporate culture stands out even brighter, supported by the Flame initiative in Bulgaria and Belgium, which aimed to bring to the next level the knowledge and understanding of our values.

The main purpose is to enlighten PEARL+ culture and to spread PEARL+ behaviors throughout the organization. All KBC Group in Bulgaria entities participated in that initiative. Every idea, communicated through our dedicated internal channels, was converted to a spark that fed the flame. 1017 employees were engaged in contributing to 148 "sparks" - unique initiatives, presenting our corporate culture. The most outstanding initiatives were recognized and celebrated at the Pearl+ Awards event.



85%
clearly see the strategic direction KBC is taking

77%
of our employees strongly believe in the strategy of the Group

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Our sustainability strategy

We want to meet societal needs and to create long-term value for society, local economies and all our stakeholders. That is why supporting the transition to a more sustainable and resilient economy and society is a crucial part of our overall corporate strategy and our day-to-day business. We want to collaborate with our clients and other stakeholders to achieve this.

As part of KBC Group NV, we have a dedicated sustainability strategy in place to guide us as to how to play our role in society, now and in the future. At the heart of the sustainability strategy there is the responsibility to ensure financial resilience and run a strict risk management system. Provided that this criterion is met, our sustainability strategy consists of three main cornerstones:

- Maximize the positive impact of our products and services on society and the environment
- Minimize or completely avoid any potential negative impacts
- Ensure all our employees behave responsibly

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 a pillar of success

The opportunities we secure using Financial Instruments will be essential during this process of transformation

The clients we finance are at the core or everything we do, especially in ESG because they will ultimately make the difference between success and failure

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The United Nations (UN) Sustainable Development Goals* (SDGs) have an important role in informing 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, at 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 it 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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Stakeholders' engagement

In UBB we believe that active collaboration with all stakeholders is key to making a significant impact in addressing sustainability-related challenges. On continuous basis we are leading a proactive approach to understand their views on the environmental and social challenges that we face as a society – environmental protection, regional development and equal opportunities.

Impact on society

In line with our company goals, 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, optimize the management of the risks faced by the Group and design innovative solutions with a positive impact on society.

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

Contractual stakeholders:
customers, employees and employee representative bodies, shareholders, institutional investors, suppliers.

Strategic stakeholders:
regulatory bodies, governments and parliamentarians, international organizations, regional and local authorities, financial and non-financial ratings agencies, media, academia, NGO, civil society.

Interacting with them openly guides us in shaping and steering our sustainability strategy.

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Kate – our digital assistant took the lead

Voice payments through Kate

In July 2024, UBB launched the “Pay with Voice through Kate” service. It is available to mobile users and marks a notable development in the Bulgarian banking sector. Kate is the first AI digital financial assistant in Bulgaria and the only one capable of facilitating voice-initiated financial transfers. In September 2024, UBB further updated Kate with the ‘Blink P2P’ service, which enables making payments to a phone number. This technology has recently become available in Bulgaria and provides an innovative and accessible method for clients to perform their most frequent transfers.

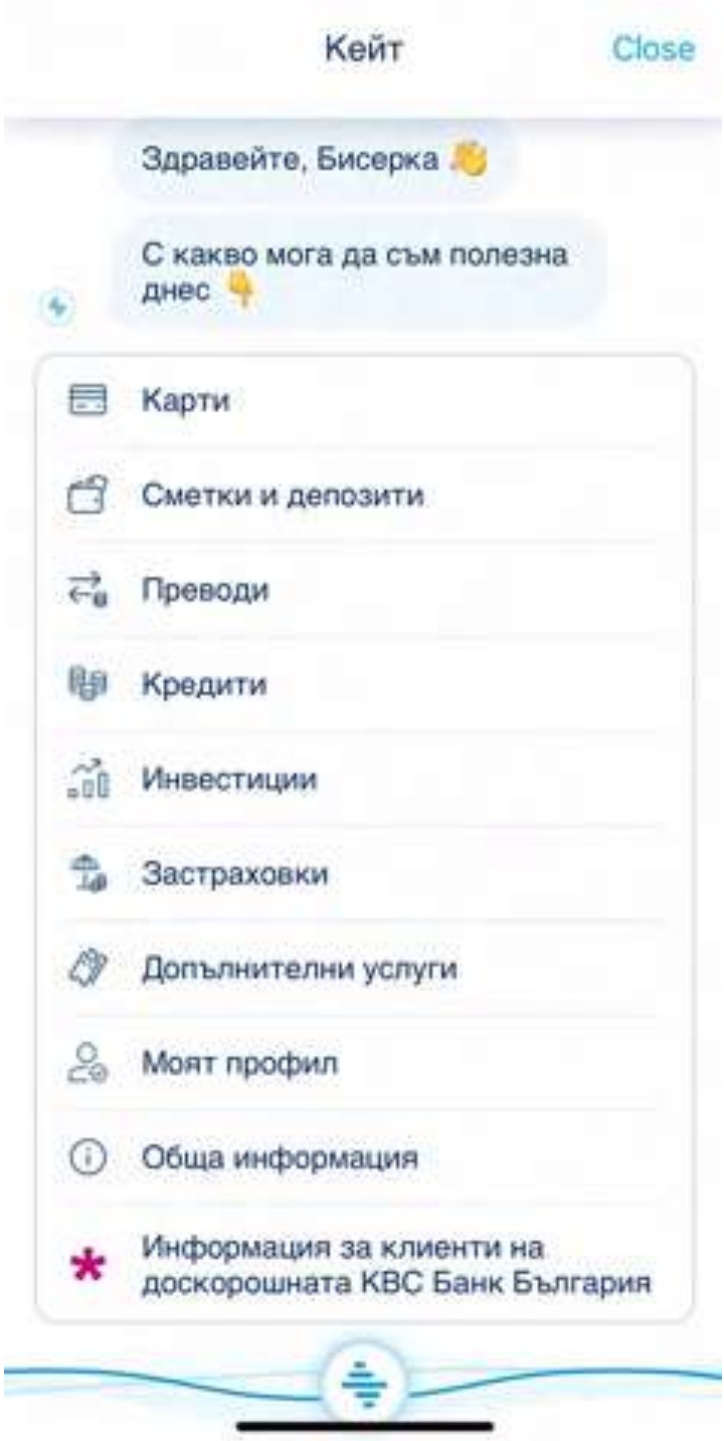


Kate – UBB’s digital assistant took significant role in the integration of UBB with KBC Bank Bulgaria

During each wave of migration of customers and their products, Kate was available in their new digital channel UBB Mobile. Kate was also proactive and sent them notifications for the important things that changed for them before, during and after they became a fact.

Kate had been trained to guide those customers’ requests with customized use cases that were redirecting to relevant dialogues with needed information for their main products and used services. Kate was crucial in helping UBB customers and employees with change management.

More than 200 000 retail and business customers in total used Kate in 2024, and she handled their requests with autonomy of more than 65%. The **71% overall UBB’s customer satisfaction rate from Kate** shows that the high level of personalization our digital assistant provides is well accepted by our clients.



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Private individuals are in focus

Sustainable mortgage solutions for a greener future

In UBB, we believe that financial institutions play a key role in the transition to a sustainable economy. That is why we actively promote investments in energy-efficient housing through our mortgage products and innovations.

Financial incentives for energy-efficient properties

Our clients can benefit from special conditions when applying for a mortgage loan if they choose a home with a high energy class. Depending on the energy efficiency of the property, they can receive a discount on the loan price, thus making sustainable solutions even more affordable.

Property Energy Efficiency Assessment Strategy

We have implemented a property energy efficiency assessment strategy in our lending process. This encourages investments in sustainable housing, while taking into account the environmental footprint and potential energy cost savings for clients.

Digitalized application processes

To make things easier for customers and reduce the carbon footprint associated with administrative document processing, we have implemented a digitalized loan application process. This allows for fast, convenient and environmentally friendly service, without the need to visit a bank branch.

Educational initiatives and partnerships

UBB actively informs its customers about the benefits of energy-efficient homes through various communication channels and partnerships with experts in the sector. We organize webinars , trainings, consultations and specialized events that support informed decisions when choosing a sustainable home.

Supporting innovative projects

In our effort to promote sustainable construction and energy-efficient solutions, UBB works in collaboration with leading companies in the green building and innovation sector. Our efforts are aimed at stimulating the development of environmentally-oriented projects that contribute to a greener future.

With these initiatives, UBB not only offers competitive credit products, but also actively participates in the transition to a sustainable economy, supporting customers in their environmentally responsible decisions.



"As part of the UBB team, but also as its client, I am extremely proud that the bank not only talks about sustainability but also puts it into practice. I took advantage of the opportunity to finance the purchase of an energy-efficient home through UBB's energy-efficient mortgage loan. Thanks to this initiative, I gained confidence that I am investing in a future with lower energy consumption and a smaller environmental footprint. Moreover, the support and expertise I received regarding the energy efficiency of the property helped me make an informed and sustainable decision. I am proud to be part of an organization that not only follows global ESG trends but actively implements them, making sustainable financing accessible and tangible for its clients."

Plamen Angelov,
Team Supervisor,
"Private Individual" Directorate,
"Mortgage and Consumer Lending"
Department

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Double materiality assessment

Open and transparent dialogue is the only way to get to know what each of our stakeholders expects from us and how we – as a bank-insurer – can best meet these expectations. By engaging in a dialogue and getting involved in new projects, we endeavor to create value for all our stakeholders.

We conduct a materiality assessment every two years to identify the topics that are most important (i.e. most material) to us.

In 2024, KBC conducted a comprehensive double materiality assessment (DMA) in line with European CSRD reporting legislation.

This assessment aimed to identify the information required for inclusion in the mandatory Sustainability Statement of the KBC Group Annual Report from the financial year 2024 onwards.

Six sustainability matters were deemed to be material for our Group from an impact and/or financial perspective. These topics now form the foundation for our disclosures and alignment with ESRS standards. These sustainability matters often significantly impact both society and the environment. They influence our strategic focus and align with our corporate and sustainability strategy.

The purpose of the DMA is to evaluate the materiality of ESG topics from two perspectives:

An **‘impact’ perspective**, which considers the positive or negative effects of a company and its activities and business relationships on the environment, the people it interacts with, and the communities in which it operates.

A **‘financial’ perspective**, which examines the risks or opportunities that environmental and social issues present for a company’s activities and overall value.



Read more:
Detailed process and results of the double materiality assessment
[KBC Group Annual Report 2024: 'Sustainability Statement'](#)

Our corporate strategy
[KBC Group Annual Report 'Our strategy'](#)

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Sustainability in our relationship with suppliers

We understand that we can only achieve sustainable growth when we engage with all our stakeholders. Part of our mission is to integrate sustainability, responsibility and accountability in everything we do. Our suppliers are amongst our main stakeholders, and so we make sure they respect specific criteria in their purchase, sale and outsourcing procedures. That way, they also thoroughly reflect our social, ethical and environmental concerns.

KBC's suppliers are required to comply with the principles outlined in our 'Sustainability Code of Conduct for Suppliers', which forms part of our overall corporate sustainability and responsibility strategy. The Code of Conduct is in line with the UN Global Compact Principles and applies to all KBC group entities and to all KBC's procurement and outsourcing activities.

All our procurement activities are assessed against the environmental and social criteria, incorporated in the KBC Sustainability Code of Conduct for Suppliers. We have a procedure for the different phases in the purchasing activities.



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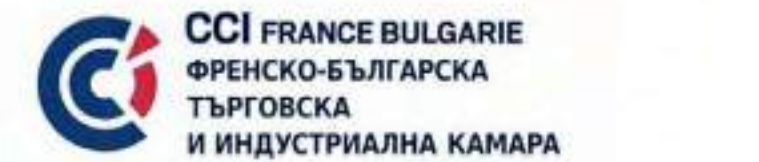
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Membership in and cooperation with domestic and international organizations



We have partnership contracts with:



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Corporate governance of KBC Group in Bulgaria

Country Team of KBC Group for Bulgaria



Christof De Mil

Chairman of the KBC Group Country Team in Bulgaria, UBB CEO and Management Board Chairman



Svetla Georgieva

Member of the KBC Group Country Team in Bulgaria, Country CRO, Member of the UBB Management Board, UBB CRO



Tatyana Ivanova

Member of the KBC Group Country Team in Bulgaria, Member of the UBB Management Board, Executive Director Digital Channels, Data and Operations at UBB, Innovation Leader of KBC Group in Bulgaria



Anna Atanasova – Dimitrova

Member of the KBC Group Country Team in Bulgaria, BoD Member and Executive Director Retail Banking at UBB



Teodor Marinov

Member of the KBC Group Country Team in Bulgaria, Member of the UBB Management Board, UBB CFO



Nedyalko Mihaylov

Member of the KBC Group Country Team in Bulgaria, MB Member, UBB CIO



Dobromir Dobrev

Member of the KBC Group Country Team in Bulgaria, MB Member, Executive Director Corporate Banking and Markets at UBB



Frank Jansen

Member of the KBC Group Country Team in Bulgaria, BoD Member and Executive Director SME Banking at UBB



Kosta Cholakov

CEO and Chairman of the Management Board of DZI

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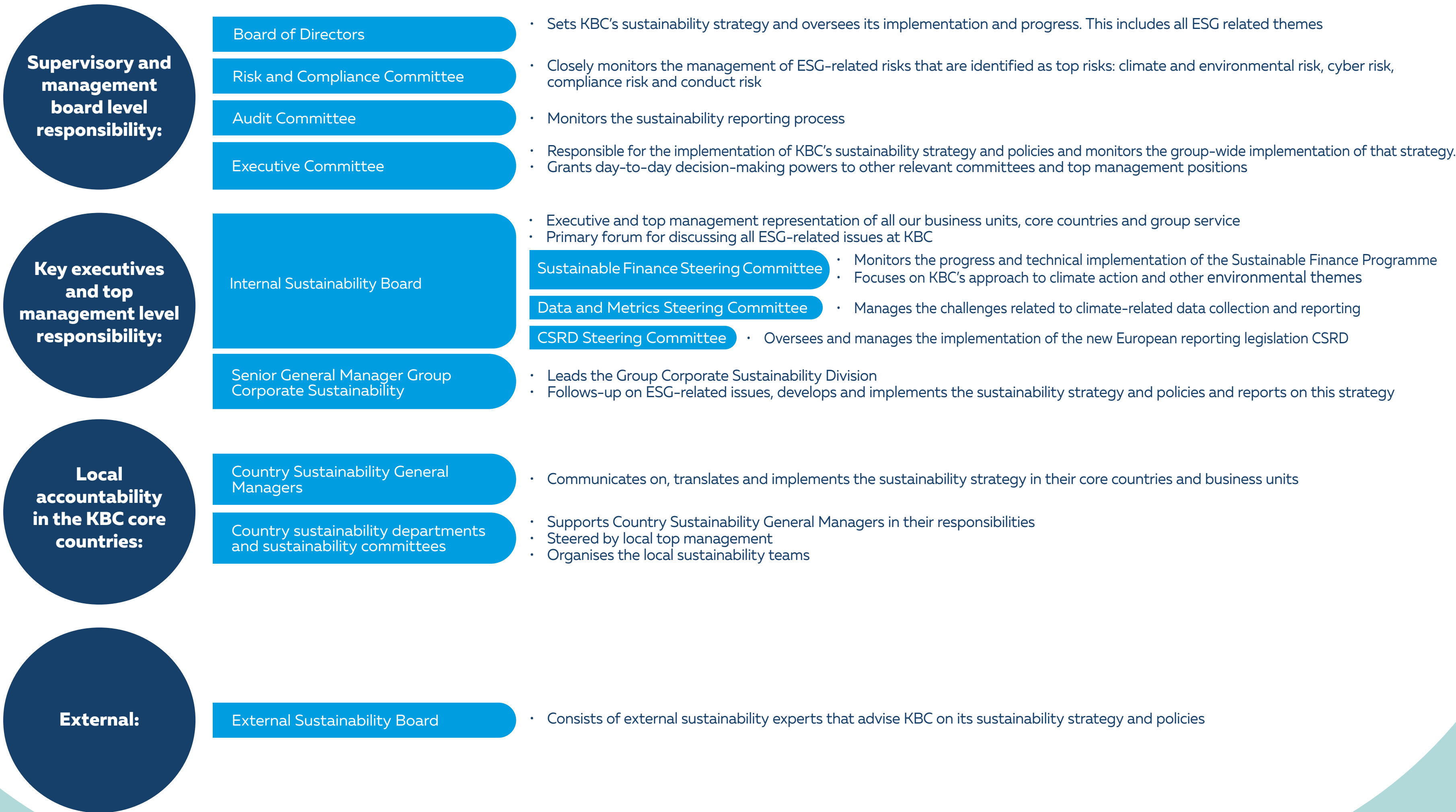
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Sustainability governance

We have embedded our sustainability strategy within every layer of our organization 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 the group sustainability policy.

Decisions about our sustainability strategy are being made at group level, which are then being implemented by local teams in each of the core countries.



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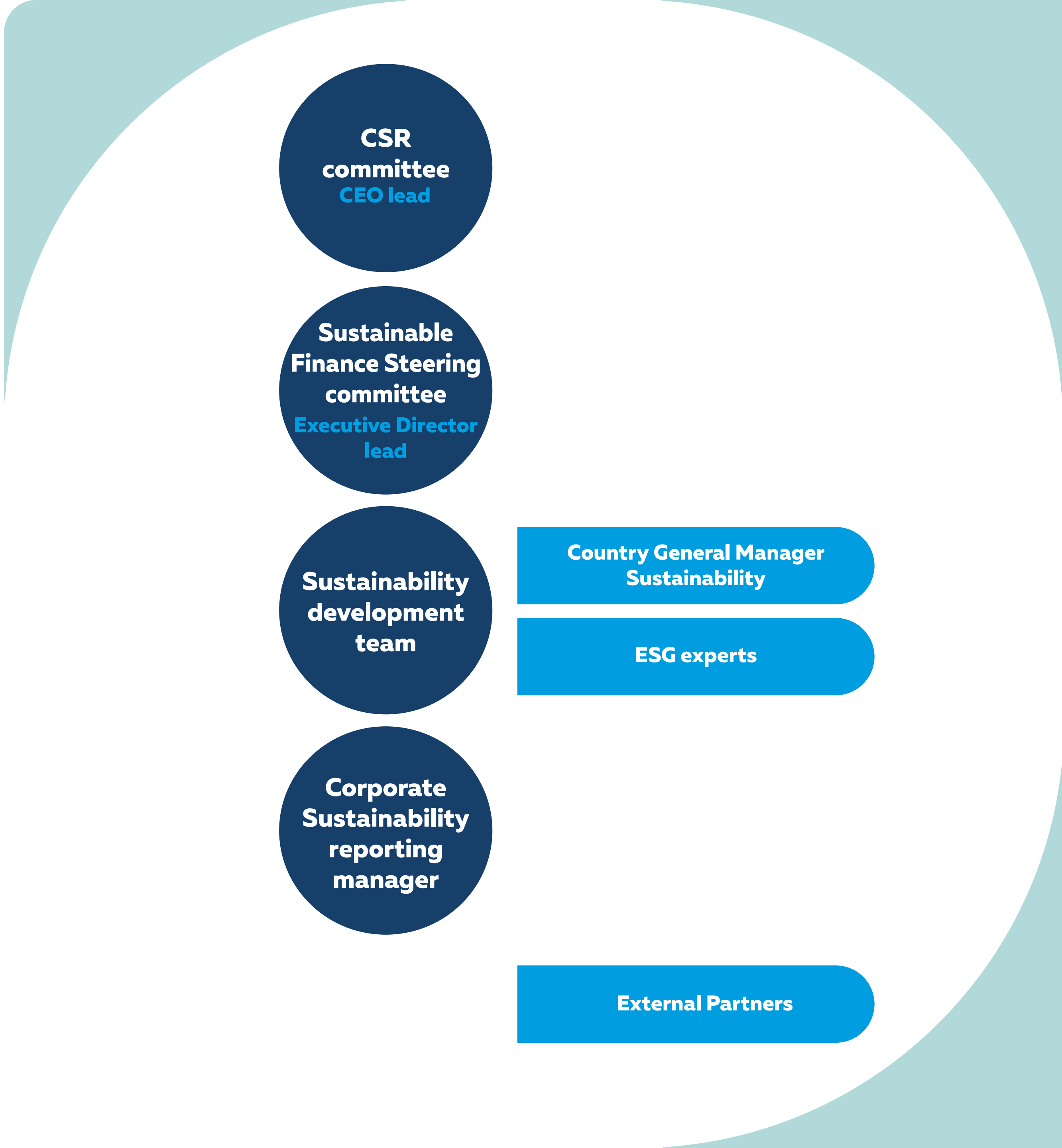
Sustainability governance within KBC Group in Bulgaria

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

Local teams in each of the Group core countries are responsible for implementing the strategy on 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.

In Bulgaria numerous internal stakeholders are engaged in the sustainability development process – DZI (insurance), UBB Interlease, Finance, Compliance, Risk management & Credit risk, EPFI (European programs and financial instruments), Data Quality management, Corporate & SME banking, Assent Management, Retail.



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Risk management and risk culture

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 at present. Having strong risk identification processes in place is a prerequisite for sound risk management, especially in an environment in constant flux.



Climate and other environmental risks

Further to the already developed Climate Risk Impact Map, the company developed a local Environmental Risk Impact Map (ERIM).



Political and Geopolitical risk

We are closely monitoring the global and local political situation and addressing in an appropriate way the risks that it triggers.



Regulatory and supervisory interference

Continuous connection with the regulators to address the significantly increased demand as sound regulation and supervision are important for the stability of a company.



Credit risk

Caps are in place to limit exposures in certain sectors where increased costs cannot be fully incorporated in customer prices, or which are vulnerable to increasing interest rates.



Cyber risk

Cyber risk is high on the agenda mainly due to increased targeting of third-party supply chain, progress of AI usage and aggravated geopolitical situation.



Third-party risk

The increasingly sophisticated processes and involvement of third parties is a reason to develop a strict third-party risk management governance.



Euro adoption

The company is appropriately addressing all risks triggered by the Euro Adoption through dedicated program with strict governance.



Compliance risk

KBC Group in Bulgaria aims at reaching the highest compliance standard and ensures full compliance with the laws and regulations.



Data Quality and availability

Data quality and availability risk continues to be of critical focus for management and mitigation measures are in place to ensure full compliance with BCBS 239 (Basel Committee on Banking Supervision Principles for Effective Risk Data Management and Reporting).

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Climate and other environmental risks

On an annual basis UBB scans the most significant risks for the bank. As a result, climate change and resilience are marked as key themes by our stakeholders – employees, customers, business, academia, NGOs, regulators, partners and peers.

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 takes climate risk seriously, recognizing our shared responsibility not only to future generations but also to the long-term success and prosperity of society and the resilience of businesses.

To ensure pro-active risk identification, we have already taken several initiatives with a range of methodologies and procedures. In line with this commitment, in 2024, UBB refined its risk identification process through an Environmental Risk Impact Map (ERIM), considering emerging threats across three-time horizons: short term (1–3

years), medium term (4–10 years), and long term (over a period of 10 years).

For another consecutive year, insights from the ERIM have been integrated into our core risk management processes, including our risk appetite framework.

ESG risk alerts are being regularly reported to the Local Risk Management Committee. We assess the risk impacts of relevant climate risk drivers within our White Paper sectors. In addition, environmental Key Risk Indicators are being periodically monitored, and an analysis is conducted to not only help businesses overcome environmental challenges but also support our clients in their transition to a more sustainable business model and lifestyle.

We take sustainability and climate related risks (e.g., greenwashing) into account in our products or service processes.



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In a nutshell



Our people are the driving force behind our success.

In 2024, we remained committed to fostering a workplace where collaboration, growth, and well-being thrive. Through continuous investments in talent development, inclusion, and employee engagement, we strengthened our culture and empowered individuals to reach their full potential. From career fairs and interactive VR experiences to the P1rvi Inspirational Onboarding Day, we ensured continuous development through leadership training, digital learning, and recognition programs. By launching the Well-being Bulletin, prioritizing diversity, and listening to employee feedback, we fostered a positive, inclusive, and growth-driven workplace where every individual feels valued, supported, and empowered.



85%
of our employees
clearly see the strategic
direction KBC is taking



77%
of our employees
strongly believe in the
strategy of the Group



50
talented young professionals
joined our internship
program in 2024



78 000
total training
hours



15.5
average trainings
per person



901
employees were spotlighted
for their outstanding
achievements in 2024



74%
of new hires share they feel
engaged at KBC Group in Bulgaria
(based on Autumn'24 engagement
survey results)

in **2024**

our people show high interest in the following trainings: Effective communication, Working with younger generations, Stress prevention and Modern workplace with Microsoft 365

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Employee Experience Life Cycle

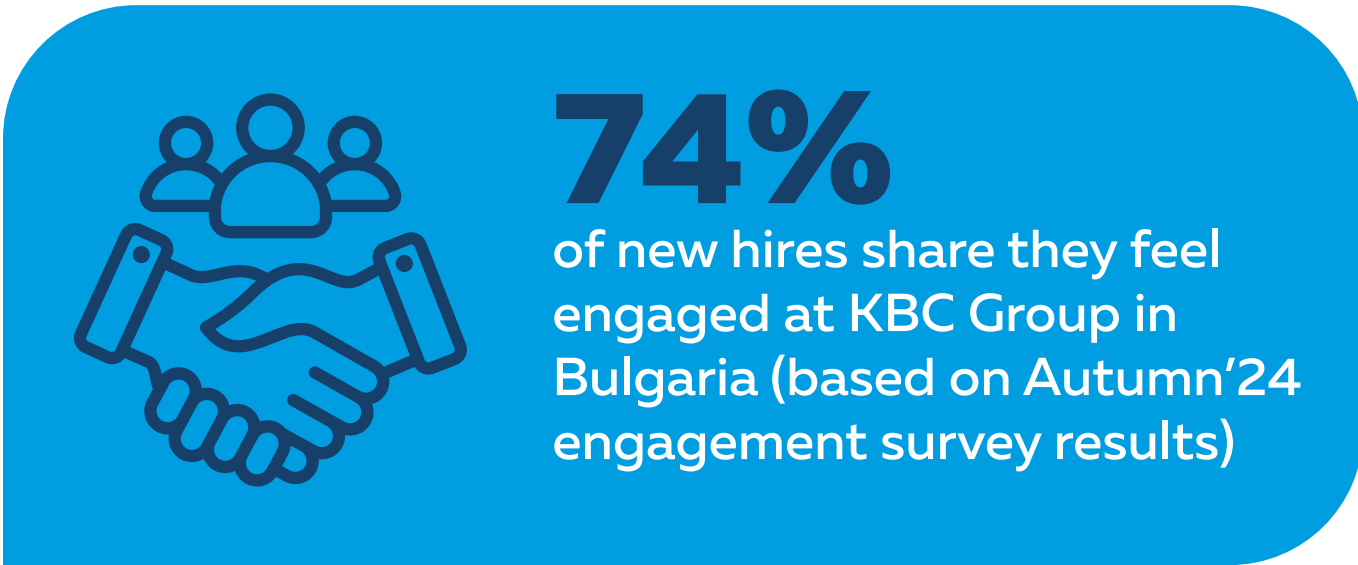
By enhancing each stage of the Employee Experience Life Cycle, we create an engaging, supportive, and growth-driven environment where employees thrive from day one and beyond. Key highlights of our Employee Experience Life Cycle:

Early Engagement & Talent Acquisition

At KBC Group in Bulgaria, the Employee Experience journey begins long before an employee’s first day. We proactively connect with future talents through career events, workshops, and interactive experiences, ensuring a strong foundation for engagement and growth. This year we took part in a number of career fairs, such as Career Show Sofia, National Career Days, IT Career Days, Career and Business at UNWE, HR: Rush for practice, Talent fest, “Hive” career forum. We were part of some career exhibition organized at local universities and high schools, including Sofia University St. Kliment Ohridski, UNWE, AUBG and National Trade and Banking High School. An exclusively designed VR game was part of the whole interactive experience which KBC Group in Bulgaria brought to the events and to all visitors.

Internship & Early Career Development

Our internship program provided hands-on experience, mentorship, and clear career pathways, welcoming 50 talented young professionals into our organization. Here is what some of our interns share about us:



How would you describe your time with our Team Blue?



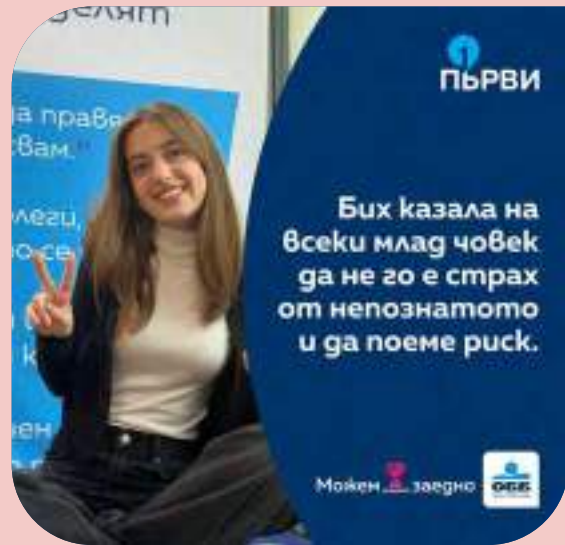
Amazing. The team welcomed me with an open heart and accompanied me in all my actions. Not only did I learn about the industry, but I also made new friends. My colleagues demonstrated attentiveness and educated me in their business, guiding me from understanding the broad concepts to complex details. I experienced both the professional dynamics and social atmosphere of the office environment. The deep trust and respect I developed for the team fueled my ambition to learn more and actively engage in discussions.

Martin Ganchev
12th grade student, Trainee at Markets and Investments Banking Directorate



One aspect that exceeded my expectations was the positive attitude of the team members. I was genuinely impressed with the strength and teamwork displayed throughout the department.

Ana-Nikol Ranova
student at the National Trade and Banking High School, Trainee at Company Data Management Directorate



I would encourage every young person to embrace the unknown and to take risks.

Niya Georgieva
Trainee at Strategy, Transformation and Innovation Directorate

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Onboarding & Integration

In 2024, we introduced the P1rvi Inspirational Onboarding Day, a unique, one-day event designed to immerse new hires into our company culture, strategy, and key projects while fostering collaboration and connection across all entities.

Continued learning

We support continuous learning by offering tailored development opportunities, leadership programs, and digital training, empowering our employees to grow professionally and adapt to evolving business needs.



Performance management

To do our best at work, we need to regularly reflect on our progress and note what help we may need to go further. In this fast-paced world, time moves quickly. Before we know it, it is the end of the year, and we have not discussed our performance and development with our manager. In 2024 we introduced the optional performance check-in step to support employees and managers in this process. The goal is to look back, as well as to look forward on performance and development by celebrating key achievements and key learnings and agreeing on priorities for the next period.

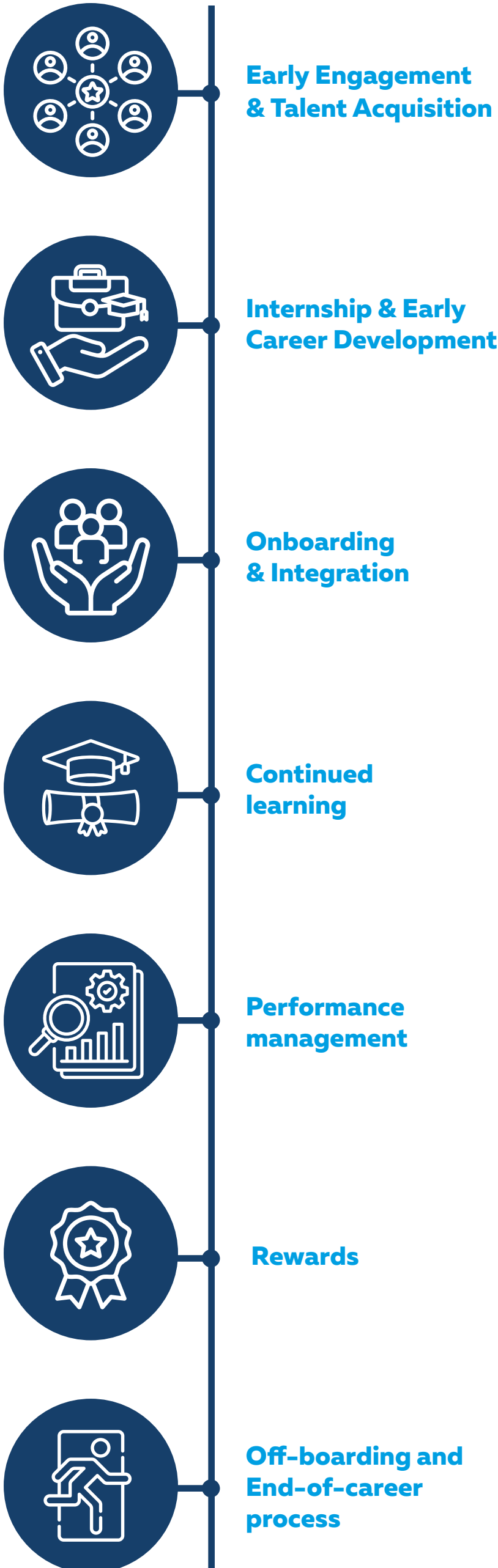
From the first career fair interaction to long-term career growth, we are committed to shaping an employee experience that prioritizes engagement, development, and recognition—ensuring that every individual feels valued, supported, and empowered throughout their journey with us.

Rewards

To strengthen appreciation and positive feedback there were culture recognition initiatives, established to acknowledge exceptional P1rvi strategy performance and PEARL+ behaviors in a fast and adequate way. Throughout the year, outstanding individuals were acknowledged for their contributions, culminating in an annual strategy event where employees-of-the-year were honored. This initiative not only motivated employees but also provided leaders with a platform to recognize excellence and reinforce the behaviors and mindset that drive our collective success.

Off-boarding and End-of-career process

Recognizing that the employee experience spans the entire career journey, our comprehensive end-of-career and off-boarding experience is designed to honor employees' contributions while providing a structured, supportive transition that preserves institutional knowledge, maintains positive relationships, and reflects our organizational values of respect, appreciation, and continued connection with our former yet valuable employees.



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Health and well-being

Recognizing the essential role of both physical and mental well-being, we launched our Well-being Bulletin in mid-2024. This initiative offers employees opportunities to participate in workshops and webinars focused on psychological resilience, burnout prevention, stress management, and overall wellness. Through these resources, we reinforce our commitment to support employees in maintaining a healthy and balanced lifestyle.

The Well-being Bulletin has quickly become a valued resource, with 31 physical and online sessions conducted throughout the year. Additionally, we increased awareness about our health insurance coverage, which includes expanded psychological support services, acknowledging the growing importance of mental health in overall well-being.

Training and education

In 2024, we reinforced our strategic focus on **continuous learning and skills development**. Building on the success of last year’s launch of P1rvi Leadership Academy, this year two additional modules were added, aimed at empowering our workforce to embrace digital transformation.

Furthermore, nearly **300 managers** participated in our “Meaningful conversations” training, a program designed to equip them with the skills to foster open, solution-oriented dialogues and integrate our PEARL+ approach into daily people management. Through two immersive modules, managers honed their ability to deliver quality feedback and lead development-focused conversations – all essential for building engaged, high-performing teams. The impact was immediate: participants shared how shifting from problem-focused to solution-driven discussions empowered both them and their teams. By investing in these critical skills, we are not just enhancing managerial effectiveness – we are shaping a workplace where meaningful conversations drive meaningful progress.

Beyond leadership development, we maintained an individualized learning approach, supporting employees in achieving their personal and professional goals through a variety of tailored training programs. Recognizing the importance of digitalization, we launched a comprehensive O365 transformation program.

To further promote agility, we streamlined processes and implemented agile methodologies where appropriate, ensuring our teams are equipped to thrive in a dynamic environment. As part of this effort, we introduced a core training focused on Agile methods, specifically Scrum and Kanban. The program familiarizes participants with these approaches through practical simulations and real-life case studies from KBC Group in Bulgaria, enabling them to apply agile principles effectively in their daily work.

Key Training Metrics for 2024



78 000

total training hours



15.5

average trainings per person

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ESG Academy

The successful partnership with FEBA faculty of Sofia University St. Kliment Ohridski continued for a third year in a row and more than 170 employees of KBC Group in Bulgaria in 6 editions gained their certification. In 2024 we hosted two new editions of the certification program for specialists in sustainable management - "KBC Bulgaria - ESG Academy" in the Spring and Autumn of 2024. There were 60 participating employees from UBB, DZI, UBB Interlease and KBC Asset Management. 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, contributes 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 funding. UBB invests on a long-term basis 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.



3

years

170

certificates
received

6

editions

Retail academy

In 2024 UBB started its internal educational program - UBB Retail Academy. 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 a specialized academy in the retail segment. This is an innovative approach to attract, train and retain new employees in the Branch Network. Conducted 3 times since early 2024, the Retail Academy helps the newly recruited employees to get acquainted with the company and to acquire skills needed for their work in the bank. The participants receive personal attention in the process of learning financial products, services and specifics of becoming a true financial Jedi. They can feel that working in a bank office can be an enjoyable experience. They can see what working in the best bank feels like. The training program includes lectures on KBC Group and UBB structure and strategy, Corporate Culture PEARL+, Innovations, Responsible Behavior, ESG, Information security and phishing prevention, Digital services - electronic and mobile banking, Kate - vision, functionalities, GDPR, Investment and insurance products etc.

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Diversity and Inclusion

We at KBC Group in Bulgaria believe that diversity and inclusion are essential to fostering innovation, collaboration, and long-term success. By embracing different perspectives, experiences, and backgrounds, we create a workplace where every employee feels valued, respected, and empowered to contribute. Through targeted initiatives, training programs, and equitable opportunities, we strive to build a work environment that not only reflects the diversity of the communities we serve but also exerts a meaningful impact on both our employees and stakeholders.

As part of our well-being bulletin, employees had the opportunity to participate in workshops/webinars tailored to work-life balance and family support. Sessions such as “How to stay connected with our children while being a full-time employee” and “Working parents & Teenagers – Building Long-Lasting Relationships” provided valuable guidance for working parents.

Additionally, we remained committed to promoting diversity in employee roles, ensuring generational balance and gender equality across our workforce. These efforts reflect our ongoing dedication to creating an inclusive environment.

Gender diversity ratio female/male
in KBC Group in Bulgaria



Listening to our people

As we value the voice of our employees at every stage of their journey with us, surveys have become our essential tool for capturing meaningful feedback. Recognizing that employee feedback drives meaningful improvement, we conducted our employee engagement survey twice in 2024 and we also ran an internal client satisfaction survey to measure the effectiveness of our initiatives. This comprehensive approach provides valuable insights addressing key improvement areas, creating a continuous feedback loop that strengthens our culture of listening and responsiveness.

90%

of all our staff participated in the last engagement survey, with historically the highest response rate in Bulgaria

85%

clearly see the strategic direction KBC is taking

82%

indicate their direct manager coaches them to be successful in their current position

92%

state they are equipped with the right skills to cope with the changes (changing job content, new technologies, etc.)

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Voluntary work, charity and social investing

The United for Charity Association, our internal charitable foundation, has continued its vital work supporting employees and/or their families and children in UBB. In 2024,

the Association helped **115 current and former employees and their children.**

Nearly 2 100 employees contribute with regular monthly payments. The association organizes various initiatives throughout the year, such as a Christmas bazaar and a photo competition to promote charity and raise funds for its causes.

Beyond that, our Savings and Investments Products team delivered a Business Simulation for participants, providing them with practical experience in financial decision-making.

Social dialogue – all employees at UBB can join the Trade Union of Bank Employees and Workers (a non-profit organization, established to regulate labor and social relations between the employees and the Bank as their employer).

In the spotlight

Throughout the year, excellence took center stage as we celebrated the remarkable contributions of our people through our P1rvi Recognition Awards – an initiative aimed to strengthen our culture of appreciation and excellence and to bring better understanding of the P1rvi strategy. This program embodies our belief that acknowledging exceptional contribution not only motivates individuals but elevates our entire organization. With 901 nominations, employees across our entities were spotlighted for their outstanding achievements – each one being proof of our corporate strategy in action. Every nomination was directly aligned with our P1rvi strategy pillars, reinforcing individual efforts that drive collective success. The initiative culminated in a powerful moment at our annual Kick-Off Event, where 11 exceptional individuals were honored as Top Employees of the year.

More than an award, this initiative has become a movement—one that fosters a culture of appreciation, inspires performance, and proves that recognition is not just an occasion, but a way of working.

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Community engagement

Mentor the Young program

UBB is one of the partners in the Mentor the Young program, a free, three-month mentoring initiative for young people aged 18–25 who are paired with mentors with at least five years of professional experience. Our colleagues acted as mentors, sharing their expertise. The program aims to foster positive change in the personal, career and entrepreneurial lives of young people in Bulgaria.

Team Blue made Vitosha greener

In 2024 1,000 spruce saplings were planted by our Team Blue, with over 200 colleagues joining the campaign. The strong blue team was supported by children, family members of employees, friends and pets. The green holiday began with a lot of enthusiasm and smiles over the Sofia village of Zheleznitsa.

UBB Games

The fourteenth UBB Games were held in Obzor, and for the first time a DZI team also took part in the initiative. 240 employees from all UBB regions participated in the sports competitions. The colleagues competed in several different sports, namely: mini football, beach volleyball, table tennis, petanque, relay race and beach tennis.

Dragon boats

In 2024 one of the most contested competitions in which Team Blue has participated so far took place at the Pancharevo rowing base – a dragon boat race, part of the Dragon Boat Festival. The winner at the local competition was the “Blue Hearts” team – the boat of Branch Network and Microbusiness Directorate. They had the opportunity to travel to Hungary and participate in an international dragon boat competition, organized by our colleagues from K&H. The big KBC Group Cup competition took place in September on Lake Balaton. And the winner was Bulgaria!

Nearly 1,000 colleagues followed the Group Ecosphere Day in Bulgaria

Group Ecosphere Day is largest internal event of KBC Group and it brought together nearly 40,000 colleagues from 5 countries, who shared an exciting and inspiring day. For yet another year, Johan Thijs, CEO of KBC Group, gave the official start, as at the opening panel he presented the latest developments regarding KBC Group’s strategy – “Ecosphere” – focusing on the following four topics: health, mobility, housing and electricity.

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Less than 4.30 minutes is the fastest time in the 2024 UBB Vertical Run

The fourth edition of the one-of-a-kind vertical marathon in Bulgaria – UBB Vertical Run – gathered over 200 participants who challenged themselves by climbing the 24 floors, 1012 steps and 199 meters of elevation gain in the UBB Millennium Center building in Sofia. The categories in which this year’s edition of the race was held were Team Blue, respectively Men and Women – for employees of KBC Group companies in Bulgaria, Relay race, again for employees, and “Open” – an individual race with free registration for men and women.

Charity bazaars

In 2024 we organized our traditional charity bazaars – for Easter and for Christmas, dedicated to our internal United for Charity association. Our employees could participate with home-made food, festive decoration, accessories. Together we managed to raise over BGN 10 000 in just two days.

Run 2gether

In 2024, over 50 UBB employees participated in the mini-marathon Run2Gether – a cause-driven run that aims to include and motivate people with different abilities, as well as anyone who supports diversity and change. In 2024 the funds raised from the event was used to repair and equip the facility provided to us by the Sofia Municipality in the Lozenets District at 42 Lyubotrun Street, which is planned to become a social enterprise for young people with different abilities, where culinary training and art therapy will be delivered to them.

Festivals

UBB’s journey into the world of festivals and music events started with several significant partnerships that ensured the Bank’s lively presence at the hottest music venues across the country. Our desire was to attract the attention of a diverse and younger audience. In 2024 UBB participated in over 35 music events, covering a wide audience – from the ELROW electrifying techno festival, through the rock fans’ recognized Midalidare and Hills of Rock to the Fantasy Land family event, as well as the rebellious Halloween festival. For the past 2024, we held 6 challenges, in which participated over 600 colleagues. This strategic shift enabled the bank to be perceived as a brand that embodies fun, experience and music, thus attracting a new wave of younger customers.

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Our role

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

Sustainability 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. It outlines the role we want to play in society, our focus points and our goals.

We develop our role in society in 5 domains:

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Entrepreneurship



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

Schools

National Trade
& Banking High School
Partnership

Universities

European Entrepreneur's
Day Forum
KBC Group as a Learning
Organization Supporting Innovation
and Entrepreneurship

Start-up phase

Best youth startup
in Bulgaria
Master class for young
entrepreneurs from
the Kardzhali region

Growth & development phase

Future Unicorns
Family-owned business
and NextGEN Academy

Facilitating the access to EU subsidies

KATE for EU programs

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In a nutshell

The companies of the KBC Group in Bulgaria promote entrepreneurship through the various phases of the business life cycle, with a focus on regional and youth entrepreneurship.

In 2024, KBC Group in Bulgaria had an impact on the entrepreneurial ecosystem in Bulgaria with initiatives,

reaching over **500** entrepreneurs (within **6** projects and **10** events).

This is the result of the joint efforts of the companies of the KBC Group in Bulgaria, including our regional structures and head office.

Partnership with the National Trade & Banking High School

In 2024 UBB continued to support and collaborate actively with the National Trade and Banking High School (NTBG) – by mentoring 3 classes from the school. Our experts provided valuable knowledge and practical experience to the students, preparing them for their future professional challenges. This partnership not only expands the learning process but also strengthens the link between education and business through creating better opportunities for the young talents. The support of the bank was associated primarily with students in 10th and 11th grade, who were given the opportunity to get hands-on experience about the way financial products are developed, how a mobile banking app is being built and upgraded, how consumer expectations are impacted, as well as other key aspects of the banking business.

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Best Youth Startup in Bulgaria 2024

The third edition of the competition, organized by the Fund of Funds and the Faculty of Economics and Business Administration at Sofia University took place during 2024. It included nearly 300 participants as teams or individual competitors. All of them had the opportunity to go through a 10-week training program to develop their ideas under the mentorship of experts from 40 partner organizations from the investment and startup ecosystem in Bulgaria. This made the competition the most significant initiative of its kind in the country. UBB remained the only commercial bank partner and provided the competitors with valuable knowledge about the role of EU Funds, Financial instruments, Leasing and Insurance with a seminar organized by UBB, UBB Interlease and DZI. KBC Group also hosted the semi-finals of the competition in its Headquarters in Sofia, including a networking event after the pitching sessions and was part of the jury which chose the winners.

The projects highlighted themes of sustainability, technological innovation, and community service, reflecting a strong focus on creating impactful, eco-friendly, and efficient solutions for real-world problems.



Master class for young entrepreneurs from the Kardzhali region

The “Master class for young entrepreneurs from the Kardzhali region” project took place from October 2023 to July 2024. It was organized by UBB, DZI, and UBB Interlease, in collaboration with Sofia University’s Faculty of Economics and Business Administration. The initiative aimed to promote regional youth entrepreneurship. It provided 17 young entrepreneurs under 30 years of age with the chance to learn from banking experts and university professors and develop skills to turn ideas into successful businesses. The program focused on female entrepreneurship, multicultural diversity, and youth entrepreneurship. Top projects included a Robotics Academy for youth, hand-made knitting art, and a touristic app promoting Bulgarian landmarks.

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KBC Group as a Learning Organization, supporting Innovation and Entrepreneurship

UBB hosted students and professors from the Faculty of Economics at Sofia University St. Kliment Ohridski at an especially organized meeting in the Bank’s head office. The event was attended by over 70 students from various programs, including MBA, Digital Business and Innovations, and Human Resources. The topic of the meeting was “KBC Group as a Learning Organization, supporting Innovation and Entrepreneurship.” It involved representatives from several directorates in different fields of expertise, including Innovation, Digital marketing, Human Resources Management, Financial Instruments and EU subsidies and Digital channels.

Participants shared experience from KBC Group Bulgaria in supporting entrepreneurship, innovation, and sustainable development and guests also learned more about the functionalities of Kate, UBB’s digital assistant, and the principles behind its successful operation. The event concluded with a networking session and great interest and questions from the audience.



“

The Faculty of Economics of Sofia University “St. Kliment Ohridski” is expanding and deepening its sectoral and geographical partnership with KBC Group Bulgaria. We organized a master class in support of youth entrepreneurship in the Kardzhali region, UBB supported the holding of the third edition of the “National Youth Entrepreneurship Competition”. Sharing UBB’s experience as a responsible “learning organization” contributes to the development of the competencies of the human resources specialists we train.

Assoc. Prof. Todor Yalamov
Deputy Dean of The Faculty of Economics at Sofia University “St. Kliment Ohridski”

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Future unicorns – Networking event in collaboration with the Bulgarian Innovation Hub

In October 2024, leading representatives of the Bulgarian Innovation Community took part in an inspiration event, organized by Future Unicorns and hosted by UBB. The primary objectives of the event were to unveil and promote the new Future Unicorns brand, re-connect with innovation alumni and partners and present the latest news and initiatives.

The event set the beginning of the collaboration between Future Unicorns and UBB, aimed at supporting the development of the local start-up environment and support KBC Group Bulgaria in finding potential partners, needed to build the targeted Ecosystems.

Financial and Investment Support for SME – Sofia International Money Expo Conference

The 4th International SIM EXPO Conference aimed to enhance financial and investment awareness among small and medium enterprises. Financial institutions, investment and guarantee funds presented products and services tailored to SMEs and entrepreneurs. The conference covered investment activities, financial resources and green transition. UBB took part in a panel discussion about the importance of financial instruments in support of young entrepreneurs and small businesses.

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Business Academy for Starting Entrepreneurs (BASE)

The fall session of the BASE Program in Sofia commenced at the end of October. This marked the 47th edition of the Program in the country, which aims to foster a new generation of entrepreneurs.

Special guest at the event was Yanko Yankov, Director of Microbusiness at UBB, who delivered motivational remarks and officially launched this season, hoping it would be filled with fresh opportunities, knowledge, and collaborations.

The BASE Program is a training initiative that employs a straightforward and highly effective model established in the USA. The educators are accomplished entrepreneurs who willingly dedicate their time to impart their expertise and insights to aspiring entrepreneurs.



Family-owned business

In February 2024, the second Annual meeting of UBB Family-owned companies was held at the Inter-Continental Sofia Hotel. Special guest speakers at the event were partners from EY Belgium, EY Bulgaria, as well as from Kinstellar Bulgaria, who shared valuable ideas regarding best practices in family business management, based on their experience as business consultants.

For a second consecutive year, UBB NextGEN Academy welcomed representatives of 15 family-owned companies - the second-generation successors in the family business. The Academy included five seminars on important business topics to support the next generation of entrepreneurs in their efforts to develop and build on the family business.

We are gradually creating a NextGEN alumni community. The first event was held in October and included a meeting with the Chief Economist of KBC Group Hans Dewachter, as well as a workshop on Business Development Strategies.

Some of the success stories of the transition of businesses between generations we shared in a special project with Manager magazine.



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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 NGF-7, RRF Competitiveness, RRF Sustainability, Invest EU Competitiveness, Invest EU Sustainability, InvestEU innovation and EIB.

In **2024**, UBB made over **1000** new transactions with financial instruments, with a total value of **EUR 342 million**.

KATE for EU programs

In 2024, we launched the new use-case for our digital assistant- KATE for EU programs.

In the UBB Mobile app business clients can now take advantage of the new “European programs” functionality in Kate, which allows them to find up-to-date information on the so-called “grant programs” in support of Bulgarian businesses from various donor organizations. The client can select one out of two options for financing: agricultural programs or other (non-agricultural programs). Each one has a summary attached in a language, understandable to clients with the main and most important elements, as well as a link to the official page, containing the full package of documents for the procedure.



“

Thank you for the trust you have placed in us by granting us a loan with an Invest EU Competitiveness guarantee. The funds under this loan were very beneficial for us in difficult times for our industrial customers. Partial collateral for us is saving money on insurance and mortgages. The financing used was an opportunity for us to increase our inventory, which leads to an increase in our turnover.

Hristo Hristov,
manager of Handy Ltd.

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In a nutshell



With a 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 a 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 a focus on employees, we enhance their opportunities through customised employee benefit programs and engage them with 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, implemented by KBC companies in Bulgaria in 2024

Lectures to students under the FSC program

Students from the upper grades of schools from Pleven, Kyustendil, Varna, Ruse, Silistra, Sliven, Stara Zagora, Burgas, Sofia, Plovdiv and Gorna Oryahovitsa visited the UBB Millennium Centre. The event was part of the XXII edition of the “The non-bank financial sector in Bulgaria” educational program, implemented by the FSC.

The initiative was hosted by DZI and UBB Pension Insurance. In the morning session, experts from UBB Pension Insurance introduced guests to the world of pension insurance, with a focus on pension fund investment management. The afternoon session was hosted by the CEO of DZI, during which KBC Group was introduced, as well as DZI as a company with its history and modern products.

As a memento of the event the students received a valuable gift – the “Personal Finance: The Third Revolution” textbook.



Rewriting the Pensionpedia.bg website

In 2024, a project to rewrite the website Pensionpedia.bg was launched and implemented.

Rewriting Pensionpedia.bg provided several benefits. First, the design of the new site is in line with the corporate identity and the IT security standards of KBC. Second, through multiple links to the corporate website ubb-pensions.bg, Pensionpedia.bg provides easy navigation and clear separation of information: the corporate website ubb-pensions.bg is focused on UBB Pension Insurance products and services, while Pensionpedia.bg provides information on all aspects of pension insurance in Bulgaria. Third, the new site has been integrated with a new Content Management System that provides greater security and speed in updating the site’s content.

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European Money Week

In 2024, KBC companies in Bulgaria participated in this initiative with several events:

Four UBB branches (in Veliko Tarnovo, Shumen and Sofia) held open days, where students were introduced to the work of banks and the role of bank employees.

An educational series on UBB’s TikTok account introduced Generation Z to the topic of personal finance in an accessible and entertaining way, and challenged the youth audience to suggest who and what merits they would depict on Bulgarian euro banknotes.

In a challenge organized by the Junior Achievement Foundation, children of employees took part by filming a video survey among their classmates. They asked their classmates the question “How can you earn BGN 150 through investing BGN 100”? The competition provoked their creativity and contributed to enriching their financial culture.



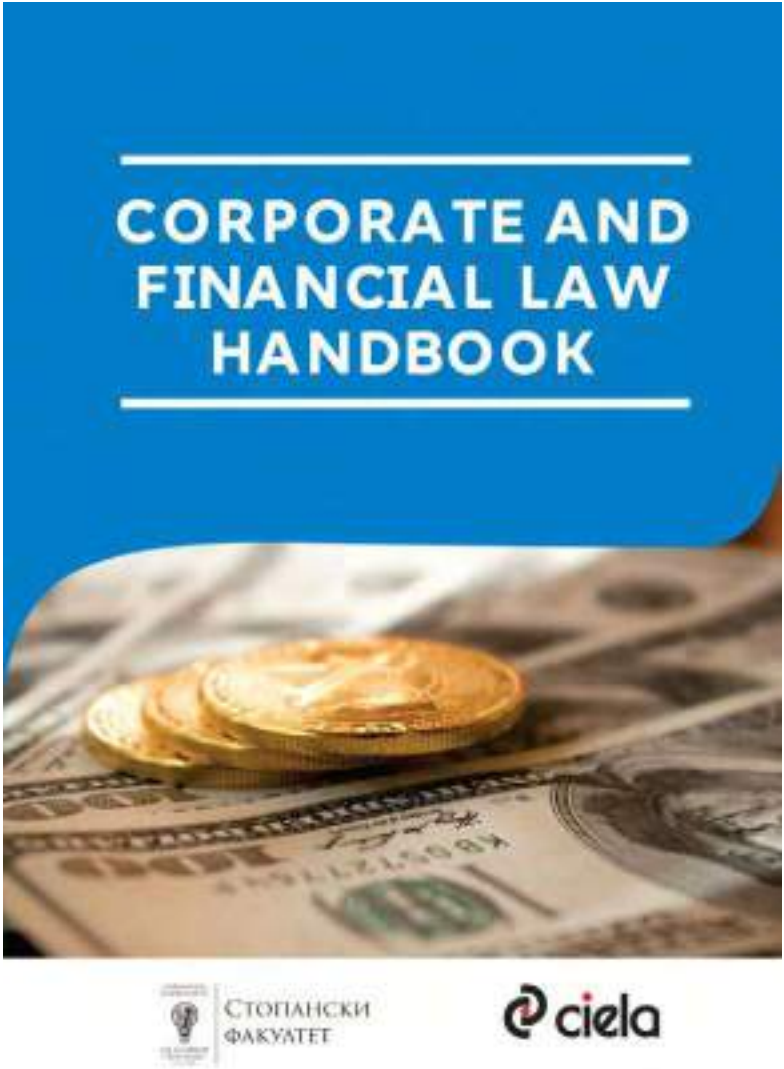
In the spotlight

Distinguished Academic Contribution

In a noteworthy advancement of our commitment to sustainable finance education, **the Legal Directorate of UBB**, through the legal counsel Yuliya Zharova, achieved a remarkable distinction within the Bulgarian banking sector by authoring a comprehensive chapter in the **“Corporate and Financial Law Handbook”** (2024, published by Ciela, in partnership with the Sofia University) available for students from the Faculty of Economics and Business Administration. This scholarly contribution examines the regulatory frameworks governing sustainable financing and articulates rigorous approaches to mitigating greenwashing practices.

Through this academic engagement **the bank has transcended traditional corporate boundaries to influence the next generation of financial practitioners**, by embedding sustainable governance considerations within foundational educational materials.

This scholarly participation represents **a testament to our organization’s intellectual capital** and our commitment **to fostering sustainable finance practices** beyond regulatory compliance, thereby establishing UBB as a strategic leader in the evolving landscape of environmental, social, and governance standards.



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Responsible investing

KBC Asset Management has been a pioneer in the field of Responsible Investing (RI) for over 30 years, and the RI funds are offered in all core KBC Group countries, including Bulgaria.

We offer three types of RI funds, each with their own specific characteristics and criteria:

- **Responsible funds invest in companies or countries that promote sustainability aspects and make efforts to limit climate change.**
- **ECO-thematic funds invest in companies which provide solutions to a specific sustainability challenge, such as climate change or water scarcity.**
- **Impact Investing funds invest in companies that have a positive impact on society and/or the environment through their products and/or services.**

At group level KBC Asset Management aims to continue to grow the responsible investing share of our investments in the future. Our ambition is for RI funds to reach at least 55% of total assets under distribution (AUD) (direct client money) and 65% of total annual fund production by 2030.

During 2024r. actively offered Responsible Investment funds in Bulgaria are a total of 14: 6 Bulgarian feeder funds and 8 Belgian ones, of which 2 are included in a unit-linked product.

We actively promote them and as of 2024 some of them are being offered in UBB Mobile.

Via its social network channels UBB Asset Management publish information and training materials related to responsible investment funds. In 2024 the **“OBBuchi se”** and **“SpestiLi”** educational sections reached 17,000 views on average.

In 2024 UBB AM continued to develop the **“Money with a future”** podcast, distributed through the leading media channels of Capital and Dnevnik. The aim is to introduce the general audience to the ways investments could work for them. UBB Asset Management’s financial specialists discuss trending topics for investors. The most striking article “Step by step to the goal” has been read by over 21,000 users and the podcast has been listened to by nearly 6,700 users.

In the spotlight

Raising the awareness about responsible investing

UBB Asset Management is working hard to raise the awareness about responsible investing among employees and clients. This initiative is being carried out through various channels.

For the employees, they have developed a series of video podcasts as well as monthly blog articles and updates on RI funds. The primary objective of these podcasts is to discuss RI funds in a clear and accessible manner. Topics covered include the types of RI funds distributed, the exclusion policies in place, how these funds differ from conventional ones and their performance.

For its clients, UBB Asset Management organized a digital awareness campaign on responsible investing.

This campaign incorporated social media posts and blogs as well as online educational materials such as articles and videos to effectively disseminate information and educate clients on the importance and benefits of responsible investing.

More information about the KBC Asset Management and responsible investing is available in our Group Sustainability report: [KBC Group voluntary Sustainability report 2024](#)

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UBB Asset Management supported the “Investments” summer school of the Atanas Burov Foundation

Representatives of UBB Asset Management participated in this year’s program of the “Investments” Summer School of the Atanas Burov Foundation. During his lecture to the students our Chief Investment Strategist and Portfolio Manager at UBB AM, explained the perspective and role of institutional investors and answered many questions.

The main topic of this year’s summer school was “Fundamental Analysis of Exchange-Traded Companies”, with a focus on practical analysis of public companies, investment ethics, corporate governance, professional certification programs and working with information applications in the field of investments and capital markets.

Participants in the school were assigned tasks of a practical nature, giving them the opportunity to demonstrate knowledge, resourcefulness, creativity and teamwork skills.

The Atanas Burov Foundation’s Investment Summer School program is organized for the 22nd time and targets students, interested in gaining knowledge and practical skills in the investment industry. Many of the graduates could subsequently start their career development in leading financial institutions or to be approved as Foundation Scholars. The best performing participants receive exclusive career offers in some of the leading management and investment companies in Bulgaria.

The lecturers and mentors at the summer school are investment professionals with extensive experience in the field of investment and capital markets.

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In a nutshell



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

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 in improving their health and life by 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 on the prevention and not only on the treatment of a disease.

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



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Medical Services for Clients

As part of our ongoing commitment to enhancing the social impact of our core business activities, DZI has implemented a series of initiatives that underline our dedication to providing high-quality medical services to our clients.

VIP Medical Service for UBB Bank Clients

Expanding VIP medical services for clients in key cities, such as Varna, Plovdiv, and Burgas demonstrate our commitment to providing access to the best healthcare for all our clients, regardless of their location. Examinations are organized by the medical center in the most effective way in order to limit the time spend by the Client as much as possible. For the whole 2024 over 230 clients have used the VIP medical service in Sofia. A dedicated employee accompanies the clients through the doctors’ offices and the total time spent by the client in the medical facility is up to 40 minutes. The medical information is sent directly to the underwriting team and the risk assessment is usually evaluated within the working day.

Partnership for Medical Concierge Service:

We have launched a pilot partnership with Vita Diagnostic-Consultative Center, offering a Medical Concierge Service. This service is designed to set us apart from our competitors by providing additional benefits to our clients in the busiest medical centers. Through the Concierge service, we ensure seamless access to necessary medical care by providing information, coordinating appointments, and assisting with specialized examinations. This is a key step in our strategy to enhance customer service and meet the healthcare needs of our clients. On average 5 clients per day use the Medical Concierge Service in Vita Diagnostic Centre.



“

I sincerely thank you on behalf of Cremio EAD for the product Complex Medical Assistance from DZI and your assistance in its introduction.

The product has been implemented in our company and is highly trusted by our employees. With your help, we have upgraded our social policy and employee satisfaction. Our health is most valuable in order to be productive and efficient in personal and professional terms.

Gabriela Disanska ,
*Human Resources
Manager,
Cremio EAD*

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Health improvement and digital solutions

In Bulgaria, DZI offers **‘Kaksi’**: a mobile application that aims at motivating its users to live healthier. The app can store 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 medications. Through gamification and rewards, the app encourages its users to live a healthier and more active lifestyle. 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.

Partnership with the Healee Digital Platform

Through our integration with Healee – a fully digital platform for online telemedicine consultations – our clients gain access to a wide range of services:

- **Comprehensive Remote Medical Care:** We understand the value of time. Our new service enables clients to receive online medical consultations from the comfort of their homes or offices.
- **Wide Range of Medical Services:** Clients have access to a broad spectrum of specialists for all their healthcare needs.
- **Personalized Insurance Plans:** DZI’s flexible and tailored insurance packages can be integrated with clients’ Healee medical data, offering a truly customized insurance solution.

For the 2024 the clients who used online consultations through the Healee platform exceed 940.

Digital communication

Improved communication for customers and partners by producing and distributing materials for using digital services through SuperDoc and Healee, as well as a material for customers: „What to do in case of a health problem“. The materials aim to help the client use the different insurance services in order to improve the customer experience in case of a claim.



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Initiatives with a focus on society

Partnership with Bulgarian Cycling Federation

In recent years, the name of DZI has been associated with the support of cycling in Bulgaria. Since 2020, DZI is a general sponsor of the Bulgarian Cycling Federation (BFC), committed to the task of promoting this sport in our country.

In 2024, the fourth oldest road contest in Europe marked its **100th anniversary** since the holding of the **first cycling tour of Bulgaria**. DZI participated as a sponsor in different initiatives in the local regions, including competitions for kids where they received special prizes from DZI.

First Aid Academy

long-term partnership between **DZI and the Ministry of Education**. With this initiative DZI stands for a socially important cause related to prevention and training of teachers and representatives of educational institutions in providing first aid. The campaign attracted **more than 1800 participants**.

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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.

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 the foundation of our continuing existence is exactly the trust of our stakeholders.

Responsible behavior is the basic layer of sustainability at UBB and is considered as a sine qua non 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.

Each employee is accountable for living up to the values of 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.

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 non-misleading information);
- We do what we say (we keep our promises and act with integrity); and
- We aim for win-win relationships (we genuinely care about the interests of our customers).

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.

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Business ethics and Code of conduct

We strictly follow our corporate policies and guidelines to ensure ethical business, ethical behavior, openness, transparency, discretion and privacy.

Our Code of Conduct is directly applicable to all companies in the KBC Group in Bulgaria. The Principles of Conduct, which all employees should follow, are aimed at promoting core values that ensure the successful performance of the KBC Group.

KBC Bulgaria's entities want to create and foster a corporate culture marked by honesty and openness, where all persons can report potential breaches that may cause financial or reputational loss at the earliest possible stages without fear for any reprisals and they are assured that they will receive fair treatment, and their concerns will be investigated properly.

We have a global whistleblowing policy and procedures in place. The internal Whistleblowing Policy applies to all KBC Group entities in Bulgaria, it really fosters the open communication on reporting potential breaches with high impact on the entities. We encourage employees to 'speak up' and report via the dedicated channels. All whistleblowing signals are being investigated in an independent and impartial manner, while considering incriminating as well as exculpatory elements. Our specified tool allows employees to report all forms of misconduct, including discrimination and retaliation against employer, as well as violation against national and EU legislation.

Raising awareness through

Awareness training

Responsible behavior is part of KBC Bulgaria entities' culture. Different initiatives – staff risk culture and awareness trainings, responsible behavior topics included in the internal KBC Bulgaria newsletters, posters promoting our values, internal communication campaigns, etc., have taken place. There is an online training module available, in which the KBC Group CEO and senior managers from different KBC Group entities emphasize the importance of responsible behavior. Since then, most of our employees have completed this training course. Responsible behavior is an integral part of the onboarding program for new employees. Follow-up sessions are being 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 up and point out any dilemma that he/ she perceives. Meanwhile KBC Group included the dilemma training session in the senior management development program, where managers learn how to discuss complex decisions or dilemmas with their staff. It is the core responsibility of senior managers to support employees in making the right choices for themselves and for their teams.

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Data protection and privacy

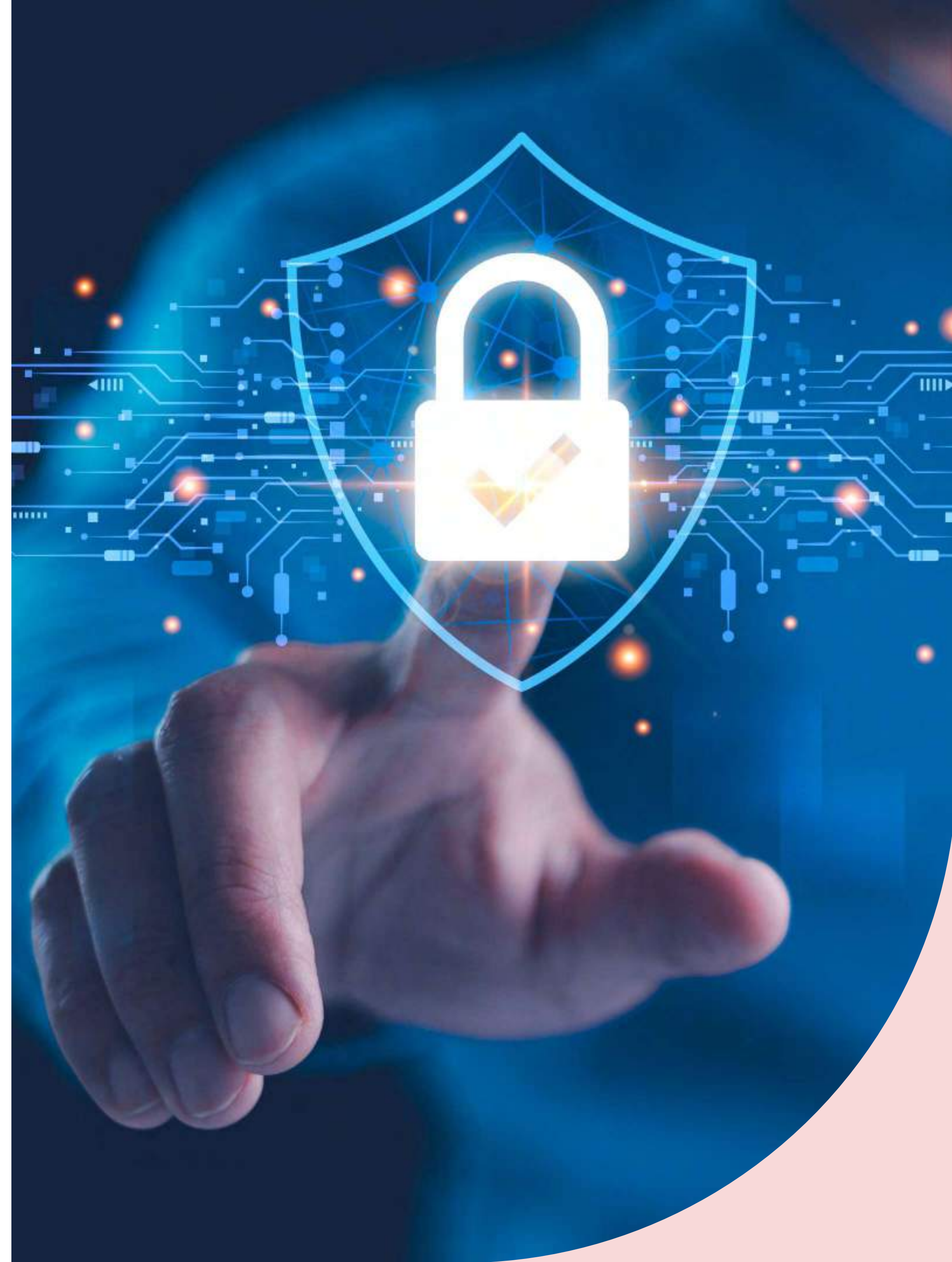
Compliance with the General Data Protection Regulation (GDPR) and respecting the privacy of all stakeholders is an integral part of our profession as a bank-insurer. To maintain our stakeholders' trust, we process personal data in a lawful and transparent manner and take appropriate measures in order 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 have set up a general Anti-Money Laundering policy to counteract money laundering and the financing 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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Human rights

Human rights are rights inherent to all human beings, regardless of nationality, place of residence, gender, national or ethnic origin, colour, religion, language, or any other status. These rights are interrelated, interdependent and indivisible. They also include the protection of people’s private lives. KBC fulfils its commitment to respect Human Rights in relation to its core stakeholders – customers, suppliers and employees – through specific policies and human rights due diligence processes.

In 2006, KBC adhered to the principles of the UN Global Compact, the world’s largest corporate responsibility initiative. KBC has signed the Gender Diversity in Finance charter, became a member of Women in Finance, and signed the Women Empowerment Principles. KBC complies with the laws, rules and regulations of every country in which the KBC group operates.

KBC entites in Bulgaria 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.

We strictly refrain from any violation of human rights by:

- Updating regularly our KBC Group Human Rights Policy.
- Having set up specific policies and human rights due diligence processes:
- improving the implementation of the UN Global Compact Principles across our daily operations.

Using AI (artificial intelligence)

In KBC Group and in Bulgaria we are piloting the experience with the Microsoft Generative AI solution and the potential of its usage in our daily practices.

Strict guidelines are designed to improve the overall adoption and usage with focus on enhancing productivity while maintaining data security and ethical standards. The key practices include major areas, such as:



Data Security and Confidentiality

Mandatory training covers risks allowed and not allowed uses, recognizing data breaches, and reporting.



Training and Onboarding

Individual learning plans of the license holders, Knowledge Hub, regular Local and Group Community meetings to share use cases and exchange good practices and specific expertise.



Usage Monitoring



Ethical Usage

In compliance with the ethical standards and cross-check the information.

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Cyber-risk and information security

Cyber-risk and information security continue to be key to delivering safe and cyber-resilient services. The ever-increasing digitisation of the products and services we provide, coupled with the dynamic development of internet technologies, expands the challenges we face in cyber security. The biggest threats continue to be organised hacking groups combining significant knowledge and motivation. Most of them also rely on solid financial and state support.

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 from all stakeholders. The main focus is on protecting 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 being regularly evaluated, challenged and improved against existing and new threats. Using a risk-based approach, we focus our efforts with maximum efficiency, while mitigating the risk. Security operations are also supported by group-wide Competence Centre for Information Risk Management. This approach guarantees the speed, flexibility and resources for managing all types of crises related to cyber and security incidents.

In 2024, we implemented two online campaigns, targeting UBB's customers and drawing their attention to the various cyber-risks, thus helping them develop adequate behavior towards the most popular forms of hacker attacks.

The first campaign's main focus was on the customers of the former KBC Bank Bulgaria, who were in the process of integration to UBB's systems. The campaign reached over 520 thousand unique users on Meta and was shown over 1.2 million times in total.

The second campaign was in the autumn, in conjunction with the Cyber Security Month. It reached over 530 thousand unique YouTube users and over 1.6 million Meta users.

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In a nutshell



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 mobilize all our expertise and resources to address them. We are a part of several financial industry associations and by actively putting environmental issues on the agenda, we aim at agreeing on a joint action within the financial sector.

In 2024 again we took an active role in raising the sustainability awareness and sense of climate urgency in Bulgaria, by taking specific steps to deliver change and showing **high level of transparency**.

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

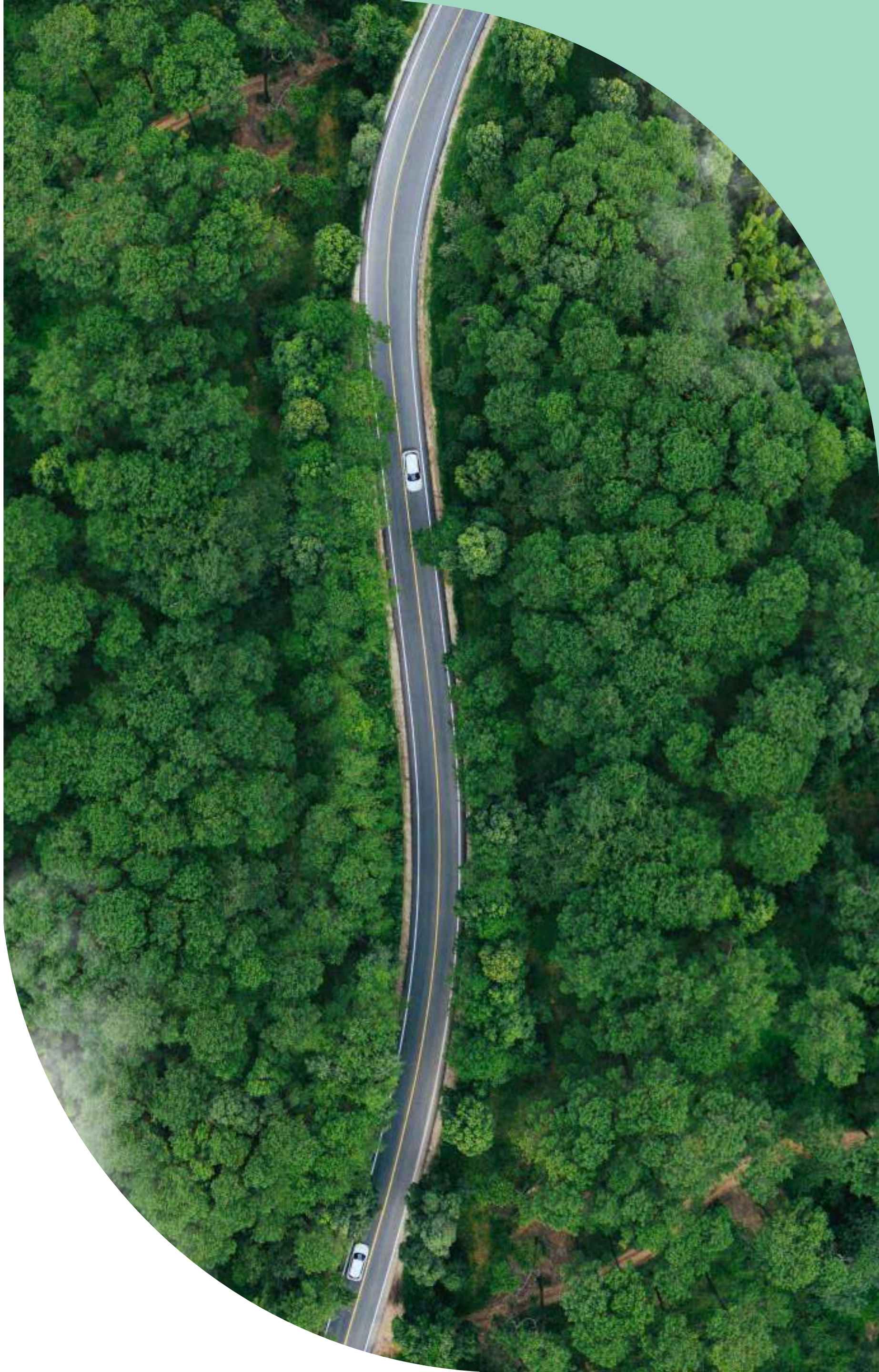
We raise the awareness and engage society by provoking honest dialogs, build partnerships, feel the pulse of the employees, and openly declaring our stance to all our stakeholders.

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

Our financial-insurance group in Bulgaria as part of KBC Group is a member of the UN Global Compact Network, we are committed to the UNEP FI (United Nations Environment Programme Finance Initiative) Principles for Responsible Banking (PRB), UNEP FI Principles for Sustainable Insurance (PSI), UN Principles for Responsible Investment (PRI) and we are a signatory of various sustainability-related commitments.



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



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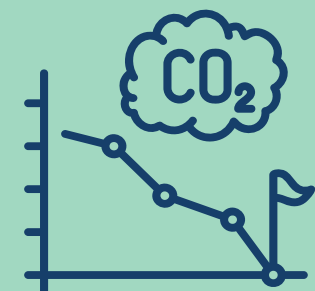
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Our own footprint

We have been measuring our direct, groupwide emissions since 2015.

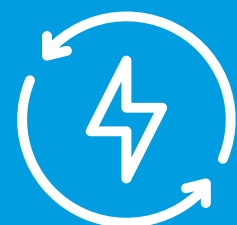


As of 2024 the total GHG emissions for KBC Group in Bulgaria are 4 600 tCO2 which is **83% CO2 reduction** vs the base year 2015.

We aim to reduce the direct environmental impact from our own operations with 84% by the end of 2030 vs the base year. To achieve this, we have put targets in place for reducing our direct environmental footprint.

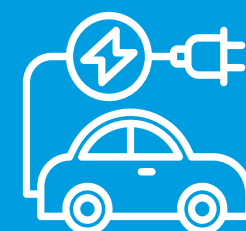


Currently **99%** of the purchased electricity for KBC Group in Bulgaria comes from renewable sources.



Yet another Solar Power Plant was installed and put into operation in 2024 at UBB Branch in Kardzhali town. With this one the total number of built SPP reaches 4.

The new SPP is planned to generate **65 MWh annually**, which is equal to **30 tCO2 reduction**.



Car fleet renewal strategy

We continue to successfully implement our car fleet renewal strategy - currently the KBC Group Bulgaria carfleet consists of

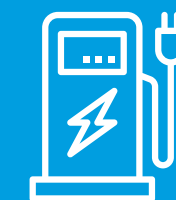
129 electric and 70 hybrid cars.

The car fleet replacement for DZI and UBB PIC has been successfully done at 100%.

For UBB the replacement is at **40%** as we expect the full replacement to be finished by the end of 2027.



Implemented system for managing the waste from electrical and electronic equipment - we improved the collection, treatment and recycling of end-of-life electrical and electronic equipment by installing specialized waste containers.



Meanwhile, we started building a network of charging stations for our electric cars. The charging stations will be built at many locations throughout Bulgaria near our branches and offices - they will be used by both our employees and our customers.

Currently, there are **50 charging stations** built and installed around the country.



We took care for our trees which were planted 2 year ago in our Blue Forest by replanting of saplings, watering and cultivating them during the vegetation period.



We have successfully continued the ISO certification for UBB, DZI, UBB Interlease and KBC Global Services. This evidences once again that our organizations have appropriate environmental policy, objectives and targets in place, taking into account the applicable legal and other requirements and significant environmental aspects, and also measures for achievement of those objectives and targets. The benefits of the certification are the reduction of waste and pollution, as well as the efficient use of resources - electricity, water, gas, etc.

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**We're committed
and demonstrate
solid support for
our stakeholders
when it comes
to their
sustainability
journey in
building resilient
business models.**

Sustainable finance program

The Sustainable Finance Program was launched in 2019 as part of our group's role as a signatory of the Collective Commitment to Climate Action (CCCA). The aim of setting up the program was to bring together all the relevant expertise within KBC Group to work on climate-related challenges and opportunities.

We focus on climate and other environmental impacts

- Own environmental footprint
- Indirect environmental impact
- Measuring climate impact of our portfolios and climate targets
- Updating our sustainability policies on biodiversity, energy and defense

In 2024, 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 expert White Papers for assessing the development of carbon-intensive sectors in our portfolio;
- evolving 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 was successfully finalized with reported achievement of targets.

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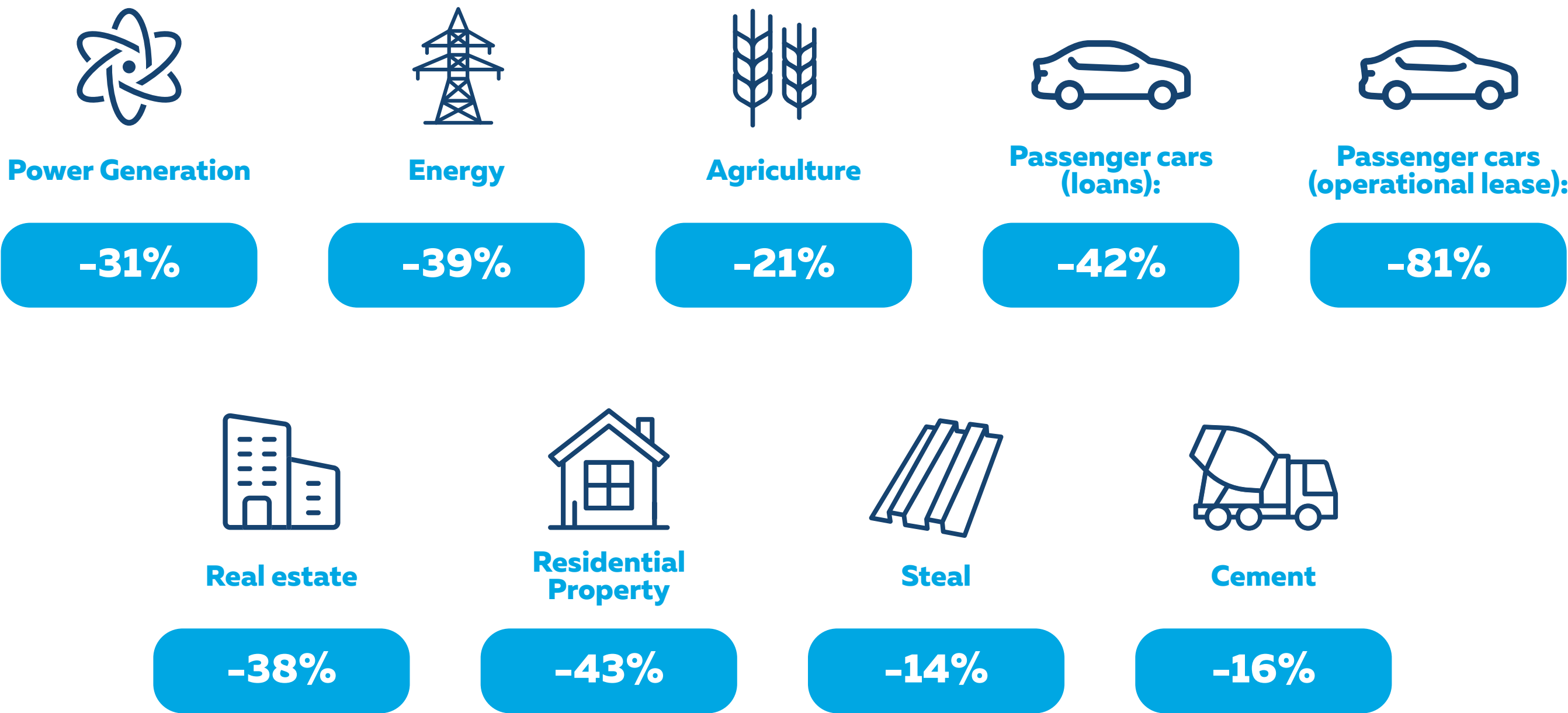
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Sustainability portfolio

As part of our commitments, we have set decarbonization targets for the sectors that cover the majority of our lending portfolio, as well as the related greenhouse gas (GHG) emissions. Each year we report on these targets and our progress on achieving them in our Group Sustainability report ([Sustainability Reporting](#))

Alongside with the whole KBC Group, we strive to achieve the 2030 and 2050 group targets in terms of the percentage of reduction of the CO2 equivalent footprint of the borrowers (i.e. KBC's Scope 3) in the most emissions-intensive sectors:



KBC Group contributes to the decarbonization 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 onwards, KBC also stopped financing the exploration and extraction of all new oil and gas fields. 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 specialized advisors in the field of energy.

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White Papers

Within the framework of our Sustainable Finance Program, every year, we produce several sustainability-related analyses that we refer to as ‘White Papers’. Again in 2024, we performed an assessment of the sectors from our portfolio, identified as being ones with the largest impact on climate, hence the White Papers are written in response to relevant developments affecting the sectors. They include climate-relevant information for the specific sector or product line concerned: observed trends, identified and expected risks, innovations, all relevant European and local regulations, targets we should set to align our portfolios with applicable climate scenarios. The White Paper analyses focus on our credit business, advisory services and insurance activities.

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

In 2024, we also produced White Papers on cross-sectoral environmental topics: deforestation and plastic packaging. These were chosen because of their significant impact on multiple sectors.

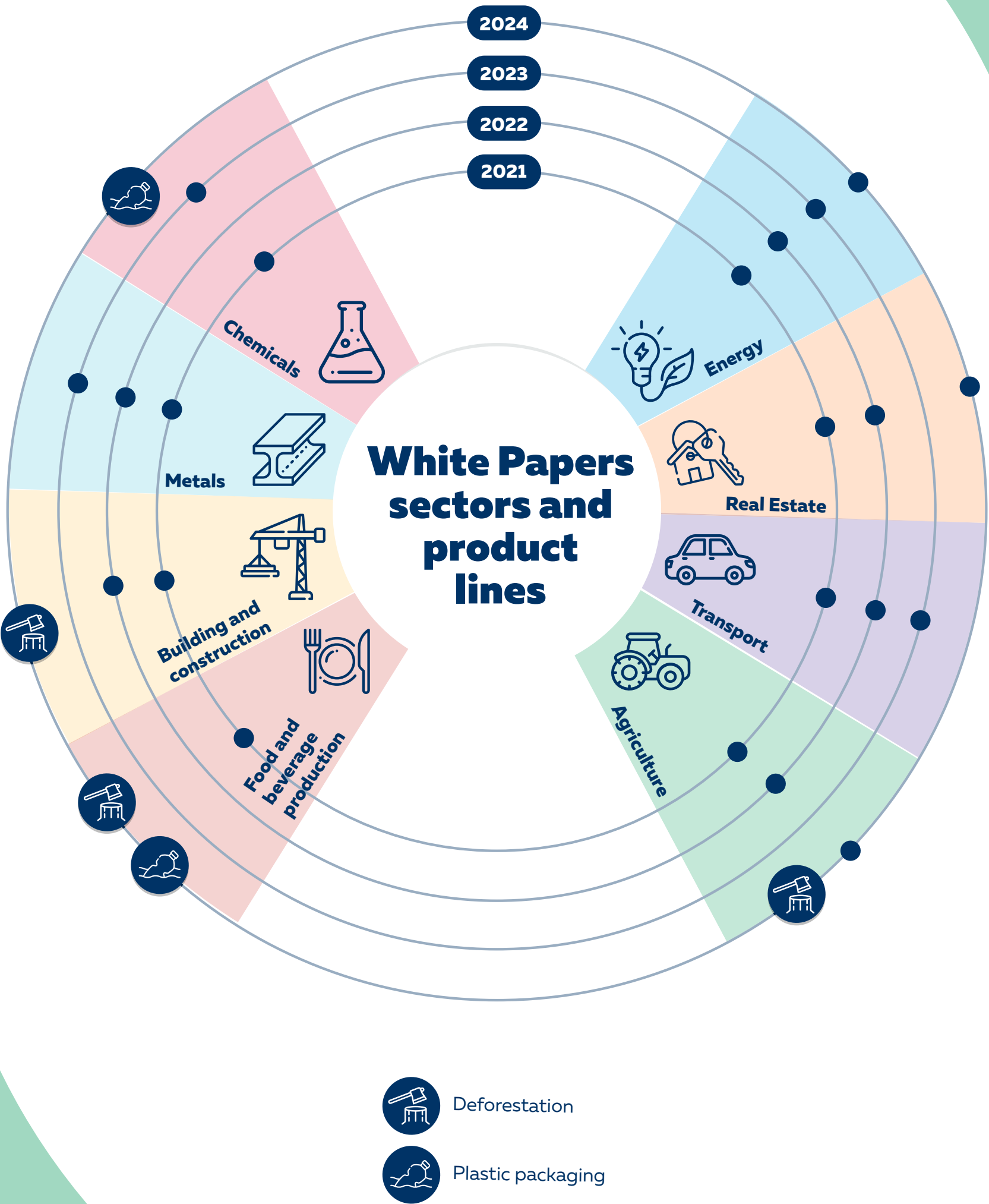
Deforestation: This White Paper examines the impact of the EU Deforestation Regulation and the risk of deforestation on our clients on a global scale. It also zooms in on the potential opportunities of Deforestation and Conversion-Free commodities. Food and beverage producers are most impacted by these topics. Besides, building and construction and traders of these commodities are also affected.

An example of an EUDR awareness-raising campaign is UBB’s organization of a client event dedicated to food, packaging and the related topic of deforestation regulation for the relevant sectors.

“ We held an event for food and packaging sector clients and aired an introductory video on the EUDR. It caused quite a stir and lively debate but was considered a very useful information by everyone participating.

Kalina Kisyo*va General Manager Corporate and SME Product and Business development, United Bulgarian Bank*

Plastic Packaging: This White Paper zooms in on the various legislative initiatives being rolled out by the EU with the aim of reducing plastic pollution. It also focuses on the risks and opportunities these initiatives might entail for our clients. The chemical sector and the food and beverages retail sectors are most impacted by this topic and are therefore at the core of this White Paper.



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As part of our White Paper approach, we have identified several opportunities to accelerate the transition.

White Paper sector	Opportunity
 Energy	<ul style="list-style-type: none">• Energy transition to alternative and affordable energy sources• Green hydrogen production• Increased electricity storage capacity
 Real estate	<ul style="list-style-type: none">• Retrofitting buildings and energy-efficiency advisory services• Integration of renewable energy such as energy-efficient heat pumps and photovoltaics
 Transport	<ul style="list-style-type: none">• Transition to electric vehicles and bicycles• Green hydrogen and electrification for long-haul transport• Use of recycled plastics and batteries for the remanufacturing of vehicles
 Agriculture	<ul style="list-style-type: none">• Bioenergy from agri-food waste resources• Energy efficiency and renewables• Precision farming
 Food & Beverages	<ul style="list-style-type: none">• Energy-efficient production• Bio-based water remediation techniques• Optimizing the resource use with circularity• Higher recycled content of plastic packaging
 Building and construction	<ul style="list-style-type: none">• Bio-based and carbon-negative building materials• Modular constructions• Electrification of machinery• Upcycling of demolition waste
 Metals	<ul style="list-style-type: none">• Electric arc furnaces for steel production• Green hydrogen as an energy source• Upcycling of steel and aluminium in scrap waste• Recollection of electric vehicles batteries for recycling of precious metals (e.g. rare earths, lithium)
 Chemicals	<ul style="list-style-type: none">• Green hydrogen as a feedstock and as an energy source• Higher share of recycled plastics through effective recollection systems and the application of chemical recycling• Utilize circular molecules in the product portfolios• Safer alternative chemicals to PFAS

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Examples of succesfull projects in the White Paper sectors



Renewable energy:

Financing thermo dynamic heater production in Bulgaria UBB granted 21 million euros of financing to a manufacturer of thermodynamic heaters. This investment is anticipated to position the company as the leading producer of such appliances in Europe. The company's projected annual production capacity exceeds 200 000 thermodynamic heaters.

In 2024 UBB granted 74.5 MEUR financing two **large photovoltaic parks** located in Central and North-East Bulgaria – Municipality of Karlovo and Kaolinovo. The two installations total to 139 MWp with total annual output of 201 520 MWh energy.

For 2024 the share of renewable energy output out of the total financed energy production is 91.36%.



Building and construction:

Financing a circular waste treatment plant

UBB financed a mobile construction waste processing plant for the largest construction company in Bulgaria. The treatment plant will be used for the recovery and recycling of Construction and Demolition Waste (CDW), enabling the company to repurpose construction waste into building materials. Notably, this plant is the first of its kind in Bulgaria. It is expected to process and recycle around 55 000 tones of CDW into around 49 500 tones of recycled materials per year. Consequently, the plant will significantly reduce the reliance on virgin construction materials. The main base of the installation will be in Sofia, however given its mobility, the installation will also be able to move to other cities in Bulgaria and neighboring countries. The investment will be completed in the first half of 2025.



Financing with social impact:

Supporting the construction of a hospital in Vratsa

In 2024, UBB secured funding of 10 million euros for the construction of a new hospital in the town of Vratsa. This facility will feature 193 hospital beds across 11 medical departments. This represents approximately 50% of the required healthcare infrastructure in the Vratsa district and about 22% for the North-West Region of Bulgaria. The project is financed in accordance with the Equator Principles.



Agriculture:

We have **GHG calculator for the agricultural sector** in UBB. This tool is instrumental in helping farmers measure and manage their carbon footprint, thereby steering their operations towards greater sustainability.

Moreover, they help us in gathering data and enhancing our understanding of our financed agricultural emissions.

In 2024, UBB has further developed its digital tool, the UBB Agro Carbon Emissions Calculator, in collaboration with the Institute for Agricultural Economics in Sofia. This advanced tool now includes the capability to calculate the carbon emissions for 30 crops and livestock – adding lavender and alfalfa. The calculator generates detailed reports with tailored recommendations, providing invaluable insights for farmers. 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.

By the end of the year the calculator reached over 2200 calculations with generated 238 detailed emission reports.

2200
calculations

238
detailed
emission
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Advisory services

Sustainability-related Advisory Hub

comprehensive partnership program for advisory services

Banks play an important role in the transition to sustainable economy.

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

Through our **Sustainability related Advisory Hub – 26 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 their first steps along the way of transforming their business and thus, we are advancing in sustainability by enabling economic growth.

In 2024, to join our cohort of consultants we brought in **energy** and **digital consulting companies to create a sustainability strategy and produce CSRD reports**.

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



Digital ESG platform GreenOMeter

While striving to increase UBB's positive sustainability impact and offer added value to its clients through a range of activities, including collaboration with sustainability service providers, in 2024 UBB signed a cooperation agreement for the GreenOMeter platform in Bulgaria.

GreenOMeter covers the full portfolio of ESG services, supported by the digital platform, by focusing on sustainability services for corporates and SMEs, providing among others CO2 footprint calculation and CSRD reporting.

The platform is aspiring to become a large data aggregator in the ESG domain and to meet the demand for a scalable, affordable and technological E2E solution, aiming to become a data-driven ESG advisor (including what-if analysis, AI recommendations and financing) for business users.

The platform was showcased at the CSRD event for Corporate clients, organized by UBB and 24 Chasa (Daily) where 60 representatives of Corporate clients participated, at the DemoDay: Digital solutions for Sustainability, organized by the Faculty of Economics and BA at Sofia University St. Kliment Ohridski with 50 participants from the ESG Master's program, at KBC Group in Bulgaria – Surf Studio ESG – Surf O'clock GreenOMeter.



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In the spotlight

Educating our clients along their transformation path to a sustainability business model

UBB continues playing a vital role in the stakeholders' dialogue via exclusive sector-specific conferences.

We are committed to maintain a constructive dialogue with our clients in the direction of discovering new sustainable business opportunities. Thus, within the framework of the first-of-its-kind expert forum under the "UBB and 24 Chasa for a Sustainable Future" project, UBB was the only bank in Bulgaria who organized a series of unique sector-specific conferences, entitled: "ESG in Bulgarian Economy. Challenges and opportunities" dedicated to detailed analyses of the ESG challenges and opportunities, faced by businesses.

Over 2023 and 2024 we had held 7 significant events:

Five events focused on several of the most carbon-intensive and widely-present sectors in the Bulgarian business environment – Agriculture, Transport, Energy, Food production & Plastic packaging, Real estate.

There were two events dedicated to the upcoming sustainability regulations for Corporates and SMEs – CSRD & ESRS. More than 340 representatives from businesses, government and academia attended, as well as representatives from EFRAG.

For the Food production & Plastic packaging conference, we had support from one of our Group environmental experts who gave profound information on the EUDR regulation.

As part of the project, we have made a joint platform with the most-renowned mainstream media in the country, 24 Chasa daily, where we publish regular materials related to the events, which have been read over 560,000 times within 1 year.



I am very happy to have had the opportunity to be part of the "UBB and 24 Hours for a Sustainable Future" project and to share our experience and best practices in the transition to sustainability, the investments we are making and the reporting we are preparing. As our company is the largest pork meat producer in Bulgaria, we also produce agricultural products and food, and at the same time we are also a holding company that falls under the CSRD from 2025, I participated in the events on the Agriculture sector and the CSRD as a panelist, and as a guest for the Food and Packaging sector. I found the project extremely well-timed and useful for businesses. At a time when regulatory demands on companies around sustainability are rapidly growing, building awareness of the topic is extremely important. In parallel, we are facing various challenges in relation to reporting, not only for our operations, but also in our supply chain. In practice, until recently, only multinationals and the largest Bulgarian companies had experience and expertise in ESG. The serious media coverage of the "24 Chasa" media group has further helped the information reach an even wider range of business representatives.

Tsvetan Iliev,
Procurator of Boni Holding

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Working together with UBB on implementing Transformator was one of our first collaborations in Bulgaria and has been a very successful one. They fully got behind the mission of the program, helping SMEs in our CEE region to become more sustainable and competitive.

UBB's expertise and experts helped Transformator in Bulgaria reach a new level. Their presence at the Transformator CEE Event in Bucharest offered encouragement to all SMEs in this part of Europe that sustainability can become a major tool for being competitive.

Andrei Georgescu,
*International Programs
Manager, Social Innovation
Solutions, Romania*

In the spotlight

Sustainability Academy Platform and Transformator Program for SMEs

UBB partnered with SIS (Social Innovation Solutions, an international networking platform), the Coca-Cola Foundation and Cleantech Bulgaria to develop sustainability programs for SMEs. In 2024, the partnership launched two initiatives:

- **Sustainability Academy Platform:** The Academy is the first self-paced e-learning platform in Bulgaria and the Balkan region, dedicated to sustainability for SMEs. It offers courses on topics, such as sustainability, sustainable finance, circular economy and sustainable strategies.
- **TRANSFORMATOR program:** The program is a free two-month intensive program for SMEs and NGOs that want to integrate sustainability into their business models. It offers tailored workshops, bootcamps, assignments and mentorship. The first round included eleven participants and featured UBB sustainability managers as mentors. It is a practical educational system dedicated to SMEs who want to transform their business model into a sustainable one.



Sustainability Academy is a strategic initiative that supports the transformation of Bulgarian businesses towards sustainable development. By providing valuable knowledge and practical tools, it supports micro, small and medium-sized enterprises in their adaptation to global challenges. The Academy enables companies to implement effective sustainable practices that not only optimize costs and increase their market value but also position them as preferred partners in the international business environment. We believe that through collaborative efforts and focused training we can accelerate the transition to a more sustainable economy and a better future for Bulgaria.

Mariana Hamanova,
*Executive Director,
Cleantech Bulgaria*

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Supporting our stakeholders

ESG community

With the aim of being transparent and to engage our internal stakeholders with the ESG topic we at UBB have established our internal ESG community. By integrating colleagues from all KBC entities in this informal organization, the bank aims to raise the awareness, promote education on sustainability issues, and showcase our commitment to long-term value creation. It is a strategic move to signify our dedication to sustainable and ethical practices. At the ESG community meetings, organized by the dedicated ESG team, along the diverse and innovative topics from the KBC Group in Bulgaria, there also many interesting topics from the global ESG ecosphere that are being presented and discussed (COP28, IPCC meetings, World Overshoot Day etc.). The community meetings are open to all colleagues who would like to share sustainable and interesting practices and ideas, some of which have already been realized within the Bank.

Surf Talks & Surf O'clock

During the 2024 series of workshops were organized on contemporary topics, such as – presentation of the Open banking financial innovation solution, Digital identity, “Beyond the hook – a phishing awareness training”, Unlocking the Future of Banking with Generative AI, Microsoft 365 Copilot – the new business as usual! Innovations in ESG. More than 2000 employees participated, supported by guest lecturers, experts in the field.



Training of journalists on ESG-related topics

In May, a special training for journalists from Bulgarian media, who follow and cover the topics of sustainable development, transformation & ESG, was organized at the UBB Millennium Centre. The training was part of the Bank’s corporate social responsibility program and aims to make the complex topic of sustainable development, the different types of regulations and requirements, more accessible and understandable for journalists. The training lecturers were leading sustainability experts from the academy and partnering organization, and experienced managers from the Bank.

Mentors in the first for Bulgaria PMI student’s hackathon

In November 2024 UBB’s sustainability experts and project managers participated as mentors in the first for Bulgaria PMI student’s hackathon. The traditional Project Management Summit Bulgaria 2024 hosted Bulgaria’s first student hackathon for the next generation of project managers – Next-Gen Project Management: the Era of Unlimited Potential. UBB ESG team has its own project case which gave the young people the opportunity to learn about KBC Group’s sustainability strategy and goals, the new EU regulatory requirements for ESG reporting and challenged them to produce a science-based solution for customer engagement and data collection. The hackathon gave students from different universities the opportunity to apply their skills to real-world problems, focusing on ESG innovation. Participants had the opportunity to work on real case studies, assigned to them by different companies, supported by business and project management mentors. Students developed creative sustainable solutions using useful project management tools and techniques. 14 teams participated in the hackathon, judged by a special jury. All students had the opportunity to present their ideas and network with their peers, professionals and experts from whom to gain experience and knowledge.

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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. We at KBC Group in Bulgaria want to draw attention to this challenge, and the need to restore and take care of Bulgaria’s forests. In line with the EU flagship initiative “Forest Strategy for 2030” we are making a statement and showing our commitment to the importance of sustainable and biodiverse forests.

In May 2024, 1 000 saplings of the European spruce (Picea abies) species were planted by the employees of UBB and DZI on the Vitosha mountain.

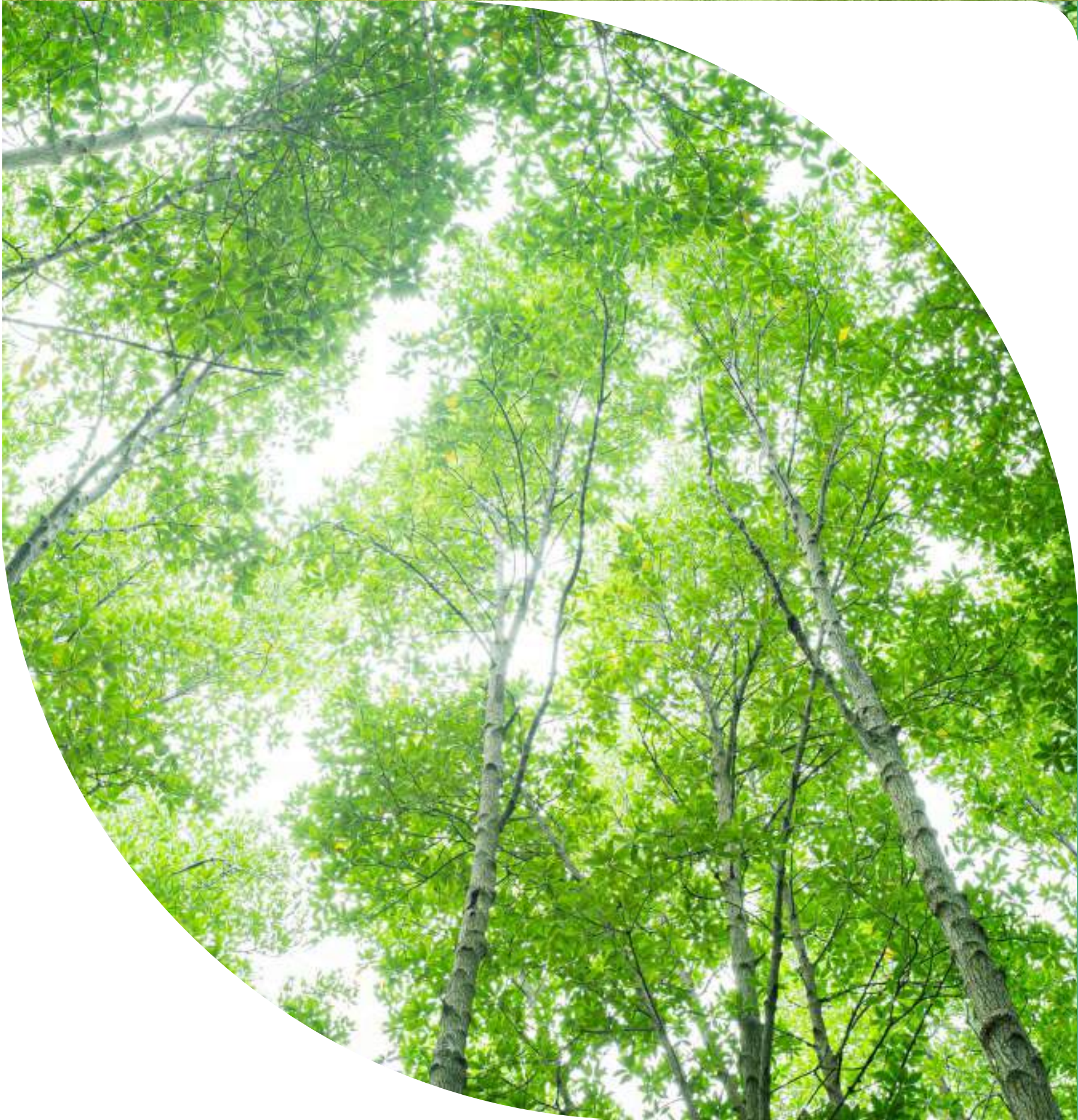
This year’s project was also much more special, as at the beginning of the year UBB carried out a campaign in support of biodiversity and environment protection among the Bank’s customers. They were provoked to ask the smart digital assistant Kate about the initiative and to answer three questions, linked to biodiversity. The Bank had committed to plant a tree for each of the first 1 000 customers who asked a nature-related question. The important thing about forest-planting campaigns, initiated by UBB and DZI, is that they do not just end with the reforestation activities. The Bank will continue taking care of the new forest over subsequent years as well, involving terrain cleaning, replacement of dried saplings with new ones, irrigation, if needed to ensure that the forest will take roots and grow and will become integral part of the lungs of Sofia and of Bulgaria.

KBC Group in Bulgaria’s engagement began in 2019, when we launched our first forestation activity in Bulgaria and planted **3 290 saplings of native species in 7 regions.**

In 2023 we focused on one singular location – village Golema Rakovitsa which was facing difficulties with a collapsing slope over the main road. **There, at an area of 17 acres, 8 721 acacia trees were planted.**

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 systematically continue the expansion of our Blue Forest in the coming years, putting the spotlight on the benefits of reforestation.

Our Blue forest so far – 13 011 trees planted since 2019 and onwards.



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Sustainable insurance

DZI is a partner in the EU Horizon project, called SOTERIA (Solution and Technology for Regions through Insurance for climate Adaptation)

SOTERIA brings together some of the best European institutions in the field of climate adaptation, Insurance Industry Leaders and Public Sector Actors in a creative process to co-design new insurance products. Our mission? To enhance the resilience of citizens and businesses and their preparedness to be better protected in the rising trend of losses due to climate-related disasters.

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 level of research to demonstration and testing, with some even at the level of pre-commercial procurement in at least three pilot regions: Valencia (Spain); Athens (Greece) and Gabrovo (Bulgaria).

DZI is an associated partner, and among major EU insurers which would help in design testing of Innovative Insurance Solutions together with Gabrovo Municipality, being a pilot beneficiary.

During 2024 the work and partnership deepened further through understanding the challenges and opportunities, the reality in our regions in order to fully comprehend the barriers and drivers for the existing climate insurance protection gap and to explore opportunities of new and innovative insurance solutions, appropriate for our region.

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Support from the EU

New sustainability-related guarantee programs were launched in 2024 - **InvestEU Sustainability and RRF Sustainability**:

Investment and working capital loans and bank guarantees for SME and corporate clients, under InvestEU Sustainability and RRF - Sustainability Guarantees from EIF, supporting the green and sustainable transition.

The eligibility criteria have been designed in the spirit of the EU Taxonomy for Sustainable Finance and hence, this product is expected to contribute to the EU's target to progressively reduce GHG emissions.

Under the InvestEU - Sustainability program UBB & UBB Interlease have a total guarantee of EUR 18M and could make a portfolio of up to BGN 44M (BGN 39M for UBB).

Under the RRF - Sustainability program UBB & UBB Interlease have a total guarantee of EUR 400 M and the potential portfolio is of up to BGN 978M (BGN 870M for UBB).

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Sustainability products

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



“Investment loan under preferential terms for the construction of photovoltaic installations for own needs of SMEs” – 223 projects for over BGN 108 M – 23 new projects financed for BGN 25 M in 2024

“Energy-efficient home mortgage loan” – product for A and B-class energy-certified properties with primary energy consumption up to 150KWh per year. In 2024 the financed energy-efficient real estates amount to BGN 160 M.

“E-line” – 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 customers of both leasing and insurance entities. In 2024 the achieved 9.73% share of new business of financed green vehicles exceeded the volume targets with 29%.

“Plug & Go” is a brand-new product and as of now extremely innovative and unique on the market. Electric vehicle buyers have a pre-defined option for using a hybrid vehicle from the UBB Interlease fleet, in cases of long travels. The product is a solution to one of the main disadvantages of owning an electric vehicle – the limited mileage and undeveloped charging infrastructure in Bulgaria. For example, clients can book for their vacation a hybrid vehicle from our dedicated Plug & Go fleet.

Clean energy

A new simplified approach to solar installations enrolment:

- for households – up to BGN 25 000 sum insured
- for businesses – up to BGN 250 000 sum insured

Blue Casco

A joint offer from DZI and UBB Interlease for a discounted instalment and premium for electric cars. Additional benefits from DZI: a replacement car in case of an insured event and free roadside assistance in case of low battery on the road.

Responsible investment funds

All investment funds under the EuroFuture and Euro-Invest insurance and investment programs now follow a responsible investing strategy: Horizon RI family funds and KBC Equity Fund Trends RI, promote environmental or social features according to Article 8 SFDR, and KBC Eco Fund Impact RI has a sustainable investment objective under Article 9 SFDR.

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Acknowledgement



Bank of the Year 2023

**Bank-of-the-Year
in "Development
Dynamics" category
„Best Operational
Digital Product" prize**

The Bank of the Year awards,
Bank of the Year foundation

**Best Bank for ESG
in Bulgaria 2024**

Euromoney Awards for
Excellence 2024

**Responsible
Governance and
Internal Training**

PwC Bulgaria ESG Awards 2024

**Best Digital Bank
in Bulgaria 2024**

Euromoney Awards for
Excellence 2024

**UBB Mobile – the best
banking app
in Bulgaria for 2024**

Global Finance

**Kate – First prize in the
In-house Solutions
category**

Digitalk&A1 Awards 24 competition

**Gold Corporate
Partner award**

SOS Children's Villages Bulgaria

**Sustainability
of Business**

certificate from "Your Business"
magazine



**„Innovation in the
Insurance Industry"
first prize**

NEXT DIFI AWARDS, b2b Media



**„Most Dynamic Pension
Assurance Company" in 2023**

Insurer, Assurance and Insurance
Broker of the Year awards

The Higher School of Insurance and Finance, the
Association of Bulgarian Insurers, the Bulgarian
Association of Supplementary Pension Assurance
Companies, the Prof. Dr. Veleslav Gavriiski Foundation
and the Bulgarian Association of Insurance Brokers.

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Glossary

Glossary

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 Guardian 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 operates as a Fund of Funds (FoF). Its function is to allocate targeted public funds from EU programmes and national co-financing by implementing specific financing schemes (financial instruments).
FY	Financial year
GDPR	General Data Protection Regulation - A regulation is EU law on data protection and privacy.
GHG	Greenhouse Gas
HR	Human Resources
IDR	Issuer Default Ratings
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 2021-27.
ISO 14001	ISO 14001 is a basic standard for the 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 Business Administration
mln.	Million
NGF	National Guarantee Fund
NGO	Non-Governmental Organisations
PCAF	Partnership for Carbon Accounting Financials
PEARL+	Performace, Empowerment, Accountability, Responsiveness, Loyal 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

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