



Sustainability Report 2020



Short message

There is no doubt that this year's events have affected and will continue to affect society as a whole, both individually and economically, and the full spectrum of effects will be seen only in the years to come. We make significant efforts to ensure that not only the health and safety of our employees is guaranteed, but also of the people we interact with every day, by respecting safety and hygiene standards, but also by informing everyone within the company about the most appropriate protection measures against Covid-19 virus. We would like to thank all our shareholders, partners and employees for their support, involvement and commitment.

Moreover, **BRK** proactively proposes a set of sustainable measures in order to create value for society, in addition to our regular activities. One of our main priorities is to enable employees to train professionally through training courses and at the same time develop the type of "soft skills" that are indispensable in a business environment created for the 21st century and through the knowledge accumulated by our employees, to be able to respond even to the most demanding requests in the relationship with the company's investors and clients.

Because we are aware of the importance of financial education in the development of future generations, we support young people in their final years of college, as well as graduates, by offering internship programs within the company. This year we started with a financial education program for middle and high school students. This initiative can be seen as a starting point in making young people aware of the impact of financial decisions in their daily lives.

As part of BRK Financial Group's sustainability strategy, we act responsibly, support and encourage a healthy environment through planting. We intend to expand this campaign in the coming years and contribute firmly to the sustainable development of the planet. By digitizing internal processes, we have reduced significant paper consumption within the company.

Monica Ivan

CEO

About BRK

SSIF BRK Financial Group S.A. was founded in 1994 under the name of SIVM Broker SA and having the expansion of the activity on other financial segments through strategic acquisitions in mind, but also as a result of internal development, in 2015 we decided to change the name to SSIF BRK Financial Group SA.

BRK is a founding member of the Bucharest Stock Exchange, the Investment Compensation Fund and CCP.RO Bucharest SA (Central Counterparty), the main field of activity of the company being the intermediation of transactions on the Bucharest Stock Exchange as well as those in other markets at international level.

In recent years, the company has become a top player in the segment of structured products traded on the Bucharest Stock Exchange, where it has significantly contributed to the development of transactions with this type of financial input, both as an issuer and as a market maker. The experience gained here has allowed us to become liquidity providers for prestigious stock exchange issuers during 2020, among which we mention MedLife, TeraPlast and Purcari.

Investment in associates

During the first 9 months of 2020, the transactions with related parties are as follows

Name	Affiliation	Activity
SAI Broker	Ownership 99.98%	Asset management
Romlogic Technology	Ownership 90.75%	Technology
Firebyte Games	Ownership 70.93%	Development of mobile apps
GoCab Software	Ownership 0.2%	Technology

Corporate Governance

The corporate governance of SSIF BRK Financial Group represents the set of principles that underlie the management framework, through which the company is managed and controlled. Provided in the internal regulations and procedures, these principles determine the effectiveness of the control mechanisms adopted in order to protect and harmonize the interests of all categories of participants in the activity carried out within the company - shareholders, directors, directors, managers of various company structures, employees , customers, third party business partners and collaborators, central and local authorities, etc.

In accordance with the principles of corporate governance, BRK Financial Group respects the rights of its shareholders in carrying out the activities undertaken by the company in their interest. The company is constantly concerned with improving communication and relations with shareholders, aiming to ensure fair treatment. The articles of association of the company regulate the rights of the shareholders regarding the shares held and their exercise through the participation in the General and Extraordinary Meeting of Shareholders. Also, the constitutive act regulates the management body of the company and the manner of its administration.

The Board of Administration consists of 3 members, Mr. Robert Danila holding the position of President, Mr. Gabriel Goia being Vice President and Mr. Sorin Constantin being a Member. The executive management is provided by Monica Ivan as CEO and Razvan Rat as Deputy CEO.

Conflicts of Interest

With respect to the avoidance of conflicts of interest, BRK Financial Group actively applies sound procedures that regulates orders on behalf of clients and prioritizes them in relation to the company's own orders. The aforementioned priority is detailed in BRK Financial Group's internal procedures.

The company reports all carried transactions of BRK Financial Group, according to regulations, and affiliated parties to the Bucharest Stock Exchange with the aim of informing

shareholders and other peers and in accordance with the norms in force regulated by the Financial Supervisory Authority.

BRK Financial Group has made the adequate steps in order to avoid potential conflicts of interest and has separated operational activities where it has been necessary. The risk management section details more about the risk of encountering conflicts or potential conflicts of interest due the organizational nature and operational sector.

Shareholder structure

BRK Financial Group is a joint stock company, with over 7800 shareholders. The company's shares are listed and traded on the Bucharest Stock Exchange. SIF Mutenia holds 18.47% of the shares.

Transparency

In order to ensure transparency on the business and financial statements, BRK Financial Group makes available, to all interested parties, through communications sent to BVB and through its website, the annual, half-yearly and quarterly reports prepared in accordance with applicable accounting standards (IFRS). The annual financial statements are presented both individually and consolidated. Quarterly and half-yearly results are presented only in individual and unaudited reports. The company also publishes other current reports on all important events that have or could have an impact on the company's image and activity according to the legal provisions.

Social Responsibility

Involvement in the community, supporting the common values of development of the Romanian society as a whole, has been a constant concern for BRK Financial Group throughout 2020. Following this vision, the strategic directions of BRK Financial Group for involvement in community life were the following: The affiliation to the "Association for Investor Relations on the Romanian Stock Exchange" (ARIR) during 2019, as well as the increasing degree of compliance with the corporate governance principles of ASF, BVB, confirm the commitment of BRK Financial Group to be truly an open society.

BRK pays a special attention to the health of employees, offering them a private health insurance, based on a contract concluded with a health care provider.

Financial Education

Financial education - is perhaps the most important direction of involvement in the community, as a result of an urgent need to increase the level of financial education among the active population or young people. Unfortunately, Romania occupies a disgraceful place in this regard among European countries, according to Eurostat studies, and therefore, the company has understood its mission to help young people in training, to help them get in touch with the basic notions and principles of financial markets, in order to strengthen confidence in the financial system. It was the first year in which BRK Financial Group specialists were part, as mentors, in the program in partnership with ASF among the students of the 7th and 11th grades, of non-banking financial education. The teaching activity intensified at the beginning of 2020, but later, the context created by the health crisis led to the suspension of the program. The students' feedback was extremely positive, their enthusiasm being the guarantor of their involvement in this educational program in the future. Most likely, the program will be continued as soon as the situation in the evolution of the pandemic will allow this.

BRK Financial Group contributes to financial education among students in Cluj-Napoca, offering them the opportunity to perform, internships in the field of capital markets in Romania. The company already has a tradition of opening career opportunities for graduates who are interested in the financial market, the average age of its employees being a testament to this. As a result of this policy, some of those who started their careers within the BRK group are still members of our team.

Another line approached by the company aimed at developing the skills of potential investors in the capital market and its clients by participating in conferences addressed to them, as well as by developing financial education materials on its own website, tutorials and webinars, gathered under the dome "Broker Academy ". The participation as a partner of the Bucharest Stock Exchange in the "Forum of individual investors", held on November 16, 2019 in Bucharest was a success both for the company and for the field in which it operates.

Sponsorships in sportive activities

BRK encourages a healthy lifestyle, and in this sense we had the opportunity to get involved in various activities, including "Sports Festival 2019" and "Sports Festival 2020" Cluj-Napoca, supporting the tennis tournament "Sibiu Open 2019" as well as book launches. BRK follows the line of international financial institutions to sponsor tennis, also called "White Sport".

This direction of supporting community impact events will certainly be continued in the coming years.

Environmental responsibility

SSIF BRK FINANCIAL GROUP SA pays special attention to environmental protection policies.

In order to protect the environment, as part of the policy responsible for the development of SSIF BRK Financial Group, the legislation in force in Romania is taken into account as well as the European norms governing the policies of environmental protection, waste management and activity protection of the spaces where the activity takes place.

BRK has got procedures that regulate the methods of recovery and recycling of waste resulting from the conduct of current business. Due to the specifics of the activity within SSIF BRK Financial Group, the waste resulting from the activity is mainly paper waste. The paper waste resulting from the current activity must be stored by the employees in the specially indicated spaces, following that the person designated with the administration of the headquarters will periodically ensure their disposal, in order to use this waste for recycling.

As a result of the internal procedures implemented, in order to reduce unnecessary paper consumption and digitization of internal processes, in the first 11 months of 2020 paper consumption decreased significant.



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