

SUSTAINABILITY REPORT **2024**



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EXECUTIVE SUMMARY OF THE REPORT

BKT Kosova's second sustainability report provides an in-depth overview of the substantial progress made against key performance indicators (KPIs) during the reporting period, showcasing the Bank's commitment and achievements in reducing carbon emissions, enhancing energy efficiency and improving waste management practices. It will also detail the implementation of the Bank's environmental, social and governance (ESG) strategy, outlining both short-term and long-term KPIs designed to drive sustainability efforts and align with global standards.

Furthermore, the report presents the commitments, measures and initiatives undertaken to contribute to the ESG strategy's targets and global sustainable development goals. This includes the implementation of renewable energy projects, promotion of recycling and reuse, and support for local communities through various social programs. Additionally, the report covers the Bank's responsibility towards employees and society, including diversity, inclusion, fair working conditions and career training development.

The report also outlines a comprehensive management approach to sustainability, which is integrated into the Bank's overall business strategy. This approach includes a robust governance framework by the management board and sustainability committee, ensuring that sustainability considerations are embedded in decision-making processes at all levels of the organization.

In addition to these efforts, the report highlights several key projects and partnerships that supported the Bank's sustainability goals. The collaboration with local environmental organizations has led to the successful implementation of community-based environmental and social programs, significantly promoting the culture of sustainable development within the Bank.



Continuity Commitment to SDG goals

Throughout the development and integration of the Bank's ESG Strategy and with rehappening and enhancing its business activities, the Bank has committed to align its business with UN Sustainable Development Goals 2030 (UN SDGs 2030).

SDG 1: No poverty



- Financing micro, small and medium enterprises (MSMEs), especially in agriculture, manufacturing and services.
- Supporting vulnerable groups through humanitarian campaigns like "Be a Hero" and donations to families in need.

SDG 3: Good health and well-being



- Blood donation campaigns with the National Blood Transfusion Center.
- Health awareness events, especially around breast cancer prevention.
- Support for children in oncology wards through events like the "Vrapo Babadimër" mini marathon.

SDG 5: Gender equality



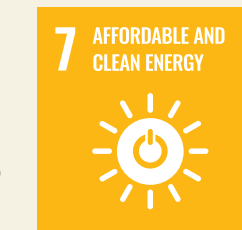
- Promoting diversity, inclusion and gender equality in the workplace
- ESG training for staff includes modules on gender equality and ethics.
- Supporting women through inclusive hiring and development policies.

SDG 6: Clean Water and Sanitation



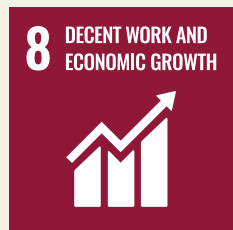
- Green lending frameworks.
- Environmental risk assessments in lending.

SDG 7: Affordable and Clean Energy



- Collaboration with GGF to finance renewable energy and energy efficiency projects.
- Renewable energy installation in Headquarter.

SDG 8: Decent work and economic growth



- Employee development programs and ESG capacity building.
- Fair labor practices and workplace well-being initiatives.

SDG 10: Reduced inequalities



- Financial inclusion through tailored products for underserved communities.
- Support for individuals with special needs (NGO Autizmi and Down Syndrome Kosova).
- Accessibility initiatives like donating vans for school transportation.

SDG 11: Sustainable cities and communities



- Sponsorship of community events.
- Support for local sports through long-term sponsorship of the Kosovo Olympic Committee.
- Sustainability awareness through CSR campaigns.

SDG 12: Responsible consumption and production



- Supporting manufacturing companies in transitioning from linear to circular business models.

SDG 13: Climate action



- Green lending and internal carbon footprint reduction strategies.

Message from the CEO



As we present our second sustainability report, I reaffirm BKT Kosova's unwavering commitment to embedding sustainability into every part of our operations.

Our journey over the past year has seen significant strides, as evidenced by our recognition as one of the best sustainable banks. This achievement

is reflected in the five awards we have received for excellence in sustainable banking practices.

We are committed to promoting gender equality and responsible business ethics. In line with this commitment, we have signed the UN Women's Agreement and joined the UN Global Compact. We are proud of the progress we've made so far and remain focused on continuous improvement as we work toward our long-term goals. This reflects our dedication to driving meaningful and lasting change. In 2024, we launched several initiatives to promote environmental sustainability. These initiatives included campaigns for sustainable resource consumption and collaborations with local communities on reforestation efforts. As part of these efforts, we organized a Roundtable Discussion with the Kosovo CSR Network, where experts came together to

discuss the crucial role banks play in transitioning Kosovo into a green economy. Additionally, our participation in the Third International Conference on Environmental Sustainability and Climate Change demonstrated our engagement in critical discussions on sustainable strategies for our future. We are committed to raising awareness among our employees about environmental issues. Our training initiatives and campaigns related to the negative impacts of single-use plastics and the promotion of digital banking solutions have fostered a culture of sustainability within our organization.

Our progress in renewable energy is clear. We have installed solar panels on the rooftop of our headquarters. These are aligned with our goals to enhance our use of clean energy. We have also implemented waste separation initiatives. This improves our recycling efforts. It also cultivates environment-focused principles among our staff. We are strongly committed to achieving and maintaining gender pay equity. We ensure that all employees, regardless of gender, are compensated fairly for equal work, and we continue to monitor and refine our practices to uphold this standard. We have expanded our initiatives to support vulnerable communities. We provide comprehensive assistance tailored to their specific needs. This includes financial aid, access to essential services, educational opportunities, and mental health support. These initiatives empower communities and improve their overall quality of life.

Our governance practices are robust, exemplified by our comprehensive policies aimed at environmental and social risk management, as well as the protection of client data privacy.

At BKT Kosova, we are committed to transparency and continuous improvement on our sustainability journey.

I invite you to delve into our report, which highlights our accomplishments and future commitments. We will make meaningful changes in our community and contribute to a sustainable future for all.

Thank you for your continued support!

Suat Bakkal
CEO and Board Member



BKT Kosova Sustainability Mission

"Utilizing our talents and energy to develop solutions that contribute to the improvement of our joint ecosystem, both environmental by preserving our nature and its resources as well as societal by contributing to our communities, providing our people and stakeholders with peace of mind, convenience and numerous possibilities within the Banking sector."

BKT Kosova Sustainability Vision

"Pursuing the improvement and advancement of business practices and procedures in order to promote sustainability, by making a beneficial environmental difference through internal business operations and financial activities, embracing important social values while enriching the lives of individuals we encounter, refining policies and procedures in alignment with ESG trends and benchmarks, and incorporating revolutionary innovative strategies."

About BKT Kosova

BKT Kosova was established in 2007 as a branch of Banka Kombëtare Tregtare (BKT) in Albania. This marked the beginning of the Bank's operations in Kosovo, bringing its experience and expertise to the Kosovar market. In 2009, Çalik Financial Services acquired 100% of BKT's shares, including the branch in Kosovo. This acquisition consolidated the ownership and management of the Bank, making it a single powerful entity. During this period, BKT Kosova expanded its branch network across the country, achieving a broad and stable presence in the Kosovar Banking market.

In 2018, BKT Kosova changed its status from a branch of BKT Albania to an independent subsidiary. This change gave BKT Kosova more autonomy and flexibility to operate and develop business strategies tailored to the Kosovar market.

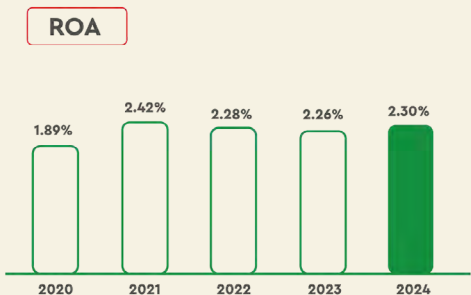
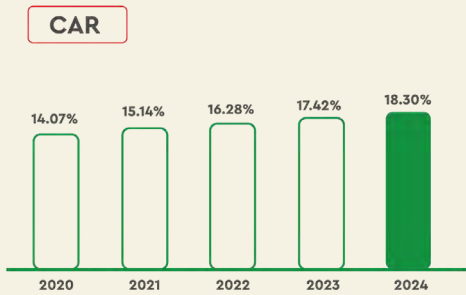
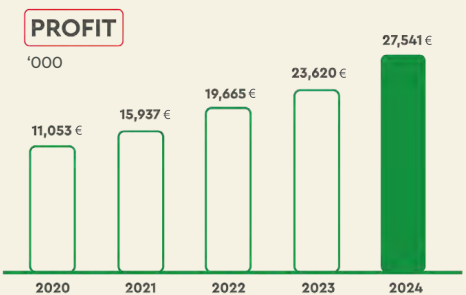
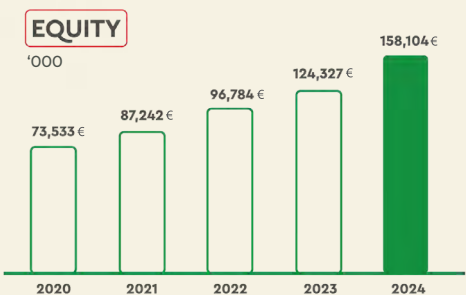
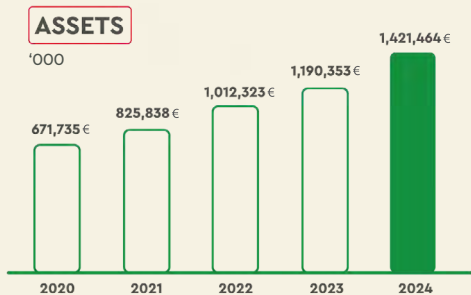
By the end of 2024, BKT Kosova had firmly established itself as a prominent and influential entity in the Kosovo financial market. With 23 branches, the Bank serves 261,227 clients with our wide range of financial products and services.

The success and positioning of the Bank to date have been achieved through the unwavering dedication of our team. In 2024, BKT Kosova boasts a workforce of 492 staff members who consistently ensure the realization of all established objectives successfully.

In addition to expanding our branch network, the Bank has invested significantly in technological advancement to enhance customer experience and operational efficiency. Our digital banking platform has been upgraded to offer secure online services, meeting the evolving needs of our clients. Looking ahead, BKT Kosova is focused on further strengthening its market position through innovative solutions and strategic partnerships.



BKT Kosova in Numbers



**BKT KOSOVA'S
MARKET SHARE**

16%

Environmental
Commitments and Results



Environmental Commitments and Results

Employee and Stakeholder Engagement on ESG and Environmental Awareness

BKT Kosova has actively engaged in a series of impactful initiatives to raise awareness about environmental sustainability and ESG principles among employees, clients and partners. These efforts reflect the Bank's ongoing commitment to fostering a culture of responsibility and environmental stewardship across all levels of the organization.



To mark Earth Day, BKT Kosova, in collaboration with the CSR Network Kosova, organized an awareness event focused on the environmental impact of single-use plastics. The initiative promoted the adoption of reusable materials as a practical step toward reducing plastic waste and contributing to a cleaner, greener planet.

Building on this momentum, the Bank launched a broader awareness campaign emphasizing the importance of preserving forests and green spaces. The campaign also highlighted the environmental benefits of digital banking, resulting in a 10.56% reduction in paper consumption and a lower carbon footprint through digital solutions.

In parallel, BKT Kosova invested in capacity building through targeted training sessions for our staff. These included modules on Environmental and Social (E&S) Risk Management, Green Lending practices and workplace wellbeing. The sessions were designed to enhance the understanding of ESG-related responsibilities while promoting a healthy, motivated and informed workforce.

To highlight the impact of the Bank's sustainability training, we have included a reflection from one of the participants who shared their experience and insights:

"These sessions helped me see how we can make sustainability a part of our everyday work. I learned more about environmental and social risk factors, gained practical knowledge about green finance, and understood how important wellbeing is in the workplace. I now feel more prepared and motivated to support a banking culture that values responsibility and long-term impact".

Blertinë Matoshi Rexhepi

In 2024, a total of 157 training sessions were organized, covering a wide range of topics relevant to banking operations, compliance and sustainability. These sessions recorded a cumulative attendance of 2,881, indicating that many employees participated in multiple sessions, reflecting strong engagement across the Bank. Of these, 28 sessions were specifically dedicated to ESG related themes, including Environmental and Social (E&S) Risk Management, Green Lending practices and workplace wellbeing. These ESG-focused sessions attracted 529 total attendances, further demonstrating the Bank's commitment to fostering a well-informed and responsible workforce. The sessions were designed not only to deepen understanding of ESG responsibilities but also to promote a healthy and motivated workplace culture. These efforts represent meaningful progress in embedding sustainability into the Bank's corporate culture and daily operations, reinforcing our role as a responsible financial institution and supporting the implementation of the ESG Strategy 2024-2030.

As part of our ongoing commitment to enhancing employee experience and fostering a positive work environment,

the Human Resources Department has taken meaningful steps to strengthen staff engagement throughout 2024.

One of the key initiatives was the organization of informal meetings with employees who expressed interest in connecting outside of formal settings. These gatherings created space for open dialogue, mutual understanding, and quality interpersonal interactions, contributing to a more inclusive, approachable, and supportive workplace culture. These efforts reflect the Bank's dedication to employee well-being, active listening, and cultivating an environment where individuals feel valued and connected. Through consistent engagement and a people-first approach, the Human Resources Department continues to play a vital role in shaping a workplace where collaboration, trust, and respect are embedded in our daily interactions.

Additional key steps in strengthening the Bank's environmental awareness and understanding how environmental factors may affect credit quality, market position and capital needs over time integration of climate risk scenarios (physical risk) within Internal Capital Adequacy Assessment were applied. Embedding physical climate risk scenarios within ICAAP helps the Bank align with capital planning and environmental objectives and foster greater awareness of how climate change can influence financial stability of bank's stakeholders.

These initiatives mark significant progress in embedding sustainability into the BKT Kosova's corporate culture and operations, while also strengthening our role as a responsible financial institution.

Energy Derived from Renewable Sources – Solar Panel Installation at BKT Kosova Headquarters

In 2024, BKT Kosova took a major step towards environmental sustainability by installing solar panels with a capacity of 22.23 kWp on the rooftop of its headquarters. As the panels became operational at the end of the year, the energy produced has been accounted for starting from January 2025. The transition has enabled the Bank to begin comparative analysis between energy consumption and solar energy consumption. During the first six months of operation, the solar panels have contributed, on average, 36% of the total energy demand. In the first half of the year, the solar panels generated a total of 8,858.5 kWh of energy, of which 8671.1 kWh were consumed on-site, covering internal energy needs and contributing to reduced reliance on the public grid and 187.4 kWh, representing a modest contribution to the sustainable energy supply for the community. The solar panels are connected to only one electric meter of the building's electricity load, during which solar energy production surpasses 50% of the Bank's energy demand for that specific hour. The system is fully integrated with the building's energy management infrastructure, ensuring optimal utilization of renewable energy. This initiative reflects the commitment to integrating renewable energy into operations and reducing environmental impact. The energy generated by these solar panels is used to support both heating and general energy consumption within the building. This transition to solar power significantly reduces the Bank's carbon footprint and contributes to the reduction of greenhouse gas emissions, aligning with global efforts to combat climate change.

Beyond environmental benefits, this investment also offers long-term financial advantages by lowering energy costs, making it a strategic and sustainable decision for the future. This project marks a key milestone in the Bank's broader sustainability strategy and reinforces our dedication to responsible energy use and sustainable business practices.

Diversified Environmental Financing for Sustainable Development

BKT Kosova continues to play a leading role in advancing sustainable finance by expanding its portfolio of green loan products. In 2024, the Bank significantly increased both the number and volume of loans dedicated to renewable energy technologies, energy efficiency improvements and water management solutions. Our financing supported a wide range of impactful projects, including the installation of solar panels, wind turbines and other clean energy systems.

A major highlight of the year was the development of the Circular Economy Loan, a green financing program designed to support manufacturing companies in transitioning from linear to circular business models. This initiative targets businesses with high waste output, helping them optimize production processes, reduce environmental impact and enhance competitiveness in both regional and EU markets.

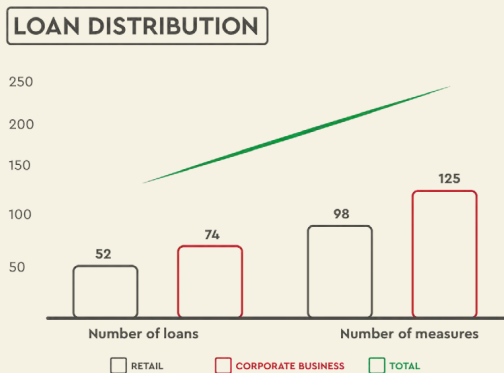
In line with our strategic goals, BKT Kosova set a target to finance €10 million in renewable energy and energy efficiency projects across Retail and Corporate segments.

The Bank is proud to report that this target was not only met but slightly exceeded, with a total of €10.1 million disbursed in support of energy efficiency and renewable projects investment.

The allocation of sustainable investments over the reporting period reflects a thoughtful and strategic approach to environmental responsibility and operational modernization. A considerable portion, 30.99%, has been directed toward conventional fuel vehicles, indicating that while traditional mobility still plays a role, it is likely part of broader transition plan toward cleaner alternatives. Investments in building-related improvements account for 29.09%, showcasing a strong focus on energy efficiency through insulation and structural upgrades. Efficient machinery and technology represent 16.49% of the total, underscoring the Bank's commitment to adopting low-energy, high-performance solutions across its operations.

Meanwhile, 19.77% of the investments have been allocated to renewable energy, agricultural equipment has received 3.55%, supporting the modernization and productivity of the agro sector. Household adoption of renewable energy is at an early stage, currently representing 0.11%, reflecting encouraging progress and considerable potential for future growth.

The graph below illustrates the distribution of loans and corresponding sustainability measures across Retail and Corporate Business segments.



It highlights the higher volume of both loans and measures within the corporate sector, reflecting a stronger engagement in sustainability initiatives.

This achievement underscores the Bank's proactive role in Kosovo's green transition and highlights the dedication to integrating sustainability into the core of our financial services.

Reduction of Scope 1 and Scope 2 CO2 Emissions

In 2024, BKT Kosova advanced its environmental sustainability agenda by implementing a structured approach to measuring and reducing carbon emissions. The Bank adopted a comprehensive methodology for calculating Scope 1 and Scope 2 CO₂ emissions, enabling accurate tracking of electricity and fuel consumption across our operations.

A key performance indicator (KPI) was set to achieve a 5% reduction in Scope 1 and Scope 2 CO₂ emissions though a combination of targeted measures. These included

lowering electricity and fuel usage, increasing reliance on renewable energy sources (RES) and the gradual integration of electric vehicles (EVs) into our fleet.

In 2024, BKT Kosova achieved a measurable reduction in Scope 1&2 greenhouse gas emissions. Decreasing from 1,369 t CO₂ in 2023 to 1,349 t CO₂, resulting in a 1.5% reduction.

While this outcome falls short of the initial target, the reduction is the result of continuous efforts to improve the Bank's environmental performance. Within Scope 1, a direct impact has been achieved through the diversification of the vehicle fleet, where a significant portion of hybrid models have been put into use. These vehicles are characterized by substantially lower carbon emissions per kilometer traveled.

Regarding Scope 2, the reduction in emissions stems from more efficient management of electricity consumption, achieved through the optimization of operational processes.

The partial achievement of this KPI has provided valuable insights into operational challenges and areas for improvement. These learnings will inform future strategies, including enhanced energy efficiency initiatives and accelerated adoption of electric mobility solutions.

Despite this, the Bank has successfully established a methodology for calculating the Bank's carbon emissions, which will support us in maintaining control and effectively

managing alignment with the set targets. Furthermore, positioning the Bank alongside renewable energy sources will undoubtedly deliver the expected results and play a key role in achieving the projected reductions. BKT Kosova remains fully committed to reducing its environmental impact and will continue to build on this foundation to meet its long-term climate goals. The Bank is committed to evaluating all other alternatives, in line with our strategy, to improve internal processes, not only in terms of energy management, but also waste management, for which the necessary steps have already been initiated. The implementation of environmentally friendly activities will remain ongoing, including events and conferences aimed at raising awareness in this important area.

Fuel Consumption and Fleet Sustainability

As part of BKT Kosova's environmental strategy, a key performance indicator for 2024 was to maintain or reduce diesel consumption levels compared to the 2023 baseline. This target supports the Bank's long-term goal of achieving a 30% reduction in diesel usage by 2030, primarily through the gradual integration of electric vehicles (EVs) into our operational fleet.

In 2024, diesel consumption increased by 5.7%, primarily due to the Bank's expanded operational footprint and the reassignment of vehicles for dedicated use to support logistics and inter-branch coordination. While this outcome is below the initial reduction target, it reflects operational growth and evolving needs.

Despite this increase, the impact was moderated by the continued transition to a greener fleet. By year-end, the Bank operated 67 vehicles, including 13 hybrids and 4 fully electric units, underscoring progress toward sustainable mobility and reinforcing our commitment to long-term environmental goals.

Looking ahead, BKT Kosova remains focused on accelerating the shift toward hybrid and electric mobility, optimizing route planning and investing in energy-efficient technologies. Additionally, the Bank will continue to monitor and report on fuel consumption transparently, ensuring that future growth is accompanied by responsible resource management and measurable sustainability improvements. These efforts will ensure that future growth is increasingly decoupled from fossil fuel consumption, aligning with our broader climate and sustainability objectives.

Support for the Third International Conference on Environmental Sustainability and Climate Change – BKT Kosova supported the Third International Conference on Environmental Sustainability and Climate Change, emphasizing their commitment to addressing global environmental challenges and promoting sustainable practices. This conference, organized by the Center for Energy and Sustainability (CES) at the University of Pristina in collaboration with USAID Kosovo, GIZ Kosovo, and the Kosovo CSR Network, provided an excellent opportunity to explore new research and sustainable strategies for a greener future.



As part of this commitment, Jehona Oruqi Kica, Deputy Group Head of the Loan Management and ESG Group at BKT Kosova, participated in the panel titled "Sustainable Business Strategies and Political Factors for a Greener Future." During the discussions, Mrs. Oruqi Kica shared the Bank's experiences and strategies in promoting policies and practices that support environmental protection and the development of a greener future.

BKT Kosova is continuously committed to supporting initiatives that promote sustainable development and environmental protection.

Social Sustainability and
Engagement



Social Sustainability and Engagement

BKT Kosova has demonstrated a strong commitment to community engagement and social impact through a variety of activities and initiatives. Here is a summary of their efforts:

Community Engagement and Social Impact Activities by BKT Kosova

Roundtable Discussion on "Empowering the Green Economy: BKT Kosova, in partnership with the Kosovo CSR Network, organized a Roundtable Discussion on the topic "Empowering the Green Economy: The Strategic Role of Banks in Kosovo's Sustainable Transition."



This roundtable featured experts in the field who discussed the financing of the transition toward a green economy,

as well as the opportunities and challenges in achieving climate goals and sustainable development. Mr. Muharrem Inan, Member of Executive Management at BKT Kosova, represented the Bank as part of the panel, offering key insights into the role of the banking sector in this transformative process.

At this event, which was part of the seventh edition of Kosovo Sustainable Development Week (KSDW), discussions centered on Kosovo's commitments to the Sofia Declaration on the Green Agenda for the Western Balkans, highlighting the importance of joint commitment to clear environmental and developmental goals.

This roundtable served as a platform to deepen cooperation between institutions and the financial sector in supporting Kosovo's green transition.

World Cleanup Day BKT Kosova As part of World Cleanup Day, the staff of BKT Kosova made a significant contribution to creating a cleaner and healthier environment through a dedicated effort to clean the public spaces of the capital. In this joint initiative, BKT Kosova and the Local Public Enterprise "Gjelbër", a municipal enterprise responsible for designing, constructing, and maintaining green and public spaces in the Municipality of Prishtina, worked together to support the maintenance of local community areas. This joint effort encourages citizens to come together and

foster a cleaner, greener environment. This initiative is not just an act of environmental care; it's a call to action, reminding us that each of us can play a vital role in fostering a sustainable and healthy environment for everyone.



Earth Day BKT Kosova – On the eve of Earth Day, BKT Kosova and the CSR Network Kosova organized an awareness-raising event about the harmful effects of single-use plastics on our environment.

Together, we advocate for reusable materials that help reduce plastic waste and contribute to creating a cleaner and greener planet for everyone!

Donate Blood, Save Lives – BKT Kosova, with the support of the National Blood Transfusion Center, continued its humanitarian blood donation initiative, which has become a long-standing tradition of the Bank.

With high participation in this event, the staff of BKT Kosova once again demonstrated goodwill and solidarity with those in need. The initiative was also attended by the

General Director of BKT Kosova, Mr. Suat Bakkal, along with the Executive Management!

Donate blood, save lives, as part of the Bank's social responsibility program, further strengthens the principle of "Contributing to Society," an initiative that addresses BKT Kosova's support for charitable activities.

Support for Children with Autism – During 2024, BKT Kosova reaffirmed its commitment to assisting individuals with special needs in Kosovo.

Recognizing the importance of encouragement for individuals with special needs, BKT Kosova continued its support for the NGO 'Autizmi' and individuals with special needs in Kosovo. Through collaboration with the NGO 'Autizmi,' BKT Kosova remains dedicated to promoting a more inclusive social environment for children with autism.

"Lifeline"- BKT Kosova for the Second Consecutive Year Supported "Lifeline" – the First Suicide Prevention Hotline in Kosovo.

"Lifeline" provides essential emergency services free of charge to those in need. In addition to dedicated volunteers, the hotline operates with active supervisors who offer guidance and support.

Volunteers focus on de-escalation techniques and provide emotional support to help callers assess their situations rationally. After each call, volunteers connect callers with trusted psychotherapists and psychiatrists for long-term assistance.

BKT Kosova continued its commitment to inclusivity by donating a van to the Hader NGO in Prizren to support children and individuals with special needs. The van provides safe transportation to educational institutions and access to essential services, thereby improving quality of life and promoting equal opportunities. Through this initiative, BKT Kosova has reaffirmed its dedication to corporate social responsibility and to building a more inclusive and supportive society. Support for Down Syndrome Kosovo Association – On World Down Syndrome Day, BKT Kosova reaffirmed its commitment to promoting inclusivity and advocating for the rights and well-being of individuals with Down syndrome in Kosovo. This support underscores the Bank's dedication to creating a more inclusive society where every individual is valued and supported.

As part of this support, the Bank covered the costs for therapeutic services for 12 months for two children diagnosed with Down syndrome. This initiative aims to provide essential support and care to individuals with Down syndrome, helping them achieve their full potential.

Sponsor of the Humanitarian Mini-Marathon "Santa Claus Run" – BKT Kosova, for the third year in a row, joined the Humanitarian Mini-Marathon "Santa Claus Run" organized by the NGO Projekti 5cent to help children admitted to the Oncology Ward at University Clinical Center of Kosovo and 250 families in need.

BKT Kosova proves its commitment to playing an even greater role in the community in which it operates by always being a supporter of such humanitarian causes.



Elimination of Gender Pay Gap

BKT Kosova is proud to report the successful achievement of its 2024 target to eliminate the gender pay gap across the organization. This milestone reflects the Bank's unwavering commitment to gender equality and the principle of fair compensation for all employees, regardless of gender. Throughout our operations, there has been no wage disparity between men and women, affirming BKT Kosova's dedication to fostering an inclusive and equitable workplace. The Bank's salary scheme is standardized and role-based, meaning that remuneration is determined solely by the responsibilities and requirements of each position, regardless of gender. To reinforce this approach, periodic internal reviews are conducted to monitor alignment equity objectives and to ensure transparency and fairness across all levels of the organization. These reviews help identify any potential gaps and support continuous improvement in human resources practices. This achievement is not only a reflection of the Bank's values but also a strategic step toward enhancing employee satisfaction, retention, and overall organizational performance.

We believe that equal pay for equal work is fundamental to a just and thriving workplace. By maintaining a 0% gender pay gap, BKT Kosova continues to lead by example in promoting fairness, transparency, and opportunity for all.

Employee Engagement in Social and Humanitarian Activities

In 2024, BKT Kosova set ambitious goals to enhance employee participation in social and humanitarian initiatives and can proudly report strong engagement across the organization. These activities reflect commitment to fostering a culture of social responsibility and community involvement.

A total of 14% of employees participated in a blood donation campaign, exceeding our initial target of 10%. This initiative not only supported local healthcare needs but also demonstrated the compassion and solidarity of the Bank's workforce.

In addition, around 20% of employees took part in the World Cleanup Day, held on September 20th, 2024, where they contributed to cleaning an illegal landfill site. This effort underscores the dedication to environmental stewardship and collective action for a cleaner Kosovo. These achievements highlight the strong sense of purpose and civic responsibility among BKT Kosova's employees, and the Bank remains committed to expanding such initiatives in the years ahead.

Employee Engagement in Social Inclusion and Humanitarian Initiatives

In 2024, BKT Kosova significantly expanded its efforts to engage employees in socially impactful activities, exceeding initial targets and reinforcing the Bank's commitment to social inclusion and humanitarian values. While the original plan included a minimum of two activities annually, the Bank successfully doubled that number, organizing multiple initiatives that highlighted the importance of community support and employee involvement.

One of the key initiatives was a charity run, where BKT Kosova staff volunteered to raise funds for children and families in need during the holiday season. This event showcased the compassion and solidarity of the Bank's team and helped bring meaningful support to vulnerable groups.

In December, the "End of the Year Gifts for Children in Need" campaign encouraged staff to contribute gifts, bringing joy to underprivileged children and reinforcing the spirit of giving within our organization.

To further embed social awareness into the Bank's culture, ESG training has been integrated into an introductory program for all new employees since early 2023. In addition, staff participated in a variety of training sessions and conferences focused on social topics, including "Train the Trainer," human resources management, product development, women empowerment, and other ESG-related themes.

These initiatives reflect BKT Kosova's ongoing ambition to foster a socially responsible workplace, where employees are empowered to contribute to meaningful causes and where the Bank's values are actively demonstrated through action.

Strengthening Social Governance and Responsible Financing

In 2024, BKT Kosova took a significant step forward in aligning its operations with international social and environmental standards by approving its Environmental and Social Management System (ESMS) Policy. This policy provides a structured framework for integrating environmental and social considerations into the Bank's decision-making processes, ensuring that our financing activities contribute positively to society and the environment.

Through the ESMS, the Bank has established a systematic approach to identifying, assessing, and managing environmental and social risks associated with our operations and client activities. The framework not only ensures compliance with regulatory requirements but also sets a benchmark for best practices in environmental and social governance.

A key component of this system is the development of a Social Exclusion List, which guides our lending decisions by excluding clients and projects that violate human rights, labor standards, gender equality, inclusion and diversity principles, and occupational health and safety norms. This ensures that our financing supports only those

initiatives that align with the Bank's values and sustainability commitments.

BKT Kosova also became a member of the CSR Kosovo and CSR Europe networks, reinforcing our dedication to responsible business practices and continuous improvement in social performance management.

All loan applications are now subject to thorough environmental and social due diligence, ensuring alignment with our exclusion criteria and broader ESG objectives. This approach reflects the Bank's commitment to funding projects that are both financially sound and socially responsible, contributing to sustainable economic development and long-term value creation.

Inclusive Financing for Vulnerable Groups and Rural Communities

In 2024, BKT Kosova successfully advanced its mission to support financial inclusion by expanding access to credit for vulnerable and underserved groups. This included private individuals in rural areas, the underbanked population, sole proprietorships, and small entrepreneurs, all of whom play a vital role in the country's socio-economic fabric. A key achievement was the significant growth of the Bank's agricultural loan portfolio, which not only met but exceeded the initial target of a 15% increase, reaching a total growth of 34.2% compared to 2023. This milestone reflects BKT Kosova's commitment to empowering rural communities and supporting sustainable agricultural development.

Through tailored financial solutions, farmers and small agricultural businesses were enabled to invest in their operations, enhance productivity, and contribute to the broader economic development of rural areas. These efforts are aligned with the broader strategy to promote inclusive growth and equal access to financial services.

We remain committed to expanding these programs further, ensuring that vulnerable groups continue to have the resources and support they need to thrive in an evolving economic landscape.

Data Privacy and Protection of Clients and Employees

BKT Kosova remains firmly committed to safeguarding the personal data of both clients and employees through the implementation of robust data privacy and security measures. In 2024, the Bank continued to strengthen our internal systems and protocols to ensure that all personal information is handled with the highest level of confidentiality and care.

New measures were integrated into key operational processes, particularly in areas such as loan processing and contract management, to ensure timely and secure handling of sensitive data. These enhancements are supported by internal policies, including the Code of Conduct and the Environmental and Social Management System (ESMS), which reinforce ethical and compliance standards.

The Bank's approach is aligned with local and international data protection standards and regulatory requirements, ensuring that all personal data is processed lawfully, transparently, and securely. As a result, progress was made toward reduction in data-related incidents and an increase in employee awareness regarding data privacy responsibilities.

BKT Kosova will continue to invest in advanced technologies and training programs to maintain a high level of data protection and to foster a culture of privacy and trust across the organization.

BKT Kosova: Championing Sports Excellence

Supporting Sports Development in Kosovo

BKT Kosova has established itself as a leading advocate for sports development in the country, consistently supporting initiatives that promote athletic achievement, youth empowerment, and cultural enrichment. The commitment to fostering excellence in sports reflects the broader vision of contributing to a vibrant and inclusive society.

As an official sponsor of the Olympic Committee of Kosovo, FC Vëllaznimi, BC Bora, and marathon runner Shkëndije Gashi, BKT Kosova continues to invest in both national institutions and individual athletes. This collaboration underscores dedication to making a tangible and sustainable impact on the advancement of sports in Kosovo.

The global recognition of Kosovar athletes has positioned sports as one of the nation's most prominent exports, and we are honored to be part of this journey. Through the continued support, inspiring future generations and contributing to the creation of new success stories in the years ahead, remains one of the main purposes.

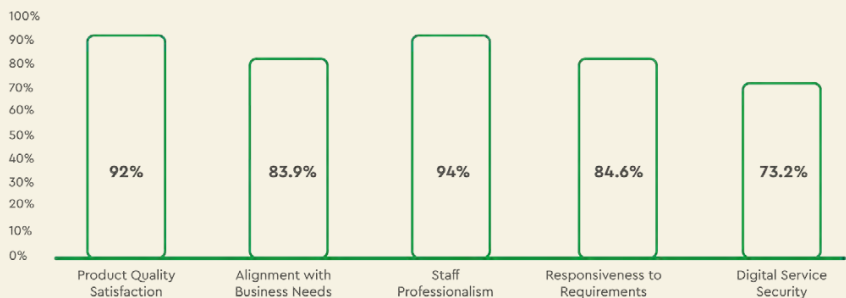
Customer Satisfaction Survey

As part of our continuous improvement and customer-centric service, we undertook a comprehensive customer satisfaction study involving both business and individual clients, using a combination of quantitative and qualitative research methods. The goal was to assess client perceptions and experience with the Bank's products, services, staff, digital tools and overall relationship management. The research was conducted by Prishtina Institute for Public Opinions Studies (PIPOS), a professional research and policy organization in Kosovo, in close collaboration with BKT's Retail and Business Departments. The majority of clients engaged in the survey were aged 36–55 (60.4%), followed by 26–35 (24.2%).

Business Clients

The findings from the business client segment indicate consistently high levels of satisfaction and loyalty. Notably:

BUSINESS CLIENTS SATISFACTION SURVEY



- 92% of respondents expressed satisfaction with the quality and terms of BKT's products.
- 83.9% confirmed that the Bank's offerings are well aligned with their business needs.
- 94% rated staff professionalism and communication as excellent or good.
- 84.6% praised the Bank's responsiveness to their business requirements.
- Digital services are widely adopted, with over half of business clients using the platform regularly, and 73.2% reporting a strong sense of security while using digital channels.

Additionally, business clients have expressed a strong will to recommend BKT Kosova to other businesses, which has positively contributed to a notably high recommendation index. 47% of business clients gave the maximum score (10), 18.1% rated it 9 and 12.1% gave it an 8.

Additionally, two in-depth focus group discussions were conducted by PIPOS with business clients, where many praised

the human approach and consistent service with several clients having remained with the Bank for over a decade. Compared to the competition in the market, BKT Kosova was perceived as more reliable and more client oriented.

Individual Clients

Similarly, individual clients reported strong levels of satisfaction, particularly in areas of in-branch service and staff conduct:

INDIVIDUAL CLIENTS SATISFACTION SURVEY



- 89% of respondents were satisfied with waiting times at branches.
- 90% felt they were treated with respect and professionalism.
- Nearly 90% indicated they would recommend BKT to others.
- 65% stated they would not consider switching to another bank.

Most of the clients are long-term clients. 41.8% stated that they have been clients for more than 5 years, while 22.9% have been clients for 1–3 years, 21.9% of respondents have been clients for 3–5 years, while 13.5% have been clients for less than a year. These data indicate a high level of loyalty to the Bank.

Two focus group discussions were held with individual clients as well, to gather qualitative insights into their experiences, satisfaction levels and expectations regarding the Bank's services. Clients cited stability and approachable services as primary reasons for staying in BKT while several have switched from other banks to BKT.

In conclusion, BKT Kosova is perceived by its clients as a stable, professional and trustworthy banking partner. Both individual and business clients report high levels of satisfaction, trust and loyalty, underscoring the Bank's success in delivering value-driven, client-focused services.

Youth Employment and Talent Development

In 2024, BKT Kosova reaffirmed its commitment to recruiting the next generation of banking professionals through strategic recruitment and engagement initiatives. As part of BKT Kosova's commitment to youth empowerment and social responsibility, a strategic KPI was set for 2024 to increase the employment of newly graduated individuals by 3%. This initiative aimed to support young professionals in their transition from education to the workforce, while enriching the Bank's talent pool with fresh perspectives and

skills. During the year, the Bank successfully onboarded 12 recent graduates, bringing fresh perspective and innovative ideas to its workforce. Of these, 5 joined the Head Office, with 3 placed in the Internal Audit Department, 1 in the Loan Assessment Department and 1 in the General Administration Department. The remaining 7 were assigned across various branch locations, where they took roles as Tellers, Retail Relationships Assistant Specialist and a Micro Relationship Assistant Specialist.

By the end of the reporting period, BKT Kosova achieved a 2% increase in the employment of newly graduated individuals. While slightly below the initial target, this result represents meaningful progress and reflects the Bank's proactive approach to engaging the next generation of professionals, despite a competitive labor market and evolving workforce dynamics. In addition to recruitment, BKT Kosova actively strengthened its ties with the academic community by participating in eight career fairs organized by public and private universities across Kosovo. These initiatives enhanced the Bank's employer brand and created valuable opportunities to connect with emerging talent.

Key efforts included participation in university career fairs and the expansion of internship programs, many of which were designed to transition into full-time employment opportunities. These initiatives not only supported the recruitment goals but also contributed to broader social impact objectives, such as reducing youth unemployment and fostering skill development aligned with the financial sector's future needs. As a direct result of these efforts, 6 interns were recruited, gaining practical experience and mentorship within the Bank.

The experience gained through this initiative will inform future strategies, including strengthening partnerships with educational institutions, enhancing internship-to-employment

pathways, and aligning recruitment efforts with the evolving expectations of young professionals. This strategic approach to recruitment and internship engagement reflects BKT Kosova's dedication to operational growth, talent development and long-term investment in human capital, ensuring a strong foundation for the future of banking.

Commitment to Global Sustainability: BKT Kosova joining the UN Global Compact

BKT Kosova proudly became an official participant of the United Nations Global Compact, the world's largest corporate sustainability initiative. This milestone marks a significant step in our ongoing journey toward responsible business practices and sustainable development.

By joining the UN Global Compact, the Bank has committed to aligning its operations and strategies with Ten Universally Accepted Principles, in the areas of:

- Human Rights
- Labor Standards
- Environmental Protection
- Anti-Corruption.

This commitment reinforces dedication to ethical governance, inclusive growth and environmental stewardship. It also aligns with the broader Environmental, Social and Governance (ESG) strategy, ensuring that sustainability is embedded across all levels of our organization.

As a participant, BKT Kosova will submit an annual Communication on Progress (CoP), transparently reporting on our efforts to implement these principles and

contribute to the United Nations Sustainable Development Goals (SDGs).

We consider this partnership not only as a responsibility but as an opportunity to lead by example in Kosovo's financial sector, fostering a more equitable, sustainable and resilient future.

Advancing Gender Equality: Endorsement of UN Women's Empowerment Principles

BKT Kosova reaffirmed its commitment to inclusive and equitable growth by officially endorsing the Women's Empowerment Principles (WEPs), a joint initiative of the United Nations Global Compact and UN Women. This strategic alignment underscores our dedication for gender equality across our workplace, marketplace and community.



The WEPs provide a holistic framework for businesses to promote women's empowerment and are grounded in international labor and human rights standards. By endorsing these principles, BKT Kosova has pledged to:

- Establish high-level corporate leadership for gender equality;
- Treat all women and men fairly at work, ensuring respect for human rights and non-discrimination;
- Endure the health, safety and well-being of all employees;
- Promote education, training and professional development for women;
- Implement inclusive enterprise development and supply chain practices;
- Advocate for equality through community initiatives;
- Measure and publicly report progress toward gender equality.

This endorsement is a natural extension of the ESG strategy and reinforces the conviction that empowering women is not only a matter of fairness but also a driver of innovation, resilience and long-term value creation.

As we move forward, BKT Kosova will continue to integrate these principles into the corporate culture and operations, ensuring that gender equality remains a cornerstone of its sustainable development agenda.

Governance
Implementation Overview



Governance

Implementation Overview

Strategic ESG Integration and Governance

As part of the "Greening BKT Kosova" project, supported by the Green for Growth Fund (GGF) and the European Fund for Southeast Europe (EFSE), BKT Kosova in collaboration with an external consulting company developed the ESG Strategy 2024–2030. This comprehensive strategy outlines our long-term commitment to embedding Environmental, Social, and Governance (ESG) principles across all areas of operations.

The ESG Strategy 2024–2030 is designed to ensure that BKT Kosova not only meets but exceeds evolving market expectations and aligns with global sustainability trends. Developed in close cooperation with representatives from various Group Departments, the strategy defines specific goals and activities that will guide implementation over the coming years.

Key pillars of the strategy include:

- **Environmental Initiatives:** Focused on reducing carbon footprint through energy-efficient practices, expanding the use of renewable energy, and promoting green financing. This includes support for projects in renewable energy, energy efficiency, and sustainable agriculture.
- **Social Responsibility:** Emphasizing gender equality, youth and women entrepreneurship, and the inclusion of vulnerable groups. The strategy also prioritizes

employee wellbeing, professional development, and broader community engagement.

- **Governance and Compliance:** Committed to the highest standards of governance, including risk management, regulatory compliance, data privacy, and transparency. The strategy ensures alignment with international ESG standards and best practices.
- **Stakeholder Engagement:** Recognizing the importance of collaboration, the Bank aims to build strong relationships with employees, clients, and the wider community through regular dialogue and shared sustainability goals.

Our ESG Strategy 2024–2030 reflects BKT Kosova's vision to create long-term value for all stakeholders while contributing meaningfully to environmental protection, social equity, and responsible governance.

Future Goals and Commitments – short and long term KPIs, planned initiatives and projects, continuous strategy improvement

BKT Kosova has set a strong ambition to implement ESG principles and sustainability actions across business operations. Guided by the three key ESG pillars, efforts will focus on accelerating the integration of sustainability principles into all activities while aligning with emerging trends and market requirements.

In the upcoming period, additional measures will be taken to meet ESG targets and goals for 2024–2030, as defined

in the established ESG Strategy. Plans include expanding the green loan portfolio, with emphasis on financing renewable energy, energy efficiency, sustainable water management, circular economy initiatives, and related projects. Progress will be measured by increasing the share of green loans in the portfolio to 20% by 2030.

Environmental priorities include advancing sustainable energy management and promoting green usage through financing energy efficiency and renewable energy measures, zero-waste initiatives, circular economy projects, and resource efficiency improvements. These actions aim to reduce the environmental impact of the portfolio and strengthen climate resilience by decreasing vulnerability of headquarters and branches to climate-related risks. Targets include a 5% reduction in Scope 1 & 2 emissions within the next year and approximately 20% reduction in CO₂ emissions by 2030.

Social objectives will focus on promoting equality and inclusion, enhancing client satisfaction, and embedding ethics, integrity, and compliance into operations. Additional priorities include improved regulatory alignment and integration of security and privacy metrics. Special emphasis will be placed on women's empowerment, youth employment, and skills development, with a goal of achieving an annual increase of 50% in implemented gender equality actions by 2030.

Governance commitments include strengthening cybersecurity, driving innovation in products and services, and increasing the incorporation of ESG principles into internal

policies. ESG risk assessment will continue to be integrated into credit decisions, supported by ongoing upgrades to specific ESG goals and targets, with the objective of achieving 100% fulfillment of defined goals by 2030.

Sustainability Governance Structure

As part of the ESG Strategy 2024–2030, BKT Kosova has established a dedicated Sustainability Committee that reports directly to the Chief Executive Officer. This governance structure ensures that sustainability is embedded at the highest level of decision-making within the Bank.

The Committee is responsible for overseeing the integration of ESG principles into core business operations, monitoring the implementation of the ESG Strategy, and ensuring alignment with both short-term priorities and long-term objectives. It consists of 5 members, primarily representing stakeholders responsible for green financing as well. This structure includes:

- **Chief Executive Officer and Board Member** – Provides strategic leadership and ensures ESG priorities are integrated into corporate governance and decision-making processes. The CEO's involvement guarantees accountability at management level and alignment of sustainability objectives with the Bank's long-term vision, regulatory commitments and shareholder expectations.
- **Head of Corporate and Business Banking Group** – Responsible for incorporating ESG principles into

corporate lending and investment solutions. This role ensures that green financing and sustainable business practices are actively promoted among corporate clients, positioning the Bank as a key enabler of the transition toward a low-carbon economy and supporting businesses in meeting their sustainability goals.

- Head of Retail Banking Group – Oversees the integration of ESG considerations into Retail Banking products and services. By embedding sustainability into offerings for individual customers, this role fosters financial inclusion, encourages environmentally responsible consumer behavior, and ensures that retail operations contribute to the Bank's overall ESG objectives.
- Head of Treasury, Financial Institutions and Private Banking Group – Ensures treasury operations, liquidity management, and institutional relationships comply with ESG standards. This role is critical for embedding sustainability into investment strategies and promoting responsible financial practices across the Bank's portfolio and partnerships.
- ESG Coordinator – Drives ESG governance and implementation. Monitors progress, ensures compliance with regulatory requirements, and coordinates cross-functional initiatives of the Bank's sustainability roadmap to achieve its strategic targets.
- Other departments may be invited depending on the subject matter.

This composition ensures that the Committee brings both strategic insight and sector-specific expertise into the decision-making process, particularly in areas related to environmental sustainability and responsible investment.

Additionally, the Committee plays an advisory role, contributing to the development of ESG-related policies and guiding investment decisions that align with the internal strategy.

During 2024, Sustainability Committee focused on reviewing performance indicators, assessing risks and guiding strategic improvements to ensure alignment with sustainability objectives. These meetings resulted in key contributions, including even the support of internal awareness campaigns focused on environmental responsibility. Committee members report on the progress of their objectives in alignment with the ESG Strategy and highlight the need to discuss whether the plans for their implementation should be reviewed. All decision-making related to ESG initiatives and matters is carried out by Sustainability Committee. This dynamic approach ensures that the ESG Strategy remains responsive to emerging challenges and opportunities, while consistently driving the practical achievement of strategic goals.

Sustainability Awards

Global Business & Finance Magazine

Best CSR Initiative in Kosovo 2024

Global Banking & Finance

Best Bank for Sustainable Development Kosovo 2024

Global Business Magazine

Best Environmental Sustainable Bank Kosovo 2024

World Economic Magazine

Best Sustainable Bank Kosovo 2024

Cosmopolitan Daily

Best ESG Practices – Kosovo 2024

Memberships

- 1. CSR Kosova:** The CSR Kosova network is a platform dedicated to development collaboration between responsible businesses and organizations in Kosovo, aimed at promoting and implementing Corporate Social Responsibility (CSR) practices. The network is engaged in addressing various social and environmental challenges, promoting respect for human rights, environmental protection, and combating corruption
- 2. UN Women:** UN Women is the United Nations entity dedicated to gender equality and the empowerment of women. This organization works globally to meet the needs of women and girls, supporting UN member

states in setting global standards for achieving gender equality and working with governments and civil society to ensure these standards are effectively implemented.

- 3. UN Global Compact:** The UN Global Compact is a United Nations initiative that encourages businesses and firms worldwide to adopt sustainable and socially responsible policies and report on their implementation. This initiative includes ten principles in the areas of human rights, labor, environment, and anti-corruption
- 4. Kosovo Women's Chamber of Commerce – G7:** An independent, apolitical, nonprofit institution dedicated to the economic empowerment of women in Kosovo. The organization promotes female leadership and participation in all sectors of the economy, striving to facilitate, promote, and lobby for the representation of women in Kosovo's economy, politics, and decision-making processes.
- 5. The American Chamber of Commerce in Kosovo**
- 6. Kosovo Turkey Chamber of Commerce**
- 7. The Bankers Association for Finance and Trade (BAFT)** is enhancing its trade finance capabilities.
- 8. The World Savings and Retail Banking Institute (WSBI)** and the **European Savings and Retail Banking Group (ESBG)** are two prominent industry associations in the field of savings and Retail Banking.
- 9. The Kosovo Credit Guarantee Fund:** is an independent, development-oriented legal entity with primary mission to enhance access to finance for micro, small, and medium enterprises (MSMEs) by providing partial credit risk guarantees to registered financial institutions.

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