

Company: Bulgarian Stock Exchange

NACE code: 6611

Type of company: Publicly-traded company

Website:

www.bse-sofia.bg/en/



Environment



Social issues and employment



Human rights protection



Anti-corruption

The company has a policy in the respective field	✗	✓	✓	✓
The company assigned the respective field to an employee	✗	✗	✗	✗
The company participates/supports initiatives in the respective field	✓	✗	✗	✗
The company reports risks in the respective field	✗	✓	✗	✓
The company applies measures to control the respective field	✗	✓	✓	✓
The managing bodies take part in the policy assessment and implementation	✗	✓	✓	✓

Basis for disclosure:

Voluntary information disclosure

Main information

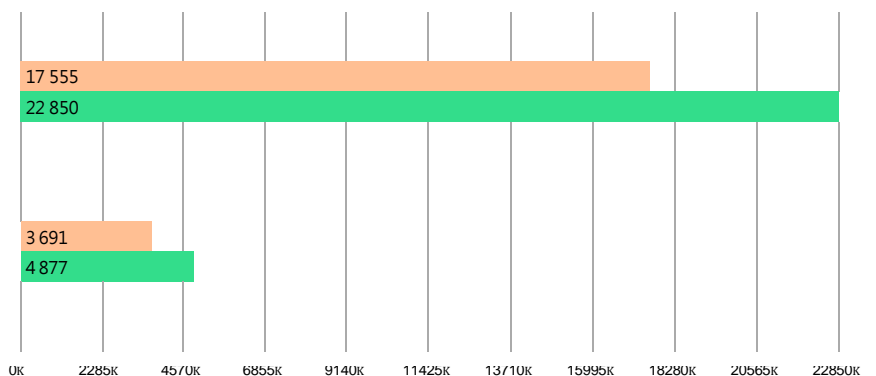


Total value of assets (thsnd BGN)



Net turnover (thsnd BGN)

2023 2024



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Sustainable development issues of importance for the company:

The Bulgarian Stock Exchange has defined the sustainability themes and assessed the themes relevant to the Exchange as follows:

Reliable markets;

Corporate Governance and Business Ethics;

Human Capital Development;

Risk Management;

Sustainable Behaviour;

Community Relations;

Sustainable Products;

Product Responsibility;

Privacy.

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Corporate management

Investor Relations Officer

Nadia Koltchakova-Lazarova

<https://www.bse-sofia.bg/en/investor-relations-director>

Business model description

The Bulgarian Stock Exchange AD is the only licensed operator of a regulated market in financial instruments in Bulgaria within the meaning of Art. 152 of the Markets in Financial Instruments Act MiFID.

BSE AD is a public company within the meaning of Art. 110, para. 1 of the Public Offering of Securities Act.

BSE AD is an organizer of:

- Multilateral Trading Facility (MTF) SME Growth Market beam, which provides financing for the activities of small and medium-sized companies in Bulgaria;
 - Multilateral Trading Facility (MTF) BSE International - a marketplace that provides local investors with the opportunity to diversify their portfolios with financial instruments issued by some of the world's most well-known and liquid companies.
- In addition, the Bulgarian Stock Exchange AD is a provider of data reporting services - operator of a publication mechanism within the meaning of Article 205(2) of MiFID, as well as the only licensed administrator of benchmarks in the country within the meaning of Regulation (EU) 2016/1011.

The main mission of the Bulgarian Stock Exchange AD is to contribute to the creation of conditions for the existence and establishment of the Bulgarian capital market as a well-developed, liquid, reliable and efficient market, which is stable, enjoys public confidence and at the same time ensures the protection of investors in financial instruments, as well as increases their awareness.

Any changes to the business model occurred

No changes in the company's business model in the reporting period

Interested parties interaction

By a decision of 23.05.2024, the Board of Directors of the Bulgarian Stock Exchange AD adopted the „Stakeholder Engagement Policy“ (the Policy) developed by the Sustainability Committee of the Bulgarian Stock Exchange. The policy defines the ways of engaging stakeholders that may have an impact on the long-term sustainability of the Bulgarian Stock Exchange.

The Policy defines stakeholders, the stakeholder engagement process, communication channels, etc.

The Policy can be found on the Bulgarian Stock Exchange website in the „Rules“ section.

International standards

Bulgarian Stock Exchange AD is certified according to ISO 9001/27001.

Risk policy

<https://www.bse-sofia.bg/en/rules>

Approval Authority

The risk management policy was adopted by the Board of Directors of the Bulgarian Stock Exchange AD.

Sanctions imposed by regulatory, supervisory, or state authorities during the reporting period if any

There are no sanctions imposed

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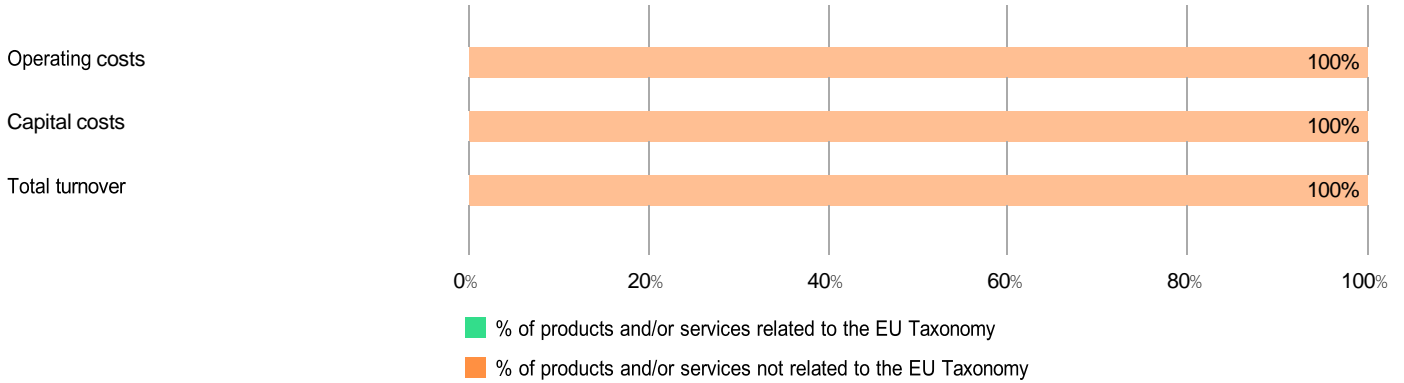
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Environment

Key Result Indicators



How did your company determine what portion of your turnover, capital expenditure and operating expenditure is associated with economic activities eligible under the EU Taxonomy?

All indicators - turnover, capital and operating costs of the Bulgarian Stock Exchange AD are from services that are not related to EU taxonomy compliant economic activities.

(Explanation of the) Basis of the key result indicators calculation

All indicators - turnover, capital and operating costs of the Bulgarian Stock Exchange AD are from services that are not related to EU taxonomy compliant economic activities.

Policies connected to the climate and environment, which the company applies

The Bulgarian Stock Exchange is preparing a comprehensive climate and environment strategy.

Climate and environmental initiatives in which the company participates or initiates

The Bulgarian Stock Exchange, following the mission to promote responsible investments in sustainable development and to improve environmental, social and good corporate governance performance in Bulgaria, together with the Bulgarian Independent Energy Exchange are the initiators of the establishment of the Green Finance & Energy Centre (the Green Centre) to concentrate the efforts of business, government and other stakeholders towards the transformation of the economy and sustainable development of our country.

In August 2022 the Board of Directors of the Bulgarian Stock Exchange also agreed to follow the ESG Reporting Guidelines. Bulgarian Stock Exchange AD believes that ESG practices are fundamental for both individual companies and investors, and that a focus on ESG can lead to improved and harmonized corporate governance and hence help achieve the 2050 decarbonization goals.

In August 2022 the Bulgarian Stock Exchange announced its partnership with one of the world's leading providers of data and infrastructure for financial markets - LSEG Data & Analytics (formerly Refinitiv), part of the London Stock Exchange Group. LSEG Data & Analytics will manage and provide data on the sustainable performance of Bulgarian public companies. This data in the form of ratings will be used to select the companies that will be included in the future ESG index of the Bulgarian Stock Exchange.

ESG Rating of BSE: 45.33 (C+), awarded by LSEG Data & Analytics

Environmentally sustainable activities

The company does not carry out environmentally sustainable activities contributing to the fulfillment of environmental goals, according to Article 9 of Regulation 2020/852

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Environment

Environmentally sustainable activities

The company does not carry out environmentally sustainable activities contributing to the fulfillment of environmental goals, according to Article 9 of Regulation 2020/852

Environmentally friendly products and/or services

The company does not develop green products and/or services.

Waste management plan

The company has implemented a waste management plan

Bulgarian Stock Exchange generates household waste in the administrative building where its main activity is carried out.

Environmental impact

The use of products or services of the company

The company does not measure the environmental impact of produced and offered products and services.

The pollution control

The company's activity does not imply significant pollution of the environment.

The generated waste

Bulgarian Stock Exchange generates household waste in the administrative building where its main activity is carried out.

The water quantity used by the company for production and supply of products and services (in m³)

339.77

The area used by the company for production and supply of products and services (in m²) 1138

The quantity of rare earth elements the company uses (in kg)

The Company does not use "Rare Earth Elements".

Other natural resources relevant to the company's activities

There are no other natural resources relevant to the operations of the Bulgarian Stock Exchange.

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Active measures taken by the company to mitigate the impact on the environment

The company has not taken active measures to mitigate its impact on the environment

A green travel policy has been introduced. BSE encourages the use of public transport by employees by providing them with free cards for the entire city network.

The company has also taken measures to reduce plastic waste generated by replacing the use of mineral water supplied to employees in plastic bottles with the use for drinking purposes of water from the building plumbing system filtered through a reverse osmosis system.

Additional measures to mitigate the environmental impact of the activities of the Bulgarian Stock Exchange will be introduced after the adoption of the BSE's overall strategy.

Total amount of energy consumed within the organization (MWh): 103.98

Scope 1 and Scope 2 emissions are calculated but not currently reported by the Bulgarian Stock Exchange AD.

The company does not calculate Scope 3 GHG emissions.

Environmental risks

The company does not consider risks arising from climate change and environmental degradation.

Objectives and tasks

Bulgarian Stock Exchange AD is in the process of developing a comprehensive strategy regarding environmental impact, which also includes defining goals and objectives.

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Social issues and employment

Policies connected to social issues and employment

Diversity Policy

Anti-discrimination Policy

Data Security Policy

Communications and Disclosure Policy

Security Policy

Physical Security Policy

Number of persons employed by the company - 28

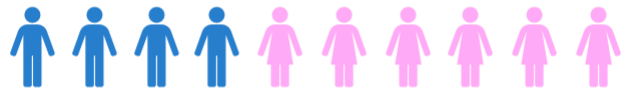
Employment diversity

Members of managing bodies



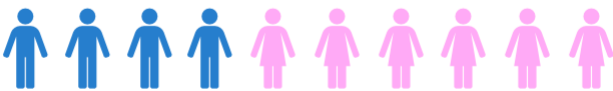
■ 60% Man ■ 40% Women ■ 0% Others

Senior management



■ 43% Man ■ 57% Women ■ 0% Others

Employees



■ 40% Man ■ 60% Women ■ NaN%

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Average employment tenure in the company

16

Average number of hours employees participated in career development training during the reporting period

45

Employees left during the reporting period

1

Unregulated access to data of customers or users during the reporting period

No

Accidents at work

0

Cases of leakage, theft or loss of customer or user data in the company during the reporting period

No

Cases of occupational diseases

0

Gender pay gap

The company ensures equal starting pay for both men and women, eliminating any gender pay gap at the entry level

Measures to support work-life balance for employees

Encouragement of taking breaks

Encouragement of taking vacation days

Reimbursement of extra hours

Regular team outings

Offer flexible and remote working

Measures to ensure the health and safety of employees at work

We take measures to prevent accidents on building sites, in plants and in projects.

We eliminate unsafe and dangerous conditions immediately.

We control hazards and take the best possible precautionary measures against accidents and occupational diseases.

We follow applicable environmental, health and safety policies, guidelines and laws.

We have a person who is responsible for occupational health and safety matters and who trains and educates our employees.

The policy of Bulgarian Stock Exchange AD is oriented towards continuous improvement of the organization for managing the activity in terms of ensuring healthy and safe working conditions.

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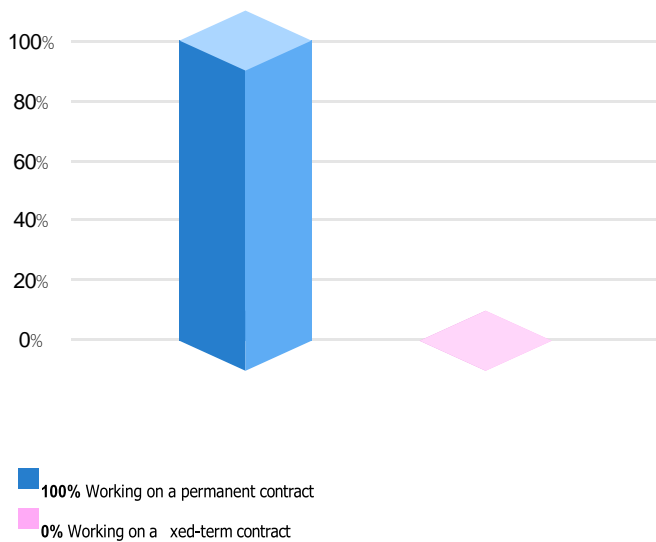
Discrimination

Types of discrimination to be reported:

The Bulgarian Stock Exchange has not defined a specific procedure for reporting cases of discrimination. All cases can be reported under the general rules.

Reported cases of discrimination during the reporting period: 0

Types of employment relationship



Types of remuneration



Main risks associated with social issues and employment

The risks of loss of employee motivation, lack of qualified staff, staff turnover, deteriorating health of the team are minimized by applying appropriate measures.

Considering the specific activity of the Bulgarian Stock Exchange as an organized securities trading market, the company makes efforts to retain its employees through ongoing training on current topics, the introduction of a social program, additional health insurance, a comfortable working environment, etc.

Objectives and tasks

The main goal of the Bulgarian Stock Exchange is to ensure equality, opportunity for development, continuing education and qualification improvement, as well as a comfortable and safe working environment for employees. The Company stimulates the career development of employees by giving priority to internal candidates when opening new vacant positions.

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Human rights protection

Policies connected to the human rights protection

Bulgarian Stock Exchange AD applies all fundamental conventions of the International Labor Organization (ILO) relevant to the company and its activities. In addition, Bulgarian Stock Exchange AD supports and promotes the fundamental human rights of employees, which are incorporated into various rules and procedures at the Exchange:

Ensuring healthy and safe working conditions; Ensuring honest and fair remuneration for labor and benefits, working hours, additional bonuses, possibility of remote work; Workplace security; Consideration of submitted complaints; Prohibition of any kind of discrimination; Prohibition of employment of persons below the legal minimum working age; Protection of personal data.

By decision of the Board of Directors of BSE AD, in 2023, a "Code of Conduct for Suppliers of "Bulgarian Stock Exchange" AD" was adopted, developed by the Sustainability Committee, which clearly states that BSE expects each of its suppliers to respect the protection of human rights and not be complicit in human rights violations.

In 2024, the Board of Directors of the Bulgarian Stock Exchange adopted the "Code of Business Conduct and Ethics" developed by the Sustainability Committee. Compliance with the Code is mandatory for all members of the Board of Directors and all employees, including employees on fixed-term contracts and interns, as well as by any natural or legal person providing work or services on behalf of the Company.

Compliance with the Code is in fulfillment of the BSE's commitment to maintaining high standards of business conduct and ethics, including conducting its activities in compliance with all regulatory, moral and ethical requirements related to the protection of human rights. The company strives to be an example of a company committed to respecting the human rights of both its employees and all stakeholders.

Principles and standards applied

The Convention on the Elimination of All Forms of Discrimination Against Women

The Convention on the Rights of the Child

The United Nations Guiding Principles on Business and Human Rights (UNGPs)

The International Labour Organization Declaration on Fundamental Principles and Rights at Work

The International Convention on the Elimination of All Forms of Racial Discrimination

The Convention on the Rights of Persons with Disabilities

The Charter of Fundamental Rights of the European Union

The United Nations' (UN) Universal Declaration of Human Rights

The Organization for Economic Co-operation and Development' (OECD) Guidelines for Multinational Enterprises

Activities carried out in countries designated as high-risk areas

The company does not carry out activities and has no counterparties operating in "high-risk areas".

Principles of ensuring compliance with human rights protection policies throughout the supply chain and commercial relationships

Bulgarian Stock Exchange establishes business relations with suppliers of good reputation.

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Cases of human rights violations related to the company's activities: 0

New providers of which due diligence has been carried out for potential and actual adverse impacts on human rights (%): 0

Main risks associated with human rights protection

The company has not identified any risks related to human rights protection.

Objectives and tasks

Bulgarian Stock Exchange AD aims to maintain zero discrimination on issues related to the protection of human rights.

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Anti-corruption

Applied policies of anti-corruption prevention and counteraction

Whistleblower and Complaint Policy

Measures introduced to prevent and combat corruption

We maintain reporting channels for employees to report suspected violations

We regularly inform business partners of our commitment to abide by anti-bribery laws and seek a reciprocal commitment from them.

Bulgarian Stock Exchange AD has developed and applies Rules for Internal Whistleblowing by Employees.

The Rules are available on the website of the Exchange.



Substantial risks related to anti-corruption prevention and combat

BSE AD adheres to the principle of collective strategic decision-making, as well as strict compliance with applicable anti-corruption legislation, which minimizes the risk of corrupt practices in the company.