

**COMMUNIQUE**  
**Director of the Brokerage Office of Bank Millennium S.A.**  
**3<sup>rd</sup> of July 2023**

**Information required by the SFDR - Investment Advisory Service provided by the Brokerage Office of Bank Millennium S.A. (hereinafter referred to as the “Brokerage Office”)**

As part of the brokerage services provided, the Brokerage Office of Bank Millennium S.A. (“Brokerage Office”) supports the strategic activities of the Bank Millennium S.A. Capital Group related to the implementation of sustainability goals.

As part of the services provided, the Bank, fulfilling its obligations under Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (“MiFID II”), collects information required by MIFID II and examines the preferences of its Clients as regards sustainability by exercising due diligence, so that the services offered and the financial instruments covered by them address the growing expectations and awareness of investors in the field of ESG factors.

As part of the services offered by the Bank's Brokerage Office, Bank Millennium S.A. is obliged to disclose information resulting from Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on the disclosure of information related to sustainability in the financial services sector (Sustainable Finance Disclosure Regulation - hereinafter “SFDR”) regulating issues related to the offering and management of ESG-compliant financial products.

For the purposes of these disclosures resulting from SFDR, as an investment advisory service provided by the Brokerage Office of Bank Millennium S.A., we understand the preparation based on the client's needs and situation, and providing him/her with an individual recommendation regarding making or refraining from making an investment decision regarding financial instruments.

In order to meet SFDR requirements related to the transparency of the method of analysing risks for sustainability, in connection with the provision of investment advisory services, we provide our Clients with appropriate information on:

- Article 3 of the SFDR “Transparency of sustainability risk policies”
- Article 4 of the SFDR “Transparency on adverse sustainability impacts at entity level”
- Article 5 of the SFDR “Transparency of remuneration policies in relation to the integration of sustainability risks.”

**Declaration from Article 3 of the SFDR: “Transparency of sustainability risk policies”**

As part of the provision of investment advisory services by the Brokerage Office, Bank Millennium S.A. in its recommendations takes into account the impact of ESG factors on the value of investments. For this purpose, when preparing recommendations in the investment advisory service, the Brokerage Office takes into account, as far as possible and in justified cases, ratings and assessments of ESG factors for the financial instruments recommended in investment advisory activities, in particular:

- ratings published by independent agencies on the application of ESG principles,
- proprietary sub-indices of ECO Millennium index in the field of eco-innovation of enterprises,
- reports published on applied ESG principles,
- other publicly available information that may provide a source for assessing portfolio components in this regard.

As part of the provision of investment advisory services by the Brokerage Office, Bank Millennium S.A., adopting the principles of responsible financing in the Bank Millennium Group, takes into account

exclusions and limitations of sectors with increased risk for sustainability, related i.a. to arms trade, hard coal mining , activities considered illegal under national and international law.

**Declaration from Article 4 of the SFDR: “When providing investment advisory services, their adverse impacts on sustainability factors shall not be taken into account.”**

As part of providing its investment advisory services, Bank Millennium S.A., due to the nature and scale of its operations, applying the principle of proportionality, does not take into account the effects of investment decisions on sustainability factors. After achieving an appropriate scale of activity, which will enable a reliable assessment of the effects of investment decisions on such factors, the Brokerage Office will consider introducing into its offer the financial instruments that meet sustainable investment criteria, and at the same time, will take into account the impact of investment decisions on sustainability factors.

Bearing in mind the SFDR’s objectives related to transparency and comprehensiveness of information disclosed to the End Investor in terms of adverse effects on sustainability, the Brokerage Office, as part of a permanent improvement of the quality of investment advisory services, monitors the availability of relevant information and solutions adopted by producers and issuers of financial instruments.

**Declaration from Article 5 of the SFDR: “Transparency of remuneration policies in relation to the integration of sustainability risks”**

The policy of employee remuneration in the Bank Millennium S.A. Group, including risk takers, ensures transparent remuneration principles and their connection with the risk management strategy.

The employee remuneration policy in the Bank Millennium S.A. Group also defines the principles relating to incentive mechanisms, the design of which is aimed at avoiding stimulating (encouraging) employees to take risks as regards sustainability factors and rewarding business results achieved as a result of introducing these risks into operations. At the same time, incentive mechanisms ensure their consistency with the objectives adopted by the Bank in the Sustainability Policy.

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