

Policy on Sustainability Principles

Introduction

Environmental, Social, Governance issues play a key role in the management of the Bank Millennium S.A. Group (hereinafter: „Bank Millennium Group,” „Group”) and are an important part of our strategic activities. ESG issues are also an important element of the Group's organisational culture.

The European and international commitments made, in particular the Paris Agreement, which aims to strengthen the global response to mitigate and adapt to climate change, and the 2030 Agenda for Sustainable Development proposed by the United Nations (UN) around the 17 Sustainable Development Goals (SDGs), require a transition to a model of sustainable economic development, for which the involvement of the financial sector is crucial. This transition is also promoted by the European Commission's Action Plan on financing sustainable growth, which sets out a European strategy for the financial sector.

The Bank Millennium Group implements, as an integral part of its responsible business model, dynamic strategies tailored to the expectations of its stakeholders, including employees, clients, shareholders, business partners, and is committed to promoting a culture of environmental, social and economic responsibility, including the adaptation and mitigation of climate change, the protection of natural resources, biodiversity and the environment, and the elimination of social inequalities, while providing its clients with technological innovations.

Our ambition is to promote change in this area, by implementing ESG criteria into our operations, products and services and integrating them into the supply chain, thus creating long-term value for the organisation.

Basic principles of sustainable development

We believe that in order to move to a more sustainable world, we are all responsible for adapting our individual and collective behaviour to models of economic and social development that promote prosperity for all social groups, job creation, respect for human rights while respecting environmental resources and biodiversity.

Sustainability principles adopted by the Bank Millennium Group, which integrate the environmental, social and management dimensions, include:

- adapting the decision-making process, in all areas of the Bank Millennium Group, to the implementation of the United Nations Sustainable Development Goals (“UN Sustainable Development Goals”), as well as generally applicable laws and national and international standards in the field of sustainable development,
- supporting the transition to a sustainable and fair society through the development of products and services that have a positive impact on society and the environment,
- taking into account the UN Sustainable Development Goals in the development and offering of financial products,
- transparency of disclosed information regarding the implementation of activities in the area of sustainable development by the Bank Millennium Group,
- building awareness of Employees, Clients and other stakeholders of the Group in the field of sustainable development,
- adhering to the highest standards in the conducted business, including the 10 Principles of Global Compact, the Principles of Corporate Governance for Supervised Institutions and

Best Practices for WSE Listed Companies, as well as striving to constantly ensure full compliance with generally applicable laws and business standards,

- building partnership relations and constant involvement in cooperation with communities - both external and internal - in the search for opportunities to create social and environmental value, by supporting initiatives related to culture, education and financial knowledge, as well as activities within the framework of supporting local communities, employee volunteering.

Basic goals

The basis for defining the approach to sustainable development management in the Bank Millennium Group is the Agenda formulated by the UN, comprising 17 Sustainable Development Goals. Bank Millennium S.A. is a signatory of the declaration for the implementation of the Sustainable Development Goals (SDGs).

The Bank takes into account in its activities the whole of the 17 Sustainable Development Goals, focusing the most on the implementation of the following objectives:



In addition, Bank Millennium S.A. is a signatory of the Diversity Charter. The Charter is a commitment signed by organisations that choose to implement the prohibition of discrimination in the workplace and work to create and promote diversity.

ESG Strategy

Activities in the sustainable development area are defined in the ESG Strategy of Bank Millennium S.A. and Bank Millennium Group.

We implement our activities in the field of sustainable development in three areas, which are the pillars of the ESG Strategy:

- Environmental protection - Implementation of activities supporting the transition to a model of sustainable economic development, including the inclusion of the environmental aspect in the risk models of the risk management process at the Bank and the offer of products and services, as well as decarbonization of its own operations.
- Social responsibility - Promoting collaboration with external and internal communities and creating social value.
- Corporate governance - Integration of sustainable development principles in the Bank's decision-making and control processes.



Our goal is to have the initiatives developed and implemented under these pillars contribute as much as possible to positive changes today and in the future.

What is important for us is not only to achieve the set goals, but also the manner in which we achieve them, which is why we implement our initiatives on three different levels:

- through activities within our organisation,
- in interactions with our Clients,
- by influencing the environment.

Basic commitments

We promote sustainable development by implementing and developing good practices and increasing financing for environmentally sustainable and socially responsible projects. The transition to a fairer, more inclusive and environmentally sustainable economy is part of our ambition and in this respect we publicly adopt and support: the 10 Principles of the UN Global Compact, the Principles of Corporate Governance for Supervised Institutions and the Good Practices of WSE Listed Companies.

Based on the principles, good practices and sustainable development goals, we have made the following commitments:

- **Integrating environmental (physical and transition risks) and social risks into the customer risk assessment process** and taking into account ESG risk factors in sectoral policies with respect to the corporate Clients.
- **Defining the list of sectors and activities not financed by the Bank Millennium Group** - the Group identifies sectors of economic activity or projects whose financing is inconsistent with the Group's commitment to protect the environment, promote sustainable development, combat climate change and preserve biodiversity. For this reason, the Group has identified business sectors excluded from financing or conditional financing sectors (financing of activities or projects in these sectors is possible under additional conditions).
- **Creation of sustainable solutions - financing of environmentally friendly and energy-efficient projects**, including projects related to the replacement of derived from fossil fuels energy with low-carbon energy sources.
- Promoting sustainability growth and achieving environmental and social goals: promoting sustainable growth and achieving environmental and social goals by offering products with a positive environmental and social impact, across business lines.
- **Carrying out activities aimed at reducing bank's own carbon footprint.**
- **Respect for human rights** - Bank Millennium Group takes into account and promotes the basic principles of human rights through the application of ethical business practices to various stakeholders, in particular employees, clients, shareholders, suppliers, local communities. Such practices are clearly defined in the relevant internal regulations of the Group.
- **Sustainable development competency generation:** we offer training and initiatives for employees to develop their sustainability competencies.
- **Promoting a culture of responsible consumption:** The Bank Millennium Group has adopted, within the framework of the Sustainability Guidelines for Suppliers, a set of requirements for suppliers covering sustainable development issues (based in particular on the Universal Declaration of Human Rights and the 10 Principles of the UN Global Compact). The Bank

requires compliance with these principles from suppliers, and compliance is monitored by the Bank.

- **Influencing society:** promoting a culture of social responsibility, developing activities for and with different stakeholder groups that support, directly or indirectly, social development - within local communities and nationwide.

Management and Financial Supervision Model

To ensure the proper management process for the area of sustainable development, Bank Millennium S.A. has established:

- The Sustainability Committee, which is responsible for making key sustainability decisions within the Bank Millennium Group in the context of individual environmental, social and governance factors.
- The Sustainability Department, reporting directly to the Chairman of the Bank's Management Board, which is responsible for supervising and coordinating the process of implementing the principles of sustainable development in the Bank Millennium Group.

Reporting

Bank Millennium Group's activities in the field of sustainable development are presented in annual ESG reports, prepared in accordance with the Accounting Act and the best reporting standards in the field of sustainable development, including:

- Global Reporting Initiative (GRI) Standards,
- Task Force on Climate-Related Financial Disclosures (TCFD),
- The Corporate Sustainability Reporting Directive (CSRD).

Sustainability disclosures other than periodic reporting

Information on disclosure of information related to sustainable development in portfolio management and investment advisory is available on the Bank's website at:

<https://www.bankmillennium.pl/o-banku/esg/sfdr>

Communication

This document is made available to the Group's employees on the internal intranet website, and to clients and external entities on the Bank Millennium website.

The Bank Millennium Group regularly monitors and communicates its activities in the field of sustainable development in its annual reports, on the Bank's website dedicated to sustainable development and by participating in various investor surveys and indices that describe the results achieved and implemented actions. We are also rated by analysts preparing the world's leading ESG ratings.

Scope

This document has been approved by the Management Board of Bank Millennium and is binding for all companies from the Bank Millennium Group.