

# 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 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 fight against climate change, the protection of natural resources, biodiversity and the environment, and the elimination of social inequalities, while providing its clients with technological innovations.

## 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;
- 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 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 value, by supporting initiatives related to culture, education and financial knowledge, as well as activities within the framework of 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:

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- 3. Good health and Well-being
- 4. Quality Education
- 5. Gender Equality
- 8. Decent Work and Economic Growth
- 9. Industry, Innovation and Infrastructure
- 13. Climate Action
- 17. Partnership to achieve the Goal



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,
- Social responsibility,
- Corporate governance.

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

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

- **Integrating environmental 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);
- **Financing of environmentally friendly and energy-efficient projects**, including projects related to the replacement of coal-fired energy with low-carbon energy sources;
- Carrying out activities aimed at **reducing the 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, as part of the Sustainability Guidelines for Suppliers, a set of requirements for suppliers covering sustainability issues;
- **Influencing society**: promoting a culture of social responsibility, developing activities for and with different stakeholder groups that support, directly or indirectly, social development.

## 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 Office, 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 GRI (Global Reporting Initiative) standards.