

## Principles of Responsible Purchasing

### Chapter I Purpose of implementation

The purpose of the Bank Millennium Group's Responsible Purchasing Policy (the "Policy") is to define the principles and guidelines governing the process of purchasing goods and services in an efficient, transparent, ethical, sustainable manner and in accordance with applicable laws and regulations, with the utmost care for the interests of the Bank Millennium Group (the Group).

The Group takes into account the effects of purchasing decisions in the internal dimension – i.e. the risks and the possibility of their materialisation in the form of an impact on the Group's financial results and loss of reputation, as well as in the external dimension, including the impact on the environment and society.

The requirements for Suppliers of goods and services are set out in the Sustainability Guidelines for Suppliers, which are consistent with the provisions of the Policy. Suppliers establishing cooperation with Group entities are obliged to accept and comply with the provisions contained in the Guidelines.

The Group is entitled to take appropriate action in the event of non-compliance of Suppliers with the requirements set out in the Guidelines.

### Chapter II General provisions

The Policy principles adopted by the Group, which integrate the environmental, social and internal (management) dimension, include:

- **Transparency:** all purchases must be made in a clear, objective and properly documented manner, enabling the necessary verifiability.
- **Efficiency and cost-effectiveness:** the purchase of goods and services should always aim to achieve the best value for money, without compromising the quality of the goods and services purchased.
- **Compliance with laws and regulations:** contracts for the purchase of goods and services must comply with applicable laws, including those relating to the financial sector, as well as with the requirements and guidelines of supervisory authorities.
- **Ethics and integrity:** all purchasing activities must be conducted in accordance with the highest ethical standards, in an honest, transparent and responsible manner, with an absolute ban on corrupt practices and other forms of abuse.
- **Equal opportunities:** promoting healthy and fair competition between Suppliers by establishing clear and objective purchasing criteria that ensure that all Suppliers have the same opportunities.
- **Sustainability:** taking account of environmental as well as social factors when purchasing goods or services, so as to minimise negative impact on the environment and climate, human rights and local communities, while promoting a responsible and conscious consumption model.
- **Corporate governance:** Ensuring transparency and fairness in procurement processes by preventing conflicts of interest, mitigating legal and reputational risks, as well as supporting responsible management throughout the supply chain.

### Chapter III Human rights

The Group has committed itself to respecting and promoting human rights in its operations, in accordance with the highest international standards, such as:

- The United Nations Universal Declaration of Human Rights,
- OECD Guidelines for Multinational Enterprises,
- Basic principles and rights at work of the International Labour Organisation (ILO).

When working with Suppliers, Subcontractors and other partners in the value chain, we expect to jointly strive to implement these principles. We encourage our partners to implement them in practice through appropriate policies, procedures, and operational activities.

These principles are crucial, which is why we require Suppliers:

- Not to engage in practices that violate human rights, including child labour, forced labour, exploitation of migrant workers, and all forms of modern slavery and human trafficking.
- To create a safe, healthy and inclusive working environment, free from discrimination (based on origin, gender, sexual orientation, nationality, place of birth, ethnic origin, religion, age, marital status, social status, trade union membership and political beliefs), harassment, physical or psychological violence, intimidation or other forms of abuse.
- To ensure fair and equal remuneration in accordance with applicable labour law, collective agreements and internal remuneration policies.
- To comply with working time standards in accordance with the regulations in force in the countries where they operate.
- To respect freedom of association and collective bargaining for employees, where applicable.

### Chapter IV Sustainable development and social responsibility

- **Environmental responsibility:** The Group will strive to select, as far as possible, while maintaining a balance between sustainable development objectives and business needs, Suppliers who use sustainable practices, offer products and services that minimise environmental impact, and implement measures that contribute to reducing greenhouse gas (GHG) emissions and promote the principles of the circular economy in their operations.
- **Social responsibility:** The Group will prefer to work with Suppliers who actively adhere to social responsibility principles - including absolute respect for human rights, promotion of diversity and equal opportunities - and who take measures to promote responsible consumption and have a positive impact on local communities.

### Chapter V Guidelines relative to purchasing process

The Group applies clear rules and guidelines when making purchases to ensure transparency, compliance with regulations and commitment to sustainability:

- **Internal regulations:** the procedures applicable to procurement are described in the Group's internal regulations.
- **Procurement planning:** before making a purchase, the unit responsible for it must prepare a plan that includes identification and description of needs, estimated costs and delivery dates, and a schedule for the individual stages of the ordering process.
- **Supplier selection process:** The Supplier selection is based on a comprehensive assessment that takes into account the quality of the goods or services, the Supplier's reputation, sustainability aspects, and the compatibility of the Supplier's expected remuneration with the available budget.

The Group uses a sustainability questionnaire for Suppliers, which includes ESG criteria. The results of the questionnaire are analysed and constitute an important element of the selection process, but they are not the only factor determining the choice of Supplier.

Where applicable, the Group, in accordance with the provisions of the Sustainability Guidelines for Suppliers, has the right to request evidence to support the responses to questionnaire received and, in exceptional cases, to conduct on-site audits of Suppliers.

- **Conclusion of contracts:** purchases must be documented in the form of the contract concluded with the Supplier, specifying the detailed delivery terms, price, payment terms and relevant guarantees.
- **Sustainability clauses:** agreements signed by the Group must include clauses prohibiting unethical practices that violate human rights, including child labour and/or forced labour, or data and their privacy, in accordance with the Group's sustainability Guidelines for Suppliers.

## Chapter VI Standards of integrity and transparency in procurement

Trade relations and transactions between the Group and its Suppliers must be based on the principle of fair treatment and be subject to the principles of transparency and integrity, rejecting any actions related to corruption, influence peddling or any form of abuse. Therefore, we expect Suppliers:

- **Not to engage in practices that may be considered corrupt**, including offering, giving or accepting payments, gifts (in accordance with the Code of Ethics of the Bank Millennium Group and the Anti-Corruption Policy) or benefits of any kind that could violate integrity principles.
- **To report potential conflicts of interest, e.g.** privileged relationships with the management of Group entities or persons influencing decisions concerning the negotiated agreement, using appropriate communication channels.
- **To have in place and apply internal policies or ethical standards that ensure:**
  - compliance of activities with applicable national law,
  - effective anti-corruption measures,
  - maintaining the highest standards in terms of ethics, responsibility, transparency, reliability and professionalism,
  - protection of trademarks and intellectual property,
  - data protection, security and privacy of the data.

## Chapter VII Risk management

The Group undertakes actions aimed at identifying and mitigating risks connected with purchasing processes. Particular attention is drawn to information security and assessment of potential threats:

- **Risk analysis:** Before making any significant purchase, the responsible organisational units engaged in the procurement process conduct a risk analysis to identify and mitigate any financial, operational or reputational risks that may arise.
- **Information security:** when purchasing technology, information security and data protection are a priority. All technology solution Suppliers must comply with the security and data protection requirements specified by the Group.
- **Whistleblowing channel:** In order to increase transparency and integrity throughout the supply chain, the Group provides a channel for reporting any irregularities. The channel can be used by both Group employees and Suppliers. Through it, it is possible to report:

- improper behaviour of Suppliers or employees of the Group when negotiating contractual terms or managing contracts between the Supplier and the Group,
- any irregular environmental, social and ethical practices on the part of Suppliers, including breaches of contractual obligations and sustainability principles.

Detailed information on the whistleblowing process is available on the Bank's website at:

[Corporate bodies and governance - About the Bank - Bank Millennium](#)

## **Chapter VIII Disclosing information and communication**

The Policy is available on the Group's website at:

[ESG - About the Bank - Bank Millennium](#)

The Group publishes key ESG information, including information on cooperation with Suppliers, in its annual sustainability report. This information is updated and includes, among others, a description of the Group's approach to cooperation with Suppliers, the applicable principles and the actions taken to promote responsible practices.

## **Chapter IX Management Model and Policy Review**

The Policy shall enter into force on the date of its approval and is subject to review every two years or more frequently if regulatory changes, market best practices or the Group's internal needs so require.

## **Related rules and policies**

The Policy remains in compliance with:

- The Bank Millennium Group Code of Ethics;
- Sustainability Policy;
- Human Rights Policy;
- Diversity Policy;
- Sustainability guidelines for Suppliers;
- Anti-Corruption Policy;
- Procedure for reporting violations of the law (Information for whistleblowers).

These policies and guidelines are available on the website at:

[ESG - About the Bank - Bank Millennium](#)

[Corporate bodies and governance - About the Bank - Bank Millennium](#)

Control and monitoring of the Group's commercial relations and contracts with Suppliers, as well as the related purchasing processes, are ensured by internal mechanisms.

## **Chapter XI Application scope**

The Policy has been approved by the Bank Management Board and applies to all companies of the Bank Millennium Group.