



citi handlowy

*2023*  
Non-Financial  
Statements

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# I. Letter of the President of the Management Board

[GRI2-22]

Dear All,

Last year presented us with new challenges. New global conflicts added to the war in Ukraine. The unrests give us precise tasks – helping people affected by the war, caring for the climate, education and equal opportunities. It's easy to shelve these tasks during economic turmoil. However, now is the time for **social solidarity**.

We entered the third year of the war next to our eastern border. **We cannot become indifferent** to those directly affected and those who had to leave their homes. For the past two years, thanks to funds from Citi Foundation and Citi Handlowy Foundation, we have been continuously running the Support Program for Ukraine. We help refugee women find a job in Poland, and pupils of the Polish Centre for International Aid – in education and growing up in a new environment, after the trauma of war.

At the same time, we believe in the future of Ukraine. That is why we are already talking about **possibilities of rebuilding** this country. This undertaking will not be feasible without the support of international organizations and the business community.

Last year, we made a commitment important for us, future generations, and for the planet. By 2030, we want Citi Handlowy to be **climate-neutral** in its operations. We will achieve this ambitious goal, among others, by investing in the highest energy efficiency of our premises. As a Climate-Conscious Company, we also support the green transformation of our clients. Concern for the environment and sustainable development remain an important objective in the bank's strategy.

As **the only company among the largest on the Warsaw Stock Exchange**, we have been distinguished for an appropriate representation of women in the governing bodies of our institution. This is the result of many years of efforts to build an open, inclusive organization. At Citi Handlowy, everyone can be themselves. We are committed to that and want to share best practices in this area with others.

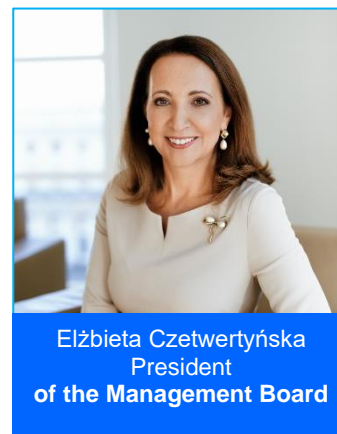
By acting persistently we want to change the perception of people with disabilities and increase their opportunities for active participation in the society. Together with the Polish Paralympic Committee, we have been implementing this program for many years. Last year, **a record number of our employees took part in it**, helping adults and children with disabilities make their dreams come true. It is not only financial help, but also joint starts in relay races, joy and tears at the finish line.

I am proud that we are appreciated as a responsible and committed employer. Care for our employees, respect and **high ethical standards** are of top priority for us. The same principles guide us internally and in our business activities. Thanks to this, we build the value of our institution.

I am proud to present to you the non-financial statement for 2023. These are our achievements, but most of all the practices that may inspire our business partners and stakeholders.

Yours sincerely,

Elżbieta Czetwertyńska  
President of the Management Board of Bank Handlowy w Warszawie S.A.



Elżbieta Czetwertyńska  
President  
of the Management Board

## II. About Citi Handlowy

### 1. History and the present

Bank Handlowy w Warszawie S.A. trading under the Citi Handlowy brand (hereinafter the "Bank" or „Citi Handlowy”) [GRI 2-1] is the only global bank on the Polish market that combines the experience and tradition of Polish banking with modern ways to handle finances. It was established in 1870 and is the oldest commercial bank in Poland and one of the oldest continuously operating banks in Europe.

During 150 years of its existence, Citi Handlowy stood out, among others, by its launch of:

- the very first credit card in Poland that was accepted abroad.
- CitiFX Pulse – the state-of-the-art currency exchange platform in Poland
- SpeedCollect – the solution for handling mass payments,

thus mapping the directions for development of the Polish banking.

The history of Citi Handlowy is available on the website: [www.citihandlowy.pl](http://www.citihandlowy.pl).

Since 2001, the Bank has been part of Citigroup, a financial institution and the most global bank in the world, which enables financial flows for more than \$4 trillion every day and has more than 13,000 institutional clients, 90% of which from the Fortune 500 list of largest companies. Citigroup has pledged more than \$1 trillion to support ESG initiatives. Bank Handlowy w Warszawie S.A. has been operating in the banking sector in Poland under the Citi Handlowy brand, offering banking products and services to business entities, local government units and the public sector (the Institutional Banking segment) and to individual clients, micro enterprises and to natural persons conducting a business activity (the Consumer Banking segment). [GRI 2-6]

At present, Citi Handlowy is the bank of first choice for businesses that have international needs and aspirations; it is the leader in services for global companies operating in Poland, as well as in currency exchange, investment banking, Cash Management and custody services. At the same time, the Bank serves as the Treasury Dealer of Securities (DPSW) and is among the leading banks as regards trading on the Treasury BondSpot cash market. In the customer banking segment, it is the leader on the credit card market and Wealth Management services.

Citi Handlowy meets the highest corporate governance standards, for example through application of recommendations and principles from the Best Practices for WSE Listed Companies 2021 to incorporate ESG (environmental, social and corporate governance) principles into the Bank's business model.

Citi Handlowy conducts its operations domestically and it does not have their subsidiaries abroad. The registered office of Citi Handlowy is located in Warsaw within the Republic of Poland. Some operations are also conducted in Olsztyn and Łódź. Private customers are serviced by the network of 18 branches located in nine largest cities in Poland: Warsaw, Kraków, Poznań, Wrocław, Gdańsk, Katowice, Łódź, Gdynia and Szczecin. [GRI 2-1]

The mission of Citi Handlowy is to be a trusted partner for its clients, to support their growth and to offer them responsibly financial services. The goal of the Bank is to translate all those activities into the welfare of the people and economic progress.

## 2. Shareholding structure [GRI 2-1]

Citi Handlowy is a joint stock company (spółka akcyjna) listed on the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie) since 1997. The majority and strategic shareholder of the Bank is Citibank Europe Plc based in Dublin, Ireland – a company in the Citi group that brings together foreign investments. In addition, the total share of funds managed by Nationale Nederlanden PTE S.A. is above the threshold of 5% of shares in the capital and votes at the Bank's General Meeting.

### Shareholding structure

Shareholder	No. of shares	Share in equity and votes (%)
Citibank Europe Plc	97,994,700	75.00%
Pension funds managed by Nationale-Nederlanden PTE S.A.* including:	6,876,766	5.26%
<i>Nationale Nederlanden OFE</i>	6,539,514	5.01%
Other shareholders with the share below 5%	27,788,134	19.74%
<b>Total</b>	<b>130,659,600</b>	<b>100.00%</b>

\*based on Current report No. 16/2023 of August 16, 2023

The parent company in the Citi Group is the American financial institution Citigroup Inc. More information about the Citi Group can be found on its website [www.citigroup.com](http://www.citigroup.com)

### Changes in the shareholding structure in 2023

In 2023, the shareholding structure changed. On 15 November 2023, Citibank Overseas Investment Corporation transferred to Citibank Europe Plc 97,994,700 shares of the Bank, representing 75% of the Bank's share capital and entitling to 97,994,700 votes at the General Meeting of Shareholders of the Bank, accounting for 75% of the total number of votes at the General Meeting of Shareholders of the Bank.

Within Citi group of companies, the company being the majority shareholder of the Bank changed from Citibank Overseas Investment Corporation with registered office in the USA to Citibank Europe Plc with registered office in Ireland in order to fulfil the statutory obligation under which domestic banks belonging to a group from a third country, i.e. from outside the European Union and in the case of the Bank - the United States, have an EU intermediate parent undertaking (IPU) with its registered office in the European Union. In addition, on 16 August 2023, it received a notification from Nationale-Nederlanden Powszechnie Towarzystwo Emerytalne S.A. ("NN PTE") on the increase of shares in the Bank's share capital and in the total number of votes above 5% in the share capital and in the total number of votes. In accordance with the notification, NN OFE holds 6,539,514 shares of the Bank, representing 5.01% of the Bank's share capital, which gives the right to exercise 6,539,514 votes attached to the shares, accounting for 5.01% of the total number of votes.

At the same time, NN PTE informed that as a result of the above-mentioned transaction, on the accounts of the following Funds managed by Nationale-Nederlanden Powszechnie Towarzystwo Emerytalne S.A.: Nationale-Nederlanden Otwarty Fundusz Emerytalny (Nationale-Nederlanden Open Pension Fund), Nationale-Nederlanden Dobrowolny Fundusz Emerytalny (Nationale-Nederlanden Voluntary Pension Fund), Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2025 (Nationale-Nederlanden Voluntary Pension Fund Nasze Jutro 2025), Dobrowolny Fundusz Emerytalny Nasze Jutro 2030 (Nationale-Nederlanden Voluntary Pension Fund Nasze Jutro 2030, Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2035 (Nationale-Nederlanden Voluntary Pension Fund Nasze Jutro 2035), Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2040 (Nationale Nederlanden Voluntary Pension Fund Nasze Jutro 2040), Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2045 (Nationale-Nederlanden Voluntary Pension Fund Nasze Jutro 2045), Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2050 (Nationale-Nederlanden Voluntary Pension Fund Nasze Jutro 2050), Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2055 (Nationale-Nederlanden Voluntary Pension Fund Nasze Jutro 2055), Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2060 (Nationale-Nederlanden Voluntary Pension Fund Nasze Jutro 2060) and Nationale-Nederlanden Dobrowolny Fundusz Emerytalny Nasze Jutro 2065 (Nationale-Nederlanden Voluntary Pension Fund Nasze Jutro 2065) there were in total 6,876,766

shares of the Bank, representing a 5.26% stake in the Bank's share capital giving the right to exercise 6,876,766 votes attached to the shares, accounting for 5.26% of the total number of votes.

### 3. Structure of the Capital Group [GRI 2-2]

The Capital Group is composed of Bank Handlowy w Warszawie S.A. acting under the Citi Handlowy brand (the parent company) and subsidiaries and entities in which the Bank holds minority stakes.

Citi Handlowy is the ultimate parent company of the Group. Activities of other Group members are immaterial from the Group's perspective. The Bank's subsidiaries, whose activity is influenced by the Bank as their parent company, do not carry active operations. Those subsidiaries will be successively sold or liquidated. As regards companies in which the Bank holds minority stakes, the Bank cannot influence their operations. In view of the foregoing, this Report presents solely data concerning Citi Handlowy.

The Capital Group of Bank Handlowy w Warszawie S.A. (the "Group") consists of a parent company and subsidiaries.

#### The structure of the Citi Handlowy Capital Group at 31 December 2023 presented in the financial statement of the Bank

Entity	Core business	Capital relationship	% of authorized capital held
Bank Handlowy w Warszawie S.A.	Banking	parent	-
Handlowy Financial Services Sp. z o.o. (former Dom Maklerski Banku Handlowego S.A.)*	Investing	subsidiary	100,00%
Handlowy-Leasing Sp. z o.o.	Leasing	subsidiary	100,00%**
Handlowy Investments S.A.	Investing	subsidiary	100,00%
Handlowy-Inwestycje Sp. z o.o.	Investing	subsidiary	100,00%

\* In 2022 Bank concluded with Dom Maklerski Banku Handlowego S.A. ("DMBH") "Business transfer agreement" on the basis of which DBMH was transferred to the Bank on 1 August 2022. On April 7, 2023, the District Court entered the transformation of Dom Maklerski Banku Handlowego S.A. in the National Court Register. Upon transformation, the company adopted the name "HANDLOWY FINANCIAL SERVICES" Spółka z ograniczoną odpowiedzialnością.

\*\* Including indirect participations

## 4. Business model [GRI2-6]

Citi Handlowy is strategically focused on its defined target market.



### Product Offer and Scale of Operations

Citi Handlowy conducts its operations domestically and it does not have subsidiaries abroad. Products and services are offered to clients via the network of 18 branches located in nine largest cities in Poland (Warsaw, Kraków, Poznań, Wrocław, Gdańsk, Katowice, Łódź, Gdynia and Szczecin), online and mobile banking systems, telephone banking and the ATM network, specifically 36 own ATMs (including 29 multi-currency ATMs), and almost 22,000 ATMs of other operations across Poland including over 3,100 cash deposit machines owned by Euronet Polska.

In the area of institutional banking, the Bank provides comprehensive financial services to the largest Polish companies and strategic companies with a large potential of growth, and also to the largest financial institution and to companies from the public sector.

The Bank's offer for institutional clients includes:

- Currency exchange on the platform available 24/7,
- Electronic banking via the CitiDirect BE platform,
- Deposits and current accounts,
- Liquidity management products,
- Cross border (international) transfers,
- Card products,
- Payments and receivables: Direct Debit, SpeedCollect,
- Cash products,
- EU-funding advisory services,
- Trade finance products,
- Credits, loans,
- Custody activities,
- Brokerage activities.

The Bank's sound capital position and its landmark network of international connections, is also appreciated by consumer banking clients. The Bank uses its competitive edge in this regard to foster its leader position in the area of banking for affluent clients. To that end, the Bank has been continuously improving its offer for the Citigold and Citigold Private Client customer base.

The Bank's offer for private clients includes:

- Deposits and current accounts,
- Credit cards,
- Cash loans and cash loans on credit card accounts,
- Mortgage loans,
- Investment and insurance products,
- Electronic banking.

## Changes in the organization

There were no other significant changes in its organization or supply chain during 2023.

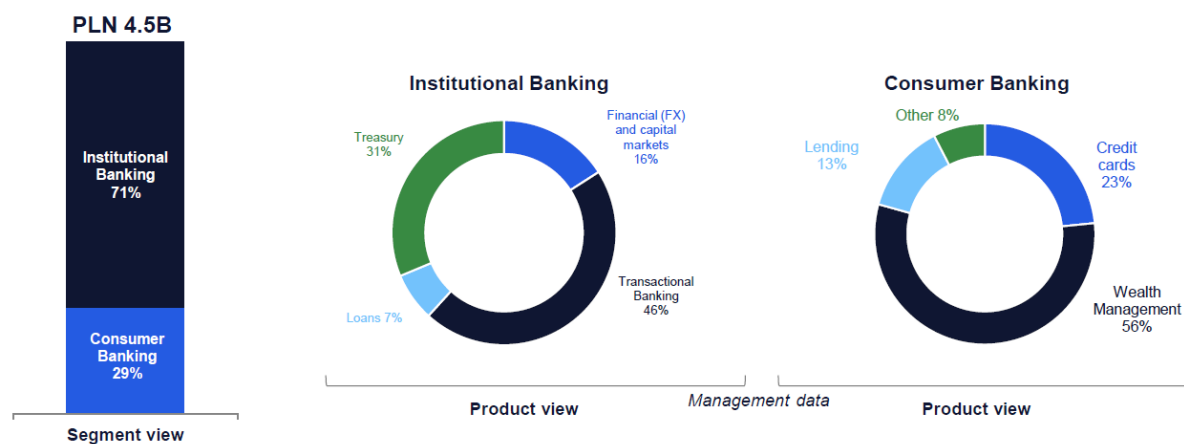




## 5. Financial results [GRI 201-1]

SELECTED FINANCIAL DATA (PLN '000)	GROUP		BANK	
	2023	2022	2023	2022
Net interest income	3,278,718	2,740,874	3,271,208	2,736,722
Net fee and commission income	561,499	579,715	561,774	562,296
Total income	4,508,555	3,647,542	4,505,100	3,650,900
Total expenses	(1,439,548)	(1,337,859)	(1,437,694)	(1,318,488)
Cost/Income ratio	32%	37%	32%	36%
Cost of risk	(18,006)	(104,840)	(18,130)	(105,007)
Net profit	2,860,623	1,994,688	2,858,626	2,016,795
Profit before tax	2,256,348	1,545,680	2,255,190	1,569,310
Total comprehensive income	2,945,278	1,291,558	2,944,353	1,315,099
Increase/decrease of net cash	572,012	(5,907,780)	572,012	(5,907,766)
Total assets	73,392,520	69,801,402	73,483,969	69,892,966
Loans (clients)	20,054,454	21,620,507	20,054,454	21,620,507
Deposits (clients)	55,008,001	50,512,860	55,162,586	50,667,780
Credit/Deposit ratio	36%	43%	36%	43%
Equity	9,729,491	7,960,245	9,668,020	7,899,604
Share capital	522,638	522,638	522,638	522,638
Number of shares (in pcs)	130,659,600	130,659,600	130,659,600	130,659,600
Book value per share (PLN/EUR)	74.46	60.92	73.99	60.46
Common Equity Tier 1 Capital ratio (in %)	23.6%	19.0%	23.2%	18.6%
Earnings per share (PLN/EUR)	17.27	11.83	17.26	12.01

### Group's revenue structure in 2023



**IN 2023, CITI HANDLOWY CONTRIBUTED TO THE POLISH BUDGET:**

PLN MM <b>379.3</b> in corporate tax income	PLN MM <b>149.7</b> in personal tax income	PLN MM <b>68.7</b> in value added tax	PLN MM <b>44.1</b> in dividend tax	PLN MM <b>191.1</b> in banking tax
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**6. Strategy and development prospects [GRI 2-23]**

**Development prospects**

In December 2021, the Bank adopted the [Strategy for years 2022-2024](#). According to the strategy, in the institutional segment the Bank focused on the areas where it has a considerable competitive edge, and especially on Polish companies operating on or planning to expand to foreign markets as well as international companies investing in Poland. The strategy is based on the initiatives aimed at [boosting revenues from client operations, including: participation in client transactions in investment banking, acquisition of new clients in commercial banking, maintaining the leading position in the segment of global companies, and focus on delivering the best solutions to clients in the Digital segment](#). Supporting clients' initiatives related to [ESG \(Environmental, Social, Governance\) transformation](#) is yet another important component of the Strategy.

Since at the moment of adopting the strategy no further decisions were taken regarding implementation of the potential sale of Consumer Banking, the Strategy assumes further functioning of the segment within the bank's structures and, therefore, focuses on efforts aimed at maintaining the segment's profitability. In particular, the Bank focuses on [adjusting its Wealth Management offer to customers' expectations and maintaining its leading position in credit cards](#), as well as [maintaining top quality of its services for customers across all channels and segments](#).

Invariably, one of the Bank's top priorities remains ensuring the highest level of security through appropriate liquidity management and efforts to keep its capital ratios at a safe level. The Bank's focus also remains on the security of the customers' funds and data in the face of cybersecurity threats. Therefore, the Bank is constantly improving the competences of its employees and developing the necessary technologies to mitigate the risk of such events.

**Strategy for 2022-2024 – financial goals [GRI 2-24]:**

	Goal	Implementation (2022)
Client revenue compound annual growth rate including:	CAGR +9%	+27% (CAGR 2021-2023)
<i>institutional clients</i>	+8%	+17% (CAGR 2021-2023)
<i>Individual clients</i>	+12%	+41% (CAGR 2021-2023)
Return on equity (ROE in 2024)	>12%	28.6%
Maintaining cost discipline (C/I ratio)	<50%	32%
Customer assets compound annual growth rate (% in three years)	+6%	-3%(CAGR 2021-2023)
Continuation of dividend payment , subject to regulatory approvals (% of net profit)	min. 75%	75% (of net profit for 2022)

The implementation of the Bank's Strategy is closely intertwined with the economic, social and political environment in which the Bank operates. Changes in interest rates and regulations, Russian aggression in Ukraine as well as disruptions in the global supply chains after the pandemic, or reduced availability of international logistics routes, require the Bank to take a proactive stance of quickly adapting to various types of events in the external environment and taking measures to protect the Bank and its customers from their adverse effects, while achieving the goals set out in the Strategy.

## Sustainable growth management [GRI 2-23, GRI 2-12, GRI 2-13]

In 2023, Citi Handlowy pursued its sustainable development strategy adopted at the end of 2021 („ESG”) which is an integral part of the Bank’s business strategy for years 2022-2024. The incorporation of goals from the area of **Environmental, Social, Governance (ESG)** into the Bank’s strategy reflects the growing importance of the impact that the above factors have on the attainment of business objectives set by the Bank.

Among the pillars of the ESG strategy is taking account of environmental and social factors in credit processes that, among others, consist in reflecting on the ESG risks in credit decisions.

The goals in the ESG area have been labeled as crucial in the Strategy for 2022–2024. The principal objective of efforts made by Citi Handlowy in the area of sustainable development is to provide clients with financial services that facilitate their economic development while taking into account the environmental and social factors in lending processes undertaken by the Bank. The bank supports its customers in transforming their business models towards sustainable development, and incorporates environmental and social factors in the decision-making processes. To that end, the Bank assesses the climate risk (including physical and transformation risks) and has already mapped the risks associated with environmental factors for different industries towards which the Bank has credit exposures. The industry risk map is reviewed on a regular basis (at least annually) to reflect changes in, for example, the regulatory environment, macroeconomic trends or social behaviors. The industry risk map includes physical risk<sup>1</sup> and transformation risk<sup>2</sup> ratings for the industry. On the other hand, the individual verification is performed with respect to social risk and risk regarding management/corporate governance. The assessment of Governance Risk covers the element of management practices, including the quality of governance structures, employee relations, employee compensation policies and tax compliance.

In addition, the Bank’s Strategy provides for the reduction of its carbon footprint (reduction of its own greenhouse gas emissions and reduced power consumption) and supports the CSR initiatives (via the City Handlowy Leopold Kronenberg Foundation, including financial and business education, employee volunteering, protection of cultural heritage).

The Bank’s employees are also addressees of the ESG activities. In addition to stability and attractive employment conditions, Citi Handlowy constantly works on the creation of an organizational culture where diversity is respected and support is provided in balancing work and private life.

The Bank’s CEO oversees the activities to define and implement the strategy of the Bank, including its sustainable development strategy covering environmental, social and corporate governance (ESG) issues, and the Vice President in charge of material risk management is responsible for the risk management system, which also includes ESG risks.

Simultaneously, a group of employees – the ESG Working Group – was established at the Bank, representing all relevant organizational units of the Bank (Institutional Banking and Consumer Banking Segments, Risk, Compliance Division, Legal Division, Human Resources Management, Operations & Technology, Communications and Finance). This group’s tasks are to implement ESG initiatives and regulations at the Bank and to promote sustainable growth by organizing, for example, Town Halls and training sessions. This group is headed by the Director of the Strategy and Investor Relations Department.

The process of creating the strategy and setting the strategic goals (both financial goals and ESG goals) are monitored by the Strategy and Investor Relations Department. Different organizational units of the Bank take part in the process of Strategy development by preparing fractional strategy projections for their business areas, including: financial goals, market goals, quality goals, sustainable development goals and principal business initiatives.

The implementation of the ESG goals is the responsibility of the Bank’s organizational units in charge of individual goals outlined in the Strategy. The implementation of the strategy, including the attainment of the ESG goals, is assessed, at least twice a year, by the Bank’s Management Board and the Governance and Strategy Committee of the Bank’s Supervisory Board. In addition, the strategic goals are also reviewed during the analysis of business risk that is performed by the Strategy and Investor Relations Department that regularly reviews the level of business risk based on the analysis of competitive position, financial performance and macroeconomic environment. Moreover, the status of those projects pursued by the Bank that are linked to the current Strategy, is reviewed on a monthly basis.

The assumptions made in the currently binding Strategy were communicated to the Bank’s stakeholders by means of communications posted on the Bank’s website and during meetings held by the members of the Management Board (such as the Town-hall with employees, results conferences with investors and journalists).

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<sup>1</sup> physical risk – directly related to one-off as well as chronic severe extreme weather events

<sup>2</sup> transition risk – the risk relating to the financial losses that institutions incur when moving to a low-carbon economy.

Strategy for 2022-2024 – key ESG goals [GRI 2-24]:

Area	Goal	Implementation (2023)
Green financing	Allocation of PLN 1 billion for a green customer transformation (acquisition of PLN 1 billion in green assets)	40% of the goal achieved in 2022-2023
Implementation of ESG factors in credit processes	Creating sustainable financing criteria	in progress
Reduction of own emission of greenhouse gases	<i>Reduction of emissions of own greenhouse gases (Scope 1 and Scope 2) by at least 50% vs. Base year 2019</i>	100% achieved in 2022
Reduction of energy consumption	Reduction of energy consumption by at least 40% vs base year 2012	100% achieved in 2022
Climate neutrality (Scope 1 and 2)	Obtaining climate neutrality from own operations (Scope 1 and 2) by 2030	In progress (target announced in October 2023)
Entrepreneurship support	Mentoring for 80 enterprises a year	85 enterprises
Education	Projects improving digital and financial competences for at least 1,700 people a year	Over 1,800 participants
Employee Volunteering	Engagement of at least 2,200 volunteers a year	Citi volunteers have engaged over 3,200 times
Cultural heritage	Prof. Gieysztor Award	The Lviv Art Gallery run by Taras Woźniak, honored with the award in 2023
Grants	Supporting the implementation of interesting socio-educational initiatives	PLN 5 million for grants in 2023

In 2007, Citi Handlowy, as the first bank in Poland, commenced its environmental impact management program. In 2022, it achieved the goal assumed in the 2024 strategy – to reduce its own carbon footprint by 50% (as compared to 2019) and energy consumption by 40% (as compared to 2012).

In October 2023, the Bank expanded its net zero goals. By 2030, Citi Handlowy wants to achieve climate neutrality (with regard to Scope 1 and Scope 2, in accordance with the GHG Protocol) thanks to, i.a. the use of 100% energy from renewable sources and to increasing the energy efficiency of its buildings.

Citi Handlowy's ESG goals are part of the global objective of the Citi group to achieve net zero emissions by 2030. At the same time, Citi group adopted a net zero by 2050 goal taking into account its loan portfolio (Scope 3). Environmental care and sustainability are parts of Citi Handlowy's 2022-24 strategy and one of three top priorities for the Bank.

## Citi Group's engagement

The Bank's sustainable growth is also of key importance for Citi group – the Bank's majority shareholder. In October 2023, Val Smith, Citi Global Chief Sustainability Officer, visited Poland. During a meeting with employees in Warsaw as part of the ESG Talk series, she discussed how Citi supported its clients in their efforts to transform their businesses, and how ESG factors would affect risk management at banks, and Citi's path to net zero by 2050. Global climate policy and the latest global ESG trends and how they affect Poland were covered too. Val Smith, met over 25 corporate clients in Poland to discuss how we can support them in their transformations.



## Implementation of selected ESG regulations at the Bank

A Bank-wide key project has been established as part of the Bank's activities to implement guidelines from European regulators, including primarily the European Banking Authority's "Report on the Management and Supervision of ESG risks" and the European Central Bank's "Guide on climate-related and environmental risks."

The key project consists of 4 modules: Strategy, Risks, Internal Management, and Disclosures:

- Strategy: including the impact of long-term low-carbon transformation plans into the Bank's strategy, and setting the key indicators, among others;
- Risk: taking ESG risks into account as part of risk management, and reporting ESG risks, among others;
- Internal Management: division of ESG responsibilities, prevention of greenwashing, among others;
- Disclosures: preparing the Bank to implement the new non-financial reporting standard (CSRD), among others;

The progress of work on the implementation of various modules is monitored during meetings the Steering Committee, which are attended by all members of the Bank's Management Board along with senior managers.

In addition, as part of the implementation of sustainable growth issues into the Bank's day-to-day operations, the Sustainable Development Product Commission was established in 2023. Its main task is to develop a framework for the classification of Sustainable Products and to ensure adequate supervision over the life cycle of the Bank's products (including products distributed by the Bank or for which the Bank acts as a sales intermediary) that are to support environmentally sustainable investments and ensure a significant contribution to or support the achievement of environmental goals, as well as products that promote environmental or social aspects, support sustainable economic activity based on adopted environmental and social goals, and that can be classified as Sustainable Products in accordance with applicable laws and regulations.

In addition to developing a methodology for Sustainable Product classification, the Commission is also tasked with, among other things, overseeing the development of green and sustainable products in the Bank's offerings, as well as issuing opinions and recommendations for action when ESG risks associated with green or sustainable transactions and products are identified or materialize, including greenwashing and reputational risks in particular.

The Commission is composed of persons from all of the Bank's key business areas, as well as Risk, Strategy, Compliance, Legal and Audit. The tasks carried out by the Commission are supervised by the Risk and Capital Management Committee at the Bank's Management Board.

The Bank identifies a number of other ESG regulations that affect its business model (including the EU Taxonomy). As regards the EU Taxonomy, the Bank implements various initiatives to improve the process of reporting green indicators in accordance with Article 8. In order to obtain consistent and comparable customer data, the Bank intends to cooperate with the BIK (credit information bureau), which has an analytical database dedicated to the collection of ESG-related data. This database will be used as a unified source of ESG data presumably for the entire banking sector. This solution, combined with the acquisition of external and counterparty data, will serve to build the most accurate possible repository of ESG data at the Bank.

## 7. Management structure [GRI 2-9, GRI 2-10]



**General Shareholders Meeting** – among other things, considers and approves financial statements and reports on the Bank's activity, adopts resolutions on profit distribution or loss coverage, grants a discharge to members of the Bank's corporate authorities from their duties, appoints and recalls members of the Supervisory Board, and defines remuneration for them.

**Supervisory Board** – is appointed by the General Meeting by the majority of its votes. It supervises the Bank's activity, including the operation of risk management systems and internal control. It's authority, in addition to the rights and duties envisaged in the legal provisions, include, among other powers, the appointment and dismissal of the President, Vice Presidents and members of the Management Board of the Bank and the definition of remuneration for them.

The Supervisory Board may establish **standing or ad hoc committees** to perform specified activities. The Supervisory Board's standing committees: the Audit Committee, the Nomination and Remuneration Committee and the Risk and Capital Committee. The Supervisory Board may, by a resolution, appoint committees other than those listed above, consisting exclusively of members of the Supervisory Board (the Governance and Strategy Committee was appointed in that way). The resolution of the Supervisory Board determines the scope of authority of such a committee. Most members of the Audit Committee, including the Chairperson, are independent within the meaning of the provisions of the Act on Auditors, Audit Firms and Public Supervision. [GRI 2-12, GRI 2-13]

Composition of the Supervisory Board (as at December 31, 2023)	
Sławomir S. Sikora	Chairman of the Supervisory Board
Silvia Carpitella	Member of the Supervisory Board
Helen Hale	Member of the Supervisory Board
Marek Kapuściński (independent member)	Member of the Supervisory Board
Andras Reiniger	Member of the Supervisory Board
Anna Rulkiewicz (independent member)	Member of the Supervisory Board
Barbara Smalska (independent member)	Member of the Supervisory Board

At the end of 2023, the Supervisory Board was composed of 7 members (3 men and 4 women). Four members of the Supervisory Board, including its Chairperson, are Polish citizens. Three members of the Board are independent members in the meaning of § 14.4 of the Bank's Articles of Association (three members of the Board are not related to any shareholder holding at least 5% of the Bank's shares). The term of the Supervisory Board is joint and lasts 3 years.

**Management Board** – directs the Bank's overall activity and represents the Bank. It defines the Bank's organizational structure, rules of the Bank's operation and work organization, and principles of the Bank's human resources policy. In addition, the Management Board is responsible for, among other things, the preparation and presentation of reports and other documents concerning the functioning of the Bank to the Supervisory Board and a General Shareholders Meeting, calling a General Shareholders Meeting, the enactment of internal regulations, the appointment of committees authorized to monitor specified issues on an ongoing basis. **[GRI 2-12, GRI 2-13]**

Members of the Bank's Management Board are appointed and dismissed in accordance with the provisions of the Commercial Companies Code and the Banking Law, and in accordance with the provisions of the Bank's Articles of Association. The appointment of two Board members, including its President, must be approved by the Polish Financial Supervision Authority.

The appointment of members to the Management and Supervisory Board reflects the criteria providing for the versatility and diversity of those authorities. All members of the Management Board are individually assessed for suitability in line with the suitability policy adopted by the Bank.

Composition of the Supervisory Board (as at December 31, 2023)	
Elżbieta Światopełk-Czetwertyńska	President of the Management Board
Natalia Bożek	Vice-President of the Management Board
Andrzej Wilk	Vice-President of the Management Board
Maciej Kropidłowski	Vice-President of the Management Board
Barbara Sobala	Vice-President of the Management Board
Katarzyna Majewska	Vice-President of the Management Board
Ivan Vrhel	Member of the Management Board

At the end of 2023, the Management Board of Citi Handlowy Bank consisted of 7 members (3 men and 4 women). Six members of the Management Board are Polish citizens. Members of the Management Board are appointed for an individual three-year term.

The present composition of the Management and Supervisory Boards of the Bank, with details of competencies and experience of their members, is available at: <https://www.citibank.pl/poland/homepage/english/management-board.htm>

The gender diversity ratio in the Management Board and Supervisory Board of the Bank is described in the chapter "[Talent development and diversity](#)"

## ALL CITI HANDLOWY EMPLOYEES SHOULD ENSURE THAT THEIR DECISIONS:



are in our client's interests



create economic value



are always systematically responsible

## 8. Corporate Governance [GRI 2-23]

Citi Handlowy, being an institution operating on a regulated market, abides by legal regulations applicable to banks. It provides for the high sense of business and social responsibility, and complies with the principles of corporate governance issued by the Warsaw Stock Exchange (WSE) in its document entitled „Good Practices of WSE-Listed Companies in 2021” (DPSN) which is available at [www.gpw.pl](http://www.gpw.pl), being the official website of the Warsaw Stock Exchange dedicated to the issues of corporate governance in companies listed on the WSE Primary Market and on New Connect.

The Polish Financial Supervision Authority (KNF) in a resolution 218/2014 of 22 July 2014 issued a document entitled “Principles of Corporate Governance for Supervised Institutions” (“Principles”), which came in force on 1 January 2015. The principles are a set of rules governing internal and external relations of institutions supervised by the KNF, including their relationships with shareholders and clients, their organization, the operation of internal oversight as well as of key internal systems and functions, and of corporate bodies and their cooperation. The purpose of the Principles is to enhance corporate governance in financial institutions and transparency of their operations, which is designed to promote public confidence in the Polish financial market. The text of the Principles is available on KNF website at: [www.knf.gov.pl](http://www.knf.gov.pl).

The Bank has adopted the Principles of Corporate Governance for Supervised Institutions by means of:

- resolution of the Management Board of the Bank dated 9 December 2014
- resolution of the Supervisory Board of the Bank dated 18 December 2014
- resolution no. 30/2015 of the Annual General Shareholders Meeting of Bank Handlowy w Warszawie S.A. dated 22 June 2015

The Bank’s Supervisory Board performs a cyclical annual independent assessment of the application of the Principles at the Bank.

The Supervisory Board of the Bank became familiar with the “2023 Report – Assessment of Application of the Principles of Corporate Governance for Supervised Institutions issued by the Polish Financial Supervision Authority at Bank Handlowy w Warszawie S.A.” prepared by the Department of Compliance for Regulations and Cooperation with Supervisory Institutions and containing an independent assessment of the application of the “Principles of Corporate Governance for Supervised Institutions”. The Supervisory Board assessed independently that in 2023 the Bank applied the rules resulting from the “Principles of Corporate Governance for Supervised Institutions”, with the exception of those principles that the Bank decided not to apply.

With respect to the principle specified in § 8.4 (electronic General Meeting) of the ZłK, in 2023 the principle was applied, with the Bank’s Management Board each time deciding on the method of shareholder participation in the Bank’s General Meeting before each General Meeting. The resolution was adopted unanimously.

With reference to three principles, the Bank decided to exclude them in 2021, and then upheld its decision in the years that followed:

1. Article 8.4 (electronic General Meeting) – currently available IT solutions do not guarantee a secure and efficient electronic form of holding a General Meeting. However, the Management Board does see the importance of such form of shareholders’ participation in the Bank’s General Meeting, and therefore a separate decision on that matter shall be made before each General Meeting. However, since 2020, the Bank has enabled its shareholders to participate in e-General Meetings.
2. Article 11.2 (transactions with related parties) – this principle shall not be used with respect to contracts tied to day-to-day operations, in particular to contracts tied to liquidity, due to the nature of transactions and the number of contracts being concluded and in the scope of transactions carried out on the basis of a brokerage agreement for the execution of orders with the Client: CGML and CGME, because these transactions are carried out on market principles.
3. Article 16.1 (meetings of the Management Board of the Bank held in the Polish language) – meetings of the Management Board attended by foreigners, especially foreigners who are Members of the Management Board and do not speak Polish, are held in the English language. Simultaneously, motions submitted to the Management Board, all materials and minutes of meetings are drafted and kept in Polish and English.

On October 9, 2020, the Polish Financial Supervision Authority unanimously adopted and addressed to banks the Recommendation Z on corporate governance at banks:

[https://www.knf.gov.pl/knf/pl/komponenty/img/Rekomendacja\\_Z\\_70998.pdf](https://www.knf.gov.pl/knf/pl/komponenty/img/Rekomendacja_Z_70998.pdf)

Recommendation Z will constitute a set of good practices in the area of internal governance. Internal governance consists in particular of the bank’s management system, its organization, rules of operation, powers, duties and responsibilities, and the mutual relations between the supervisory board, the management board and the persons who perform key functions in the Bank. Recommendation Z complements, renders more specific and expands issues concerning internal governance in banks, which have already been regulated in the law and documents of KNF. The Bank adopted for use the principles arising from the Polish Financial Supervision Authority’s Recommendation Z on corporate governance at banks.



The bank implemented Recommendation Z, which entered into force on January 1, 2022. Its provisions have been fully implemented in internal regulations and processes, both at the level of the Bank and the Capital Group.

“The Code of Banking Ethics (Good Banking Practice Principles)” is a set of rules of procedure associated with bank activities which apply, respectively, to banks, their employees and persons through whom banks execute banking activities. The text of the Code can be found on the website of the Polish Bank Association: [www.zbp.pl](http://www.zbp.pl).

The Bank's environment is subject to strict regulations and it expects that key issues are taken into account to accomplish corporate governance which in basic terms indicates principles and standards for a broadly understood corporate governance.

## 9. Corporate Governance Risks related to the Bank’s activity

[GRI 2-23, GRI 2-12, GRI 2-13]

RISK	POLICIES	HOW IS THE RISK LIMITED?
<b>Compliance Risk</b>	Compliance Policy Corporate Governance Best Practice for WSE-listed Companies Good Banking Practice Principles	Best Practices Compliance and Promotion
<b>Reputation Risk</b>	Ethical Standards for Advertising Rules for Personal Data Protection “Treating Customer Fairly” Program WSE guidelines	Customer satisfaction survey – NPS Time required to process a complaint The number of penalties imposed on the Bank for improper protection of customer data Presence in the WIG-ESG Index
<b>Environmental Risk</b>	Environment Policy Energy Policy Environment and Energy Management System	The number of penalties imposed on the Bank for non-compliance with regulations Utilities consumption Paper consumption and recycling Reduction and replacement of the car fleet, fuel cards
<b>Risks related to employment - human rights</b>	Code of Conduct Employment policy Employee development program Remuneration policy	Working time under employment contract Flexible work conditions Number of trainings Maintaining Diversity Employee turnover rate Results of VOE (Voice of Employee) surveys
<b>Social Risk</b>	Pursuit of the Kronenberg Foundation mission	Scope of the employee volunteering program Number of volunteering work hours

In Citi Handlowy, risks which negatively affect social issues may result from relations with clients, vendors and employees.

The risk related to client relations is mitigated by providing reliable information concerning banking services and products, using ethical advertising and sales practices, and timely handling of claims and complaints. In addition, the Bank monitors on an ongoing basis and implements the regulator's guidelines and recommendations, as well as judgments of common courts to make top-quality banking products and services available to its clients.

The risk related to vendors is mitigated by defining transparent and objective vendor selection criteria, applying ethical business practices and conducting periodical reviews of concluded contracts.

As regards employees, a major risk factor is a potential loss of employees crucial for the Bank's development. As a preventive measure, Citi Handlowy monitors the rotation level and analyzes reasons for resignation on a regular basis. Employee resignation is analyzed on a quarterly basis, and any alarming signals are escalated to the managerial staff of specific business units. Employee rotation is monitored from three perspectives: general rotation, rotation initiated by an employee and rotation among employees with above-average performance. Remuneration levels are also subject to periodic analysis. The assessment covers both remuneration structure and the level against market benchmarks. The Bank also conducts an annual anonymous employee satisfaction survey called Voice of the Employee (VoE). The results of the VoE survey are thoroughly analyzed and discussed among senior managers and top management. The analysis of the VoE results is used to design actions aimed at creating a work environment conducive to building employee engagement and satisfaction. Risks of any potential mobbing or discrimination are limited by implementing policies in counteracting discrimination and mobbing, conducting training in that regard for all employees and by activating an abuse notification procedure.

Environmental risk is mainly associated with a potential imposition of sanctions for the lack of compliance with legal provisions. The Group prevents this risk by applying legal provisions, monitoring its impact on the environment and implementing pro-environmental activities in line with its Environmental and Energy Policy.

## 10. Stakeholders [GRI 2-29]

The Bank has defined groups of shareholders, which consist of: employees, investors, clients, society and regulators and environmental organizations with environmental protection supervision inspectors.

STAKEHOLDERS	HOW THE BANK IS INVOLVED?	2023 EXAMPLES
<b>Investors (strategic investor, institutional and individual investors, rating agencies and brokerage houses, WSE)</b>	Group meetings and teleconferences (quarterly publications of results, investor conferences)  Face-to-face meetings	Participation in 16 meetings with investors that were attended by the President of the Management Board, CFO and Chairman of the Supervisory Board – both one-to-one and group meetings organized in a face to face formula or by teleconference
<b>Employees (FTEs, students, trade unions, work inspection, former employees, subcontractors' employees incl. outsourcing)</b>	Intranet  Puls Citi Handlowy  Emails  Town Halls  Voice of the Employee (VoE) survey  People Board	12 meetings with employees within the Town-Hall, attended by the President of the Management Board and representatives of the management staff of the Bank and the Citi Group  People Board  Employee Networks – Citi Women Network Poland Citi Pride, CitiDiversity, Families Matter Network Poland  Citi Handlowy ranked 1. among listed companies in terms of diversity according to the report "Women in listed companies. Index of the Women Business Leaders Foundation  Citi Handlowy awarded in the "Employer of Rzeczpospolita and LinkedIn 2023 Top Company" competition  Citi Handlowy among the 50 best employers of the WPROST weekly
<b>Clients (clients, consumer organizations, UOKIK – Polish Office of Competition and Consumer Protection)</b>	Contact form on the Bank's website  Social media – Facebook, including the Messenger application  Citi Handlowy branch network  Citi Handlowy Magazine  YouTube  Meetings/Workshops with clients	241 Citi Handlowy posts in social media (viewed 46.7 million times)  4,400 customer comments on Bank's publications in social media  14 webinars for customers on market analysis and the current economic situation, 19 webinars on the new electronic platform and 14 educational webinars for corporate card administrators, attended by almost 8,000 people.  316 cases received by the Client Spokesperson  Project "CyberM@cna Szkoła" – workshops for teachers and parents attended by over 100 people.

## Membership in Organizations [GRI 2-28]

Citi Handlowy is an active member of industrial organizations which act regionally, nationally and internationally.

In 2023, Citi Handlowy belonged to the following associations, chambers of commerce and foundations:

- American Chamber of Commerce (AmCham)
- Polish Donors Forum
- Responsible Business Forum (FOB)
- Champion of Change Club
- French Chamber of Industry and Commerce in Poland (CCIFP)
- Warsaw Institute of Banking Foundation
- Lewiatan Confederation (Polish Association of Private Employers and Financial Institutions)
- Podkarpacki Business Club
- Polish Factors Association
- Association of Internet Industry Employers IAB Polska
- PINK – Polish Chamber of Commercial Real Estate
- Japanese Chamber of Commerce and Industry in Poland (Poland Shokokai)
- Polish National Committee of the International Chamber of Commerce (ICC Poland)
- Polish Committee for Standardization, Technical Committee no. 273 for Mechanical Protection Device
- Polish and Chinese Chamber of Commerce
- Polish–German Chamber of Commerce (AHK)
- Polish Private Equity and Venture Capital Association
- Pomeranian Employers
- Scandinavian–Polish Chamber of Commerce (SPCC)
- Club of the International Leaders Forum Foundation
- International Capital Market Association Limited (ICMA)
- Polish Association of Listed Companies (SEG)
- ACI Polish Financial Markets Association
- Polish Bank Association (ZBP)
- Center for Strategic Thoughts
- Chamber of Industry and Commerce in Krakow,
- Tarnow Association of Entrepreneurs.
- Izba Domów Maklerskich (Chamber of Brokerage Houses)

## 11. Awards and Accolades

In 2023, the Bank was recognized for its business activities, care of its employees and ESG activities. The Bank received many prestigious awards and distinctions.

### **The title of Climate-Conscious Company 2023**

As part of the Corporate Climate Crisis Awareness Study, the Bank was awarded the title of Climate-Conscious Company 2023. It is a distinction from the Polish Association of Listed Companies for companies that are characterized by a high level of identification and presentation of environmental issues.

### **The Best Employer 2023 According Rzeczpospolita**

Citi Handlowy together with Citi Solutions Center Poland was named "The Best Employer According to Rzeczpospolita". The competition jury appreciated the Bank's competitive remuneration policy. The competition organizers paid attention to real actions taken in dialogue with employees characterized by outstanding efficiency, commitment and creativity in the current economic situation.

### **Citi Handlowy ranked 1st among listed companies for diversity**

Citi Handlowy was ranked first among the largest companies for diversity according to the report "Women in listed companies. Index of the Women Leadership in Business Foundation". The Bank was the only company to exceed 100 points in the report's index. The report presents data on the share of women on the boards of all companies listed on the Warsaw Stock Exchange.

### **LinkedIn's 2023 Top Company**

Citi Handlowy and Citi Solutions Center were named the LinkedIn 2023 Top Company, an award for companies that pursue growth policies and provide professional career building opportunities. The list is compiled based on parameters such as the stability of a company, diversity of its team or opportunities it offers its employees to develop their careers.

### **Citi Handlowy with the highest possible result in the "Cashless for Equality" ranking**

In the ranking featuring financial institutions caring about professional and social equality of LGBT+ people, prepared for the second time by Cashless.pl, Citi Handlowy together with Citi Solutions Center received the maximum result of 100 points. The ranking is part of the Cashless project, during which surveys are sent out to dozens of companies in the financial industry. Surveys include questions about initiatives supporting the LGBT+ community, such as anti-discrimination training, additional social benefits and advertising activities.

### **Citi Handlowy among top 50 employers of the WPROST weekly**

Citi Handlowy again ranked as one of the 50 best employers in the WPROST ranking. The financial industry is the largest group in the list, right after the commercial sector. According to the WPROST ranking, Citi Handlowy is one of the leaders among banks that care most about their employees. The ranking's questions concerned the stability of the employer, including the number of employees and the number of employment contracts.

### **Citi Handlowy among "SuperEthical Companies"**

In an annual Puls Biznesu survey of corporate operating standards, Citi Handlowy confirms its consistent adherence to the highest ethical requirements. The Bank has been regularly awarded in the competition since its beginning. The Forum of SuperEthical companies consists of organizations that have been awarded the titles of Ethical Companies for three years in a row and can boast good reputation, transparency in business operations, honesty, responsibility and market trust in day-to-day business.

### **CSR White Leaf 2023 of POLITYKA**

The Bank has been awarded the CSR (Corporate Social Responsibility) White Leaf 2023 of POLITYKA weekly for its implemented ESG activities. The CSR Leaf initiative is one of the oldest on the market. Companies are evaluated in terms of environmental, social and corporate governance. Ratings are awarded on the basis of surveys completed by companies. The surveys are developed in accordance with the standards for the basic principles of social responsibility of ISO 26000 and in relation to the European Sustainability Reporting Standards and the latest ESG trends.

### **Citi Handlowy in the WIG-ESG index**

Citi Handlowy is part of the WIG-ESG index, which comprises companies considered socially responsible, i.e. those that follow the principles of socially responsible business, in particular in terms of environmental, social, economic and corporate governance issues. In 2019, the WIG-ESG Index replaced the previous RESPECT Index which also, throughout its existence, included Citi Handlowy.

### **The first place for Citi Handlowy in the "Efficiency Stars" category by Dziennik Gazeta Prawna**

In this year edition of the Gwiazdy Bankowości (Stars of Banking) competition of Dziennik Gazeta Prawna organized together with the consulting firm PwC, Citi Handlowy won in the Efficiency category. The ranking takes into account financial data for 2022 as well as more than a dozen detailed ratios. The jury's evaluation also influences the bank's position.

### **Private banking of Citi Handlowy recognized in a competition of Euromoney**

In the Euromoney Global Private Banking Awards 2023, the private banking offered by Citigold Private Client was awarded the title of Best for Digital in Poland. The jury recognized the achievements in the development of the digital channel, such as the innovative Total Wealth Advisor tool and Citibank Global Wallet, as well as the security of clients and their assets.

**Citi Handlowy with II Main Prize in “The Best Annual Report 2022” competition**

The Bank was awarded the II Main Prize in “The Best Annual Report 2022” in the Banks and Financial Institutions category of the competition regularly organized by the Institute of Accountancy and Taxes (Instytut Rachunkowości i Podatków). Citi Handlowy’s report received 75.12 out of 100 possible points. The bank also took 2nd place in the special category “Best Sustainable Report.” The Institute of Accountancy and Taxes competition selects the best reports in terms of utility value for shareholders and investors. The jury appreciated the report on the Bank’s activity, financial statements and summary corporate governance report, as well as the Bank’s contribution to developing good practices in financial reporting at public companies.

## III. How we do Business?

Citi Handlowy's priority is to promote a culture which attracts the best of the best, in which people are promoted for their competencies and skills, people are appreciated and mutual respect is expected, and development opportunities are available to everyone – regardless of differences.

Citi Handlowy supports the defense and observance of human rights worldwide by adhering to the fundamental principles enshrined in the Universal Declaration of Human Rights of the United Nations, the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization and the United Nations Guiding Principles on Business and Human Rights.

### 1. Code of Conduct

[GRI 2-23, GRI 2-24]

Citi Handlowy puts great emphasis on the application of top standards in serving both external and internal customers. Adherence to the principles of professional ethics in everyday activities is a fundamental responsibility of every employee.

The Bank has implemented a number of regulations that define binding ethical standards and operating procedures in case of violations. The most important regulations are:

- „Code of Conduct for Employees of Bank Handlowy w Warszawie S.A.” (Code of Ethics),
- “Work Regulations”,
- “Procedure for dealing with violations of law, ethical standards and procedures in effect at Bank Handlowy w Warszawie S.A.”,
- "Principles of Escalation at Bank Handlowy w Warszawie"
- “Policy of managing conflicts of interest at Bank Handlowy w Warszawie S.A.”,
- "Rules of Activities of Employees of Bank Handlowy w Warszawie S.A. outside the Bank",
- “Procedure for dealing with complaints filed by employees of Bank Handlowy w Warszawie S.A. (Employee Complaints)”,
- "Principles of selecting suppliers, goods and services and making purchases at Bank Handlowy w Warszawie S.A.";
- Principles of managing cooperation with suppliers of goods and services at Bank Handlowy w Warszawie S.A.;
- “Code of Ethics in Advertising”,
- “Ethical Business Practices of Bank Handlowy w Warszawie S.A.”
- "Diversity policy for employees of Bank Handlowy w Warszawie S.A."

**The Code of Conduct for Employees of the Bank (“Ethics Code ”)** was adopted by the Management Board of the Bank and approved by the Bank's Supervisory Board. It constitutes a set of best practices guaranteeing actions toward clients and co-workers that are ethical, compliant with the law and social coexistence principles, as well as Citi Handlowy values. They also provide an overview of the Bank's most important regulations, which determine the code of conduct for employees.

Citi Handlowy requires all its employees to abide by the standards and values set out in the Code of Conduct. This can be demonstrated by our commitment to maintaining the highest ethical standards and the professional fulfillment of duties. Guided by ethics in all their activities, Citi Handlowy's employees create a valuable organization. Hence the Bank can provide better services to clients, counterparties and communities with whom Bank has established business relations. This makes Citi Handlowy a better place to work for existing and potential employees.

All Bank employees regardless of their position are obliged to follow ethics in their conduct, which means, among other things:

- seeing actual or potential problems of an ethical nature,
- being aware of the duty to report such problems and respond to them,
- elimination of factors which may discourage us from reporting problems of an ethical nature.

Simultaneously, in the case of political activities and their financing, the business units of the Bank are prohibited from engaging in political activities, including their funding. Political activity is understood to include, among other things, making monetary donations on behalf of the Bank, lobbying directed at government officials, and running for any office connected with government authorities.

Citi Handlowy introduces the expected standard of conduct to employees, dedicating a separate module to ethical issues during the orientation training organized for new employees on the first day of work.

What is more, all Citi Handlowy employees are obliged to complete an annual training related to the Code of Conduct for Employees, which is designed to make them familiar with the basic internal regulations applicable at the Bank related to professional conduct at work and to provide them with some skills related to identification of dubious situations which have to be reported. [\[GRI 2-26\]](#)

## Ethics Day 2023

In 2023, Citi Handlowy once again held an Ethics Day for its employees, which included a reminder of the important issues in this area, such as the rules for reporting violations of ethical standards and the principles of conduct and values that the Bank should demonstrate in its relationships internally, in the market – among clients and suppliers, and in the communities in which it operates. [\[GRI 2-25, GRI 2-26\]](#)



### 1.1. Counteracting discrimination and notification of breaches and unethical behavior [\[GRI 2-26\]](#)

The Bank supports the protection and observance of human rights worldwide by adhering to the fundamental principles enshrined in the Universal Declaration of Human Rights of the United Nations, the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization and the United Nations Guiding Principles on Business and Human Rights.

The Bank takes seriously its duty to observe human rights. Its support for those principles is reflected in our policies and rules of conduct toward employees, suppliers, customers, communities and the countries in which we operate.

Citi Handlowy conducts operations in a way that respects human dignity, opposes all forms of discrimination and absolutely observes the right to equal treatment regardless of age, sex, ethnic and national origin, religion, belief, socio-economic status, marital status, sexual orientation, health condition, convictions, disability, trade union membership, or other factors. This information does not constitute criteria for the Bank during the recruitment of employees, their promotion or dissolution of the employment contract with them, access to training or fringe benefits.

The Bank provides employees with a work environment where workforce diversity is treated as a value, which appreciates and respects differences between employees.

## Diversity, equality and non-discrimination at the Bank

At Citi Handlowy, we are convinced that our employees have the right to a safe and healthy work environment in which personal talents and achievements are appreciated, diversity is valued, privacy is respected, and employees' work-life-balance is supported. In order to determine the Bank's strategy in the scope of managing diversity, the Management Board has adopted a separate, formal "Diversity Policy for employees of Bank Handlowy w Warszawie S.A." applicable to all employees. Each Employee is obliged to comply with and work toward implementation of the Diversity Strategy.

The Bank disallows any discrimination in employment, direct or indirect, in particular with regard to gender, age, disability, race, religion, nationality, political beliefs, trade union membership, ethnic origin, denomination, sexual orientation, employment for a definite or indefinite term, or full or part-time employment.



The Bank strives to ensure diversity in relation to all its Employees, and in particular through the following efforts:

- making staff-related decisions, including remuneration, on the basis of performance assessment, professional knowledge and experience, skills and competences, ensuring employees with equal employment opportunities;
- respecting and promoting principles of equal treatment and prohibition of discrimination on grounds of sex, age, education, qualifications, professional experience, nationality, ethnic origin, religion, denomination, political beliefs, trade union membership, health, sexual orientation, family status, lifestyle, place of residence, form of employment;
- providing employees with equal treatment in terms of remuneration, including ensuring equal access to non-wage benefits;
- ensuring equal chances for employees in terms of access to development initiatives and trainings offered by the Bank;
- building diversified working teams;
- ensuring a friendly work environment and organizational culture based on mutual respect;
- familiarizing all employees with the Work Regulations of Bank Handlowy w Warszawie S.A. and with the Code of Conduct for Employees, which include information on principles of equal treatment in employment and prohibition of any practices which demonstrate elements of discrimination, molestation and mobbing, and oblige every employee of the Bank to respect the dignity of employees and colleagues, as well as information and educational activities in this regard;
- promoting and supporting employee initiatives, in particular the Citi Women Network, Disability Network, Citi Pride Network, charity activities and group sport activities;
- enabling employees to freely express their opinions, e.g. in the survey "Voice of Employee" or "Exit Interview"; and through "People Board";
- ensuring an internal early warning and ethical concerns reporting system;
- supporting employees in ensuring an appropriate balance between professional and private life;

The Bank strives for a balanced gender representation in the selection of candidates for managerial positions and ensures equal access to development initiatives and training, including management training.

Detailed information concerning Citi Handlowy support of diversity may be found in the chapter entitled "**Development of talent and diversity**".

Using any form of discrimination, regardless of whether it is committed by line managers, colleagues, customers or suppliers, is prohibited at Citi Handlowy. Such practices are not congruent with the organizational culture of Citi Handlowy, where employee relationships are based on mutual respect, professionalism and respect for others. Employees who engage in conduct that constitutes sexual harassment or any other form of harassment or discrimination will be subject to immediate consequences.

The policy of Citi Handlowy prohibits the use of reprisal in relation to whistleblowers who have notified cases of undesirable incidents in the work environment or persons participating in explanatory proceedings conducted in accordance with the "Procedure for dealing with complaints filed by employees of Bank Handlowy w Warszawie S.A. (Employee Complaints)."

The Bank takes preventive actions to counteract discrimination, consisting of a range of educational activities aimed at raising awareness as regards discrimination, unequal treatment, mobbing and actions which foster an organizational climate favorable to the fair play principle at work place (primary prevention).

Examples of the Bank's anti-discrimination activities:

**Information policy:**

- provisions of the Work Regulations;
- provisions of the Corporate Collective Labor Agreement;
- provisions of the "Code of Conduct for Employees of Bank Handlowy w Warszawie S.A." (Code of Ethics);
- the provisions of the "Diversity Policy for Employees of Bank Handlowy w Warszawie S.A.";
- information compiled in a information materials given out to new employees;
- information available in the intranet system – "Source" (ethics) and of the Human Resources Division (complaint procedure).

### Diagnostic actions

- employee survey “Voice of the Employee”;
- Early Warning System, which also provides for monitoring reasons for resignation at the Bank;
- appointment and activity of the Ethics Commission;
- reporting substantial ethical issues.

### Educational campaigns

- a cyclical training on the “Code of Conduct for Employees of Bank Handlowy w Warszawie S.A.” provided to all employees;
- a cyclical training on “Undesirable Situations in the Workplace” provided to all employees by the Human Resources Division.

### TRAINING: “CODE OF CONDUCT FOR EMPLOYEES OF BANK HANDLOWY W WARSZAWIE S.A.” [GRI 412-2]

<b>2,934</b>	<b>99%</b>
employees completed the training	of the target

### TRAINING: “UNDESIRABLE SITUATIONS IN THE WORK PLACE”

<b>2,871</b>	<b>100%</b>
employees completed the training	of the target

New employees learned about the Rules of Leadership during an Onboarding training.

As part of secondary prevention, the Bank provides the possibility to submit complaints regarding undesired behavior by developing respective procedures: [GRI 2-25, GRI 2-26]

- „Procedure concerning rules of conduct when complaints are submitted by employees of the Bank (Employee Complaints), which concerns the submission and consideration of complaints concerning discrimination, including harassment, unequal treatment, mobbing, and allows every employee who claims to be the victim of undesirable incidents in the work environment to submit a complaint; this procedure also requires witnesses of undesirable incidents to report them (do not be indifferent – respond – counteract – tell!
- Compliance Division Procedure: Procedure for dealing with violations of law, ethical standards and procedures in effect at Bank Handlowy w Warszawie S.A.
- System of monitoring and cataloging behavior which demonstrates constituent elements of mobbing (this serves the purpose of protecting the victim from any further such behavior): register of employee complaints, register of court actions.

## 1.2. Notification of breaches and unethical behavior

### [GRI 2-26]

Each employee of Citi Handlowy is obliged to report immediately any unethical behavior. The rules specifying methods of reporting violations of law, ethical standards and procedures applicable in the Bank, and also the procedure for their consideration are set out in the “Procedures in the event of violation of law, ethical standards and procedures in effect at Bank Handlowy w Warszawie S.A.”. While the rules specifying how cases involving discrimination, mobbing, (sexual) harassment or any unequal treatment during employment other than discrimination are to be reported by employees of Citi Handlowy, candidates for work and former employees and the procedure for their examination are set out in the “Procedure for dealing with complaints filed by employees of the Bank (Employee Complaints)”.

Each Citi Handlowy employee may report an infringement of ethical standards anonymously (Anonymous report) or by providing his or her personal data (Confidential report).

Bank employees may anonymously notify any breaches of law, ethical standards as well as procedures in force in the Bank via the Board Member’s Ethical Helpline. This is a special, independent and autonomous communication channel in the form of a separate, dedicated telephone line to a Member of the Management Board and postal address for correspondence.

Anonymous reports are passed to the appropriate Member of the Management Board supervising the Risk Management Sector or Financial Markets and Corporate Banking Sector of (in the case of employees of the Brokerage Department of the Bank), by phone or mail via the Ethics Helpline: If a report concerns a Member of the Management Board, the report may be passed to the Supervisory Board by mail or via electronic channels.

Confidential Reports may be delivered directly to the following persons or business units:

- the direct superior or a higher-level superior,
- a Director of the Brokerage Department of Bank Handlowy or employees of the Supervision and Internal Control Unit - in the case of employees of the Brokerage Department of Bank Handlowy,
- an employee of the Compliance Division,
- a representative of the Human Resources Division,
- an employee of the Audit Department,
- an employee of the Legal Division if legal provisions have been infringed,
- a Member of the Management Board of the Bank supervising the Risk Management Sector or Financial Markets and Corporate Banking Sector of (in the case of employees of the Brokerage Department of the Bank).

Confidential Reports may also be sent via the Ethics Line or by:

- e-mail,
- mail.

In case of questions concerning proper conduct in a given situation, employees should contact one of the following persons or organizational units:

- the direct superior or a higher-level superior,
- a Director of the Brokerage Department of Bank Handlowy or employees of the Supervision and Internal Control Unit - in the case of employees of the Brokerage Department of Bank Handlowy,
- an employee of the Compliance Division,
- a representative of the Human Resources Division,
- an employee of the Audit Department,
- an employee of the Legal Division if it concerns infringement of legal provisions,
- an employee of the Citi Security and Investigative Services (CSIS),
- a Member of the Management Board of the bank supervising the Risk Management Sector or Financial Markets and Corporate Banking Sector of (in the case of employees of the Brokerage Department of the Bank).
- the Supervisory Board – if a report concerns a Member of the Management Board, to the following e-mail address: or by mail.

The bank conducts detailed investigations regardless of who the questions and doubts raised concern.

In 2023, there were 3 cases of mobbing and discrimination reported by employees. Proceedings investigating the circumstances raised in the reports were conducted according to the principles described in the Procedure for dealing with complaints filed by employees of the Bank Handlowy w Warszawie S.A. Among the investigations carried out in compliance with the complaint procedure, no undesirable incidents were found, i.e. mobbing, unequal treatment, discrimination, harassment or sexual harassment. If the undesirable situations or any other irregularities would be confirmed, the Human Resources Division recommends adequate actions to be taken by the competent units, including HR actions, toward the employees who have engaged in unsound practices. [\[GRI 406-1\]](#)

## 1.3. Prevention of Conflicts of Interest

### [GRI 2-15]

Rules for Managing Conflict of Interest at the Bank are laid down in the *Policy for managing conflicts of interest at Bank Handlowy w Warszawie S.A.* (hereinafter the “**Policy**”). The Policy has been drawn up, approved and implemented by the Bank’s Management Board and also approved by the Bank’s Supervisory Board.

The Policy regulates the general rules for preventing, identifying, evaluating, managing and reporting cases of potential or actual conflict of interest, and it applies to all cases that result in a conflict of interest within the operation of the Bank and actions of the Bank’s employees, which leads to a conflict with the Bank’s duty to act in a reliable and transparent manner in each of its roles.

The importance of compliance with the rules for managing conflicts of interest is underlined in the Work Regulations applicable to all employees of the Bank – for committing a serious offense, the employee’s employment contract may be terminated without notice. Such serious offense that might lead to termination of employment contract with the Bank without notice is understood, among others, as violation of the provision of the „conflict of interest” rule.

Each organizational unit of the Bank prepares detailed guidelines of conduct in the scope of preventing, identifying, evaluating and managing conflict of interest, in particular under separate provisions or market standards, regulated in separate normative acts or guidelines of the regulator.

In compliance with the requirements of Recommendation Z of the Polish Financial Supervision Authority (KNF), the Supervisory and Management Board of the Bank ensure public disclosure of relevant information regarding the Policy adopted at the Bank. Disclosures are made on the terms described in the Policy and the *Disclosure Policy of Bank Handlowy w Warszawie S.A. on capital adequacy and other information to be disclosed* (hereinafter the “**Disclosure Policy**”).

These disclosures should include information on:

- how the Bank manages material conflicts of interest
- how the Bank manages conflicts that might arise because of the bank’s membership in the group or the Bank’s transactions with other group entities.

The remuneration policy adopted by the bank and the applied solutions concerning employee compensation focus on, among others, reinforcing a culture based on high ethical standards.

In particular, the components of remuneration for employees engaged in selling the bank’s products and services are designed in such a way so as to prevent conflicts of interest and not create incentives to favor one’s own or the bank’s interest to the detriment of the clients.

Employees holding control functions are independent of their supervised business units, have adequate authorizations and receive variable remuneration for achieving the objectives resulting from their functions, which cannot depend on the economic outcomes obtained in the business areas they control.

## 2. Responsible Customer Relations Management

The establishment of client relations based on trust and a shared vision of growth is Citi Handlowy’s mission and greatest ambition. A strategic goal of the Bank is to attain a level of client satisfaction that will naturally translate into unwavering loyalty to the Bank. Therefore, Citi Handlowy engages in a range of activities on the basis of surveys and feedback from clients, the purpose of which is to enhance and elevate the quality of our customer service standards and product offer on an ongoing basis. Following changing expectations of Citi Handlowy’s clients, one such activity is the adaptation of brick-and-mortar customer services to new technologies. At present, over 98% of Bank transactions are concluded individually via Citibank Online. The modern Smart Banking Ecosystem network allows clients of Citi Handlowy to conclude individually financial transactions, pay in/withdraw cash from FX ATMs, obtain a credit card and on an interactive screen learn about special rebates for holders of Citi Handlowy cards.

## 2.1. Modern banking – responsible edition

### Online banking

The Bank has been attaching a lot of importance to the development of the online banking platforms in order to facilitate the contact with the Bank when the client needs such contact.

The clients of **Institutional Banking** use the CitiDirect BE system. In 2023, the Bank processed about 35.3 million transactions i.e. up by 4% compared to 2022. The bank developed its platforms to provide customers with greater transparency, efficiency and control. The bank also carried out work aimed at improving user comfort (client experience) and promoting solutions facilitating the automation of processes on the client's side, including: based on API functionality. The Bank conducted extensive commercialization of the modern version of the electronic banking system CitiDirect 3.0, which offers simpler and more intuitive navigation, and the users' most popular functions are presently more handy.

The online platform dedicated to the clients of **Consumer Banking** is Citibank Online. The number of active users of Citibank Online was 353,000 at the end of 2023, and the proportion of active users of Citibank Online was 65%. At the end of 2023, digital users accounted for 84% of all transactionally active clients. Over the same period, the number of users of the mobile application called Citi Mobile was 254,000.

The mobile application also includes the BLIK payment method, which allows payments in online and stationary stores, service outlets and withdrawals at ATMs, as well as instant BLIK transfers between customers of various banks. The number of BLIK payments made by the Bank's customers in 2023 increased by 62% compared to 2022. The number of BLIK phone transfers made in 2023 increased by 51% compared to 2022. The number of users using BLIK increased by 48% YoY.

### Secure banking

#### Consumer Banking

Citi Handlowy ensures the safety of its clients throughout the entire process of using banking services. Global security standards, multi-layered transaction authorization, text messages to confirm transactions or notify of a failed attempt to log in, specialists who monitor the system 24/7 – all this to ensure full security while using Citibank Online.

The Citi Handlowy service is secured with a security certificate issued by certification authority DigiCert. A security certificate is a digital signature of a site which confirms that a user is in a service owned by our bank. The certificate ensures that all confidential transactions executed via Citibank Online are protected with the use of SSL encryption.

Transactions using debit and credit cards are authorized as part of the 3DS service using SMS or authorization in the mobile application and also secured by the "Confirm your transaction" service. Using this service, clients of Citi Handlowy are notified by text message about a transaction which may be suspicious from the point of view of the Bank.

As a bank, we want our clients to be aware of existing threats and be able to eliminate some of these threats on their own, hence, as Citi Handlowy we educate our clients on our Internet sites through warnings and recommended actions, which can increase security when using electronic banking services.

The Citalerts service, available in the form of notifications, as text, e-mail as well as push messages, allows the ongoing monitoring of activity on bank accounts and credit cards. Thanks to the service, the user may receive notifications about each transaction immediately after it has been carried out.

#### Institutional Banking

Citi Handlowy also provides very high standards of security to corporate clients that run their corporate finance matters via CitiDirect. Access to the bank account, in accordance with the level of authorization, is only granted to designated users who log in to the system using biometrics, a mobile or hardware tokens (the so-called SafeWord card). Citi Handlowy recommends authorization schemes that require multi-step acceptance (up to 9 authorization levels), which strengthens the security level of transactions initiated by the client. In addition, the Bank offers additional security options, such as a blockade on the manual creation of payment by users, the requirement to authorize new payment templates, payment limits, limited duration of a session in case of inactivity and other risk mitigating functions.

The bank offers customers API functionality that allows for full integration with the Bank and access to the bank account in real time, without the need to log in to electronic banking. CitiConnect API provides users with high work comfort and meets the highest security standards.

Corporate clients also may use a more advanced tool – Citi® Payment Outlier Detection – which enables intelligent verification of outgoing payments. This tool uses advanced analyses, algorithms and machine learning to monitor and control outgoing payments in real time. It enables identification of transactions that are substantially different from the previous trends. It generates alerts so that the designated user can verify unusual payments in the CitiDirect electronic banking system.

All information in CitiDirect is secured with the TLS (Transport Layer Security) protocol, which guarantees the confidentiality of the transmitted data using advanced encryption methods and protects data integrity.

For corporate payment cards, online transactions are authenticated in a mobile application using the Cardholder's biometric data. If this option is not available, authentication is done using a one-time text code by entering the second and fourth digits of the PIN code. In addition, with a view to secure card transactions, the Bank has published so-called "Good Practices" that should be applied in the Company's day-to-day operations, especially in the area of card payments and their monitoring, as well as transaction reconciliation.

To increase awareness of online threats and help corporate clients reduce the risk of fraud, the Bank offers free cybersecurity training and regularly shares good practices on its website and in its newsletter.

## Client Data Protection

Citi Handlowy undertakes to protect private and confidential information about its clients and to properly process that information pursuant to legal regulations, including the provisions of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation). Those rules are described in the "Rules for Personal Data Protection at Bank Handlowy w Warszawie S.A."

Citi Handlowy collects, stores and processes personal data of its clients in accordance with the highest standards under the rules specified in the personal data protection laws. With this in mind, the Bank makes every effort to implement and maintain appropriate systems and technology, and to properly train employees who have access to such information. All employees and associates of the Bank attend periodic, mandatory training sessions on the rules of processing and protecting personal data. In addition, the Bank organizes workshops and information campaigns aimed at continuously raising awareness and knowledge about secure processing of personal data of the Bank's clients, business partners and employees.

Suppliers whose services are used by Citi Handlowy also have an obligation to protect the confidentiality of information, including personal data and confidential information they receive from the Bank. Citi Handlowy also observes its own stringent internal standards and regulations concerning the confidential nature and security of information and personal data (standards concerning information systems management, information security standards, general provisions on security). Concerned about the issue of security, the Bank applies the best standards and uses such information only for justified reasons related to the performance of business duties, makes it available only to authorized persons and organizations, and keeps it in a proper and secure manner. Regular audits are conducted in this regard, validated by the bank's certificates such as certificates of compliance with ISO 27001 and ISO22301 for all processes, products and services provided by the Bank to its clients.

## Buildings without barriers, the availability of architectural

Architectural accessibility is mentioned as the basic principle of equal opportunities. Places of public use are spaces that can be fully used by persons with disabilities. As a responsible organization, we have implemented, among others:

- Location facility - we want to be there, where our customers are, that's why most Smart branches are located in shopping centers, and they are designed for people with disabilities - easy access to both the department and the toilet is provided for people with physical disabilities and for people in wheelchairs. Entrances to the branches are accessible directly from the main one communication route, no doors and glazing
- In branches - where possible, the service room and meeting rooms with the client are located on one floor and one level (there are no steps, thresholds or stairs).
- Our current ATMs are equipped with Braille keyboards. Additionally, on FX ATMs (for transactions with withdrawals in PLN) an audio service is enabled, with the use of headsets (available at the branch), which supports the service of visually impaired/blind people.
- ATMs are placed at a low height, which allows them to be used by, for example, people on wheelchairs.
- All facilities are adapted to the needs of people with physical disabilities (e.g. flat floor without thresholds and steps, appropriately wide corridors).
- Guidelines for employees have been developed regarding the service of people with various types of disabilities.

## 2.2. Customer satisfaction surveys

Citi Handlowy conducts regular customer satisfaction surveys among both institutional and retail clients. NPS (Net Promoter Score) is the key measure of quality. NPS measures clients' propensity to recommend the Bank and thus their satisfaction regarding provided services. Surveys cover the Citi Handlowy's key client segments, products and processes as well as the most important channels of communication (i.e. Citibank Online, Citiphone, branches). Scores and comments are analyzed by a team which analyzes clients' experience and results of such analyses and proposed enhancements are discussed at a monthly meeting with the Bank's management.

In addition to business goals, the Bank also focuses on the regular growth of customer satisfaction and pursues ambitious quality goals. In 2023, increases were achieved in almost all monitored areas. One of the largest score increases was achieved for credit cards, from 30% in 2022 to 43% in 2023. The continued focus on improving the experience of customers that use digital channels also resulted in an increase in the NPS rate for the electronic banking system, from 37% in 2022 to 42% in 2023, and for the CitiMobile banking application, from 49% in 2022 to 57% in 2023.

In the Bank's business, customers' needs are of paramount importance, so throughout the year the Bank worked regularly with its customers to listen to their feedback and to understand their diverse needs. These efforts were aimed at supporting clients in their digital transformation, leveraging Citi's global technology capabilities, but also its local regulatory and market expertise. The Bank encouraged its clients to automate their processes and use available tools for real-time decision-making and settlements using self-service platforms.

In the Bank's institutional client business, the cornerstone of the customer experience management system is the constant measurement of customers' expectations and opinions at every stage of their interactions with the Bank. **One of the best-rated areas is invariably telephone customer service (CitiService). The NPS rate for this team increased from 76% in 2022 to 80% in 2023. This is the all-time high.**

In 2023, the Research Team actively participated, among other things, in the process of migrating clients to the new version of the CitiDirect system and monitored their impressions at several stages: before the implementation of the changes, just after the implementation, and after 3 months of using the new version of the platform. At the end of December 2023, a platform with new training materials was launched to record system training for new clients.

On the other hand, feedback from users of the CitiFX Pulse service was collected on the foreign exchange platform, while the Bank's qualitative study focused on learning about clients' perception of the new version of the platform (CitiFX Pulse).

The process for applying for business cards was also streamlined, allowing for a fully electronic model of cooperation with the Bank from the moment the agreement is signed, through the handling of the card programs, and the business cards themselves, to the moment they are closed or the agreement is terminated, as well as for the use of platforms enabling the ordering and management of all types of business cards in the Digital & Self-Service model.

Meetings and conferences with account managers are a natural platform for a dialogue with clients and open conversations, as well as an opportunity to see from a broad perspective challenges which a given business client faces, and to specify in more details the client's expectations as to products and services offered by the Bank.

Working with the feedback resulted in, among other things, providing feedback to business and technical units on what challenges clients are facing, improving the quality of the hotline service, and deepening the client-relationship manager relationship.

### Citi Handlowy responds to customer needs

The Bank promotes the idea of high level of customer satisfaction not only through NPS tests. In 2023, the Bank continued the systematized approach to searching, recording and changing customer experience in relations with the Bank. Selected units not only analyze the clients' complaints, but also search for the information on customer experience in the NPS forms, comments posted in the social media or among the employees of the Bank who are also its clients. Every employee at the Bank is involved in building a new organizational culture predominantly for the client's interest and in delivering more and more revamped solutions. Increasing customer satisfaction is also one of the Bank's main goals in 2024.

## Communication with clients

For years, Citi Handlowy has consistently pursued its transparent client communication strategy, systematically aligning its offer with client needs. As part of projects such as “Treating Customers Fairly”, requirements were defined regarding communication, which were necessary for conducting product campaigns. Given the above, despite of dynamically changing market conditions, clients can be sure that they will be informed of the Citi Handlowy's products in a fair and transparent manner. At the same time, Citi Handlowy ensures that its agreements are explicit and information concerning costs, risks and potential advantages is transparent. All employees of the bank who are responsible for a product offer are also trained in transparent communication standards and are obligated to abide by them. In addition, the policy and standards of top-quality customer service, complaint processing and responsible marketing at Citi Handlowy are governed by internal regulations, including the Code of Ethics for Advertising and the Ethical Business Practices of Bank Handlowy w Warszawie S.A. [\[GRI 2-24\]](#)

## Citi Handlowy Webinars



In 2023, Citi Handlowy held online meetings for clients to share analyses and knowledge of the markets and current economic situation. Over the year, there were 14 such events for retail and corporate clients, for example:

- **Citi Handlowy for Ukraine: Lets Team Up for a Better Future**, during which experts from Citi Handlowy and Citi Ukraine discussed business involvement in rebuilding Ukraine.
- **Poland – starting recovery now?** Piotr Kalisz, chief economist at Citi Handlowy, analyzed the current economic situation in Poland and the world, and presented expectations and forecasts for 2024.
- **WIRON® (Warsaw Interest Rate Overnight):** what will change as a result of the reform of the **WIBOR®** and **WIBID®** benchmarks? With the participation of Citi Handlowy's Financial Markets Legal Office and the ITMA law firm.
- **Market and economic outlook in the time of weakening inflationary pressure**, organized by Citi Handlowy's Investment Advisory and Mutual Funds Bureau.
- **Why do financial markets surprise us?** organized by the Citi Handlowy's Investment Advisory and Mutual Funds Bureau with participation of Professor Witold Orłowski.

In addition, in 2023 the Bank held 19 webinars dedicated to the new CitiDirect 3.0 e-banking platform for business clients and 14 educational webinars for corporate card administrators.

More than 7,900 clients participated in Citi Handlowy's webinars in 2023.



## 2.3. Complaint management in Citi Handlowy

### Complaint management in the segment of institutional clients

Information on the submission of claims and complaints filed by the institutional clients of Citi Handlowy is available on the bank's website in the "Complaints" tab. <https://www.citibank.pl/poland/corporate/polish/reklamacje.htm>

Institutional clients of Citi Handlowy have the possibility of submitting complaints using several channels of communication. Clients can submit comments:

- by e-mail to the address: [citiservice.polska@citi.com](mailto:citiservice.polska@citi.com)
- by phone – in CitiService and directly to the CitiService Consultant's phone number
- directly at any unit of Citi Handlowy that serves clients of the Financial Markets and Corporate Bank Sector
- in writing to the address indicated on: [www.citihandlowy.pl/strefaklienta](http://www.citihandlowy.pl/strefaklienta), in the section: Important addresses lub poprzez adres do e-Doręczeń Banku: AE:PL-51087-16873-WFBWS-31

If claims related to a complaint are not accepted, Citi Handlowy notifies clients of a possibility to present the claim to the Court of Arbitration at the KNF in accordance with its rules or to a common court, and in the case of clients who are natural persons conducting a business activity individually or as a partner in a civil partnership, also of a possibility to submit a motion to the Financial Ombudsman. Information regarding the above options is made public on the Internet: [www.rf.gov.pl](http://www.rf.gov.pl)

An important quality-related element is the time taken to respond. The key indicators applicable to client claims and complaints are presented on a monthly basis at the quality meeting of the Regional Payment Center and quarterly to the Council for Corporate Customer Experience. Based on the prepared analyses, corrective action plans are specified to reduce errors on the part of the bank. **[GRI 2-25]**

#### Standard response time to corporate clients complaints (working days) in 2021-2023

In 2023, the complaint handling time was shortened, the number of complaints considered in the shortest possible time (up to 5 business days) increased by 5 p.p. compared to 2022.

Response time	2023	2022	2021
<5 working days	67%	62%	72%
6-15 days	25%	30%	22%
16-30 days	7%	6%	5%
>30 days	1%	3%	1%

#### Number of complaints from Citi Handlowy corporate clients:

	2023	2022	2021
Total number of complaints submitted	792	1,066	1,084
% of complaints resolved in favor of the client	97%	95%	94%
The number and % of complaints related to violation of privacy or loss of client's data	0 (0.00%)	0 (0.00%)	0 (0.00%)

## Complaint management in the segment of consumer clients

Information on the possible forms of submitting claims, complaints and grievances by retail clients of Citi Handlowy is easily accessible on the bank's website. It is possible to submit comments by:

- sending a message after logging into the electronic banking system – Citibank Online [www.citibankonline.pl](http://www.citibankonline.pl)
- sending a letter to the Bank's address
- in person in a Citi Handlowy branch
- sending an e-mail message to the address: [listybh@citi.com](mailto:listybh@citi.com) or – in the case of escalation – to the Client Spokesperson at the address: [rzecznik.klienta@citi.com](mailto:rzecznik.klienta@citi.com)
- contact with CitiPhone.

In 2023, the time of response to client queries was 1 working day. This enables clients and the bank to continue being engaged in a dialog and provide answers in the shortest possible time.

Citi Handlowy notifies of a possibility to resolve amicably disputes in relations with retail clients and this information is made public on the bank's website.

### Number of complaints from Citi Handlowy individual clients:

In 2023, the number of complaints from individual clients decreased compared to 2022, even though the number of the most demanding Citigold Private Client and Citigold clients increased by 14% YoY.

	2023	2022	2021
Total number of complaints submitted	30,880	35,075	46,866
% of complaints resolved in favor of the client	18%	23%	24%

The Bank logs every case of dissatisfaction and lack of consistency identified by clients as complaints. 82% of cases involved queries, explanations or complaints where the root of error was outside the bank. Analyses of complaints and client comments, manners of handling them and drawing conclusions for the needs of the bank's operations, are presented at meetings of the Consumer Bank's Customer Experience Council held on a monthly basis. Based on the prepared analyses, corrective action plans are specified to reduce errors on the part of the bank in consecutive months.

In 2023, Citi Handlowy continued digitalization of its processes in line with client expectations. The bank continued the development of the communication channel via social media (Messenger). During the year, customers submitted almost 4,900 inquiries using this channel. Customers also have a Chat available on the official Citi Handlowy website. A specialized group of advisers responds online to the inquiries of the Bank's clients.

## 2.4. Client Spokesperson

### Institutional Client Spokesperson

The Corporate Client Spokesperson function was launched by Citi Handlowy in 2017. The main duties of the Spokesperson include: coordination of the process of examining complaints and grievances submitted by corporate clients to the bank, analysis and monitoring of the process for handling complaints and grievances from clients, providing the Management Board of Citi Handlowy with information regarding the scope and scale of complaints and grievances submitted by corporate clients to Citi Handlowy, cooperation with units of the bank in order to improve the quality of services and products offered to corporate clients, and to increase client satisfaction and loyalty. Institutional clients of Citi Handlowy may also contact the Spokesperson by sending a message using the form available on the bank's website at <https://www.citibank.pl/poland/corporate/polish/rzecznik-klientow-korporacyjnych.htm>

Clients may also send their opinions and comments to the Corporate Client Spokesperson, which help us to improve the products and services offered by Citi Handlowy. In 2023, no such submission was made directly to the Corporate Client Spokesperson.

### Consumer Bank Client Spokesperson

The function of Client Spokesperson was created in 2009 to both strengthen cooperation between the bank and clients and increase client satisfaction as far as the products and services offered by Citi Handlowy are concerned. The bank invites its clients to engage in dialog through contact with the Client Spokesperson. Clients are able to share their opinions, comments and suggestions about the functioning of the bank, and are provided with another opportunity to have their unsuccessful complaint examined again. Clients can contact the Client Spokesperson by sending an enquiry to the Client Spokesperson. In 2023, the Client Spokesperson received 316 issues for consideration, i.e. more by 20% comparing to 2022.

## Client education

The Bank also pursues educational efforts via its Citi Handlowy L. Kronenberg Foundation to educate in the areas of personal finance, cybersecurity, and support and development of entrepreneurship. Through such comprehensive programs, education is provided in those areas both to the Bank's clients and to local communities, including children and young adults.

The activities of the Foundation aimed at the enhancement of knowledge of personal finance are mainly focused on the regular monitoring Poles' attitudes in that respect, by means of opinion polling. Reports prepared on that basis are not only the source of information about the state of financial awareness at a given moment, but also allow for tracking changes taking place in that awareness over years. In 2023, the Foundation, together with its social partners, published three research reports that addressed issues related to attitudes of Poles toward saving, the importance of diversity in shaping change, and understanding the motivations of and paths taken by migrants towards entrepreneurship.

Through the Citi Handlowy Leopold Kronenberg Foundation the Bank also runs programs designed to raise awareness of cybersecurity, understood as knowledge of the mechanisms taking place on the Internet and the ability to spot potential threats. Hence, in the fall of 2023, for the fourth time, the Foundation inaugurated the CyberMocn@ Szkoła (CyberStrong School) program, which aims to raise awareness of this issue among teachers and, indirectly, among children and young people. Details of educational projects arranged by the Foundation are set out in the chapter entitled "Community Development".

The Foundation also attaches great importance to supporting the economic potential of companies active in Poland. It supports entrepreneurship through participation in mentoring and incubation programs, targeting groups such as women, professionals, and specialists in STEM (Science, Technology, Engineering, Mathematics), as well people with experience in migration. The Foundation also promotes an entrepreneurial mindset among young adults, encouraging them to run their own businesses or strengthen existing ones.

## 3. Responsibility in the Supply Chain [GRI 2-6]

Citi Handlowy cooperates with many local and global vendors. The bank attaches huge importance to ethical, social and environmental standards, and involvement in social activities constitutes a permanent part of our history and values. The objective of Citi Handlowy is to observe those principles also in cooperation with partners, including bank vendors.

### The Procurement Policy

The risk associated with improper vendor relations might prejudice the bank's ability to provide banking services. Therefore, it is very important to introduce mechanisms which guarantee that material elements of social responsibility are included in the procurement process.

The procurement policy defines the mode of selecting the bank's suppliers. The adoption of uniform vendor selection rules makes it possible to ensure a cohesive bank policy with regard to the management of risk associated with the selection of vendors of goods and services, and enables the achievement of short-term and long-term objectives of the bank arising from the strategy it has adopted. The provisions in contracts with suppliers applied by the bank ensure the right to control the declared parameters and rules of conduct, and the possibility of contract termination by Citi Handlowy in the event of non-compliance with them.

The principles of cooperation with vendors of the bank are regulated by the "Rules for selecting suppliers of goods and services and making purchases at Bank Handlowy w Warszawie S.A." This Policy sets forth:

- Principles of selection of vendors of goods and services and of procurement,
- Ethical Business Practice of the Bank.

### Selection Criteria of Vendors

Citi Handlowy cooperates with numerous business partners from various segments of the market. The selection of vendors at Citi Handlowy is based on tendering or bid assessment procedures in order to apply objective selection criteria. In order to ensure the transparency of procurement, technical and commercial assessments of bids are performed by independent units of the Bank.

The main vendor selection criteria at Citi Handlowy are as follows: favorable relation of quality to cost of supplying service/goods, as well as procurement lead time and payment terms. The results of due diligence carried out by the bank are also taken into account to confirm the technical and financial credibility of offerors as well as other parameters specific for a given tender. Environmental and social factors are also taken into account by Citi Handlowy.

## Ethical and Environmental Standards

Citi Handlowy aims to achieve the highest ethical standards. Therefore, it expects a similar approach from vendors in their commercial practices, including meeting all of the legal requirements and good business practices. The bank strives to ensure that the contracts concluded by Citi Handlowy with vendors of goods and services include ethical and environmental clauses that vendors must undertake to comply with.

Ethical Business Practice is incorporated in Citi Handlowy's procurement policy and contains expected standards for both current and future vendors of the bank. Citi Handlowy's objective in cooperation with vendors is to increase the awareness of vendors in the area of good business, ethical, social and pro-ecology practices. Citi Handlowy encourages all vendors to implement similar principles in their companies and seek further improvements in those areas.

The main guidelines in the bank's Ethical Business Practice include, without limitation:

- business honesty, including compliance with the principles of anti-bribery policy;
- respect for human rights in the workplace;
- refraining from any activities considered to be unfair competition and commitment to ensure the observance of legal standards regarding protection of competition rules;
- compliance with Labor Code regulations with respect to employment, working time, remuneration, occupational health and safety;
- ensuring timely payment of contributions for health, social and pension insurance;
- counteracting discrimination and behavior of a violent nature;
- respecting the ban on child and compulsory labor;
- environmental protection – environmental policy, optimized use of materials and goods, prevention of environmental pollution, recycling, reduction of pollutant emissions, sustainable management of resources, protection against hazardous materials and forest protection;
- striving to achieve top quality of the services provided;
- observance of confidentiality of all data of third parties;
- commitment to act in a socially responsible manner and to observe the laws of the country in which business is conducted.

A potential vendor is obliged to confirm that they apply good business practices, high ethical norms and standards in their relations with business partners; they are also obliged to confirm that they apply the principles of social and environmental responsibility as well as associated risk controls and that they observe the rules of the anti-corruption policy.

The bank attaches considerable importance to the agreements it concludes with suppliers containing provisions compliant with Ethical Business Practices. 75% of agreements with suppliers concluded in 2023 contain ethical clauses (an increase by 1 p.p. as compared to 2022).

Each organizational unit being the vendor contract owner must provide for ongoing subject-matter monitoring of the proper fulfillment of contract deliverables in line with the regulation "Principles of managing cooperation with suppliers of goods and services at Bank Handlowy w Warszawie S.A.". In addition, for contracts that are key to bank operations, the contract owner must carry out an Annual Review of Agreements and Cooperation with the Vendor.

## Communication with Business Partners

Citi Handlowy employees maintain daily contacts with vendor representatives in matters of contract fulfillment, including compliance with agreed parameters and standards, billing, payment of invoices, and logistic matters.

## Timely Payments

To ensure that liabilities are properly settled, the Bank follows a strategy focused on effective management of financial processes. A key element is strict compliance with both laws and external and internal regulations.

Internal procedures are shaped using principles from existing regulations, as this approach ensures transparency of the process and effective risk management.

Implementation of modern technology solutions, such as automated accounting processes, ensures timely and error-free settlement of the Bank's liabilities. In 2023, 91% of the liabilities (by value) reported under the Payment Congestion Act were met on time.

By consistently applying the above practices, the Bank not only safeguards its own interests, but also becomes a reliable partner for vendors, by supporting their financial stability and laying a solid foundation for the smooth operation of the entire supply chain.

## Employment of Persons with disabilities

The Bank cooperates with companies which hire persons with disabilities, which is part of diversity management.

### Employment of persons with disabilities at a sample vendor cooperating with Citi Handlowy in 2021-2023:

	2023	2022	2021
Total number of disabled persons employed by the vendor	121	188	150
Number of disabled persons working on contracts at Citi Handlowy	13	25	24

The decrease in employment of people with disabilities by the vendor, observed in 2023 as compared to previous years, is due to the renovation of the Bank's headquarters and the temporary exclusion of this building from use, which resulted in the suspension of services provided by the vendor in this building.

## 4. Compliance risk management

Citi Handlowy is exposed to the risk of non-compliance, the risk of negative consequences arising from the failure to observe legal provisions, regulatory provisions, the bank's internal normative acts, as well as practices and standards available on the market. The bank's pro-compliance efforts include the adoption of its Compliance Policy that was accepted by the Management and Supervisory Boards. The policy lays down the fundamental principles to ensure compliance by all employees of Citi Handlowy, as well as the key elements of the non-compliance risk management process, including the role of the Compliance Division.

### Compliance Division

The main objective of the Compliance Division is to ensure that the operations of Citi Handlowy are compliant with generally applicable laws and supervisory regulations applicable to the bank's business or financial services rendered by Citi Handlowy, its internal normative acts as well as practices and standards prevailing on the market and those developed internally by the Citi Group. The Compliance Division ensures that compliance by means of:

- Monitoring the vertical application of control mechanisms via the first defense level, in particular the key control mechanisms that ensure compliance at the first defense level, and the application of own defense mechanisms allocated to the Compliance Division at the second defense level (Compliance Division defense mechanisms) and horizontal monitoring of the application of those mechanisms;
- Non-compliance risk management. Non-compliance risk management processes include: identification, evaluation, control, monitoring of non-compliance risk size and profile and reporting.

The Compliance Division operates on the basis of the Plan of the Operations Compliance of the bank, adopted by the Management Board and the Supervisory Board of the bank for the given year.

### Client Review

Mitigating the risk of loss on the part of institutions that finance a business activity, notably banks, is of the utmost importance for each country's stability and the sustainability of economic growth. Due to its specifics, it is the banking sector where the bank most often sees financial crime taking place, like obtaining a credit under false pretenses, forging documents or other financial crimes. Such crimes, which can especially be harmful for the whole financial sector, also include money laundering and terrorism financing. These crimes destabilize the financial situation of the bank, which is used directly or indirectly to commit them, and can lead to the loss of its reputation and trust among its clients and counterparties.

Citi Handlowy undertakes activities aimed at counteracting the use of the bank in activities connected to money laundering or terrorism financing. To preclude any such crimes, the bank developed the Anti-Money Laundering and Combating the Financing of Terrorism Program, with its main assumption being the mitigation of the risk of opening and keeping accounts, and of maintaining economic relations with persons or entities in respect of which the bank suspects that their funds are obtained in an illegal manner.

The Anti-Money Laundering and Combating the Financing of Terrorism Program is reviewed at least annually from the point of view of compliance with binding Polish laws and Citigroup standards for combating money laundering and terrorism financing.

## Anti-Money Laundering and Combating Financing of Terrorism (AML)

All employees of Citi Handlowy must make every effort not to allow the use of bank products and services for money laundering or terrorism financing and to ensure that all suspicious activities are immediately reported to the Anti-Money Laundering ICG Department in the Compliance Division.

All Bank employees are required to read and follow the anti-money laundering provisions and procedures of their business unit (including those requiring due care in establishing and maintaining client relations and processing transactions). No client relation or transaction justifies a breach of bank security provisions on anti-money laundering, terrorism financing or other crimes. The bank endeavors to effectively support security initiatives within the limits set by applicable law. The provisions specify with whom the bank enters into business relations (“Know Your Customer”), the parties involved in a transaction as well as the rules for monitoring operations on client accounts in order to detect unusual activity on a client account.

Each employee of Citi Handlowy must undergo, in due time, training in the field of counteracting money laundering and terrorism financing that is arranged and updated every year.

All Bank employees undergo annual anti-money laundering training.

## Sanctions and Embargos

Citi Handlowy’s rules of dealing with entities subject to international economic and trade sanctions are set out in the “Rules for dealing with entities subject to international economic and trade sanctions”. Citi Handlowy complies with programs of economic sanctions and embargos applicable in the bank’s operation that prohibit business relations with persons and entities covered by the sanctions, including organizations associated with terrorism and drug trafficking. It is prohibited at Citi Handlowy to maintain economic relations with the authorities of some countries, as well as with individuals or entities acting on their behalf, as well as with persons from sanction lists. Any uncertainties must be presented to an employee of Sanctions and Sanction Processes Bureau in Compliance Division.

All Bank employees undergo annual Sanctions training.

## Corruption prevention

Citi Handlowy has adopted a zero tolerance policy toward corruption with respect to all aspects of business activities. That policy is binding on all of employees and business partners acting on behalf of the bank. The bank takes care of its image, reputation as well as trust of clients and business partners through the observance of ethical standards and conducting activities which are designed to prevent corruption effectively.

The anti-corruption program at Citi Handlowy constitutes part of the bank’s anti-corruption policy, which is composed of:

- the procedure “Anti-corruption program at the Bank Handlowy w Warszawie S.A.” (including the formalized process for approval and registration of gifts and invitations to events),
- “Code of Conduct for Employees of Bank Handlowy w Warszawie S.A.”,
- training programs,
- information campaigns,
- internal control mechanisms,
- assessment of compliance risk with respect to anti-corruption activities.

Preventing cases of corruption and their notification is the duty of each bank employee. Employees should avoid any activities that may violate the principle of zero tolerance for corruption. All employees of Citi Handlowy take part in the training on prevention of corruption practices. They also have appropriate guidelines allowing the reduction of the corruption risk in relationships with business partners. Employees must avoid any activities that may violate the principle of zero tolerance for corruption and expose the bank to charges of non-compliance with standards and regulations in force.

In 2023, no case of corruption in the bank’s activity was recorded. **[GRI 205-3]**

All Bank employees undergo annual anti-corruption training. The training mentioned above was also completed by 100% of the Management Board Members. **[GRI 205-2]**

Vendors cooperating with the Bank are required to read the bank's anti-corruption policy and comply with it at the stage of the supplier's selection process. Without a signed statement, potential Bank vendors cannot participate in a procurement proceedings. Due to the inability to obtain complete data on the number of vendors trained on anti-corruption policy because of the involvement in the procurement process many organizational units of the Bank, the disclosure of the number of suppliers trained on the bank's anti-corruption policy is not possible.

## IV. Care for the Environment

The climate changes are one of the crucial challenges for the contemporary world. They create increasingly serious threats for the ecosystems, human health and the economy. One solution that minimizes the negative consequences of climate changes is the reduction of emission of greenhouse gases, produced mainly through the burning of fossil fuels (carbon, petroleum, gas), and well as the attempts to absorb greenhouse gases through the available offsetting initiatives (such as forestation).

Citi Handlowy is aware of the climate changes and, in its activity, strives to implement environmentally-friendly solutions by responsible financing, automation and digitization of operating processes, and takes steps to reduce the direct environmental footprint of the Bank by, for example, seeking ways to offset these emissions and using renewable energy sources.

The need to take real sustainable actions, to care for the environment and to prevent the effects of climate changes led to the incorporation of environmental issues into the business strategy adopted by the Bank at the end of 2021.

In order to minimize direct and indirect carbon footprint, the sustainable development strategy for 2022-2024 adopted by the Bank contemplates:

- Raising PLN 1 billion for green assets – the funding may be granted for one of six sustainable projects: closed loop economy, clean technology, energy efficiency, renewable energy, sustainable transport, water quality.
- Active support to corporate clients in the transformation of their business models towards low-emissions.
- Reduction of own greenhouse emissions by at least 50% by 2024 compared to 2019, and reduction of power consumption by at least 40% by the end of 2024 compared to 2012.

In the period from the beginning of 2022 till the end of 2023, Citi Handlowy raised almost 400 million of green assets and thus reached 40% of the target set in the strategy for year 2024. The Bank also actively supported its corporate clients in spreading the knowledge how to transform their business models representing various industries towards low emission levels. By leveraging the experience of its global shareholder, i.e. Citi, the Bank plans to introduce solutions for the area of treasury operations (such as interest rate risk hedging), but also products in the area of transactional business (such as green deposits).



On the other hand, in terms of reducing its own carbon footprint from operations, the Bank already in 2022 met the targets set in the 2022-2024 strategy with respect to reducing its own greenhouse gas emissions by at least 50% in 2024 compared to 2019 and reducing electricity consumption by at least 40% by the end of 2024 compared to 2012.

Accordingly, in 2023 the Bank took another step toward a sustainable future by declaring to achieve climate neutrality of its own operations by 2030 (as regards Scope 1 and Scope 2). The Bank will pursue this ambitious goal by switching entirely to energy from renewable sources and improving the energy efficiency of its buildings. In previous years, in order to minimize its carbon footprint, the Bank refurbished its buildings in Olsztyn at ul. Pstrowskiego 16 and in Warsaw at ul. Traugutta 7/9. In the second quarter of 2024, the Bank wants to complete the project that covers the reconstruction of its headquarters at ul. Senatorska 16 in Warsaw. After this modernization, the historical seat of the Warsaw town hall, rebuilt after the Second World War, will have an improved BREEAM certification rating. The smart building's features will bring electricity savings, which will translate into an increased cost efficiency of the building and improved comfort of use. Higher energy efficiency in the building will be achieved through:

- Implementation of modern technologies to reduce energy consumption (including replacement of lighting throughout the building with LEDs and installation of motion sensors in most rooms);
- Use of renewable energy (solar panels);
- Installation of advanced measurement systems (integrated control systems) and upgrade of BMS automation.

The selection of lighting in the building being upgraded was guided not only by the benefits of reduced energy consumption, but also by the possibilities to adapt the office space for various functions. The dynamic lighting system mirrors the natural patterns of daylight in the rooms and, by this, positively affects the well-being and productivity of employees. In order to protect the users of the building from unfavorable climatic conditions and to ensure adequate thermal comfort, the air treatment units and the heat exchange were replaced. Another step to conserve water resources, which is an integral part of sustainable utility management, is the Bank's effort to introduce circular management of water resources. As part of this project, work is underway to implement a system that allows the use of grey water.

As part of the ongoing renovation, the Bank has planned to bring the office space in line with modern trends by implementing the "Future of Work" concepts. This project involves arranging space for both group and individual work to provide a variety of choices and to achieve an increased productivity and flexibility of office space. The designed attractive office space will encourage collaboration, interaction and innovation.

The Bank is constantly striving to locate work in prestigious office spaces that fit in with the concept of green investments, closely linked to environment protection. Last year, three office buildings received BREEAM certification, which confirm Citi Handlowy's compliance with good building maintenance and management practices. The certification process is currently underway for the building at ul. Goleszowska in Warsaw.

## 1. Sustainable financial solutions

### 1.1. Green financing – examples from 2023

**Reverse factoring for Żabka** – in 2023, Citi Handlowy and Żabka signed a reverse factoring agreement which includes certain goals in the area of responsible business and sustainable development. The agreement refers to Żabka's selected goals under the adopted ESG (Environmental, Social and Corporate Governance) Strategy – reducing greenhouse gas emissions and increasing the value of sales of store brand products that promote a sustainable lifestyle. If the specified indicators are not achieved within the agreed time, the company will provide additional funds for activities agreed upon by the parties to support the implementation of the indicated Sustainable Development Goals.

Żabka uses this agreement, which covers a fixed limit of PLN 100 million, to pay its commercial liabilities to suppliers. At the same time, the Bank and the company included in the agreement sustainability indicators (KPIs) that Żabka will strive to achieve.

### 1.2. Products supporting environmental goals

**Loan for environmental purposes** – in an effort to reduce the climate impact of our clients' operations and to actively support their strategies in the achievement of their environmental goals, the Bank launched financing which may be allocated for investment projects meeting one of the six environmental criteria: renewable energy, energy effectiveness, clean technology, circular economy, sustainable transport and sustainable use and conservation of water resources.

According to the adopted assumptions, for the "green credits" the Bank applies simplified credit procedures and preferential financing parameters regarding the borrower's down payment, collateral (including up to 4 years without collateral) and financing costs (waiver of the front-end fee).

**Eco-loan** – In late 2022/early 2023, Bank signed the agreement with Bank Gospodarstwa Krajowego to execute the grant program – Eco-loan. The Eco-loan will be funded from the European Funds for Modern Economy (Action 3.1) Program – the money comes from the European Regional Development Fund. The program consists in granting commercial loans for investments, which in part are repaid by BGK as a non-refundable grant – an ecological bonus.

The program is dedicated to businesses falling in the definition of a small or medium enterprise (small mid-cap) under the Commission Regulation 651/2014 and also for mid-capitalization companies (mid-cap) in the meaning of Article 2.7 of the Regulation of the European Parliament and of the Council (EU) 2015/1017. Such companies can apply for non-refundable grants as an ecological bonus for execution of ecological investments intended to improve the energy-saving



or to exchange the sources of energy in use into more ecological ones.

The eco-loan may be applied by enterprises to fund their investments consisting in the modernization of the existing infrastructure in order to boost the energy-saving aspects of their processes, for example to modernize process lines, buildings, structures, and the use of renewable energy sources to reduce emissions and carbon footprint. etc.

In 2023, the first clients submitted applications for funding and signed funding agreements.

**Technological Loan** – in late 2022/early 2023, we signed the agreement with Bank Gospodarstwa Krajowego to run another edition of the grant program – Technological Loan. Technological Loan will be funded from the European Funds for Modern Economy 2021–2027 (Action 2.30) Program – the money comes from the European Regional Development Fund. The program consists in granting commercial loans for investments, which in part are repaid by BGK as a non-refundable grant – a technological bonus.

The program is dedicated to businesses falling in the definition of a small or medium enterprise under the Commission Regulation (EU) No. 651/2014. These enterprises may apply for a grant being a technological bonus to make technological investments and purchase or implement new ground-breaking technologies or own technology in order to manufacture or provide significantly improved goods, processes or services. Such an investment should also aim at ensuring proper conditions for manufacturing or providing said products, processes or services. The implemented technology should be used based on an industrial property right or as results of R&D works, results of application research or unpatented technological knowledge.

A technological loan can also be granted for implementation of green innovations or for investments in renewable energy sources and processes enhancing the energy efficiency of enterprises.

In 2023, the first clients submitted applications for funding and signed funding agreements.

**EU Advisory Program** – for current and future beneficiaries of EU aid, Citi Handlowy prepared a dedicated EU Advisory Program. We developed a broad range of advisory products to help receive co-financing, as well as implement and manage EU projects. The Program is for entrepreneurs who intend to make good use of development opportunities created by the European Union. The Program is based on the multi-year experience Citi Handlowy has gained in the course of implementation of various projects co-financed by the European Union and other external donors. The Program aims at assisting clients in the application process for structural funds and grant programs. It should be noted that Citi Handlowy is one of few financial institutions that can offer such a wide range of comprehensive support related to EU funds.

In 2023, the first calls for applications for programs from the EU financial perspective 2021–2027 were published. Clients actively used the EU Advisory Program when applying to open calls related, for example, to the SMART Path, Technology Credit and the Silesian Province Fair Transformation Fund.

## 2. ESG risk management [GRI 2-24, GRI 2-25]

Citi Handlowy perceives environmental, social and governance (ESG) issues as important to the Bank's risk management and business development. At the same time, the Bank is systematically taking steps to further integrate ESG issues into the Bank's operations. We believe that effective management of ESG goals and risks helps improve the business profile of the Bank, reduce risks and generate value for the Bank.

Citi Handlowy is part of a global financial institution, i.e. Citigroup, which has more than 20 years of experience in managing ESG issues, including the creation and development of standards and best practices for the financial sector. Citigroup is a co-founder of the *Equator Principles*, the *Net Zero Banking Alliance* (NZBA) and the *Institutional Investors Group on Climate Change and Transition Pathway Initiative* (TPI). In March 2021, Citi group of companies announced a goal of achieving climate neutrality related to finance by 2050 and follows the *Task Force on Climate-related Financial Disclosures* (TCFD) recommendations on climate change-related disclosures and publishes a dedicated report annually.<sup>3</sup> When implementing its own approach to management of ESG risks, our Bank draws on Citi group's experience and track record in this area.

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<sup>3</sup> For more details, please visit Citi's website: <https://www.citigroup.com/global/our-impact>

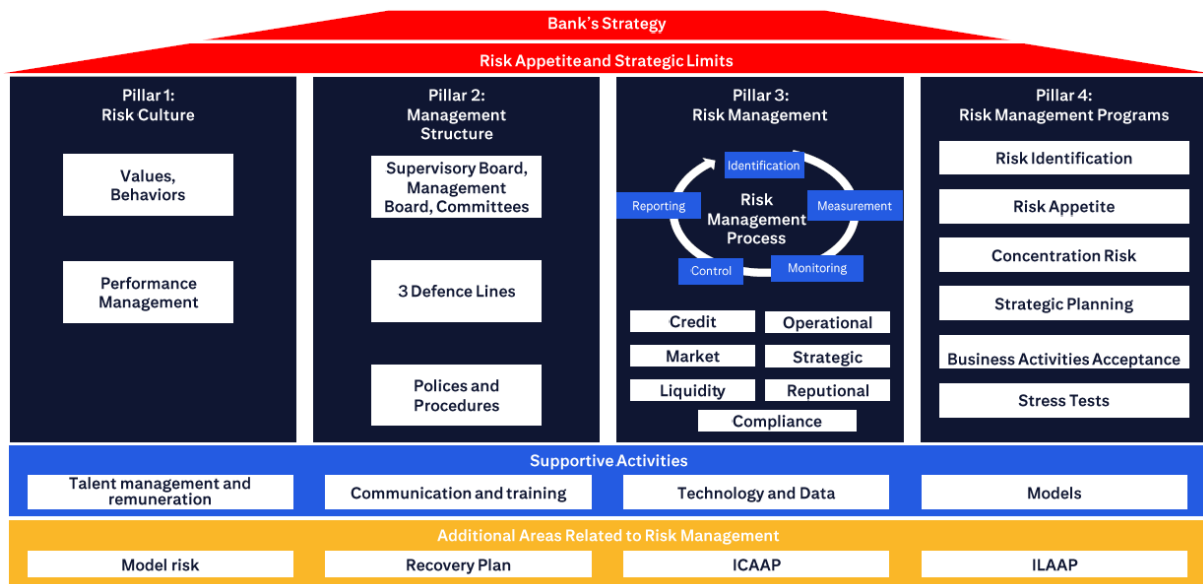
## 2.1. Approach to management of ESG

At Citi Handlowy, the Risk Management Sector is responsible for identifying, measuring, managing, controlling and reporting risks. The Bank's approach to risk management is set out by the *Principles of prudent and stable risk management in the Capital Group of Bank Handlowy w Warszawie S.A.* Figure 1 shows the key components of the Bank's risk management system:

- **Foundation 1 – Culture:** shared values and expected behaviors that influence the Bank's risk management practices and promote risk decisions that remain consistent with the Bank's Principles and risk appetite.
- **Foundation 2 – Governance Structure:** the risk management structure, the division of roles and responsibilities to ensure effective risk management at the Bank, and the relevant policies and procedures that detail the Principles, taking into account the roles and responsibilities of employees in the three lines of defense with respect to each risk category.
- **Foundation 3 – Risk Management:** all stages of the risk management process, i.e. identifying, measuring, monitoring, controlling and reporting specific risk categories within the Bank.
- **Foundation 4 – Risk Management Programs:** key programs that are used to identify, measure, monitor and control risks at the Bank.

The risk management system is further strengthened by the talent management process, compensation policies, communication and training, as well as the technology, data and models used by the Bank. A detailed description of the Bank's approach to risk management is included in its annual financial statements.

Figure 1: BHW's Risk Management System.



In 2023, Citi Handlowy continued to develop ESG risk management methods. One of the Bank's priorities in this area is to expand its climate and environmental risk management methods. Due to the specific nature of climate risk, including the expected intensification over a longer time horizon, in 2023 the Bank focused on adjusting its organizational structure and processes to enable effective management of this risk. As interpreted in the *ECB Guide on Climate-related and environmental risks* published in November 2020, Citi Handlowy views climate and environmental risks as a cross-cutting risk factor that can manifest itself within each of the core risks, i.e. strategic, credit, market, liquidity, operational, compliance and reputational risk. Since we treat ESG risks (including climate risk) as a cross-cutting factor, we aim to integrate the management of this risk into the Bank's standard risk management processes and programs. This process will continue in 2024.

## Culture

The Bank's risk culture is formed by a consistent risk management system and control environment, which set the rules for the business operations of the Bank. The Bank's risk culture promotes shared attitudes, values, expected behaviors and decision-making in line with the risk strategy of the Bank, including, in particular, risk appetite. The Bank develops its risk culture by implementing policies, procedures and employee training related to the Bank's operations, strategy and risk profile.

In order to enhance employees' competence in ESG risk management issues and regulations, in 2023 the Bank organized a series of training courses and thematic workshops for management and selected employees from the first and second line of defense. The purpose of the workshops was to deepen the knowledge of characteristics of these risks and regulatory requirements and good practices from the financial sector. In addition, the Bank held a series of training sessions and workshops for employees on changes to internal policies, procedures and programs, such as assessing a client's activities in the context of ESG risk factors, as well as inspiring clients to take action to comply with regulatory requirements or standards.

## ESG Risk Management Structure

In line with best practices, in 2023 the Bank's Management Board clarified the responsibilities of the Chief Executive Officer (CEO) and the Vice President in charge of the Risk Management Sector (Chief Risk Officer, CRO) in the area of managing ESG issues and risks. The CEO is directly responsible for overseeing the definition and implementation of the Bank's sustainability strategy, while the CRO is responsible for managing ESG risks and implementing regulatory requirements related to management of these risks.

In addition, the Bank launched a bank-wide ESG key project in 2023. One of its main goals is to expand effective and consistent ESG risk management framework and mechanisms. As part of this project, a dedicated Working Group has been launched in the Risk Management Sector. The Working Group plans to improve the ESG risk management framework in 2024, including:

- Internal regulations applicable to ESG risk-related issues,
- ESG risk management methods, including measurement and reporting,
- ESG risk assessment standards used in the credit analysis and collateral valuation processes,
- Methods for monitoring and implementing regulatory requirements and ESG risk initiatives within the Risk Management Sector.

A key element of ESG risk management is also defining a framework for qualifying sustainable products and ensuring adequate oversight of the life cycle of these products. To this end, the Bank has established a dedicated Sustainable Development Product Commission. It is chaired by the Head of the Corporate Client Risk Division, and supervised by the Risk and Capital Committee. For more information on the Commission, see Chapter 1.

## ESG Risk Management Process

For Citi Handlowy, ESG risk is as a cross-cutting risk factor affecting the core risks applied at the Bank. Accordingly, one of the Bank's key activities is to properly integrate the management of these risks into the Bank's standard risk management processes and programs.

In the course of the *Internal Capital Adequacy Assessment Process* (ICAAP), the Bank performs, on an annual basis, a detailed analysis and assessment of the industry structure of the Bank's asset portfolio, including the degree of utilization of concentration limits. As part of the ICAAP for 2023, the Bank performed a dedicated analysis of climate risk. The Bank assessed the materiality of climate risk and included it in the Bank's risk taxonomy and risk appetite.

The Bank also included climate risk in its stress tests. The analysis was based on an assessment of the impact of this risk on the potential deterioration of clients' ratings in industries with increased climate risk (using the *Industry Climate Risk Ratings* shown below). The results of the stress tests conducted showed the resilience of the Bank's portfolio to climate factors. As a complementary measure to its risk appetite, the Bank has set a limit for exposures with negative environmental and social impacts (Category A in Table 1 below).

In addition, the ESG risk assessment is an integral part of the credit assessment process described below.

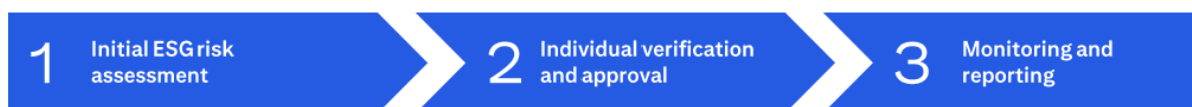
## 2.2. ESG risk verification and analysis for institutional clients

In its Corporate Bank and Commercial Bank segments, the Bank considers ESG risks as part of the creditworthiness evaluation of the Bank's debtors that use credit products. These issues are regulated in the Commercial Banking and Corporate Banking Credit Procedures. The Bank analyzes ESG risks from a dual materiality perspective, i.e. both:

- the direct adverse impact of environmental and social factors on the borrower's financial position or business operations (e.g., increases in the price of greenhouse gas emission allowances); and
- the adverse impact of the borrower's activities on the environment and society, which may indirectly lead to the deterioration of its financial situation in the future.

Figure 2 shows the key steps in the ESG risk assessment process. A client's assessment is conducted before the funding in question is granted and will be updated on an annual basis during the Annual Review of the debtor.

Rysunek 2: Ocena czynników ESG w procesie kredytowym Banku



ESG risk assessment in the credit process includes:

1. **Initial ESG risk assessment** – The Relationship Manager responsible for the client, after completing the due diligence of the client's business, documents the prepared assessment of the impact of ESG risk on the debtor's creditworthiness, including the assessment of the Climate Risk Rating. Based on a combination of Transition and Physical ratings, a preliminary Climate Risk Rating is obtained. The Relationship Manager cooperates with the Credit Analyst in this regard. Details of this methodology are described below.
2. **Individual review and approval of the assessment** – the analysis and assessment performed are reviewed and approved by Business and Credit Decision Makers. If, as part of the analysis, ESG risk is determined to be material or inadequately managed by the debtor, this factor is taken into account in the client's rating or in the classification of the exposure.
3. **Monitoring and reporting** – aggregated management information on the structure of the institutional client portfolio in terms of Climate Risk Rating and exposures with a negative environmental and social impact is monitored and reported on a semi-annual basis to, among others, the Head of the Corporate Clients Risk Division, the Head of the Commercial Banking Risk Department and the Heads of the relevant Business Units.

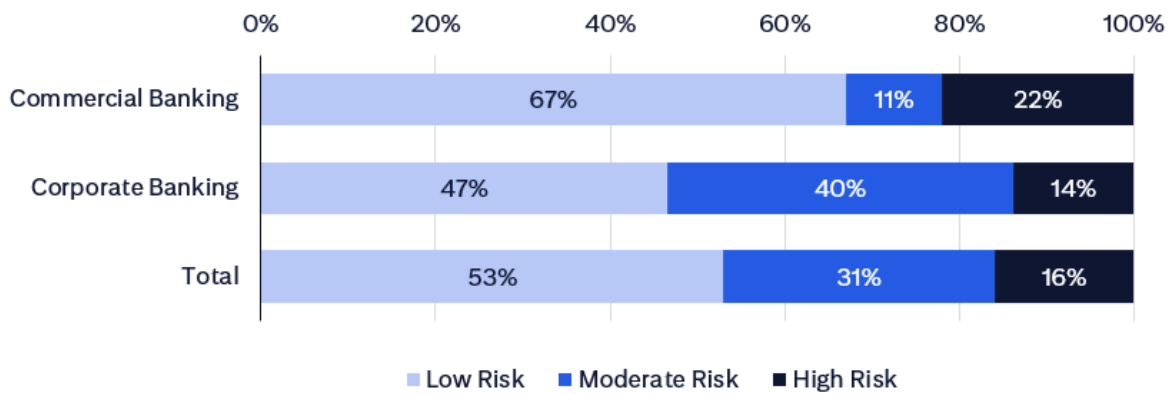
Details of the approach and methodologies used by the Bank to analyze key ESG risks are shown below.

**Climate risk**

Climate risk is a subcategory of environmental risks. It creates new challenges and real threats to the economy and the financial system. According to the World Economic Forum, 5 of the 10 most dangerous risks over the decade are related to the natural environment. Two-thirds of respondents considered extreme weather conditions to have the highest probability of triggering a global crisis in 2024.<sup>4</sup>

In view of the above and of supervisory recommendations on climate and environmental risk management<sup>5</sup>, the Bank pays special attention to managing these risks by successively implementing dedicated management processes and mechanisms (described above). As part of its credit assessment of debtors, the Bank has developed a dedicated process for assessing climate risks (details of the methodology are described on the next page) and monitors its exposure in key portfolios. The chart below shows the climate risk exposure in the Bank’s loan portfolio as of the end of 2023.

Chart 1: Exposure to climate risk in the Bank's portfolio<sup>6</sup>



<sup>4</sup> World Economic Forum (2024). “Global Risks Report.”

<sup>5</sup> Among other things, the European Central Bank’s Guide on climate-related and environmental risks 2020.

<sup>6</sup> Data as at 31 December 2023.

### Industry Climate Risk Rating: Methodology

The *Climate Risk Rating heatmap* table includes the assessment of physical and transition risks for each industry. For Physical Risk, the risk heatmap was based on an assessment of the impact of extreme weather events or permanent changes in weather conditions on companies operating in a particular industry due to:

- their operations, production or productivity depending on weather and/or water availability;
- their revenues or company value may be affected by exposure to climate risks;
- their supply chains are vulnerable to weather-related disruptions; and/or;
- significant costs due to liability for damages related to their adverse impact on the climate.

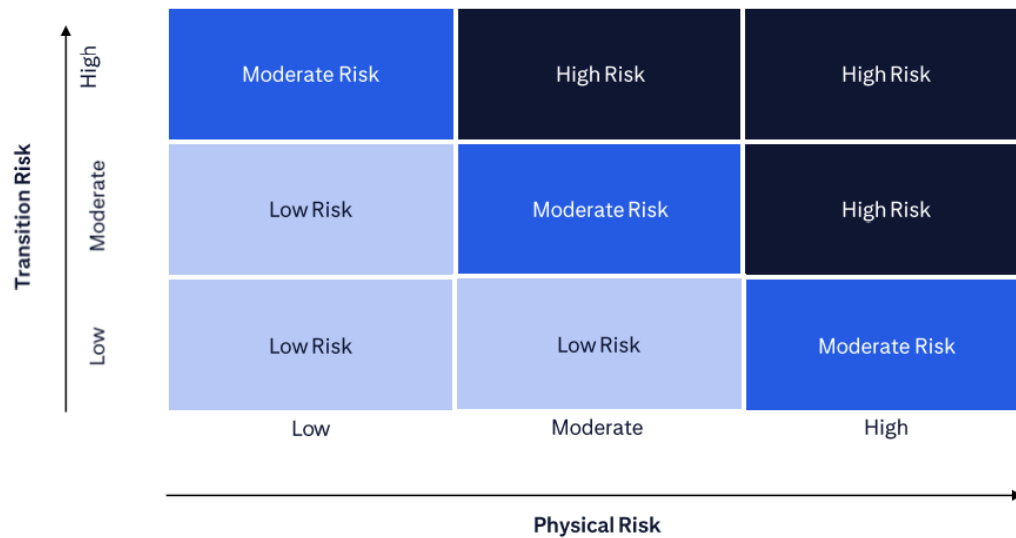
Physical Risk can lead to irreversible consequences, such as destruction of property or loss of human life, lower productivity of employees (e.g. inability to work in high temperatures), migration of people from areas that are no longer suitable for life, social tensions (e.g. due to shortages of food), decline in biodiversity, which can affect the industries concerned (e.g. fishing).

For Transition Risk, the assessment was based on an evaluation of the extent to which industries are exposed to regulatory, technological and/or market changes in the short to medium time horizon due to:

- the greenhouse gas emission intensity of their production;
- the energy intensity of their operations or reliance on coal as the main energy resource;
- changes in expectations of consumers and investors preferring more environmentally sustainable products;
- the intensity of the use of natural resources in production processes, such as water,
- the availability of low-carbon substitutes or technologies;
- concentration of revenues towards customers exposed to Transition Risks; and/or
- the likelihood of new climate-related regulations / policies.

The Climate Risk Rating is assigned to a client based on a combination of Transition and Physical ratings according to Figure 3. The Industry Climate Risk Ratings are reviewed on a regular basis (at least annually) to reflect changes in, for example, the regulatory environment, macroeconomic trends or social expectations.

Figure 3: Industry Climate Risk Ratings.



## 2.3. Environmental and social risk

Citi Handlowy uses the Environmental and Social Risk Management (ESRM) Standard to manage the environmental and social risks associated with individual clients and transactions. The process analyzes the environmental and social risks associated with the client's activities and identifies transactions with increased environmental and social risks.

Citi Handlowy focuses on financing transactions which carry no or minimal environmental or social risk. Based on the assessment of the impact of the client's activities on the environment and of the type of financing, collateral used by the client, standards and compliance with industry or legal and regulatory requirements, an appropriate risk category is assigned – A, B, C or GR, in accordance with the guidelines outlined in the Table below.

Table 1: Categories of transactions by their environmental and social impact

Transaction category	Explanation	Examples of activities
A	<b>Significant</b> environmental or social <b>risks</b> and/or an adverse, <b>irreversible impact</b> on the environment or society	<ul style="list-style-type: none"> <li>Business activities using radioactive elements, i.e. polonium, plutonium, radium, radon, uranium</li> <li>Business activities covering the extraction of lignite or production of nuclear fuel</li> <li>Business activities leading to a reduction of populations of animal species exposed to extinction risk</li> </ul>
B	<b>Limited</b> environmental or social <b>risks</b> and/or an <b>impact</b> that is limited, and largely <b>reversible and leveled</b> through risk mitigation methods	<ul style="list-style-type: none"> <li>Mining of oil, gas, and ferrous and non-ferrous metal ores</li> <li>Electricity/heat production using fossil fuels</li> <li>Production of pig iron, ferroalloys, cast iron and steel and metallurgical products, copper, cast steel</li> <li>Collection of non-recyclable waste</li> </ul>
C	<b>Minimal or no</b> environmental or social <b>risks</b>	<ul style="list-style-type: none"> <li>Other business activities</li> </ul>
GR	“General Review” Linked to multiple projects with <b>different levels of risk</b>	N/A

At Citi Handlowy, the financing of the following categories of activities is prohibited:

- activities related to harmful and exploitative forms of **forced labor**;
- activities related to harmful and exploitative forms of harmful **child labor**;
- **illegal tree cutting**;
- production of or trade in **illegal products**;
- production of and trade in **wildlife** or products regulated by the CITES convention;
- **fishing with drift nets** in the marine environment using nets longer than 2.5 kilometers.

In addition, a number of activities with high ESG risks are prohibited as a rule and may be approved by the Management Board Member who oversees the Risk Management Sector in exceptional cases. These include gambling, production and distribution of pornographic items, production and wholesale of precious metals and gemstones, mining and quarrying, military equipment and military services.

In accordance with standards adopted across the Citi group, Citi Handlowy will not provide new financial products and services to support the construction or expansion of coal-fired power plants, including the refinancing of power plants commissioned after 2018. The Bank has pledged that after 2025 it:

- will not provide capital or other financial services to clients who do not have a strategy to exit from coal-fired electricity generation and achieve compliance with the Paris Agreement's decarbonization pathways by 2030 (for clients with power plants in OECD countries) or 2040 (for clients with power plants in other countries);
- will not enter into cooperation with any new client with a significant share of power generation in its business, unless the share of power generated by coal-fired power plants is less than 5%.

The Bank has pledged that after 2030 it:

- will not offer capital or other financial services to clients who generate electricity in OECD countries, unless the share of electricity generated by coal-fired power plants is less than 5%;
- will not offer capital or other financial services to clients generating electricity in non-OECD countries, unless those clients have a low-carbon transition strategy designed to reduce the share of electricity generated by coal-fired power plants below 5% by 2040.

## 2.4. Taxonomy Related Disclosures

Pursuant to Art. 8 sec. 1 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment („Taxonomy”), undertaking which is subject to an obligation to publish non-financial information shall include in its non-financial statement on how and to what extent the undertaking’s activities are associated with economic activities that qualify as „environmentally sustainable” („Taxonomy”).

In the light of Taxonomy, an economic activity shall qualify as „environmentally sustainable” if all of the following conditions are met: (i) contributes substantially to one or more of the environmental objectives set out in Taxonomy, (ii) does not significantly harm any of the environmental objectives set out in Taxonomy, (iii) is carried out in compliance with the minimum safeguards i.e. procedures implemented by an undertaking that is carrying out an economic activity to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights and (iv) complies with technical screening criteria that have been indicated in the relevant regulations delegated to taxonomy. As of 2021, Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 („**Regulation 2021/2139**”) was published and only applicable, which establish technical selection criteria in relations to only two environmental objectives: climate change mitigation and climate change adaption.

Bank Handlowy w Warszawie S.A. is obliged to publish a non-financial statements in accordance with the requirements of Directive 2013/34/EU (Non-Financial Reporting Reporting Directive - "NFRD") is subject to the obligation to report taxonomic disclosures as a credit institution.

The detailed scope and dates of presentation of information on environmentally sustainable economic activities, which should be disclosed under the Taxonomy, are indicated in the Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 ("**Regulation 2021/2178**"): delegated act specifying taxonomy reporting obligations.

Pursuant to Art. 10 sec. 7 of Regulation 2021/2178, from 1 January 2024 to 31 December 2025 credit institutions are obliged to report information on financed Taxonomy non-eligible and Taxonomy-eligible economic activities. The scope and structure of the disclosure of the above information are defined in Annexes V, VI and XII (quantitative information) and Annex XI (qualitative information).

In order to meet the above regulatory obligation, the Bank made quantitative disclosures in accordance with templates 0-5 (for the purposes of disclosing key indicators - "KPIs") included in Annex VI of Regulation 2021/2178 for the state of the Bank's assets as at the balance sheet date of December 31, 2023 and the Bank's assets flow in the financial year ended December 31, 2023. At the same time, in accordance with Annex XII of Regulation 2021/2178, the Bank disclosed information related to nuclear energy and natural gas.

### **Description of the methodology for preparing disclosures according to Annex VI of Regulation 2021/2178**

Disclosures required by the Taxonomy were prepared on the basis of data provided by the Credit Information Bureau in terms of turnover KPI and capital expenditure KPI (CAPEX) reported by enterprises obliged to disclose non-financial information in accordance with the NFRD Directive for 2022, which includes:

1. Financial enterprises: asset managers, credit institutions, investment companies, insurance and reinsurance companies;
2. Non-financial enterprises;
3. Households: only loans granted for residential properties and consumer loans for the purchase of cars;
4. Financing of local governments: only financing of public housing and other types of specialized lending for local governments.

Quantitative disclosure tables 1, 2 and 3 (in accordance with templates 0-5) contain information according to the number of loans held, table 3 contains flows in the scope of granting new loans, while table 5 in terms of off-balance sheet exposures in accordance with the indicated regulator's template includes information only in terms of state. At the same time, the Bank does not report a table of disclosures regarding revenues from fees and commissions from services other than lending and asset management (template 6) and the trading portfolio (template 7), because it will be reported from January 1, 2026.

In order to determine the amount of the Bank's exposures eligible and ineligible for the taxonomy for financial and non-financial enterprises, the Bank identified its clients subject to the obligation to disclose non-financial information in accordance with the NFRD Directive.

#### Financial companies

The analysis included financial enterprises that published the green assets ratio in relation to turnover and investment expenditure.

#### Non-financial companies

For non-financial enterprises, in the field of general financing, the analysis in terms of assigning identified exposures as eligible and compliant with the Taxonomy was determined by multiplying the exposure value with the percentage indicators of eligibility and compliance to the Taxonomy in relation to turnover and investment outlays based on information provided by the Credit Information Bureau. Due to the scope of data disclosed by non-financial enterprises for 2022, the above analysis only took into account the first two goals specified in the Taxonomy, i.e. climate change



mitigation and adaptation to climate change. Additionally, the above analysis takes into account only general financing, excluding special-purpose loans.

#### Households

The Bank has limited credit exposure to housing loans (they constitute 11% of all net loans of the Bank as at the end of 2023). Additionally, on April 15, 2021, the Bank received information from the strategic shareholder - Citigroup about a change in the strategy in the area of Consumer Banking i.e. sale of this business. As a result, the Bank is focusing on adapting the Wealth Management offer (distribution of investment products) and maintaining its leading position in credit cards, which are not covered by Regulation 2021/2178 and, as a result, the Bank entered 0 in the supplemented tables for activities qualifying for the Taxonomy.

#### Exposures to local government units

The Bank did not identify exposures to local government units that could be recognized as eligible or consistent with the Taxonomy, as a result, in the completed tables, the Bank entered 0 for activities qualifying for the Taxonomy.

Exposures to central governments, central banks or supranational issuers are not covered by the Green Assets Index regulations.

#### **Description of the methodology for preparing disclosures according to Annex XII of Regulation 2021/2178**

The analysis of activity indicators related to nuclear energy and natural gas took into account the exposures of Bank customers that were covered by NFRD reporting for 2022. For this purpose, data from the Credit Information Bureau were used. As a result of the above taxonomic KPI analysis, the Bank identified insignificant exposures to the fossil gas business. Exposures are presented based on turnover and capital expenditure (CAPEX) metrics, which qualify for the taxonomy but do not meet the technical criteria. Therefore, the Bank only discloses tables based on template 4 in accordance with Annex XII. The Bank does not disclose the remaining formulas set out in Annex XII because in each of them the exposure related to the financing of nuclear energy and natural gas activities would be 0.

Due to implementation of Directive 2022/2464i (Corporate Sustainability Reporting Directive - "CSRD"), replacing the NFRD Directive from January 1, 2025, the Bank undertakes that current methodologies regarding disclosures related to the Taxonomy will be updated and expanded.

The tables below present data as of December 31, 2023.

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

		Total environmentally sustainable assets - turnover	Total environmentally sustainable assets - CAPEX	KPI Turnover	KPI CAPEX	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2 of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
<b>Main KPI</b>	<b>Green asset ratio (GAR) stock</b>	<b>34</b>	<b>42</b>	<b>0.31%</b>	<b>0.39%</b>	<b>60,22%</b>	<b>50,33%</b>	<b>39,78%</b>

		Total environmentally sustainable activities - turnover	Total environmentally sustainable activities - CAPEX	KPI Turnover		% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2 of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
<i>Additional KPIs</i>	<i>GAR (flow)</i>	1	8	0.04%	0.63%	7,45%	5,34%	0,00%
	<i>Trading book</i>	n/a	n/a	n/a	n/a			
	<i>Financial guarantees</i>	50	49	79.37	77.78%			
	<i>Assets under management</i>	n/a	n/a	n/a	n/a			
	<i>Net fee and commission income</i>	n/a	n/a	n/a	n/a			

1. Assets for the calculation of GAR – (turnover KPI)

Million EUR	Total gross carrying amount	Disclosure reference date T															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					
		Of which specialised lending	Of which transitional	Of which enabling		Of which specialised lending	Of which adaptation	Of which enabling		Of which specialised lending	Of which transitional/adaptation	Of which enabling					
1	<b>GAR - Covered assets in both numerator and denominator</b>																
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1,774	27	24	0	12	11	10	10	0	10	0	37	34	0	22	11
3	<b>Financial corporations</b>	<b>38</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
4	Credit institutions	16	3	0	0	0	0	0	0	0	0	0	3	0	0	0	0
5	Loans and advances	16	3	0	0	0	0	0	0	0	0	0	3	0	0	0	0
6	Debt securities, including UoP																
7	Equity instruments																
8	Other financial corporations	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	of which investment firms																
10	Loans and advances																
11	Debt securities, including UoP																
12	Equity instruments																
13	of which management companies	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Loans and advances	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Debt securities, including UoP																
16	Equity instruments																
17	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Debt securities, including UoP																
20	Equity instruments																
21	<b>Non-financial corporations</b>	<b>227</b>	<b>25</b>	<b>24</b>	<b>0</b>	<b>12</b>	<b>11</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>35</b>	<b>34</b>	<b>0</b>	<b>22</b>	<b>11</b>

Million EUR		Total gross carrying amount	Disclosure reference date T														
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				
			Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which adaptation	Of which enabling	Of which specialised lending	Of which transitional/adaptation	Of which enabling						
22	Loans and advances	227	25	24	0	12	11	10	10	0	10	0	35	34	0	22	11
23	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25	<b>Households</b>	<b>1,507</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
26	of which loans collateralised by residential immovable property	509	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	of which building renovation loans																
28	of which motor vehicle loans																
29	<b>Local governments financing</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
30	Collateral obtained by taking possession: residential and commercial immovable properties																
31	Other local government financing																
32	<b>Other assets excluded from the numerator for GAR calculation (covered in the denominator)</b>	<b>9,029</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
33	<b>Non-financial and financial corporations</b>	<b>3,930</b>															
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	2,717															
35	Loans and advances	2,717															
36	of which loans collateralised by commercial immovable property																
37	of which building renovation loans																
38	Debt securities																
39	Equity instruments																
	Financial corporations	897															

Million EUR		Total gross carrying amount	Disclosure reference date T														
			Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)						
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)						
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)						
				Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which adaptation	Of which enabling	Of which specialised lending	Of which transitional/adaptation	Of which enabling					
40	Non-EU country counterparties not subject to NFRD disclosure obligations	316															
41	Loans and advances	316															
42	Debt securities																
43	Equity instruments																
44	Derivatives	939															
45	On demand interbank loans	3,535															
46	Cash and cash-related assets	132															
47	Other assets (e.g. Goodwill, commodities etc.)	493															
48	<b>Total GAR assets</b>	<b>10,803</b>	<b>27</b>	<b>24</b>	<b>0</b>	<b>12</b>	<b>11</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>37</b>	<b>34</b>	<b>0</b>	<b>22</b>	<b>11</b>
49	<b>Other assets not covered for GAR calculation</b>	<b>7,136</b>															
50	Sovereigns	6,799															
51	Central banks exposure	153															
52	Trading book	184															
53	<b>Total assets</b>	<b>17,939</b>	<b>27</b>	<b>24</b>	<b>0</b>	<b>12</b>	<b>11</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>37</b>	<b>34</b>	<b>0</b>	<b>22</b>	<b>11</b>
<b>Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations</b>																	
54	Financial guarantees	63	8	39	0	9	0	14	11	0	4	0	22	50	0	13	0
55	Assets under management	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
56	Of which debt securities																
57	Of which equity instruments																

1. Assets for the calculation of the green asset index (CAPEX KPI)

Million EUR		Total gross carrying amount	Disclosure reference date T														
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				
				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/adaptation	Of which enabling	
1	<b>GAR – Covered assets in both numerator and denominator</b>																
2	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	1,774	37	32	0	11	18	10	10	0	0	0	47	42	0	11	18
3	<b>Financial corporations</b>	<b>38</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
4	Credit institutions	16	2	0	0	0	0	0	0	0	0	0	2	0	0	0	0
5	Loans and advances	16	2	0	0	0	0	0	0	0	0	0	2	0	0	0	0
6	Debt securities, including UoP																
7	Equity instruments																
8	Other financial corporations	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	of which investment firms																
10	Loans and advances																
11	Debt securities, including UoP																
12	Equity instruments																
13	of which management companies	22	0	0		0	0	0	0	0	0	0	0	0	0	0	0
14	Loans and advances	22	0	0		0	0	0	0	0	0	0	0	0	0	0	0
15	Debt securities, including UoP																
16	Equity instruments																
17	of which insurance undertakings	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0
18	Loans and advances	0	0	0		0	0	0	0	0	0	0	0	0	0	0	0
19	Debt securities, including UoP																
20	Equity instruments																
21	<b>Non-financial corporations</b>	<b>227</b>	<b>35</b>	<b>32</b>	<b>0</b>	<b>11</b>	<b>18</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>45</b>	<b>42</b>	<b>0</b>	<b>11</b>	<b>18</b>
22	Loans and advances	227	35	32	0	11	18	10	10	0	10	0	45	42	0	11	18

Million EUR		Total gross carrying amount	Disclosure reference date T											
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			TOTAL (CCM + CCA)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			
			Of which specialised lending	Of which transitional	Of which enabling		Of which specialised lending	Of which adaptation	Of which enabling		Of which specialised lending	Of which transitional/adaptation	Of which enabling	
23	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0
24	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0
25	<b>Households</b>	<b>1,507</b>	0	0	0	0	0	0	0	0	0	0	0	0
26	of which loans collateralised by residential immovable property	509	0	0	0	0	0	0	0	0	0	0	0	0
27	of which building renovation loans													
28	of which motor vehicle loans													
29	<b>Local governments financing</b>	<b>2</b>	0	0	0	0	0	0	0	0	0	0	0	0
30	Collateral obtained by taking possession: residential and commercial immovable properties													
31	Other local government financing													
32	<b>Other assets excluded from the numerator for GAR calculation (covered in the denominator)</b>	<b>9,029</b>	0	0	0	0	0	0	0	0	0	0	0	0
33	<b>Non-financial and financial corporations</b>	<b>3,930</b>												
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	2,717												
35	Loans and advances	2,717												
36	of which loans collateralised by commercial immovable property													
37	of which building renovation loans													
38	Debt securities													
39	Equity instruments													
	Financial corporations	897												

Million EUR		Total gross carrying amount	Disclosure reference date T															
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					
				Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which adaptation	Of which enabling	Of which specialised lending	Of which transitional/adaptation	Of which enabling						
40	Non-EU country counterparties not subject to NFRD disclosure obligations	316																
41	Loans and advances	316																
42	Debt securities																	
43	Equity instruments																	
44	Derivatives	939																
45	On demand interbank loans	3,535																
46	Cash and cash-related assets	132																
47	Other assets (e.g. Goodwill, commodities etc.)	493																
48	<b>Total GAR assets</b>	<b>10,803</b>	<b>37</b>	<b>32</b>	<b>0</b>	<b>11</b>	<b>18</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>47</b>	<b>42</b>	<b>0</b>	<b>11</b>	<b>18</b>	
49	<b>Other assets not covered for GAR calculation</b>	<b>7,136</b>																
50	Sovereigns	6,799																
51	Central banks exposure	153																
52	Trading book	184																
53	<b>Total assets</b>	<b>17,939</b>	<b>37</b>	<b>32</b>	<b>0</b>	<b>11</b>	<b>18</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>47</b>	<b>42</b>	<b>0</b>	<b>11</b>	<b>18</b>	
<b>Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations</b>																		
54	Financial guarantees	63	5	30	0	0	29	20	19	0	0	5	25	49	0	0	34	
55	Assets under management	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
56	Of which debt securities																	
57	Of which equity instruments																	



2. Green Asset Ratio sector information (turnover KPI)

	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCM + CCA)	Mn EUR	Of which environmentally sustainable (CCM + CCA)
1	19.20	24	0			24	0			24	0		
2	20.13	32	2			32	0			32	2		
3	24.41	0	0			0	0			0	0		
4	24.42	11	10			11	10			11	20		
5	25.11	20	0			20	0			20	0		
6	27.51	0	0			0	0			0	0		
7	29.10	8	7			8	0			8	7		
8	33.11	0	0			0	0			0	0		
9	35.11	0	0			0	0			0	0		
10	35.13	62	8			62	0			62	8		
11	46.39	42	0			42	0			42	0		
12	46.44	16	1			16	0			16	1		
13	46.71	0	0			0	0			0	0		
14	46.73	2	0			2	0			2	0		
15	46.74	2	0			2	0			2	0		
16	47.71	0	0			0	0			0	0		
17	62.01	7	0			7	0			7	0		
18	64.99	0	0			0	0			0	0		
19	71.20	6	0			6	0			6	0		

2. Green Asset Ratio sector information (CAPEX KPI)

	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCM + CCA)	Mn EUR	Of which environmentally sustainable (CCM + CCA)
1	19.20	24	1		24	0		24	1				
2	20.13	32	0		32	0		32	0				
3	24.41	0	0		0	0		0	0				
4	24.42	11	10		11	10		11	20				
5	25.11	20	0		20	0		20	0				
6	27.51	0	0		0	0		0	0				
7	29.10	8	0		8	0		8	0				
8	33.11	0	0		0	0		0	0				
9	35.11	0	0		0	0		0	0				
10	35.13	62	0		62	0		62	0				
11	46.39	42	0		42	0		42	0				
12	46.44	16	0		16	0		16	0				
13	46.71	0	0		0	0		0	0				
14	46.73	2	0		2	0		2	0				
15	46.74	2	0		2	0		2	0				
16	47.71	0	0		0	0		0	0				
17	62.01	7	0		7	0		7	0				
18	64.99	0	0		0	0		0	0				
19	71.20	6	0		6	0		6	0				

3. GAR KPI stock (turnover)

% (compared to total covered assets in the denominator)		Disclosure reference date T															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling						
1	<b>GAR - Covered assets in both numerator and denominator</b>																
2	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	2%	1%	0%	1%	1%	1%	1%	0%	1%	0%	2%	2%	0%	1%	1%	10%
3	<b>Financial corporations</b>	8%	0%	0%	0%	0%	0%	0%	0%	0%	0%	8%	0%	0%	0%	0%	0%
4	Credit institutions	19%	0%	0%	0%	0%	0%	0%	0%	0%	0%	19%	0%	0%	0%	0%	0%
5	Loans and advances	19%	0%	0%	0%	0%	0%	0%	0%	0%	0%	19%	0%	0%	0%	0%	0%
6	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
7	Equity instruments	0%	0%	0%		0%	0%	0%	0%		0%	0%	0%	0%		0%	0%
8	Other financial corporations	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
11	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
12	Equity instruments	0%	0%	0%		0%	0%	0%	0%		0%	0%	0%	0%		0%	0%
13	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
14	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
16	Equity instruments	0%	0%	0%		0%	0%	0%	0%		0%	0%	0%	0%		0%	0%
17	of which insurance undertakings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
18	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
19	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

% (compared to total covered assets in the denominator)		Disclosure reference date T															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling			
20	Equity instruments	0%	0%	0%		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
21	<b>Non-financial corporations</b>	11%	11%	0%	5%	5%	4%	4%	0%	4%	0%	15%	15%	0%	10%	5%	1%
23	Loans and advances	11%	11%	0%	5%	5%	4%	4%	0%	4%	0%	15%	15%	0%	10%	5%	1%
24	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
25	Equity instruments	0%	0%	0%		0%	0%	0%	0%		0%	0%	0%	0%		0%	0%
26	<b>Households</b>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	8%
27	of which loans collateralised by residential immovable property	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	3%
28	of which building renovation loans	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
29	of which motor vehicle loans	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
30	<b>Local governments financing</b>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
32	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
49	<b>Total GAR assets</b>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	60%

3. GAR KPI stock (CAPEX)

% (compared to total covered assets in the denominator)		Disclosure reference date T															Proportion of total assets covered
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling	
1	<b>GAR - Covered assets in both numerator and denominator</b>																
2	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	2%	2%	0%	1%	1%	1%	1%	0%	0%	0%	3%	2%	0%	1%	1%	10%
3	<b>Financial corporations</b>	<b>5%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>5%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
4	Credit institutions	13%	0%	0%	0%	0%	0%	0%	0%	0%	0%	13%	0%	0%	0%	0%	0%
5	Loans and advances	13%	0%	0%	0%	0%	0%	0%	0%	0%	0%	13%	0%	0%	0%	0%	0%
6	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
7	Equity instruments	0%	0%	0%		0%	0%	0%	0%		0%	0%	0%	0%		0%	0%
8	Other financial corporations	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
11	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
12	Equity instruments	0%	0%	0%		0%	0%	0%	0%		0%	0%	0%	0%		0%	0%
13	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
14	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
16	Equity instruments	0%	0%	0%		0%	0%	0%	0%		0%	0%	0%	0%		0%	0%
17	of which insurance undertakings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

% (compared to total covered assets in the denominator)		Disclosure reference date T															Proportion of total assets covered
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
			Of which specialised lending	Of which transitional	Of which enabling		Of which specialised lending	Of which transitional	Of which enabling		Of which specialised lending	Of which transitional	Of which enabling				
18	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
19	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
20	Equity instruments	0%	0%	0%		0%	0%	0%		0%	0%	0%	0%		0%	0%	
21	<b>Non-financial corporations</b>	<b>15%</b>	<b>14%</b>	<b>0%</b>	<b>5%</b>	<b>8%</b>	<b>4%</b>	<b>4%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>20%</b>	<b>19%</b>	<b>0%</b>	<b>5%</b>	<b>8%</b>	
22	NFCs subject to NFRD disclosure obligations	15%	14%	0%	5%	8%	4%	4%	0%	4%	0%	20%	19%	0%	5%	8%	
23	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
24	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
25	Equity instruments	0%	0%	0%		0%	0%	0%		0%	0%	0%	0%		0%	0%	
26	<b>Households</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	
27	of which loans collateralised by residential immovable property	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
28	of which building renovation loans	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
29	of which motor vehicle loans	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
30	<b>Local governments financing</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	
31	Collateral obtained by taking possession: residential and commercial immovable properties	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
32	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
49	<b>Total GAR assets</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	

4. GAR KPI flow (turnover KPI)

% (compared to flow of total eligible assets)		Disclosure reference date T															Proportion of total new assets covered	
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)						
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)						
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)						
				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling		
1	<b>GAR - Covered assets in both numerator and denominator</b>																	
2	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	1.13%	0.11%	0.00%	0.00%	0.09%	0.00%	0.00%	0.00%	0.00%	0.00%	1.13%	0.11%	0.00%	0.00%	0.09%	2.91%	
3	<b>Financial corporations</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
4	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
5	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
6	UoP Debt securities, including	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
7	Equity instruments	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	
8	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
9	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
10	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
11	UoP Debt securities, including	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
12	Equity instruments	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	
13	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
14	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
15	UoP Debt securities, including	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
16	Equity instruments	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	
17	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
18	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	

% (compared to flow of total eligible assets)		Disclosure reference date T															Proportion of total new assets covered
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling	
19	UoP	Debt securities, including	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
20		Equity instruments	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%
21		<b>Non-financial corporations</b>	1.13%	0.11%	0.00%	0.00%	0.09%	0.00%	0.00%	0.00%	0.00%	0.00%	1.13%	0.11%	0.00%	0.00%	0.09%
23		Loans and advances	1.13%	0.11%	0.00%	0.00%	0.09%	0.00%	0.00%	0.00%	0.00%	0.00%	1.13%	0.11%	0.00%	0.00%	0.09%
24	UoP	Debt securities, including	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
25		Equity instruments	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%
26		<b>Households</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.05%
27		of which loans collateralised by residential immovable property	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28		of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29		of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30		<b>Local governments financing</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.06%
31		Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32		Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
49		<b>Total GAR assets</b>	1.13%	0.11%	0.00%	0.00%	0.09%	0.00%	0.00%	0.00%	0.00%	0.00%	1.13%	0.11%	0.00%	0.00%	0.09%



4.GAR KPI flow (CAPEX KPI)

% (compared to flow of total eligible assets)		Disclosure reference date T															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					Proportion of total new assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling						
1	<b>GAR - Covered assets in both numerator and denominator</b>																
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	2.96%	1.60%	0.00%	0.51%	0.91%	0.00%	0.00%	0.00%	0.00%	0.00%	2.96%	1.60%	0.00%	0.51%	0.91%	2.91%
3	<b>Financial corporations</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	UoP Debt securities, including	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
7	Equity instruments	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%
8	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	UoP Debt securities, including	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
12	Equity instruments	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%
13	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	UoP Debt securities, including	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
16	Equity instruments	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%
17	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

% (compared to flow of total eligible assets)		Disclosure reference date T															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					Proportion of total new assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling			
18	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	UoP Debt securities, including	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
20	Equity instruments	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%
21	<b>Non-financial corporations</b>	2.96%	1.60%	0.00%	0.51%	0.91%	0.00%	0.00%	0.00%	0.00%	0.00%	2.96%	1.60%	0.00%	0.51%	0.91%	0.80%
23	Loans and advances	2.96%	1.60%	0.00%	0.51%	0.91%	0.00%	0.00%	0.00%	0.00%	0.00%	2.96%	1.60%	0.00%	0.51%	0.09%	0.80%
24	UoP Debt securities, including	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
25	Equity instruments	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%
26	<b>Households</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.05%
27	of which loans collateralised by residential immovable property	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	<b>Local governments financing</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.06%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
49	<b>Total GAR assets</b>	<b>2.96%</b>	<b>1.60%</b>	<b>0.00%</b>	<b>0.51%</b>	<b>0.91%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>2.96%</b>	<b>1.60%</b>	<b>0.00%</b>	<b>0.51%</b>	<b>0.91%</b>	<b>7.45%</b>

5. KPI off-balance sheet exposures (FinGar, AuM turnover)

% (compared to total eligible off-balance sheet assets)		Disclosure reference date T															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
			Of which specialised lending	Of which transitional	Of which enabling		Of which specialised lending	Of which transitional	Of which enabling		Of which specialised lending	Of which transitional	Of which enabling		Of which specialised lending	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	13%	62%	0%	14%	0%	22%	17%	0%	6%	0%	35%	79%	0%	21%	0%	
2	Assets under management (AuM KPI)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	

5. KPI off-balance sheet exposures (FinGar, AuM, CAPEX)

% (compared to total eligible off-balance sheet assets)		Disclosure reference date T														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
		Of which specialised lending			Of which transitional		Of which enabling			Of which specialised lending			Of which transitional		Of which enabling	
1	Financial guarantees (FinGuar KPI)	8%	48%	0%	0%	46%	32%	30%	0%	0%	8%	40%	78%	0%	0%	54%
2	Assets under management (AuM KPI)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

**6. Nuclear and fossil gas related activities**

<b>Nuclear energy related activity</b>		
1	The Bank funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The Bank funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The Bank funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
<b>Fossil gas related activities</b>		
4	The Bank funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuel	YES
5	The Bank funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The Bank funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels..	YES

**6. Taxonomy-eligible but not taxonomy-aligned economic activities – (turnover)**

	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM+CCA)		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%	0,0	0,0%	0,0	0,0%
2.	Amount and proportion of taxonomy-eligible but not taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%	0,0	0,0%	0,0	0,0%
3.	Amount and proportion of taxonomy-eligible but not taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%	0,0	0,0%	0,0	0,0%
4.	Amount and proportion of taxonomy-eligible but not taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%	0,0	0,0%	0,0	0,0%
5.	Amount and proportion of taxonomy-eligible but not taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,1	0,0%	0,1	0,0%	0,0	0,0%
6.	Amount and proportion of taxonomy-eligible but not taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%	0,0	0,0%	0,0	0,0%
7.	<b>Amount and proportion of other taxonomy-eligible but not taxonomy- aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>	<b>1,9</b>	<b>0,0%</b>	<b>1,9</b>	<b>0,0%</b>	<b>0,0</b>	<b>0,0%</b>
8.	<b>Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI</b>	<b>2,1</b>	<b>0,0%</b>	<b>2,1</b>	<b>0,0%</b>	<b>0,0</b>	<b>0,0%</b>

6. Taxonomy-eligible but not taxonomy-aligned economic activities – (CAPEX)

	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM+CCA)		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%	0,0	0,0%	0,0	0,0%
2.	Amount and proportion of taxonomy-eligible but not taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%	0,0	0,0%	0,0	0,0%
3.	Amount and proportion of taxonomy-eligible but not taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%	0,0	0,0%	0,0	0,0%
4.	Amount and proportion of taxonomy-eligible but not taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,4	0,0%	0,4	0,0%	0,0	0,0%
5.	Amount and proportion of taxonomy-eligible but not taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,5	0,0%	0,5	0,0%	0,0	0,0%
6.	Amount and proportion of taxonomy-eligible but not taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,0	0,0%	0,0	0,0%	0,0	0,0%
7.	<b>Amount and proportion of other taxonomy-eligible but not taxonomy- aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>	<b>0,5</b>	<b>0,0%</b>	<b>0,5</b>	<b>0,0%</b>	<b>0,0</b>	<b>0,0%</b>
8.	<b>Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI</b>	<b>1,4</b>	<b>0,0%</b>	<b>1,4</b>	<b>0,0%</b>	<b>0,0</b>	<b>0,0%</b>

### 3.Environment Protection Management Systems

[GRI 2-23, GRI 2-25]

As early as 2007 Citi Handlowy introduced a comprehensive Environmental Management Plan. In the subsequent years, it introduced an Environmental Management System according to ISO 14001 and Energy Management System according to ISO 50001 for the main locations of the Bank. The integration of systems was based on the process approach, which enabled continuous system improvement, prevention of the occurrence of irregularities and monitoring of fulfilment of the set objectives. The system is subject to annual regulatory audits by an independent certification bureau. Also in 2023, another supervisory audit was carried out for compliance with the 14001:2015 and 50001:2018 standards. The audits confirmed that the Bank fully implements the requirements of these standards, including operation of a system supporting the fulfilment of individual statutory, regulatory and contractual requirements.

In its operations the Bank ensures proper use and consumption of energy in order to reduce greenhouse gas emissions and mitigate climate change. The Bank adopted the [Energy Policy](https://www.citibank.pl/poland/homepage/polish/files2/polityka_energetyczna.pdf) and [Environmental Policy](https://www.citibank.pl/poland/homepage/polish/files2/polityka_srodowiskowa.pdf) ([https://www.citibank.pl/poland/homepage/polish/files2/polityka\\_energetyczna.pdf](https://www.citibank.pl/poland/homepage/polish/files2/polityka_energetyczna.pdf)) ([https://www.citibank.pl/poland/homepage/polish/files2/polityka\\_srodowiskowa.pdf](https://www.citibank.pl/poland/homepage/polish/files2/polityka_srodowiskowa.pdf)), seeking to:

- Minimize environmental impact by identifying and measuring the direct and indirect impact of its activities on the environment.
- Raise environmental awareness by conducting educational and information activities to increase environmental awareness among employees.
- Reduce greenhouse gas emissions and electricity consumption by taking actions to obtain renewable energy in the Bank's real properties and implementing energy saving good practices.
- Strive for the most effective management of utilities, in particular energy – ongoing monitoring of consumption – in the event of a failure, the possibility of detecting leaks, irregularities in consumption.
- Support purchasing of energy-saving products and services as well as improve energy performance.
- Ensure proper segregation of waste, initiate activities aimed at responsible waste management, strive for the circular economy.
- Control noise emissions by carrying out regular measurements.

Implementation of those objectives is monitored on a regular basis by the Working Group for Environmental and Energy Management System, including the Energy Management Representative, and reported to the top management.

The Environmental and Energy Management System (SZŚiE) assumes continuous improvement and streamlining of the existing processes to achieve improvement of general impact of the environmental and energy activity. Under SZŚiE, the Bank identified significant environmental aspects and specified the related risks and opportunities. Due to the introduction of the CSRD directive and European reporting standards in the field of sustainable development, the Bank plans to adapt its policies to applicable legal requirements in the near future. [GRI 2-23, GRI 2-24]



## 4. Limiting the consumption of resources

### 4.1. Monitoring of the consumption of utilities and fuel

Utilities consumption ****	2023***	2022**	2021*	2020	2019	Change 2023/2019	Change 2023/2019
Electricity [MWh P] [GRI 302-1, GRI 302-4]	7,751	9,101	9,358	9,809	11,716	-14.8%↓	-33.8%↓
Heating [GJ] [GRI 302-1, GRI 302-4]	18,271	27,762	26,903	21,605	22,435	-34.2%↓	-18.6%↓
Gas consumption [m <sup>3</sup> ]	788	23,087	36,832	29,570	41,128	-96.6%↓	-98.1%↓
Fuel consumption for power generators [t]	5,101	5,525	5,432	5,503	5,389	-7.7%↓	-5.3%↓
Water consumption [m <sup>3</sup> ] [GRI 303-5]	18,158	16,468	14,630	15,532	30,594	10.3%↑	-40.6%↓
Fuel used (petrol and diesel) in company cars (in liters)	262,182	247,273	159,830	246,165	520,142	6.0%↑	-49.6%↓

\* Changes to the volumes of water consumption in 2021 result from adjustments made after reporting deadline.

\*\* Changes to the volumes of consumption in 2022 result from adjustments made after reporting deadline. [GRI 3-2]

\*\*\* Data for 2023 is incomplete (as at the publication date, the Bank didn't receive all the invoices for utilities consumption)

\*\*\*\* Data regarding consumption of utilities is presented on the basis of invoices received from suppliers.

The Bank collects, monitors and analyzes data regarding its consumption of utilities: electricity and heat, gas and water, in order to plan a reduction of this consumption and thus to reduce the impact of the Bank's business on climatic changes. In 2023, **there was a reduction in electricity consumption of about 14.8% compared to 2022**. This reduction in electricity is the result of investments in the Bank's own buildings that have been carried out for many years (a decrease of about 16% as compared to 2022, including a 50% reduction in energy consumption in the building at ul. Senatorska in Warsaw in the time it was out of service for renovation). This decrease is also due to the sale of the building in Poznań at ul. Wolności in 2022. In the case of leased space, consumption was reduced by 8% compared to 2022. One criterion for the Bank's selection of leased office space is a preference for green, low-carbon buildings to reduce both office maintenance costs and the carbon footprint of the Bank's operations. [GRI 302-4]

As part of the Bank's declaration to achieve climate neutrality from its own operations, the Bank is moving away from purchases of energy from conventional sources to replace it with renewable energy. In 2023, **60% of the Bank's energy consumption was from renewable sources. In 2024, 65% of the electricity contracted for the Bank's own buildings (which account for 88% of the portfolio) will be from renewable energy sources.**

The Bank is constantly taking steps to make its own buildings more sustainable, energy efficient and less carbon-intensive throughout their life cycle. In addition, the Bank is constantly educating its employees about their environmental impact, including developing good practices for employees to conserve electricity during everyday work (such as using natural lighting, keeping blinds closed, and turning off monitors after work), and the Bank has developed contingency plans in case of an emergency situation involving power outages (blackouts).

In 2023, the Bank achieved **a lower consumption of thermal energy by 34.2%** as compared to 2022 in all its buildings. This was the result of investments carried out in previous years and the shutdown of the building at ul. Senatorska 16 in Warsaw for renovation. In addition, in 2023 there were favorable thermal conditions (temperatures in the winter season of 2023/2022 were mostly higher than in the previous heating season), which resulted in a low demand for heat (number of heating days). The Bank also **significantly reduced natural gas consumption (down 96.6% y/y)**, as a result of the sale of a building equipped with a gas system.

In 2023, the Bank had a **10.3% increase in water consumption** compared to 2022. Significant changes in consumption were registered in the building to which employees were relocated in 2023 for the time of renovation of the building at ul. Senatorska. The operation of water systems is directly affected by the number of people in a building. The dissemination of water management knowledge still requires increased information efforts, as it is not promoted as much as energy efficiency. The Bank is replacing and upgrading water systems, which can ultimately help reduce water consumption. **The water consumption recorded in 2023 is at the same time 41% lower compared to the pre-pandemic year 2019, which is one of the positive effects of the implementation of a hybrid work model.**

In order to reduce water consumption, Citi Handlowy uses a small retention system based on rainwater collection. One of our facilities has a rainwater reservoir with the capacity of 5000 liters. This reservoir is connected through a storm water drainage system with the building's roof, whose surface is about 2000 m<sup>2</sup>. During periods of drought, the Bank uses the collected rainwater to water the lawns on its property.

In 2023, **fuel consumption by company cars increased by 6%** from 2022. This slight increase indicates that the number of business trips frozen during the pandemic period has stabilized. Shifting the majority of business meetings and negotiations to remote channels resulted in **a 50% decrease in fuel consumption compared to the pre-pandemic level**. In addition, the replacement of the car fleet with hybrid cars contributed to this remarkable achievement.

## 4.2. Reduced consumption of materials

The operations of the Bank involve a significant consumption of paper products. A key element of the Bank's activities to reduce paper consumption is the consistent implementation of digitization, optimization and automation of business processes. These measures are an important step in the pursuit of sustainable management of raw materials. As part of the *Paperless* project implemented in 2020, which covered all the organizational units of the Bank, paper consumption decreased significantly and is currently monitored on an ongoing basis. The main objective of the project is to maintain at a stable level the efficiency indicators for printing, non-leased printers, external printers, internal archives, document shredding, mail and couriers, and marketing materials. Monitoring and cutting the use of paper directly translate into reducing deforestation, carbon footprint and operating costs.

To protect the environment, the Bank also uses eco paper made of recycled materials. In the years to come, the Bank wants to continuously increase the use of this product and reduce the use of traditional paper.

### Paper consumption under the contract with the service provider [GRI 301-1]

Year	2023	2022	2021	2020
Delivered/used sheets/cards	990,500	1,157,665	1,040,966	1,513,491

**The 14% reduction in paper consumption in 2023** as compared to 2022 is a result of the Bank's continued digitization of processes, which directly translated into less paper correspondence sent to clients.

The Bank's efforts regarding the automation and introduction of electronic document circulation (including launching the Digital Office, among other things) leads not only to the reduction of printed documents, but also of the volumes of mailed letters and bank statements. From year to year, **the share of traditional correspondence at the Bank has been going down (in 2023 its volume decreased by 33% compared to 2022).**

**Number of letters and account statements sent to clients [GRI 301-1]**

Year	2023	2022	2021	2020
Number of letters and account statements sent	726,538	1,082,720	1,248,752	1,415,219

### 4.3. Waste management

The dynamic economic development is the direct reason for the generation of increasing volume of waste. One of the ways to reduce the amount of waste is the development of the circular economy. Therefore, Citi Handlowy initiated activities to minimize the amount of waste it generates, e.g. by:

- use of some furniture equipment after refreshing in new office spaces located in the Łódź Textorial facility;
- continuing the Plasticless project, which aims to eliminate the use of plastic bottles in favor of using water from dispensers (most facilities have electric water dispensers connected directly to the water supply, so these offices do not use plastic bottles) and glass bottles;
- eliminating polystyrene foam from employee canteens in favor of biodegradable packaging (e.g. made of palm leaves, bamboo);
- introducing cardboard cups with polymers made of renewable materials and biodegradable lids made of sugar cane;
- introducing wooden cutlery made of wheat bran;
- using press containers to compact waste, which limits environment pollution related to waste transport.

Precise sorting of waste enables the recovery of more raw materials that can be recycled. For this reason, the Bank provides, in all its locations, dedicated and clearly marked containers, contributing to the higher recovery of recyclable waste generated at the Bank. In 2023, over 90% of waste generated by Warsaw locations was sent for recycling or recovery. In addition, the Bank also uses containers for destroyed, classified documents, 100% of which are recycled.

**Paper delivered by Citi Handlowy for destruction and recycling (kg) [GRI 306-3]**

Year	2023	2022	2021	2020
Paper delivered for destruction and recycling (kg)	143,395	166,060	154,980	170,345

### 4.4. Environmental noise protection

The Bank cares for the well-being of the local community, and therefore takes actions to reduce noise nuisance generated by building installations. Among other things, it ensures proper control of the operating time of these installations and their proper maintenance. The level of noise emitted by the devices does not exceed permissible standards.

## 5. Reduced ecological footprint

### 5.1. Description of the applied method and reporting limitations

As in previous years, the carbon footprint of the Bank was calculated in 2023 in accordance with the Greenhouse Gas Protocol, using external databases of emission factors. This report was prepared in accordance with the adopted methodology and indicators for calculating the Bank's carbon footprint in previous years.

The carbon footprint calculations for 2023 were made on the basis of provided data. The collected data were summarized by category for the facilities used by the Bank. The data recorded by the Bank pertain to the main activities of the Bank. The analysis disregards less substantial data, which are impossible to record or which have negligible impact on the environment. To meet the changing requirements, the Bank calculates its carbon footprint in accordance with the GHG Protocol recommendations, also partially taking into account Scope 3, which is currently not subject to reporting obligations. The consequence of the above may be, to some extent, a change in the method applied to calculate carbon footprint and another update of indicators. The Scope 3 reporting obligation has been postponed several times. Currently, the date of entry into force of the obligation to disclose the carbon footprint in Scope 3 depends on the size and type of the organization:

- large public interest companies (employing over 500 employees) - are obliged to disclose carbon footprint in Scope 3 in reports covering data from January 1, 2024
- large enterprises that are currently not subject to the non-financial reporting directive - in reports covering data from January 1, 2025
- small and medium-sized enterprises (SME) and other listed companies will be subject to the reporting obligation from January 1, 2026, with SME having the option to opt out of reporting until 2028

In order to more precisely reflect the structure of purchased electricity within the Bank's branches, energy suppliers for individual branches were included in the carbon footprint calculations. If it was impossible to determine the energy supplier, the latest KOBIZE emission index was used. In addition, ongoing renovations in some buildings owned by the Bank were taken into account. Emissions related to the rental of space and their use were also separated (these emissions were not included in the calculations, so that, for example, the total consumption of utilities was reduced by the values generated by tenants).

### 5.2. Greenhouse gas emissions

[GRI 305-1, GRI 305-2, GRI 305-3]

The calculation of the Bank's results of carbon footprint emissions in 2023, as in the previous year, was done using the **Location based** and **Market based** approaches. The first one allows one to indicate emissions for which the organization is directly responsible and which are tied to the energy it consumes, while the second approach allows one to take into account decisions made by the enterprise (e.g. purchase of energy certificates). Results under the *Location based and Market based* approaches amounted to, respectively: **13 324,1 tCO<sub>2</sub>e** and **10 830,3 tCO<sub>2</sub>e** – **this is a lower result compared to last year. The decrease in greenhouse gas emissions in 2023 is due to, among others, the purchase of a larger volume of energy from renewable energy sources, the sale of one of the Bank's properties equipped with a gas installation and the decommissioning of the Bank's headquarters for the duration of renovation.** This means that **as a result of actions taken by the Bank in 2023, potential CO<sub>2</sub>e emissions in the amount of approx. 2 493,8 t CO<sub>2</sub>e were avoided.**

#### “Market based” method

The Market based approach (compared to the Location based approach) reflects avoided emissions due to the purchase of energy certificates or the production of energy from renewable energy sources and highlights the organization's ecological activities.

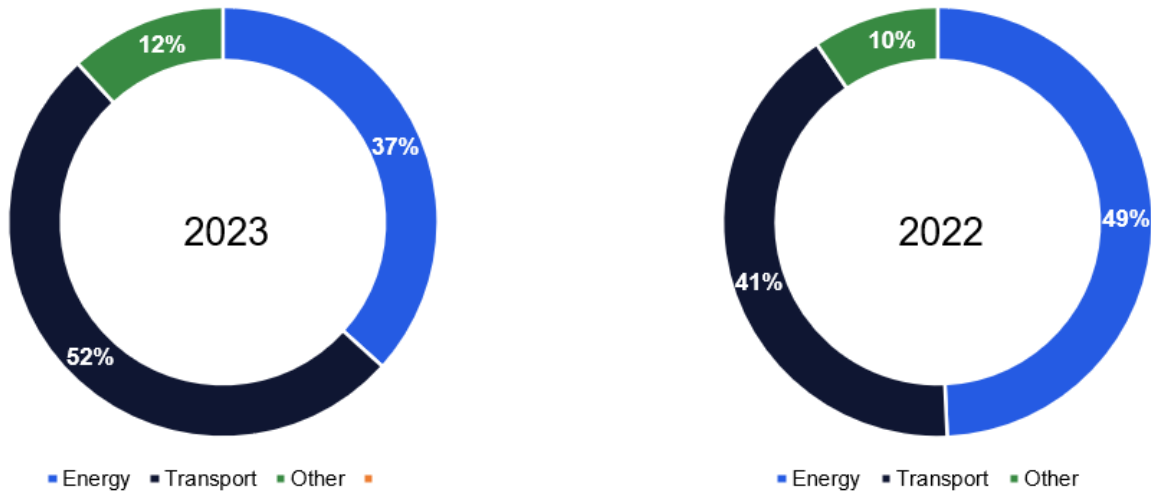
In 2023, **the volume of emissions calculated using this approach amounted to 10 830,3 thousand t CO<sub>2</sub>e, which is 18.7% less than in the Location based approach.** On the other hand, comparing these emissions to 2022, this represents a decrease of emissions by about 15.8% (i.e. 2 039,6 tons CO<sub>2</sub>e).

The analysis of the emission structure showed that **the largest percentage of emissions was related to transport. In 2023, there was an increase in transport emissions in the emission structure from approximately 41.2% to 51.5%** due to the increased number of business trips). There was also a **significant decrease in emissions related to energy production (36.7% in 2023 compared to 49.3% in 2022).** This decline is the result of activities undertaken by the Bank related primarily to the purchase of low-emission energy certificates, as well as investments in renewable energy sources (avoided emissions amounted to 2.4 thousand tons of CO<sub>2</sub>e). Other emission categories accounted for approximately 11.8%.

The fluctuations in the emission structure resulted mainly from the purchase of a larger amount of certified electricity, lower consumption of thermal energy, updated emission indicators, as well as an increased number of business trips.

The structure of emissions in the years 2023 and 2022, broken down by category, is presented below.

### Structure of carbon footprint emissions in 2023 and 2022 by category

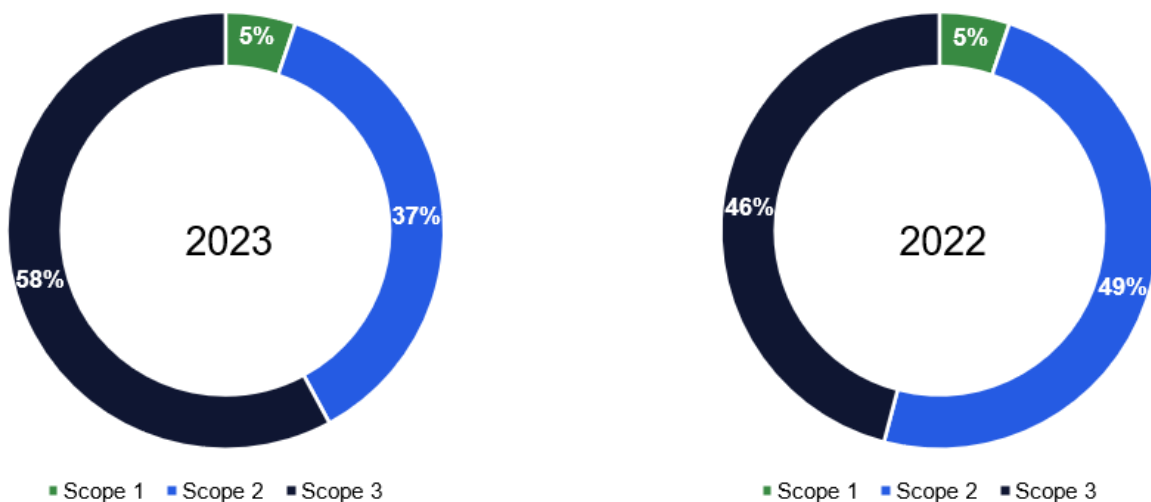


\* Changes in the volume of emissions in 2022 compared to the data published in the report for 2022 result from the recalculation of emissions based on adjustments to utilities consumption made after the reporting date. [GRI 3-2]

Carbon footprint emissions are also presented per emission scopes. **The largest share was related to other emissions (Scope 3), which increase from 46.1% in 2022 to 58.2% in 2023 was due to the increased number of business trips.** The share of indirect emissions that are not under the Bank's direct control (Scope 2) amounted to 36.6% (compared to 48.9% in 2022). **The decrease in scope 2 emissions is a consequence of investments in renewable energy sources and the purchase of energy certificates from suppliers.** However, the Bank's direct emissions (Scope 1) remain at a level similar to the previous year and amounted to 5.2% in 2023 (compared to 5.1% in 2022).

The Market based approach emission structure, taking into account the scopes, is presented in the charts below.

### Structure of carbon footprint emissions in 2023 and 2022 by scopes



## Explanation of the differences in the CO<sub>2</sub> emissions in 2023 versus 2022

### Detailed results of carbon emissions of Citi Handlowy in 2023 and 2022

Specification	2023				2022			
	Emissions by Scope [t CO <sub>2e</sub> ]				Emissions by Scope [t CO <sub>2e</sub> ]			
	Scope 1	Scope 2	Scope 3	Total	Scope 1	Scope 2	Scope 3	Total
ENERGY	14	3,962		3,976	61	6,287		6,348
TRANSPORT	551		5,023	5,574	536		4,765	5,301
INFRASTRUCTURE			19	19			36	36
WATER CONSUMPTION			3	3			2	2
OFFICE SUPPLIES			45	45			122	122
WASTE			1	1			4	4
WTT EMISSIONS <sup>2</sup>			1,212	1,212			1,003	1,003
AIR CONDITIONING	0			0	54			54
<b>TOTAL</b>	<b>565</b>	<b>3,962</b>	<b>6,303</b>	<b>10,830</b>	<b>651</b>	<b>6,287</b>	<b>5,932</b>	<b>12,870</b>

Table: Inventoried data from the Bank's operations for 2023 (Scope 1 – direct emissions, Scope 2 – indirect energy emissions, Scope 3 – other indirect emissions)

#### Comments:

1. The differences between the emissions data for 2022 and the data provided in the report for 2022 result from the recalculation of these emissions due to higher consumption of some utilities recorded based on invoices received by the Bank after the publication date of the non-financial data report for 2022. [GRI 3-2]
2. WTT (Well to tank) indicators from the source (energy carrier) to the tank. It takes into account the Bank's emissions associated with the extraction, refining and transportation of raw fuel to the controlled vehicle, asset or process. They have their own set of emission factors and a separate specification of WTT in Scope 3 (Category 3: Energy and fuel emissions).

The reduction in emissions in the Energy category by 37.4% compared to 2022 is the result of a more accurate reflection of the structure of purchased electricity within the Bank's branches, taking into account energy suppliers for individual branches, as well as investments in renewable energy and the purchase of energy certificates [GRI 305-5], while the increase in emissions in the Transport category in 2023 by 5.1% compared to 2022 results from business trips.

Comparing the carbon footprint result (using the Market based method – 2023/2022), it can be discerned that Citi Handling's emissions decreased by approx. 15.8%, which can be explained by a change in energy demand (electricity and heat), as well as the update of energy suppliers along with emission factors. The larger carbon footprint is noticeable mainly in category Transport. Bearing in mind the reduction of emissions from the Bank's operations in the future, attention should be paid to those areas that generate the highest emission levels, i.e. electricity generation, heating and transport. Those areas offer the greatest possibilities to reduce environmental impact as they can generate electricity and heat from their own zero- or low-emission sources. Another solution could be to increase the share of energy purchased from certified (low-emission) sources, which will certainly translate into a lower carbon footprint. The significant level of transport emissions makes it possible to consider reducing emissions in this area, for example through a wider use of ecological transport (e.g. purchase of electric/hybrid cars, use of lower-emission public transport) and promotion of this mode of transport among employees. Significant Scope 3 emissions also provide an opportunity to reduce carbon footprint by establishing cooperation with partners (suppliers) that can provide low-carbon-footprint materials.

GHG emissions intensity [GRI 305-4]

Ratio	2023	2021	Change YoY
GHG Emissions GHG Scope 1, 2, 3 (t CO2e) / Group's revenues (PLN MM)	2.40	3.53	-32%
GHG Emissions GHG Scope 1+2 (t CO2e) / Group's revenues (PLN MM)	1.00	1.90	-47%
GHG Emissions GHG Scope 1, 2, 3 (t CO2e) / No. of Group's employees	3.54	4.33	-18%
GHG Emissions GHG Scope 1+2 (t CO2e) / No. of Group's employees	1.48	2.33	-37%

5.3. Pro-ecological investments [GRI 2-24]

Locations of Citi Handlowy are monitored for their environmental impact on an ongoing basis in order to obtain ever better results in this respect. Due to the complexity of environmental challenges, in 2023 Citi Handlowy undertook the following pro-ecological activities:

- Continued implementation of BREEAM IN-USE certification (one of the world's most recognizable sustainable building rating systems) as a confirmation of ensuring high environmental comfort and guaranteeing the use of modern technologies. In 2022, this certificate covered three buildings: in Olsztyn at ul. Pstrowskiego 16 and in Warsaw at ul. Traugutta 7/9 and ul. Senatorska 16. The certification audit process is currently in progress for the building at ul. Golezowska 6 to assess the green solutions and management systems implemented in that building. In the following years, after completion of a thorough renovation of the building at ul. Senatorska 16, the Bank wants to raise the rating for this project.



- Completion of further photovoltaic projects at the Bank's buildings in Warsaw to produce emission-free energy for the Bank's own needs. These projects allow the Bank to effectively use the potential of its resources and contribute to the reduction of air polluting emissions. Photovoltaic devices of 50 kW (Senatorska 16) and 17 kW (Traugutta 7/9) have been installed on the rooftops of those buildings. Activities are currently underway to enable the operation of the installations.
- Completion, planned for the second quarter of 2024, of the upgrade of the building at ul. Senatorska 16 in Warsaw, will reduce the adverse environmental impact of this building. After the reconstruction, the Bank's headquarters will be in line with the standards of the green buildings perceived as state-of-the-art and guaranteeing a friendly working environment. During the renovation works, the lighting will be upgraded to LED technology, ventilation and air conditioning will be modernized (by replacement of ventilation control units and fan coil units), the roofing will be replaced and the building will undergo thermal modernization and a grey water utilization system will be developed.

## 5.4. Pro-ecological projects

Citi Handlowy has been building a high level of environmental awareness among its employees by promoting pro-ecological initiatives. Examples from 2023 include:



- **Cleaning up the world as part of Citi's Global Community Day.** The Citi Handlowy Leopold Kronenberg Foundation organized actions in Warsaw and Olsztyn to clean up the Vistula and Lyna rivers.
- **WWF Earth Hour** – in 2023, to show solidarity with the idea of stopping the loss of biodiversity, which accompanied this year's action, the Bank turned off the lights in its buildings throughout Poland, including Katowice, Łódź, Olsztyn, and Warsaw.
- **Earth Day** – Citi Handlowy has supported this campaign for 12 years, promoting pro-environmental activities and behaviors among employees. On the occasion of the World Earth Day in 2023, the Bank organized a pilot action under the slogan “Swap a plastic bag for an eco-bag” in order to reduce the amount of plastic waste by refraining from buying plastic bags, which adversely affect the environment.
- **International E-Waste Day** – in 2023, a campaign was organized at the Bank under the slogan “Recycle anything with batteries or a plug” to promote environment protection principles. As part of this action, electronic items intended for recycling and not associated with electro-waste were collected. The waste collected was handed over to the company ElektroEko – Organizacja Odzysku Sprzętu Elektrycznego i Elektronicznego S.A. – the official coordinator of the campaign organizing the celebration of the International E-Waste Day in Poland.
- **World Water Day** – the Bank published a message for employees with examples of actions that can contribute to solving the water consumption crisis. The message was published as part of World Water Day, celebrated under the theme “Accelerating change – be the change you want to see in the world.”

The Bank was named a “Climate Conscious Company” in the 2023 as part of the Corporate Climate Crisis Awareness Study. The Corporate Climate Awareness Study was conducted by the Reporting Standards Foundation, the Polish Association of Listed Companies, and Bureau Veritas. The project’s aim is to identify companies that are aware of their impact on climate change and that show a high level of presentation of environmental issues.



## V. Development of talents and respect for diversity

Citi Handlowy strives to be an organization which draws the best talent, hires and promotes employees based on performance and makes growth opportunities widely available. The Bank is constantly working on creating an organizational culture which promotes responsible finance, where employees treat each other with respect and dignity, and can count on support to preserve a balance between work and private life. The Bank adheres to the principles of equality in recruitment and respects the provisions of law on fair employment practices and anti-discrimination.

### 1. Diversity

#### Diversity and Social Inclusion Culture at Citi Handlowy

Citi Handlowy creates a work environment that is conducive to diversity and social inclusion, where every employee can feel proud of what makes him or her different – origin, beliefs, experience and ideas. The Citigroup employees reflect the diversity of cultures and beliefs of their clients from over 160 countries and jurisdictions where the Group operates. It gives the Bank a unique competitive advantage of global reach and local market expertise.

The promotion of diversity within teams, ideas and opportunities at Citi Handlowy is conducive to supporting growth and development being quintessential of who we are and how we prosper.

- **For the employees** – the inclusion culture means that employees feel good when committing to tasks assigned to them, and that they can be themselves at work
- **For the organization [Citi Handlowy]** – affiliation with a global financial institution gives the bank a unique strength generated by the global reach and multitude of beliefs
- **For clients and communities** – diversity of views encourages innovations and strengthens ethical business conduct

In accordance with Article 9 of the Banking Law Act, the “Diversity Policy for Members of the Management Board of BHW” adopted by the Supervisory Board’s Nomination and Remuneration Committee is currently in force at Bank Handlowy w Warszawie S.A. The purpose of the Policy is to determine the Bank’s strategy on diversity management, consisting in the promotion of diversity to ensure that the process of selection of Members of the Management Board involves candidates that are diverse in terms of their gender, age, education, and professional experience. This is to allow different points of view and experiences and to enable independent opinions to be given as well as reasonable decisions to be made as part of the functions held by them, and to obtain support for the implementation of the Bank’s strategic goals by ensuring high-quality performance of the Management Board’s role. The Bank’s Diversity Strategy embraces the differences stemming from areas of education, experience, gender and age and uses them to achieve the best results. Under the periodic assessment of the structure, size, composition and effectiveness of the Management, carried out at least once a year, the Supervisory Board’s Nomination and Remuneration Committee, in accordance with the Regulation of the Minister of Finance on the specific scope of tasks of the nomination committee at significant banks of 7 May 2018, evaluates and documents the compliance with the Policy.

In order to define the Bank’s strategy for managing and promoting diversity, there is also a separate and formalized “Diversity Policy for Employees of Bank Handlowy w Warszawie S.A.” adopted by the Management Board. The Bank appreciates the positive impact of diversity, as an element of human resource management, on building its culture and values. Every employee is expected to comply with and support the implementation of the diversity strategy, which should lead to the Bank’s continuous development and increase its efficiency and competitiveness.

## Gender diversity ratio in the Bank's Management Board and Supervisory Board

The total gender diversity ratio in the Bank's management and supervisory bodies remains significantly above 50%.

### Gender diversity ratio in the Management Board and Supervisory Board of Citi Handlowy

	2023	2022	2021	2020
Management Board	57%	57%	57%	43%
Supervisory Board	57%	63%	50%	33%
<b>Total (Management Board &amp; Supervisory Board)</b>	<b>57%</b>	<b>60%</b>	<b>53%</b>	<b>37%</b>

\*The gender diversity ratio is calculated as the % of women's share in the full composition of the given governing body.

Since October 2021, the position of President of the Bank's Management Board has been held by a woman. Ms. Elżbieta Światopełk-Czetwertyńska is the 27th President of the Bank and the first woman in that position in the Bank's 150-year history. [\[GRI 405-1\]](#)

### Citi Handlowy's Management Board by age and gender in 2023 [\[GRI 405-1\]](#)

Year	Age	Female	Male	Total
2023	31-50	1	1	2
	> 50	3	2	5
<b>Total</b>		<b>4</b>	<b>3</b>	<b>7</b>

### Citi Handlowy's Supervisory Board by age and gender in 2023 [\[GRI 405-1\]](#)

Year	Age	Female	Male	Total
2023	31-50	1	1	2
	> 50	3	2	5
<b>Total</b>		<b>4</b>	<b>3</b>	<b>7</b>

Gender diversity at Citi Handlowy in 2023: [\[GRI 2-12\]](#)

- **share of female managers was 49% (a slight decrease by 2 p.p. YoY)**
- **share of women on the Bank's Management Board was 57%**
- **women and men holding equivalent positions receive remuneration corresponding to their competences, on comparable levels** – the remuneration of women employed at Citi Handlowy is comparable to the aggregate remuneration\* of men and, as at the end of 2023, amounted to **94%** of the remuneration of men – increase by 1 p.p. as compared to 2022 (taking into account employees actively performing work, the areas where they are employed, location and their pay grades based on full-time equivalent – excluding child care leave, unpaid leave and long-term sick leaves). This ratio calculated on the basis of basic salary is 96%. [\[GRI 405-2\]](#)

\*aggregate remuneration for 2023 understood as annualized average revenue of employees working as at 31/12/2023 for 2023, converted to full-time equivalent, excluding employees on child care leave, unpaid leave and on long-term sick leaves as at 31/12/2023).

- **the Management Board of the Bank is headed by a woman**, and three key areas of the Bank's business, namely Risk, Finance and Operations & Technology, are led by female members of the Management Board of Citi Handlowy
- **the average length of service at Citi Handlowy oscillates around 10.9 years**; for women this average has been growing in recent years and in 2023 was over 11.6 years.

## Citi Women Network Poland

Citi Women Network initiative has been rolled out in Citi Handlowy since 2004. It was kicked off as a part of the wider Citi Inclusion Network implemented by Citi worldwide. The purpose of Citi Women Network Poland initiative is to draw attention to the situation of women who work in Citi Handlowy, provide equal chances of professional development and realization of ambitions connected to their career in the Bank.

Citi Women Network Poland mission:

- creation of encouraging professional development conditions for women and support in overcoming barriers;
- provision of conditions which enable the fulfillment of women's ambitions while keeping balance between professional work and private life.

Citi Women Network inspires women to invest in themselves by taking part in training, mentoring, meetings with successful people and integration meetings. It organizes inspirational meetings (e.g. with leaders from Citi) and various workshops or sessions to support women's development (e.g. IT skills). Citi Women Network also conducts mentoring for female colleagues who need friendly advisory in professional career development. It supports women in establishing new and close contacts, propagates a pro-feminine approach in the organization and outside the organization and helps women to find balance between work and private life.

In 2023, Citi Women Network Poland organized face-to-face and online events, such as inspirational and motivational meetings with leaders from the Citi group, meetings and training to support women in taking care of their health (e.g. seminars on breast cancer prevention) and taking care of their personal and professional development (e.g. workshops on debating/presenting persuasive arguments). Citi Women Network Poland also organized Mentoring Walks for junior female colleagues, celebrations of International Women's Day, and joint initiatives with external organizations, such as the Entrepreneurial Women Foundation (an opportunity for people from Citi Handlowy to participate in a conference organized by the Entrepreneurial Women's Network), Perspektywy Foundation (Women in Tech), Vital Voices Foundation (LeadersIn), and actively participated in the Baba Fest festival in Olsztyn.

## Citi Pride Network Poland

Citi Pride Network Poland involves all employees in its actions, attempting to create and reinforce a safe space, and also works together with non-profit organizations. It is one of the most active employee initiatives within the company, in the context of promoting diversity and inclusiveness. Its activities are furthered by all employees of Citi Handlowy, who acknowledge the great value of diverse work environment for the organization.

In 2023, Pride Network organized training sessions in cooperation with NGOs such as Lambda and We, the Parents, including a webinar on "The LGBTQ+ person as a family member." It also regularly held meetings with a psychologist to discuss both issues related to the LGBTQ+ community and current topics. During Coming Out Day, rainbow flags were set up at all locations of the Bank and a discussion panel was held where employees of the Bank and invited external panelists talked about their coming-outs. The event was attended by nearly 100 employees.

Citi Handlowy, as an inclusive employer, took part in both the Warsaw Equality Parade and the Olsztyn Equality Parade. Both female and male colleagues expressed their support to diversity during the march and in the Equality Town. About 350 employees participated in the Warsaw Equality Parade, accompanied by their families, friends and allies of the LGBTQ+ community.

Network's activities were also visible in internal campaigns such as Let's Celebrate and the Bank's external communication, including on social media. Let's Celebrate includes regular events for the Bank's employees, inspired by the Voice of the Employee survey, which provide a platform for integration and joint celebration.

In 2023, Citi Handlowy received the maximum score of 100 points in Cashless.co.uk's "For Equality" ranking. This is a ranking of financial institutions that care about professional and social equality for LGBT+ people. In 2023, Citi Handlowy together with the Citi Solutions Center (business services) were among the first companies to sign a declaration of support for the LGBTQ community in Poland, initiated by Forbes Women.

## Families Matter Network Poland

The initiative of Families Matter Network Poland brings together employees who are familiar with the subject of parenting, family and bringing up children as well as challenges faced by all generations nowadays. Including the *sandwich* generation, which must support both their parents and their growing children – *young adults*. In 2023, the leitmotif was integrating employees and their families after the pandemic and hybrid work.

In June, Network jointly celebrated the Day of Mother, Father and Child at 3 family picnics in Łódź, Olsztyn and Warsaw as “Family Day,” and organized a contest with prizes for children named “Banking of the Future.” In addition, children of employees who shared their artwork received as prizes family tickets to the cinema and vouchers for snacks and drinks.

Together with the Pride Network initiative and the Citi Solutions Center (Citi’s business services center in Poland), Families Matter Network co-organized a webinar for employees titled “The LGBTQ+ person as a family member.” Together with other networks and the People Board, under the slogan “Let’s Celebrate Together,” Network members had the opportunity to present Network’s activities in Olsztyn, Warsaw and Łódź. Let’s Celebrate is a periodic event for Bank employees that is a platform for integration and celebrating together.

At the end of 2023, Network members, together with their children, prepared Christmas cards for the charges of the Occupational Therapy Workshop “Ognisko” in Pruszków as part of the “Become Santa’s Helper” workshops.

## Citi DisAbility Network

Citi Disability Network is a space open to disability in any form – both that concerning employees and their families, and that experienced by Bank’s clients.

Under Citi Disability Network we want to shine light on the situation of disabled persons – within and outside of the organization. It is important to us that everyone feels respected and understood at work – although we cannot always talk about our needs or accurately understand a person in need.

Our mission is:

- to build disability awareness,
- to initiate conversations about taboo topics and create experience-sharing platforms,
- to organize meetings and workshops,
- to promote a healthy lifestyle and regular check-ups.

This is why in 2023 Citi Disability Network co-created the following actions:

- **The “Neurodiversity in the Workplace” campaign** – through our intranet site and information sent as part of “Pulse” internal communications, we invited people to read about diversity in the workplace. A company’s organizational culture is heavily influenced by the diversity of its workforce. A friendly work environment means the openness and understanding of natural differences among individuals. Not all of us can function in ways that are considered typical, but the more we know about neuroatypicality, the less we fear it. Neuroatypical individuals are among us. They have some unique characteristics and perceive and analyze the world in a certain way. Learning about them allows us to benefit from diversity and face challenges. The more we know about differences, the easier it is for us to turn them into benefits for teams and projects.
- **Practical guide “Health-promoting facilitations in our offices”** – we have published a guide on how to take care of your well-being and comfort in the office. If you want to know what office equipment will help you maintain proper posture, reduce back pain, or prevent health problems, visit our Citi DisAbility Network website!
- **Citi Global Community Day** – this year it fell on the eve of Children’s Day, so we spent it as volunteers at the kindergarten for visually impaired children in Laski. We gave presents to all the children. We spent time together with the children in a truly kindergarten style: there were games with balloons and pastry, fairy tale stories and singing together. Our volunteers also represented Citi DisAbility Network at the annual volunteer fair organized by our colleagues from the Kronenberg Foundation. We worked for the charges of the A.R.T. Foundation and the Foundation for Freedom. These organizations take care of children and young people from Ukraine, providing them, for example, with psychological support. Volunteers wrapped gifts for the children, planted flowers and herbs.
- **Volunteer action on the occasion of the International Day of People with Disabilities** – on the occasion of International Day of Persons with Disabilities we organized a fair – Cookie Day 2023. Thanks to the support of our volunteers, who baked wonderful cakes, we managed to raise funds, which were contractually donated to the Warsaw Family Assistance Center for the renovation of the family meeting room and to the Kindergarten for Visually Impaired Children in Laski.

Citi Handlowy is a place where competences, passion and commitment matter. We not only strive to change the perception of disability, but we employ disabled people at the Bank.

### Employees with disabilities at Citi Handlowy

	2023	2022	2021	2020
Number of employees with disabilities at Citi Handlowy	29	33	25	23

## 2. Employee development

### [GRI 404-2]

Citi Handlowy follows Leadership Principles, which are a catalogue of attitudes and behaviors that an employee is expected to display and promote in their everyday work. One expression of activities to promote a culture based on these standards is Citi's New Way cultural transformation, which is currently happening. Based on outreach campaigns, workshops and sessions with senior management, the Leadership Principles are promoted and developed as core organizational values.

### 2.1. CitiLearning - from training to a continuous learning culture

Citi Handlowy sustains a consistent approach to employee development as part of a strategy to make diverse opportunities available to employees to improve their competencies. This strategy is based on the following pillars: democratizing the development of leaders and line employees by allowing them to co-determine the available development opportunities; an agile approach to the creation of educational content, enabling rapid response to changing employee needs; improving the stakeholder experience in the use of Citi's educational resources; and continuously adjusting educational content to the dynamically changing market reality and the organization's business priorities.

Development offerings for employees are delivered through multiple modalities. Its goal is to ensure that each employee can benefit from knowledge in a way that is most convenient for them. For this reason, a Citi Handlowy employee can take part in processes such as learning labs, training courses, sessions oriented on changing roles or places in the organization, internal knowledge sharing and networking conferences, coaching, mentoring or reverse mentoring processes. In addition, each employee has access to platforms such as Leadership Development Catalogue and Degreed, giving them a view of the overall educational offerings they can use at any time.

The Bank's business variety and specific needs determine directions and requirements concerning professional knowledge necessary to preserve best quality services for, be it, internal partners or external clients. Therefore, Citi Handlowy preserved the obligatory specialist training package for specialists and experts in a given area as part of their professional development path (e.g. Compliance, Risk or business). Every employee who undergoes an onboarding process at Citi Handlowy also undergoes "orientation" training, during which they become familiar with the organization, its values, culture, leaders as well as ethical and developmental aspects. This gives an employee a better understanding of the Bank, its structure, management approaches and attitudes, and the dynamics of the employee life cycle. An all day long meeting on the first day allows the employee to familiarize themselves with many uncertainties, concerns or issues. **In 2023, 339 people participated in the Orientation training.** A few days after starting their work in the organization, all new hires of the Bank are invited to the Hello Citi! Development program that allows them to learn about all material aspects of the functioning of the Bank, its organizational units, clients, the code of ethics in place, and many others. After completing the onboarding program, all new hires are invited to take part in the e-learning program for several weeks, where they study in groups. This allows employees to establish relationships with and learn from other Citi employees from around the world, as well as learn about the principles of cooperation in the organization, participate in in-depth forum discussions and build competencies in organizational culture.

Number of training hours	2023	2022	2021
Total	113,630	87,409	91,296
Per person	40.0	32.0	29.7

## 2.2. Managers as an integral part of the employee development partnership

### [GRI 404-2]

Citi Handlowy furnishes its managers with tools which are helpful in promoting development and discussion about learning in an organization and its impact on performance. Development programs for managers are built in accordance with managers' progress paths so as to furnish managerial staff with necessary skills of a good partner to employees at any moment of their development.

Managerial development is divided into several stages, and at each stage managers have a range of development activities to choose from. Managers who are new to the role, within the first twelve months, can benefit from a package of three training courses that build core competencies, which enable them to succeed from the very beginning of their journey. These programs are Welcome to Citi Management, Management Essentials, and Managing at Citi.

At the next stage of managerial development, development programs from the Management Development group are made available, which include more advanced competencies. In this thematic group, development takes place in areas such as building psychological safety, productive discussions, individual and group coaching, emotional intelligence, addressing unconscious biases at work and many others. Executive-level managers benefit from specially designed development opportunities tailored to their needs and focused on a strategic approach to managing people and the organization, in the changing business context surrounding the Bank. They also have the opportunity to take advantage of international programs, lasting several weeks, conducted in cooperation with the world's largest universities.

In addition, both managers and individual professionals have the opportunity to take advantage of a wide range of training courses gathered under the umbrella of Professional Development, through which they can develop their skills in areas identified as important to the organization, as well as in the roles they are assigned.

## 2.3. Talent Development Process [GRI 404-2]

Citi Handlowy's success depends on the skills of its employees. The Bank considers particularly important the effective implementation and application of the highest standards of talent management in the organization. One of the Bank's overarching goals is to enable all employees to develop their talents and potential. An annual, formal process of reviewing talents in the organization (Talent Review) is conducted to identify and better understand own talents. Through this process, the Bank regularly reviews critical roles, assesses the potential of those who hold them, and plans for appropriate succession. The planning process also takes into account identifying gaps and taking appropriate steps to ensure business continuity at the highest level. To this end, the Bank uses the Talent Framework, which is a standardized process that is conducted each year for key employees.

Employees are encouraged to update their talent profiles and individual development plans in the Bank's internal system, which are the basis for discussions with their managers and development planning within the organization. Through conversations, the manager and the employee agree on training and development needs, in relation to the current role, as well as individual career aspirations. Such a plan enables a 70-20-10 development model approach – gaining experience (70), exposure to the broader organizational context (20), and education (10).

In addition, employees can participate in selected dedicated talent programs conducted to accelerate development. They involve a structured approach, transparent rules for recruitment and participation, a variety of hands-on development activities for employees, and strong involvement of participants and their managers. They promote a proper attitude and values, create a culture oriented to development and ensure the continuity of employment regarding key positions as well as retaining of the best persons in its structures.

A consistent talent management process enables key roles to be filled with employees with the right competencies and development potential, as well as supports the effective management of succession plans for critical positions in the organization. Citi Handlowy's talent management strategy encompasses the entire employee life cycle and is fully consistent with the leadership strategy, annual appraisal process, and the diversity management and engagement policies. This approach makes it possible to attract, identify, develop and properly reward talents, and builds a culture in which employees can grow, succeed and contribute to the success of the organization.

## 2.4. Assessment process in Citi Handlowy [GRI 404-3]

Employee development is supported by Citi Handlowy also through an annual assessment process, where employees gain information on their strong points and areas which need to be developed. This process standardizes the way annual appraisals and employee performance management are conducted, and emphasizes consistency with organizational goals and risk management at the level of each employee and the Bank as a whole. The process also supports Citi's cultural transformation through the application of transparent principles contained in the unified Performance Management Framework document. Citi Handlowy's annual appraisal model is based on four pillars that sum up employee performance appraisals into two areas of "What" and "How."

The scope of the "What" evaluation includes key areas of the Bank's operations – risk management, control, financial management, and orientation on the clients and organization. As regards the "How" assessment, employees are evaluated in terms of consistency and implementation of tasks in accordance with leadership standards (Leadership Principles), applicable throughout the organization. To assess consistency in this area, managers use tools and scales (so-called Proficiency Scales) that contain descriptions of specific behaviors in a variety of situations. A particular advantage of this approach is that it supports and promotes consistency at all levels of the organization, measures the quality of employees' work against clear, transparent and standardized criteria, alignment with the priorities of the entire organization in the context of each individual employee, teams and departments, and an the increased sense of responsibility and belonging to the organization.

The appraisal process at Citi Handlowy takes place in a cycle consisting of several steps that culminate in December each year, in the form of an annual interview performed jointly with the direct manager. The process starts by setting the goals that the employee will be pursuing in the current cycle. This ensures that each employee can be assigned goals that are consistent with both team goals and the goals of the entire organization. This is also the stage where verification of the consistency of the goals with the pillars described above, in terms of "What" and "How," is carried out, and the necessary actions are identified to make them successful. During the year, thanks to the opportunities included in the system, each employee can ask their stakeholders for feedback on their performance. As a result, appraisal conversations with direct managers make it possible to reinforce effective behaviors and correct actions, if necessary.

The Bank makes disciplined and transparent efforts to fairly differentiate the quality of employees' work, meritocracy, and detail and quality of appraisals. Thus, each manager is encouraged to differentiate the performance of individual employees, both through numerical evaluations and qualitative descriptions of work, with a clear focus on describing specific employee achievements and how to achieve the goals set at the beginning of the year.

In 2023, employee assessment was obtained by 98% of employees. Annual assessment does not cover employees with long-term absences during the year or employees for whom an annual assessment is not possible due to a short length of service at the Bank. The process of annual assessment enables the employees to make informed decisions about the directions of their development as well as regarding areas worth reinforcing. The qualitative assessment also greatly affects the in-depth understanding of one's own competencies.

## 2.5. Remuneration policy

When building its remuneration policy, Citi Handlowy hinges it on the best market practices taking into consideration corporate governance requirements, market trends and the organization's standing and potential. When defining remuneration, the Bank refers to experience and competence required for a given job position, performance, present remuneration, and position juxtaposed with a new group of employees and the market. Based on such information a new level of remuneration is defined. Market is understood as data from a consulting company's reports on positions in other peer organizations that are similar in terms of scope of duties, skills and accountability. Levels of remuneration are reviewed on a regular basis annually, taking into account the employee's annual assessment, their skills and scope of responsibilities juxtaposed with data obtained from market research concerning the level of remuneration in the industry.

**The remuneration of women employed at Citi Handlowy is comparable to the aggregate remuneration\* of men and, as at the end of 2023, amounted to 94% of the remuneration of men** (taking into account employees actively performing work, the areas where they are employed, location and their pay grades based on full-time equivalent – excluding child care leave, unpaid leave and long-term sick leaves). **This ratio calculated on the basis of basic salary is 96%.** [GRI 405-2]

### Pay gap (women's remuneration to men's remuneration ratio) in 2023

	Total remuneration*	Basic salary
Senior management	87%	60%
Managers	93%	94%
Other employees	101%	102%

Each year, the Bank analyzes salaries in the context of wage equality as part of the annual remuneration review and does not rule out allocating additional funds for this purpose in subsequent years. In previous years, as well as during the annual review of remuneration in 2023, the Bank analyzed and indicated areas that require special attention when planning pay increases in order to successively increase the equal pay of women and men.

### Average remuneration in Citi Handlowy (PLN)

	2023	2022	2021	2020
Total remuneration*	15,954	14,107	13,269	10,867

\*aggregate remuneration for 2023 understood as average monthly income of employees working as at 31/12/2023 for 2023, converted to full-time equivalent, excluding employees on child care leave, unpaid leave and on long-term sick leaves as at 31/12/2023). A similar methodology was adopted for 2022 and 2021. In previous years the total remuneration included the base pay and variable pay of employees who are on a bonus scheme and those that are not on a bonus scheme.

## 2.6. Awards and recognition

Citi Handlowy is an institution focused on supporting the innovativeness of its employees. It wishes that all initiatives and activities which are conducive to innovation and efficiency are appreciated, while those particularly important rewarded with, among others, recognition awards. An example of such a prize is the Instant Recognition granted to individual employees or teams for their achievements and contribution which significantly exceed assigned goals and tasks. Special initiatives of Citi Handlowy employees are also recognized on Citi forum as part of the Progress Awards.



### 3. Employment policy [GRI 2-24, 2-25]

#### Recruitment

In order to attract talents, Citi Handlowy recruits both externally and from within, while taking care to permanently enrich the organization with the desired competencies, as well as the candidate experience, which translates into a high-quality brand image in the labor market.

In 2023, taking into account the post-pandemic availability and popularity of various communication channels, the Bank continued to implement recruitment processes using both technological tools and face-to-face contacts, thus addressing the individual needs of both managers responsible for hiring and candidates. The Bank completed 690 hires during the year.

Citi Handlowy strives to respect the parameter of diversity in its recruitment to all positions, especially specialist and higher positions. The Bank tries to include at least two female candidates at the interview stage, i.e. at the final stage of the recruitment process. The diversity parameter is also present among members of the assessing panel. In practice, it means efforts to ensure that at least two women are included.

#### Recruitment by gender (No. and %)

Year	Female (No.)	Female (%)	Male (No.)	Male (%)	Total (No.)	Total (%)
2020	232	49%	246	51%	478	100%
2021	440	59%	305	41%	745	100%
2022	567	61%	357	39%	924	100%
<b>2023</b>	<b>406</b>	<b>59%</b>	<b>284</b>	<b>41%</b>	<b>690</b>	<b>100%</b>

The consistent monitoring effort of recruitment processes in terms of the number of hired women translates into the employment statistics. In 2023, the number of women employed internally and externally exceeded the number of men again. This was possible through consistently implemented recruitment strategy and the use of a variety of sourcing techniques.

The undertaken activities translate into effective acquisition of talents – both for key expert positions, as well as entry-level positions.

### 4. Employment structure

#### Total number of employees (No., %) [GRI 2-7]

Year	Female (No.)	Female (%)	Male (No.)	Male (%)	Total (No.)
2020	1,942	63%	1,158	37%	3,100
2021	1,806	62%	1,114	38%	2,920
2022	1,853	62%	1,120	38%	2,973
<b>2023</b>	<b>1,887</b>	<b>62%</b>	<b>1,173</b>	<b>38%</b>	<b>3,060</b>

\*the data include all active employees and persons employed by the Bank who are on sick, parental or unpaid leave.

Total number of employees in 2023 by gender, region and working time (No.): [GRI 2-7]

City	Working time	Female (Lp)	Male (Lp.)	Total (Lp.)
Warszawa	full time	993	745	1738
	part time	47	47	94
Olsztyn	full time	446	140	586
	part time	10	8	18
Łódź	full time	198	89	287
	part time	5	0	5
Katowice	full time	35	30	65
	part time	0	0	0
Kraków	full time	33	32	65
	part time	0	1	1
Poznań	full time	36	23	59
	part time	0	0	0
Gdańsk	full time	27	22	49
	part time	1	0	1
Wrocław	full time	26	19	45
	part time	0	0	0
Szczecin	full time	10	4	14
	part time	1	0	1
Gdynia	full time	7	5	12
	part time	0	0	0
Other*	full time	12	8	20
	part time	0	0	0
<b>Total</b>		<b>1,887</b>	<b>1,173</b>	<b>3,060</b>

\*Other - cities where the bank has no branches servicing individual customers

Total number of employees in 2023 by position, gender and age (No.): [GRI 2-7]

Position	Age	Female (No.)	Male (No.)	Total (No.)
Management Board	>50 lat	3	2	5
	31-50 lat	1	1	2
<b>Total Management Board</b>		<b>4</b>	<b>3</b>	<b>7</b>
Senior managers	>50 lat	16	22	38
	31-50 lat	33	72	105
<b>Total Senior managers</b>		<b>49</b>	<b>94</b>	<b>143</b>
Managers	>50 lat	30	21	51
	31-50 lat	162	132	294
	<=30 lat	2	3	5
<b>Total Managers</b>		<b>194</b>	<b>156</b>	<b>350</b>
Other employees	>50 lat	189	95	284
	31-50 lat	1170	612	1782
	<=30 lat	281	213	494
<b>Total Other employees</b>		<b>1,640</b>	<b>920</b>	<b>2,560</b>
<b>TOTAL</b>		<b>1,887</b>	<b>1,173</b>	<b>3,060</b>

Total number of employees in 2022 by position, gender and age (No.): [GRI 2-7]

Position	Age	Female (No.)	Male (No.)	Total (No.)
Management Board	>50 lat	2	2	4
	31-50 lat	2	1	3
<b>Total Management Board</b>		<b>4</b>	<b>3</b>	<b>7</b>
Senior managers	>50 lat	12	16	28
	31-50 lat	33	62	95
<b>Total Senior managers</b>		<b>45</b>	<b>78</b>	<b>123</b>
Managers	>50 lat	28	19	47
	31-50 lat	162	130	292
	<=30 lat	3	6	9
<b>Total Managers</b>		<b>193</b>	<b>155</b>	<b>348</b>
Other employees	>50 lat	180	83	263
	31-50 lat	1176	624	1800
	<=30 lat	255	177	432
<b>Total Other employees</b>		<b>1,611</b>	<b>884</b>	<b>2,495</b>
<b>TOTAL</b>		<b>1,853</b>	<b>1,120</b>	<b>2,973</b>

There are almost as many women in managerial position as men.

**Managerial positions (No., %) [GRI 2-7, GRI 405-1]**

Year	Female (No.)	Female (%)	Male (No.)	Male (%)	Total (No.)
2020	223	49%	231	51%	454
2021	225	49%	231	51%	456
2022	242	51%	236	49%	478
<b>2023</b>	<b>247</b>	<b>49%</b>	<b>253</b>	<b>51%</b>	<b>500</b>

**Types of work contracts (No. %) [GRI 102-7]**

Year	Contract type	Female		Male		Total	
		No.	%	No.	%	No.	%
2020	fixed-term	86	46%	101	54%	187	6%
	for an indefinite period	1,839	64%	1,047	36%	2,886	93%
	substitute	17	63%	10	37%	27	1%
<b>Total</b>		<b>1,942</b>	<b>63%</b>	<b>1,158</b>	<b>37%</b>	<b>3,100</b>	<b>100%</b>
2021	fixed-term	131	56%	105	44%	236	8%
	for an indefinite period	1,662	62%	1,001	38%	2,663	91%
	substitute	13	62%	8	38%	21	1%
<b>Total</b>		<b>1,806</b>	<b>63%</b>	<b>1,114</b>	<b>37%</b>	<b>2,920</b>	<b>100%</b>
2022	fixed-term	161	58%	119	42%	280	9%
	for an indefinite period	1,683	63%	993	37%	2,676	90%
	substitute	9	53%	8	47%	17	1%
<b>Total</b>		<b>1,853</b>	<b>62%</b>	<b>1,120</b>	<b>38%</b>	<b>2,973</b>	<b>100%</b>
<b>2023</b>	<b>fixed-term</b>	<b>149</b>	<b>56%</b>	<b>116</b>	<b>44%</b>	<b>265</b>	<b>9%</b>
	<b>for an indefinite period</b>	<b>1,730</b>	<b>62%</b>	<b>1,048</b>	<b>38%</b>	<b>2,778</b>	<b>91%</b>
	<b>substitute</b>	<b>8</b>	<b>47%</b>	<b>9</b>	<b>53%</b>	<b>17</b>	<b>1%</b>
<b>Total</b>		<b>1,887</b>	<b>62%</b>	<b>1,173</b>	<b>38%</b>	<b>3,060</b>	<b>100%</b>

\*the total share means the ratio of contracts of the given type to the number of all contracts in the year surveyed

\*\* fixed-term agreement means the total number of contracts for a definit, period and contracts for a trial period

Average length of service at Citi Handlowy has been growing over the recent years, and in women the average length of service at the Bank already exceeds 11 years. This trend is the consequence of Citi Handlowy's effective activities concerning the creation of work environment that is safe for employees and increases their commitment.

#### Average duration of employment (years) [GRI 2-7]

Year	Female	Male	Total
2020	11.4	9.2	10.6
2021	11.6	9.6	10.8
2022	11.6	9.7	10.9
2023	11.6	9.7	10.9

#### Associates employed under contract of mandate (persons) [GRI 2-8]

Employed under a contract of mandate	Female	Male	Total
2021	2	1	3
2022	4	8	12
2023	5	6	11

### Work-Life Balance

As an organization, we believe that it is beneficial when we combine working together in the office with flexibility offered by remote work. Citi Handlowy combines the pursuance of business objectives with taking care of the effectiveness and balancing of work and personal life of its employees. This is enabled by flexible working conditions offered to employees.

In 2023, the Bank implemented changes related to new labor law regulations regarding Work Life Balance and remote work, and in particular began implementing the target work model (How We Work), which gives many employees the opportunity to work in a hybrid model, meaning three days a week in the office, two days remotely. This approach enables employees to integrate within their teams, and to develop and share knowledge, as well as to combine work with private life more efficiently. In accordance with statutory requirements, the Bank has defined the work performance rules in an agreement with the trade unions. After concluding an individual agreement with the employee, the employer covers the costs of electricity consumption in the room where the employee performs remote work and the costs of telecommunications services necessary to perform remote work by paying a lump sum to this end (PLN 100 or 115 per month).

In addition, employees are entitled to additional 6 days of occasional remote work, over and above the 24 days provided for in the revised Labor Code regulations.

In order to facilitate the use of authorizations, the Bank is constantly working to simplify processes, and in particular it is gradually providing employees with sample documents that can be circulated electronically.

Additionally, in the second half of December 2023, employees whose type of work allows them to provide their services remotely were allowed to work from outside the office – an initiative that allowed even better work-life balance.

Recognizing employees in selected areas for their willingness to work on-call, hourly the rates have been increased by 50% effective January 1, 2023.

Citi Handlowy is an organization which is concerned with building an environment in which every employee can create a balance between their personal obligations, development at the workplace, and fulfilment of their professional aspirations. Over the last four years, around 70% of employees on maternity-related absences have been returning to work.

#### Maternity-related absences [GRI 401-3]

Year	Gender	Persons on maternity-related absences* during the period surveyed	Returns from maternity-related absences during the period surveyed (in numbers)	Returns from maternity-related absences during the period surveyed (in %)
2020	Female	316	197	62%
	Male	85	83	98%
	Total	401	280	70%
2021	Female	288	168	58%
	Male	65	60	92%
	Total	353	228	65%
2022	Female	230	145	63%
	Male	45	44	98%
	Total	275	189	69%
2023	Female	182	120	66%
	Male	53	53	100%
	Total	235	173	74%

\*maternity-related absence – an absence due to maternity leave, parental leave, paternity leave, medical leave (due to pregnancy) or other leaves connected with childcare.

Among the employees who returned from the maternity-related absence in 2022, 71% of employees worked 12 months after returning from this absence (including 71% of women and 73% of men).

By force of decision of the Bank's Management Board, as of January 2021 the employees are entitled to additional two weeks of paid paternity leave. Citi Handlowy's employees are entitled to four weeks of the paternity leave, subject to provisions and legal requirements in force in Poland. The Bank believes that this additional paternity leave brings greater benefits in comparison with the current standards in the labor market and enables Citi Handlowy's employees to find time to adjust to their role and build a relationship with the new family member. From January 2021, all biological and adoptive fathers entitled to paternity leave shall be eligible to take it. 51 fathers profited from the additional paternity leave in 2023.

#### Paternity leave in Citi Handlowy (No. of employees):

Year	Paternity leave (statutory)	Paternity leave (additional)	Total
2021	62	16	78
2022	42	21	63
2023	51	53	104

## Employee age group by gender

[GRI 2-7, GRI 405-1]

Most of our employees are persons aged 31-50.

It is also worth mentioning that the Bank has a growing number of employees over 50 years old, which confirms that diversity is one of the key values at Citi Handlowy, and experience and competences gained over many years of the professional career support the development of the best solutions for the Bank's clients.

### Employee age group by gender (No. and %)

Year	Age	Female		Male		Total	
		No.	%	No.	%	No.	%
2020	<= 30 lat	243	56%	188	44%	431	14%
	31-50 lat	1,522	63%	884	37%	2,406	78%
	> 50 lat	177	67%	86	33%	263	8%
Suma		1,942	63%	1,158	37%	3,100	100%
2021	<= 30 lat	225	54%	188	46%	413	14%
	31-50 lat	1,388	63%	822	37%	2,210	76%
	> 50 lat	193	65%	104	35%	297	10%
Suma		1,806	63%	1,114	37%	2,920	100%
2022	<= 30 lat	258	59%	183	41%	441	15%
	31-50 lat	1,373	63%	817	37%	2,190	74%
	> 50 lat	222	65%	120	35%	341	12%
Suma		1,853	62%	1,120	38%	2,973	100%
2023	<= 30 lat	283	57%	216	43%	499	16%
	31-50 lat	1,366	63%	817	37%	2,183	71%
	> 50 lat	238	63%	140	37%	378	12%
Suma		1,887	62%	1,173	38%	3,060	100%

A major risk factor in the employee area is a potential loss of employees that are important for the Bank's development. As a preventive measure, Citi Handlowy monitors the rotation level and analyzes reasons for resignation on a regular basis.

Employee rotation is analyzed on a quarterly basis, and any alarming signals are escalated to the managerial staff of specific business units. Employee rotation is monitored from three perspectives: general rotation, rotation initiated by an employee and rotation among employees with above-average performance. The Bank supports employee development within Citigroup, therefore the analysis also covers the number of transfers from Citi Handlowy to Citigroup. Employment with Citigroup offers many employees of the Bank an excellent development opportunity on the managerial path, therefore the Bank observes a constant growth, year on year, of transfers from the Bank to Citi. [GRI 2-23]

**Employee rotation trends in 2020-2023 (in %)**

Year	Overall attrition	Voluntary attrition	High performers attrition	Transfer from Citi Handlowy to Citi
2020	12.1%	6.7%	3.9%	11.1%
2021	14.4%	9.2%	6.9%	13.1%
2022	15.3%	10.8%	7.5%	12.3%
<b>2023</b>	<b>11.2%</b>	<b>6.8%</b>	<b>2.9%</b>	<b>7.4%</b>

The Bank also conducts an annual anonymous employee satisfaction survey called Voice of Employee (VoE). The results of the VoE survey are thoroughly analyzed and discussed among senior managers and top management. The analysis of the VoE results is used to design actions aimed at creating a work environment conducive to building employee engagement and satisfaction.

The employee satisfaction results in the various categories reached in 2023 levels higher than a year ago. The employee commitment indicators went up. The Leadership Principles underlying the cultural change implemented at the Bank, were surveyed for the third time in 2023. The cultural change is based on three primary principles: “shared responsibility”, “work with pride” and “joint achievement of success”.

**VOE results in 2020-2023 (%)**

	2023	2022	2021	2020
Response rate	92%	94%	89%	91%
Employee engagement	81%	78%	71%	77%
Manager effectiveness	94%	93%	88%	88%
Ethical culture	94%	94%	92%	92%
Diversity	88%	87%	87%	88%
We take responsibility	93%	93%	89%	-
We work with pride	94%	94%	90%	-
We achieve success together	93%	92%	89%	-



## Risks in the employee area

[GRI 2-23]

Apart from loss of employees crucial for the Bank, another major group of risks in the employee area are risks related to potential mobbing or discrimination. Any behaviors that bear the features of mobbing or discrimination are prohibited at Citi Handlowy, which widely promotes a diversity culture among employees. In order to minimize this risk, the Bank has introduced policies for counteracting discrimination and mobbing, organized related training for all employees and also there is a procedure in place for reporting such abusive behaviors.

More information about activities undertaken by Citi Handlowy to prevent discrimination and mobbing, and the method of notifying such abuse may be found in the chapter entitled [How we operate](#).

## 5. Concern for employees

### People Board

[GRI 2-12]

**People Board** is a group of 9 representatives of employees appointed in internal elections by the employees. The People Board was created within the People Strategy implemented at the Bank as an element of the cultural change. The intention to create that group and its main purpose was to create an effective dialogue between the Management Board and the employees of the Bank. In 2023, employees selected their candidates for the third People Board, which started its 18-month term. In 2023, the main task of that group was to continue communication with employees by means of regular collection of feedback and forwarding it to the Management Board. The People Board was very actively involved in initiatives pursued in 2023, such as:

- Active support of post-VOE initiatives
- Organization of educational sessions on employee benefits – three sessions were attended by about 1,500 employees
- Active cooperation with Networks operating in the Bank
- Organization of “Let’s Celebrate” – meetings with employees to celebrate the greatest successes of the Bank and employees.

### CitiClub

CitiClub is an organization which brings together employees across Citi Handlowy on a voluntary basis. It provides a special offer to the Bank's employees which covers cultural, sporting, tourist and social activities. CitiClub pursues its goals by: organizing sporting events, cultural and educational events, conducting hobby sections and providing and exchanging information among the employees.

CitiClub's activities are possible thanks to voluntary involvement on the part of employees who act as organizers. Every Citi Handlowy employee can join CitiClub. There is no annual limit for establishing new groups or the number of events in which an employee can take part. Its activity is financed with funds from the Company Social Benefit Fund, from CitiClub budget and the members' own funds. In practical terms it means that any sporting trips are financed in 2/3 by the employer and only in 1/3 by the employee. Hence, Citi Handlowy employees have an opportunity to take part in interesting events which they could not afford without co-financing.

CitiClub was established 19 years ago with the aim to give employees from different units and locations in Poland a chance to integrate and build communities around different themes, such as leisure activities: running, photography, board games, chess, biking, driving, fishing, sailing or skiing.

The activity of CitiClub in Poland, which has been unique for many years, has become a benchmark which defines standards of activities dedicated to employees not only within Citi in the world but also among different companies and corporations – Polish and foreign.

CitiClub fosters wide integration of the Bank's employees, boosts work satisfaction and, in the opinion of the members, is one of the factors which motivate and foster their ties with the Bank. Hence, the workplace is not only associated with hard work but it is also associated with an environment in which employees can get to know each other, inspire others and develop, as well as pursue their passions by sharing them with their colleagues, exchanging experiences and learning from one another.

CitiClub inspires co-operation, creation of a contact network with persons known only from e-mails or telephone conversations and persons who are not in a reciprocal business relation.

CitiClub integration and sports trips are organized entirely by employees and for employees and have attracted a lot of employees for many years now. In 2023, the ski competitions and sailing racing events organized by CitiClub had a total of 360 participants from different sectors, departments and offices of Citi Handlowy.

CitiClub's events are possible mostly thanks to the support of the Company Social Benefit Fund. The trips are co-financed mainly from two sources: Company Social Fund and CitiClub's budget. In 2023, 42.2% of the cost of organizing the winter event was financed from the CitiClub budget, 29.3% from the Social Fund, and 28.5% from employees' own funds. The sailing event was financed in 42.7% from the CitiClub budget, 22.0% from the Social Fund and 35.3% from the employees' own funds.

## Benefits

[GRI 401-2] [GRI 403-6]

Concerned about the life situation of its employees, Citi Handlowy provides a wide range of additional benefits, which are one of the richest offers on the market.

Citi Handlowy employees may enjoy private medical care with its costs covered in total by the Bank. In addition, they may take out packages for the closest members of their families (partner, children, parents and parents-in-law), at prices significantly lower than rates for individual clients. Employee's, partner's and children's package, in addition to doctor's visits and examinations, also includes ad hoc aid, home visits and limited rehabilitation. For an additional charge, the employee may extend their package to include dentistry or unlimited rehabilitation. Doctor's visits and examinations are guaranteed in terms of the availability of dates and hours. Under the freedom of treatment, employees may receive a reimbursement of the costs of treatment provided by any provider of medical services under the given limit. An important element of preventive healthcare is physical activity, therefore every employee of Citi Handlowy may purchase a sporting card for themselves and an accompanying person.

Employees experiencing problems in their private and professional lives and needing support in a difficult life situation can benefit from free psychological, legal and financial assistance under the Employee Assistance Program (EAP). Members of the closest family of the Citi Handlowy's employees may also benefit from the EAP. The assistance is provided via a hotline and video chats.

Out of concern for security of its employees, Citi Handlowy provides two types of life insurance. The first type is sponsored by the Employer and in addition to death and accidents it also covers serious illnesses and an inability to work due to illness. The employee is protected regardless of the current country of their stay, 24/7.

The second type is group insurance with costs covered by the employee. In this case, the employee may also insure members of his or her family. This is additional protection for the employee that extends the scope of events on account of which the employee receives indemnities – e.g. delivering a child, child's or spouse's illness, stay at hospital.

Every quarter, Citi Handlowy employees also receive credits on the cafeteria platform, where they can exchange collected points for vouchers, both electronic and paper ones. Thus, Citi Handlowy co-finances, among other things, meals, shopping, travel to work, holidays, participation in cultural events.

The number of Citi Handlowy employees who were active users of the platform at the end of 2023 was 2,941.

In order to secure employees' financial situation during retirement, in 2002 Citi Handlowy decided to set up its own employee pension plan. At present the contribution is at the highest statutorily acceptable level equal to 7% of the employee's aggregate remuneration. Costs of contributions are financed in whole by the Bank, the employee pays only a tax on their amounts. Employees have a variety of funds to choose from, so the offerings are tailored to meet a variety of needs. The choices include life-cycle funds, in the case of which the way of investing depends on the age of the employee, funds that invest in Poland and other countries, higher-risk funds (e.g. stocks) and lower-risk funds (e.g. bonds).

## Social activity

### [GRI 401-2]

Citi Handlowy fulfils the statutory requirement and conducts the Company Social Fund (CSF). The basic contribution of Citi Handlowy to the CSF is higher than the statutory requirement.

Citi Handlowy pays in an annual contribution to CSF in the amount of 50% of the average monthly salary in the national economy in the previous year or in the second half of the previous year, if the average salary in that second half was higher without “freezing” the contribution at the level of the monthly average salary in the national economy from the year provided for in the law.

#### Base contribution in 2023:

Statutory	At the Group of Citi Handlowy
PLN 6,608,570.59 - 37% of the average monthly salary in the national economy in the second half of 2019 from 01-06\2023 and 37% of the average monthly salary in the national economy in the second half of 2021 from 07-12\2023.	PLN 11,118,652.08 – 50% of the average monthly remuneration in the national economy in the second half of 2022

Citi Handlowy is involved in social activities almost in all forms provided for in the law, i.e. by co-financing different forms of leisure activity, cultural and educational events (including for hobby activities), sporting and recreation events, day-care centers and nurseries, granting non-refundable financial assistance and also refundable aid for housing needs on terms and conditions defined in a loan agreement. The Bank also co-finances individual and group recreation and sporting activities. The Bank increased the available limits of certain co-financing, simplified the rules for receiving it, in order to encourage the development of passions and hobbies by its employees and their family members.

In 2023, 3,139 employees used social benefits and the total amount of money paid out of the Social Fund exceeded PLN 13.0 million (including over PLN 1 million for Bank’s pensioners), i.e. PLN 3,900 per employee on the average).

### Social activity for pensioners [GRI 404-2]

Citi Handlowy takes seriously the issue of pensioners care. Benefits under CSF are allocated not only to pensioners (as envisaged in the CSF act) but also to persons who take early retirement benefits, in respect of whom Citi Handlowy is their last employer.

Such persons may benefit from co-financing for leisure activities, non-refundable financial assistance (non-refundable allowances or financial aid, an annual social benefit) and refundable aid for housing needs on terms and conditions defined in a loan agreement, however loans from CSF for such entitled persons bear zero interest. Every year, pensioners also receive social benefits paid out in cash.

	2023	2022	2021	2020
Number of pensioners and persons who use early retirement benefits, or CSF	834	886	886	1 045

Type of Benefit	Refunds	Senior Citizen’s Day	Aid	Loans
Number of pensioners and persons who use early retirement benefits, or CSF in 2023	201	724	66	11

In addition to CSF-funded benefits, pensioners may also purchase a private medical care package on preferential terms.

## Retirement gratuities [GRI 404-2]

The rules for payment of the retirement severance pay applied at Citi Handlowy are more beneficial than provided for in the Labor Code:

- Single severance pay is paid not only to employees in case of the termination of employment relationship in connection with gaining the right to retirement or pension due to inability to work, but also to former employees of Citi Handlowy, when employment relationship was terminated for reasons not related to the employees and, until they gained the right to pension, they had not taken up a job. The right to apply for retirement severance pay in this case expires only 6 years after the termination of work relationship for reasons not related to the employee
- Citi Handlowy distinguishes the following amounts of retirement severance pay:
  - up to 5 years of service – 100% of the employee's monthly salary calculated as in the case of a leave equivalent;
  - after 5 years of service – 300%;
  - after 10 years of service – 500%;
  - after 15 years of service – 800%;
  - after 20 or more years of service – 1,100%;

As provided for by the law, this severance grant should have amounted to one month salary and should have been only granted in the case of the termination of employment contract due to retirement

## Higher severance pays when contracts are terminated for reasons on the part of the employer

In the event of termination of employment contract for reasons not attributable to employees, Citi Handlowy guarantees better terms of severance pay than defined in the Act of 13 March 2003 on special principles for terminating employment with employees for reasons not related to employees. This rule was reflected in the Corporate Collective Labor Agreement at Citi Handlowy.

## Additional day off for job seeking [GRI 404-2]

The generally applicable length of a leave for seeking a job by Citi Handlowy employees whose contracts are being terminated for reasons not related to them, is extended by two days. When a contract is terminated by mutual agreement for reasons not related to the employees, the above term is two days.

## Right of association

There are two trade organizations at Citi Handlowy: Trade union "Związek Zawodowy NSZZ "Solidarność" MOZ no. 871 at Bank Handlowy w Warszawie S.A." and "Independent Self-Governing Trade Union at Bank Handlowy w Warszawie S.A." The Bank cooperates with these trade unions in the scope laid down in the provisions of labor code and the Act on Trade Unions and, in particular, agrees with them, upon mutual consent, the normative acts and measures according to the adopted procedure. The Bank has in place a Corporate Collective Labor Agreement, which covers 100% of employees. In 2023, 38,5% of Bank employees were members of trade unions [GRI 2-30]

## Occupational safety and health

### Work accidents

Measures taken to ensure safe and hygienic work conditions for Citi Handlowy employees are regulated in the “Occupational Safety and Health Procedure at Bank Handlowy w Warszawie S.A.” and the “Fire Safety Procedure at Bank Handlowy w Warszawie S.A.”.

In 2023, one work accident was recorded and was the result of an unfortunate reflex of the employee and resulted in the injured employee's short-term inability to work.

Year	Work accidents (No.)	Fatalities (No.)	High-consequence work-related injuries (No.)	Frequency ratio*
2023	1	0	0	0.32

[GRI 403-9]

\* number of total accidents/ number of working hours x 200,000

The low number of work accidents and the low accident frequency ratio prove a high safety level ensured at Citi Handlowy. It is possible thanks to the measures taken at the Bank, such as: regular training for employees, designing and providing employees with permanent access to guidelines for safe work as well as information about professional risk related to the work they perform as well as rules of protection against risks, and quarterly audits of the facilities in terms of the work conditions. All these measures allow early identification of potential threats in order to take measures aimed at their liquidation. [GRI 2-24, GRI 2-25]

### OSH trainings [GRI 403-5]

All employees and trainee students attend initial general and position-related training before commencing work, so 100% of the Bank’s employees have completed the required training.

Periodic training for those in charge of employees, after it was made compulsory when the epidemic emergency was over, was implemented in e-learning form on the Learning Management System training platform, allowing all employees in charge of managerial duties to complete this training.

### Citi Alumni Network

Citi Handlowy joined the Citi Alumni Network in 2019. The Citi Alumni Network is a global community of former Citi employees. Together with them, Citi is one of the biggest social networks with a global reach. Currently, the Citi Alumni Network community has more than 30,000 registered members, including 564 ambassadors in Poland. As many as 182 people joined in 2023 alone. Former Citi Handlowy employees are part of this global community and act as ambassadors of the Citi brand and reinforce its impact. The program allows them to be in touch through networking and participation in unique events. In 2023, members of the Citi Alumni community joined the Bank’s projects for the first time, working together with current employees to support the Institute of Mother and Child in Warsaw.

The Citi Alumni Network welcomes everyone who has worked at least 12 months within Citi structures under an agreement concluded directly with one of the Citigroup entities and whose cooperation has ended due to expiry of an agreement, its termination upon mutual agreement, or retirement. Everyone who meets these two basic criteria may register on the website [www.citalumninetwork.com](http://www.citalumninetwork.com).

## VI. Community development

### 1. Social involvement

The Bank is socially responsible for and sensitive to the needs of both its business and social partners. All Bank's actions are undertaken following the needs of its customers, but also the community in which Bank operates.

Bank's activities with regard to Corporate Social Responsibility (CSR) cover work place and market environment and local community as well as environmental protection. The strategic objective is to become a company setting Corporate Social Responsibility (CSR) standards, both outside and inside the organization. The Bank carries on investments supporting local communities implemented for public good in such fields as financial education, promotion of entrepreneurship, local development and protection of cultural heritage. The Bank's mission in this area is fulfilled through the Citi Handlowy Leopold Kronenberg Foundation, established in 1996. Representatives of the Foundation participate in initiatives to increase corporate involvement in activities supporting local communities.

Among the initiatives undertaken in 2023 to promote corporate social responsibility, participation in events such as conferences on economic and business issues should be mentioned: The European Financial Congress and the European Forum for New Ideas, where meetings were held to present knowledge and experience in the area of social projects. During European Financial Congress in June 2023, the Foundation was the host of a discussion panel "Ranking of Failures and Successes of Financial Education" and at the European Forum for New Ideas in October 2023 one of the EFNI Talks focused on entrepreneurship among Polish youth.

In 2023, projects carried out by the Foundation were also mentioned in the 21st edition of the Good Practices Report. This is the largest summary and review of the most important ESG, CSR and sustainable development activities in Poland initiated by businesses in Poland.

In 2023, the Foundation was featured in the media at economic and business events of utmost importance for Citi in Poland, as well as at community service events, and its activities were mentioned in more than 440 times in both traditional and social media.

#### 1.1. Sustainable growth

Concern for the environment and sustainable development constitute part of Citi Handlowy's strategy for the years 2022-2024 and are one of the three main priorities for the Bank. The Citi Handlowy Leopold Kronenberg Foundation supports the Bank's projects in the area of sustainable development through various activities.

Professional activation of women, equalizing their opportunities in the labor market, as well as supporting their professional development, are goals that the Citi Handlowy Foundation pursued through cooperation with NGOs. Examples include: the Welcome program - implemented with the Mamo Pracuj ("Work, Mom") Foundation, the Shesnnovation Academy program - implemented with the Perspektywy Foundation, and the Business in Women's Hands program - implemented with the Entrepreneurial Women Network Foundation.

The Citi Handlowy Foundation also actively supports the idea of diversity, both in companies and in society. It carries out such activities by supporting both cultural diversity and neurodiversity and the Polish LGBTQ+ community.

In 2023, the Foundation actively supported the integration of migrants into Polish society through its Ukraine Support Program and cooperation in the Hello Entrepreneurship program run by the ASHOKA Foundation, which helps migrants develop social entrepreneurship.

The CyberStrong@School program covered topics related to creating a friendly environment for neurodiversity, including the open webinar "Neurodiversity and Artificial Intelligence in the Context of Education" organized in the spring of 2023.

In 2023, Citi volunteers also supported the Equality Parades in Warsaw and Olsztyn, and Citi Handlowy was an official partner of these events. Building a diverse environment where everyone can be themselves and feel safe is one of the main goals of the CitiPrideNetworkPoland campaign.

Activities to support a sense of security, tolerance and respect for diversity are also promoted through workshops conducted by Citi volunteers in Olsztyn. As part of the classes in high schools in Olsztyn, Citi Handlowy employees counter hate speech and hate on the Internet.

In 2023, the Citi Handlowy Foundation also supported Citi Handlowy's activities in Poland aimed at protecting the environment through volunteer projects, such as cleaning the banks of the Vistula River in Warsaw, cleaning the Łyna River in Olsztyn, and creating plantings in cooperation with the Greenery Departments of cities. The Foundation has also been involved in building relationships and planning partnership programs with institutions and organizations involved in the energy transition, which will also be continued in 2024.

## 1.2. Employee volunteering

The Citi Employee Volunteering Program, one of the most prominent in Poland, plays a key role in local community initiatives. Citi Handlowy encourages its employees to engage in social work and supports their efforts, including through offering them an extra day off for volunteering activities. Within this area, the Foundation encourages involvement in social causes through three types of volunteering:

**Intervention assistance** – Citi volunteers engage in projects that respond to the current needs of public benefit organizations operating in Poland. Thanks to their involvement, in-kind collections are conducted, cleaning and renovation work is carried out, as well as activities are conducted that support the integration of the charges of these organizations who are at risk of social exclusion.

**Skill-based volunteering** – through programs in which the mentoring process is an essential element, Citi volunteers share their knowledge and competencies with groups such as women looking for work, female entrepreneurs, migrants who want to develop social enterprises, students of Polish universities, female STEAM students, and students of schools in Olsztyn.

**Sports volunteering** – it is primarily aimed at promoting a healthy lifestyle. It is implemented in two ways – both through organizational support for sports events and through the participation of Citi volunteers as athletes. An additional motivation to undertake sporting challenges is that they are used to raise funds for organizations supporting the local community.

## 1.3. Education

As part of its educational activities, the Bank – through the Citi Handlowy Leopold Kronenberg Foundation – also carries out educational activities in the areas of personal finance, cyber security and the promotion and development of entrepreneurship. Through comprehensive programs, it educates both the Bank's customers and local communities, including children and young people, in these areas.

The Foundation's efforts to raise awareness of personal finance focus primarily on regular monitoring of Poles' attitudes in this area through opinion polls. The reports compiled on this basis are a source of knowledge not only of the state of financial awareness at a given point in time, but also make it possible to trace changes in it over the years. In 2023, the Foundation, together with its social partners, published four research reports addressing the attitudes of Poles towards saving, the importance of diversity in shaping change and understanding the motivation and path of migrants leading to entrepreneurship.

Through the Citi Handlowy Leopold Kronenberg Foundation the Bank also runs programs designed to raise awareness of cybersecurity, understood as knowledge of the mechanisms taking place on the Internet and the ability to spot potential threats. Hence, in 2023, for the fourth time, the Foundation inaugurated the CyberMocn@ Szkoła (CyberStrong School) program, which aims to raise awareness of this issue among teachers and, indirectly, among children and young people.

The Foundation also attaches great importance to supporting the economic potential of companies operating in Poland. It supports entrepreneurship through participation in mentoring and incubation programs, targeting groups such as women, professionals, and specialists in STEM (Science, Technology, Engineering, Mathematics), as well as migrants. The Foundation also promotes an entrepreneurial mindset among young adults, encouraging them to run their own businesses or strengthen existing ones.

## 1.4. Protection of cultural heritage

In 2023, one of the key programs for cultural heritage preservation was the Professor Aleksander Gieysztor Award. The Jury awards the distinction for special achievements made in the past calendar year or over the past few years – for incorporating cultural heritage into initiatives associated with broader social and cultural life.

In 2023, for the 24th time, the Citi Handlowy Leopold Kronenberg Foundation, with the support of the jury, awarded the Professor Aleksander Gieysztor Award for outstanding achievements in protecting the Polish cultural heritage and, in particular, for museology and art conservation efforts and achievements in collecting mementos of the Polish culture.

The winner of the 24th Professor A. Gieysztor Award was the Boris Woznicki Lviv Art Gallery, which is one of the most important Ukrainian cultural institutions that have been cooperating with Polish museums for many years. This cooperation primarily involves art research and art conservation. A key topic of research is the history of Polish painting of the 19th and 20th centuries. Part of the collection of the Lviv Art Gallery is a collection of Polish painting from the 16th century to 1939. The collection of several hundred works of art includes masterpieces by the most outstanding Polish painters, such as: Jan Matejko, Jacek Malczewski, Juliusz Kossak, Artur Grottger, Henryk Rodakowski, Józef Brandt, Aleksander Gierymski, Olga Boznańska, Stanisław Wyspiański and many others. A significant part of the collection has been presented at exhibitions and shows in Poland, thanks to the Lviv Art Gallery's cooperation with Polish museums and galleries. The award gala took place on 29 March 2023 at the Royal Castle in Warsaw.

## 2. Initiatives implemented by the Kronenberg Foundation at Citi Handlowy

The Citi Handlowy Leopold Kronenberg Foundation pursues its objectives by carrying out its own initiatives, by cooperating with other public organizations, and jointly with the Citi Foundation by providing grants for programs implemented by foundations and associations working in Poland for the development of entrepreneurship.

Taking into account social and market trends and directions, the Foundation has consistently pursued its objectives, implementing the following projects:

- **Support for Ukraine**
- **Global Community Day**
- **Christmas Campaigns**
- **CyberStrong School**
- **The Professor A. Gieysztor Award**
- **Support for entrepreneurship**

Among the Foundation's own initiatives implemented in 2023, the following ones are worth mentioning:

### Support for Ukraine

In 2023, the Support Ukraine program covered activities to integrate the Ukrainian community into Polish society, especially those affected by the migration crisis. The program covers the full range of activities of the Citi Handlowy Foundation: skill-improvement volunteering, sports volunteering, support for entrepreneurs, support for women, education and support for children and teenagers.

The program is implemented in close cooperation with representatives of Citibank Ukraine and NGOs – associations and foundations that support Ukrainian citizens in building ties with Poland.

As a result, the actions taken in 2023 covered:

- Cooperation with the **Polish Center for International Aid**, which included:
  - Ukrainian Mother's Day for women and children under the organization's care;
  - Support for the Summer in the City initiative for children assisted by the organisation to continue their education in line with the Ukrainian curriculum;
  - EFNI talks event "Ukraine-Poland refugee crisis in a new phase?";
- Cooperation with the **„Nasz Wybór” (“Our Choice”) Foundation** – a center called the Ukrainian Home, run by women. The main goal of the project is to help and support the Ukrainian community in Poland through informational, educational and cultural activities, combined with efforts to integrate migrants while preserving their Ukrainian identity.
- Cooperation with the **„Absolwent” (“Graduate”) Educational Initiative Support Foundation** – support for a project that helps refugees and their families develop a sense of belonging to local communities of the Warmia and Mazury region.
- Implementation of the 5th edition of the Welcome program and inauguration of the Welcome II program in cooperation with the **“Mamo Pracuj” Foundation**.
- Implementation of four projects targeting the Ukrainian community as part of **Citi Global Community Day**.



## Citi Global Community Day

Citi Global Community Day is a global initiative that was implemented for the eighteenth time in 2023. This year, CitiVolunteers and their families and friends became involved in the implementation of projects 3.2 thousand times.

### Statistics of the Employee Volunteering Program:

	2023	2022	2021	2020**
<b>Number of projects</b>	164	160	130	58
<b>Number of beneficiaries</b>	22,360	20,501	19,240	19,600
<b>Volunteer involvement*</b>	3,220	3,047	3,063	2,137
<b>Number of projects in the "Wolontariusz na Bank!" ("Volunteer to Bank on!") competition</b>	104	110	38	-

\*the number of voluntary activities undertaken by Citi employees together with friends and family

\*\* in 2020 the COVID-19 pandemic prevented volunteers from spending as many hours on projects as before as well as from implementing the same number of projects.

As part of the GCD 2023, Citi volunteers implemented:

- 3 sports volunteer projects in Warsaw and Olsztyn during the Citi Warmia Run, Ironman, and Paralympic Picnic.
- 104 projects for local communities submitted by Citi Handlowy volunteer leaders. In 2023, volunteers carried out projects for, among other things, the integration of people from Ukraine, children, people with disabilities, senior citizens, animals seeking safety in Poland, and wildlife conservation.
- 10 projects in support of Ukraine: out of 104 grant projects, 6 were implemented for Ukraine, but also a celebration of the Ukrainian Mother's Day was organized in cooperation with the Polish Migration Assistance Center.
- 7 integration trips with volunteers, including to the Centre for the Blind in Laski, the Occupational Therapy Workshops in Otwock, the Special Center for Persons with Hearing Disabilities in Olsztyn, and the Antidote Association in Pomiechówek.
- 6 special projects organized and coordinated by the Citi Handlowy Foundation:
  - Cleaning the banks of the Vistula River in Warsaw
  - Cleaning the Łyna River from canoes in Olsztyn
  - Citi Alumni Project for the Mother and Child Center in Warsaw
  - Blood collections in Warsaw and Olsztyn
  - Children's Day at the Blind Care Association in Laski near Warsaw
  - Let's meet on the patio - a charity fair in Warsaw, attended by 120 Citi volunteers, acting for the Foundation for Freedom and the A.R.T. Foundation, a kindergarten for vision-impaired children in Laski.

## Become Santa's Assistant

As in previous years, in the second half of 2023 the Citi Handlowy Leopold Kronenberg Foundation coordinated a program to support people at risk of poverty and social exclusion during the Christmas holidays.

The year 2023 saw the launch of a new online platform that allowed Citi Handlowy employees to choose their form of engagement from among:

- Responses to a letter to Santa, written by children supported by childcare centers across Poland. Volunteers bought gifts dreamed of by the children. As a result, dreams of 207 children came true.
- Preparation of gifts for distribution by 27 selected organizations supporting people at risk of poverty or social exclusion. Volunteers came forward in groups and gifts were prepared by teams. As a result, nearly 2,100 boxes were delivered to those in need.
- Preparation of Christmas cards with wishes, which were given to people supported by 7 selected organizations.

In addition, as part of the activities carried out in the Become Santa's Helper program, the Citi Handlowy Foundation, with the support of #CitiVolunteers, organized charity fairs in Warsaw and Olsztyn, during which volunteers held charity sales of Christmas dishes they had prepared. The funds raised were donated to the Education and Revalidation School Complex in Ostróda and the Hospice for Children in Olsztyn.

### CyberMocn@ Szkoła (CyberStrong School)

In 2023, the CyberStrong@School Program was implemented for the third time, while the fourth edition began in the autumn of 2023. The program's target audience is caregivers of preschool and school-age children, as well as teachers in kindergartens and elementary schools. The program was created in response to the challenges of remote and hybrid learning brought about by the COVID-19 pandemic, but is now being continued to address the challenges of digital education for children and young people. More than 100 teachers participated in the 3rd edition of the program, which was completed in April 2023. The partners of the 3rd edition of the CyberStrong@School program were the "Dajemy Dzieciom Siłę" Foundation and the Teach for Poland Foundation.

The 3rd edition of the CyberStrong@School program consisted of two components:

- 4 online open meetings held every 2 months. These meetings are also available online on the program's website. Topics covered in this edition included computer games and their safe use, neurodiversity in education, and building a sense of community among children with different cultural backgrounds.
- workshops for three groups of teachers – participants in the 3rd edition of the project (with a total of 100 educators, pedagogues and early school education teachers taking part in the workshops).

## 3. Partnerships with other public benefit organizations

An important element of the activities carried out by the Citi Handlowy Foundation is also its cooperation with other organizations and associations that specialize in areas that are key to the Foundation's strategy. Cooperation and partnerships with other public benefit organizations, such as associations and foundations, make it possible to significantly increase the scale of the Foundation's activities. Importantly, the Foundation builds lasting relationships that allow not only financial but also substantive cooperation, e.g. through skill-based volunteering or the joint design of studies and reports.

Together with the Polin Museum and the Jewish Historical Institute, the Foundation created a joint project to prepare an exhibition to commemorate the 80th anniversary of the Warsaw Ghetto Uprising, titled "A Sea of Fire Around Us. The fate of Jewish civilians during the Warsaw Ghetto Uprising." This is the first exhibition about the Warsaw Ghetto Uprising presented from the perspective of civilians. The exhibition was open from 18 April 2023 to 8 January 2024.

Among the projects carried out in partnership with other organizations, it is also worth mentioning initiatives supporting entrepreneurship, which are funded by the Citi Foundation and carried out as part of substantive cooperation with the Citi Handlowy Leopold Kronenberg Foundation:

### Ashoka Foundation

In 2023, the Hello Entrepreneurship program was conducted by the ASHOKA Poland Foundation for the fourth time. The program is financed by the Citi Foundation, while the Citi Handlowy Leopold Kronenberg Foundation is a partner of this initiative, which supports entrepreneurship among migrants.

The 4th edition of the program also included a research project to better understand the motivations and paths of migrants leading to entrepreneurship. The report on this research uses a reportage style to follow the stories and draw the profiles of 10 young people who came to Poland. Each of them is different and has chosen a different path to pursue their goals - from academic to business to social activities - and each has had different experiences.

The 5th edition of the program began in the fall of 2023. A record number of initiatives enrolled. The jury selected the finalists from 125 submissions. The 10 male and female finalists will spend four months, with one-on-one support from experienced mentors, developing a business plan, building a brand and communications strategy, sorting out formal issues and establishing new business contacts.

The growing interest in the Hello Entrepreneurship program shows that people coming to Poland are willing and able to solve important social problems. Participants in the program bring their ideas, experiences, and a new point of view to the world.

### "Mamo Pracuj" Foundation

The Welcome program was created by the Mamo Pracuj ("Work, Mom") Foundation, and is funded by the Citi Foundation and the Citi Handlowy Foundation, which is also involved in its implementation. The goal of the program is to support Polish and Ukrainian women in their professional development and to create a community of support for career building. As part of the program, 30 Citi volunteers supported the participants as mentors. A total of 120 hours of mentoring took place. The participants also took part in 16 webinars and 10 live meetings. Five editions of the program were held in the first half of 2023: two in Warsaw, one in Olsztyn, one in Kraków and one in Wrocław, gathering a total of 361 participants.

The program supports Ukrainian communities in their efforts to integrate into Polish society, as well as promotes entrepreneurship among various groups, including women.

The first edition of the program was a great success, which is confirmed by the fact that it was joined by 361 female participants (as compared to 300 planned for the project). Almost all participating women (97%) indicated that they felt an improvement in their competence in recruitment processes and an improvement in self-esteem and self-efficacy (99%).

### **“Perspektywy” Foundation**

Shesnnovation Academy is a project implemented by the Perspektywy Foundation thanks to the financial support provided by the Citi Foundation. The Citi Handlowy Leopold Kronenberg Foundation is a partner of the program. The goal of Shesnnovation Academy is to support the development of entrepreneurship among women in STEAM industries, i.e. technology, engineering, science and mathematics. The 5th edition of the program, which is an accelerator for STEAM-oriented start-ups led by women, took place in 2023.

During the six-month program, participants were learning how to build a business plan and present their businesses to investors, supported by mentors, including Citi volunteers.

The Shesnnovation Academy project also published the report “Diversity Matters. Young STEM Leaders Create Change,” which was prepared as part of collaboration between the Perspektywy Foundation and the Citi Handlowy Leopold Kronenberg Foundation. A survey was conducted among participants in this year's edition of the program.

Another project carried out in cooperation with the Perspektywy Foundation, supporting entrepreneurship among women, is the Women in Tech Camp trip in December, to which the most talented female IT students from Polish universities are invited. For the seventh time, in addition to improving their programming skills the female students could meet mentors who can help them plan their career paths. The group of mentors included many Citi volunteers.

### **Entrepreneurial Women Network Foundation**

The Business in Women's Hands program was one of the first accelerator projects dedicated to women. For over 10 years, the program has been implemented with the financial support of the Citi Foundation and the professional support of the Citi Handlowy Leopold Kronenberg Foundation. The program has already resulted in 370 companies founded by its female participants.

In 2023, the 9th edition of the program was held, in which 60 women participated, selected from several hundred candidates. The finale of the program took place during the 20th Conference of the Entrepreneurial Women Network, titled “Make the change. How to change the world for the better while running a business?”

Participants in the program were also supported in their development during this edition by mentors with extensive business experience, including mentors from Citi.

### **THINK! Knowledge Society Foundation**

The Citi Handlowy Leopold Kronenberg Foundation is a professional partner of the Entrepreneurship Development Program run by the THINK! Knowledge Society Foundation and funded by the Citi Foundation. The goal of the program is to prepare young people to start their own businesses and to provide them with support. An important component is also a research project that addresses issues related to the young generation's perception of entrepreneurship.

The sixth edition of the program, which involved Citi volunteers as mentors, began in the fall of 2022. In 2023, as part of the program, participants could take part in webinars and Business Mixer meetings, which enable direct contact with business practitioners. The finale of the program took place in March 2023 during the Business Market conference, with the main theme “Develop yourself, develop your idea, develop your business.”

In September 2023, the 7th edition of the program was inaugurated, which continues to receive professional support from the Citi Handlowy Foundation and CitiVolunteers as mentors.

As part of the promotion of this initiative, Anna Bichta, President of the Management Board of the THINK! Foundation, was a guest of the Citi Handlowy Foundation during the EFNI Talks event in October 2023. During the meeting, she talked about the attitudes of young Poles towards entrepreneurship, based on the report “Aspirations of young people regarding their future careers” published in 2022.

The second project carried out by the Citi Handlowy Leopold Kronenberg Foundation, as a partner of the THINK! Foundation is a series of research reports “Poles' attitudes towards saving”. The 2023 report was the 24th report in that series - cyclical researches of this kind are still rare in Poland. It is also worth noting that the 2022 publication was referenced by the OECD in its financial education strategy for Poland.

## 4. Cultural patronage and sponsoring

2023 was another year of [Citi Handlowy's partnership with the Polish Paralympic Committee](#).

Citi in Poland was a partner of the 5th Athlete of the Year Competition of the Polish Paralympic Committee. The Competition – widely known as “Guttmanns” – is an event during which the best and most popular Paralympians are awarded. The organization of the Competition is also aimed at promoting sports of people with disabilities and presenting attitudes that break down barriers and stereotypes. Ms. Elżbieta Czetwertyńska, Citi Country Officer and President of Citi Handlowy, presented the award in the “Team of the Year 2023” category to the Polish Goalball u19 Team, funded by the [Citi Handlowy Foundation](#). This year, the second place in the “Best Athlete of the Year 2023” category was won by table tennis player Natalia Partyka, who belongs to Team Citi, a group of world-class athletes who represent values shared by Citi. They have been invited to join the Citi team due to their impressive achievements in sports as well as in their personal lives. This long collaboration with the Polish Paralympic Committee is a part of a global initiative of Citi that supports the Paralympic movement and the efforts to change the social perception of disability – to see the person, his/her passion and achievements.

[Citi Handlowy for Olsztyn](#) – support for the city and the region

Together with the Citi business services center and as one of the region's largest employers, Citi Handlowy has been supporting the Olsztyn community and issues important to the residents of the Warmia-Mazury region for more than 20 years. In 2023, the Bank was once again a strategic partner of the [Most Popular Athlete of Warmia and Mazury Award](#), and the Bank's representatives presented awards in the Athlete of the Year and Athlete without Barriers categories.

Citi Handlowy and Citi Solutions Center were also the title and commitment partner of the [Citi Warmia Run Challenge 2023 Olsztyn](#). This was the second edition of the Olsztyn competition promoting an active lifestyle for entire families at the Barracks Park in Olsztyn. At three distances: 5, 10 and 21.1 kilometers, under the aegis of the Live Well at Citi program, 85 Citi employees from throughout Poland took part in the competition. The event promoted an active lifestyle combined with a social goal: supporting the Nidzica Local Fund.

[Citi Handlowy as sponsor and partner of IRONMAN competition](#)

For another year, Citi Handlowy was a committed sponsor, partner and active participant in the prestigious IRONMAN triathlon competition held in 3 cities: in Warsaw (where the Bank was the title sponsor of Citi Handlowy IRONMAN 70.3 Warsaw), and in Gdynia and Poznań as a partner. This sports competition means many months of hard training and multiple sacrifices, which would be much more difficult and devoid of joy without the fans. That's why the leitmotif of last year's IRONMAN Poland competition was “The Year of Supporting,” which drew attention to those who, in such a demanding discipline as triathlon, give energy and faith, and warm up for the fight, and celebrate together with the athletes at the finish line. Among them are those most important and loyal: family and friends. Appreciating their role, Citi Handlowy invited the public to a dedicated joint cheering zone, and in Gdynia loyal supporters could take part in an exciting city game.

[Expenses for social purposes and other \(PLN '000\)](#)

	2023	2022
Cultural patronage, sponsorship and media	612	987
Social involvement (charitable and social institutions)	3,567	3,622

## Live Well at Citi [GRI 403-6]

Live Well at Citi is a global initiative of the Citi Group promoting the culture of health and healthy lifestyle. Citi Handlowy has been implementing it successfully for a few years, combining sport competitions with support for those in need. The idea of supporting local communities, consistent with the Bank's mission, invariably accompanies sports events in which Citi Handlowy employees and clients participate together as players of the Live Well at Citi team, and at the same time, as volunteers – #CitiVolunteers – supporting a chosen social cause.

By taking part in sports competitions as the Live Well at Citi team, we help people with disabilities fulfill their dreams about what is everyday life for us. In 2023, thanks to the kilometers traveled together, we financed the purchase of specialized sports wheelchairs for the Follow Your Dreams Fizjoterapia Foundation. Thanks to this equipment, her students, despite their disabilities, will be able to participate in running and triathlon competitions in tandem with their able-bodied guardians. We want to make them feel the joy of movement and sport. Their smile at the finish line will be priceless to us!

Among the events in which employees participated together with the Bank's customers as the Live Well at Citi team were:

- **IRONMAN Poland** – triathlon relays during competitions in Warsaw, Gdynia and Poznań.
- **Citi Warmia Run Challenge** – a two-day running festival in Olsztyn, including asphalt and trail routes at distances of 1 km, 5 km, 10 km and 21 km, as well as competitions for the youngest. 100 representatives of Citi in Poland took part in the runs over various distances, and were supported and cheered by Citi volunteers on the route and in the running town.
- **7. Ukiel Olsztyn Half-Marathon** – Citi Handlowy employees from Warsaw and the Regional Processing Center (RCR Olsztyn) and the operating center of Citi Solutions Center Poland formed the largest team participating in this event. A total of 85 of our employees took part in the 5 km run and half marathon.
- **Poland Business Run** – on the first Sunday of September, Citi Handlowy employees, as every year, took part in a charity run organized by the Poland Business Run Foundation. Its aim was to collect funds for the purchase of prostheses and medical equipment, rehabilitation and psychological support for people after amputations and with physical disabilities. In the virtual competition, Citi in Poland was represented by 7 five-person Live Well at Citi teams. Participation in the Poland Business Run is one of many initiatives through which the Bank supports building a more diverse, integrated society, contributing to changing the perception of people with disabilities.
- **3. Orlen Paralympic Run** – in October, the runners of the Live Well at Citi again joined forces with Citi volunteers to promote the concept of the Paralympic movement and to express their awe and recognition for athletes with disabilities. The run was another activity through which Citi Handlowy supports people with disabilities and helps to build an inclusive society. The third edition of this event took place on 8 October in Warsaw's Kępa Potocka park.
- **33. Warsaw Independence Run** – in the 10 km run in Warsaw on the occasion of the anniversary of Poland regaining independence, the Live Well at Citi team was represented by a record number of 147 competitors.

In addition, as part of the Live Well at Citi program, Citi Handlowy employees were able to enjoy short **Energy Online** relaxation sessions (yoga, stretching, mindfulness) on a daily basis, participate in team workouts and joint league games as part of the Business Tennis League, as well as weekly running workouts.

## VII. About the Report

These Non-Financial Statements of Bank Handlowy w Warszawie S.A. acting under the Citi Handlowy brand (the “Bank” or “Citi Handlowy”) and the Capital Group of Bank Handlowy w Warszawie S.A. (the “Group”) (hereinafter: the “Non-Financial Statements”, the “Report”) cover the key environmental, social and corporate governance issues “ESG” present in the Group’s operations.

The Report describes the activities of the Bank. [\[GRI 2-2\]](#) Other companies from the Citi Handlowy capital group, due to the scale of their activity, were not included in this Report. There were no significant changes in the structure of the Group or its supply chain during the reporting period. [\[GRI 2-6\]](#)

### Process to determine material topics and list of material topics [\[GRI 3-2, GRI 3-3\]](#)

As a result of the dialogue with the Bank’s stakeholders, efforts to plan the Bank’s ESG strategy and an external research project, the Bank has identified a map of the most important topics for the preparation of its non-financial report. Those topics were compared with the Bank’s stakeholders along with the assignment of their importance to each group of stakeholders as part of activities to estimate the probability of their occurrence. Such assignment was made at the level of qualitative analysis using the knowledge collected by the Bank in various formats, e.g. through discussions and using bilateral questionnaires. The ESG topics specified in the Bank’s strategy were verified by representatives of the Bank’s management.

	Clients	Employees	Shareholders, Investors, Analysts	Vendors	Other stakeholders (incl. Local community)
<b>Environmental</b>					
The bank's obligation to counteract climate change	•	•	•		•
Green products and services	•	•	•		•
Reduction of own carbon footprint	•	•	•	•	•
<b>Social</b>					
Culture of diversity and inclusiveness		•		•	•
Employee well-being, including employee safety		•		•	•
Human rights	•	•	•	•	•
CSR initiatives including employee volunteering		•	•		•
<b>Corporate Governance</b>					
Code of Ethics, including anti-corruption policy	•	•	•	•	•
Participation in global associations promoting sustainable growth		•		•	•

Operational resistance	•		•		
Strategic goals and their implementation			•		

Works on the Statement were conducted in a formalized way by a task force which gathered at cyclical meetings. The task force was directed by the Vice President of the Management Board responsible for Finance Division, and was composed of the representatives of: the Finance Management Sector, the Strategy and Investor Relations Department, Risk Management Sector, the Corporate Communications and Marketing Department, the Support and Services Division, the Human Resources Division, the Kronenberg Foundation at Citi Handlowy and Client Advocates.

These Non-Financial Statements of the Capital Group of Bank Handlowy w Warszawie S.A. were prepared on the basis of the requirements set out in the Accounting Act of 29 September 1994 (i.e. J.L. of 2019 item 351 as amended), which imposes the reporting obligation, according to GRI reporting standards.



The Non-Financial Statements of the Group present its operations for the period from 1 January 2023 to 31 December 2023, unless indicated otherwise herein. The reporting period for non-financial data is the same as for the financial data presented in the Bank's Financial Statements for 2023. The Group publishes annual reports. The last report was prepared for 2022 and was disclosed on March, 21, 2023 [\[GRI 2-3\]](#).

This Report contains corrections of information to the report for 2022. These adjustments concern changes in the consumption of certain utilities and the calculation of CO<sub>2</sub> emissions in 2022, recalculated in 2022, taking into account invoices for 2022, which were delivered after the date of publication of the report for 2022. [\[GRI 2-4\]](#)

The Report was subjected to external attestation performed by KPMG Audyt Sp. z o.o. Sp. k. The attestation report is attached to this Report [\[GRI 2-5\]](#)

The Report is attached to the Annual Report of Bank Handlowy w Warszawie S.A. and the Capital Group of Bank Handlowy w Warszawie S.A. and is available on the website of Citi Handlowy [www.citihandlowy.en](http://www.citihandlowy.en) in the "Financial information" tab.

In case of any questions, please contact us:

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[\[GRI 2-3\]](#)

## VIII. GRI Standards Content Index

Employees and managers responsible for various reporting areas were involved in the reporting process.

**THIS REPORT HAS BEEN PREPARED ACCORDING TO GRI STANDARDS: CORE OPTION.**

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Signatures of Board Members

19.03.2024 ..... Date	Elżbieta Świątopełk- Czetwertyńska ..... Name	President of the Management Board ..... Position/function
19.03.2024 ..... Date	Patrycjusz Wójcik ..... Name	Vice-President of the Management Board ..... Position/function
19.03.2024 ..... Date	Andrzej Wilk ..... Name	Vice-President of the Management Board ..... Position/function
19.03.2024 ..... Date	Maciej Kropidłowski ..... Name	Vice-President of the Management Board ..... Position/function
19.03.2024 ..... Date	Barbara Sobala ..... Name	Vice-President of the Management Board ..... Position/function
19.03.2024 ..... Date	Katarzyna Majewska ..... Name	Vice-President of the Management Board ..... Position/function
19.03.2024 ..... Date	Ivan Vrhel ..... Name	Member of the Management Board ..... Position/function