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# 2021 ESG REPORT

Bank Ochrony Środowiska SA

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# Letter from the President of the Management Board

## GRI 102-14, GRI 102-15

Ladies and Gentlemen,



Please be invited to read the ESG Report 2021 of Bank Ochrony Środowiska (BOŚ). It presents information on our bank's impacts on its environment, in particular in environmental, social and governance areas, as well as our sustainability activities which go beyond the information and data included in traditional financial reporting.

An event of particular importance last year was the **announcement of the BOŚ development strategy for**

**2021–2023 and the closely related ESG strategy.** The two documents complement each other. With the guiding motto: 'We are full of green energy', they present our goals and objectives for the coming years, as well as long-term priorities and commitments, such as achieving full climate neutrality by 2030.

Our mission is to provide effective and innovative support for the green transition, and our ambition is for BOŚ, as a specialist bank, to lead green change in Poland. **We have supported environmentally friendly projects for more than 30 years.** This was the idea behind the establishment of

BOŚ, embodied in its name and setting its main mission. We inspire, educate and finance Polish businesses and local governments in their transformation towards green and sustainable economy.

We will continue to put strong emphasis on developing green financial products and increasing their role in our business. One of our goals is to **grow the share of green assets** in our loan portfolio to 50% in 2023. At the end of 2021, they accounted for approximately 37% of the total portfolio. Furthermore, in keeping with our Climate Policy, we will no longer finance thermal coal mining projects or new coal-fired units using conventional carbon-intensive power generation technologies.

In 2021, BOŚ entered into 2,622 green transactions, valued at PLN 1.67 billion. The bank's clients completed **more than 2,600 environmental investment projects** with a total cost estimate value of PLN 2.86 billion. Results of the projects implemented last year include renewable energy generation of more than 62,700 MWh annually, consumption reduction and heat loss savings of 58,300 GJ per year, and reduction of carbon dioxide and particulate matter emissions by, respectively, 183,100 tonnes per year and 35.2 tonnes per year.

In line with the principle that green transition starts with ourselves, we intend to mitigate our negative environmental impacts. By 2023, we plan to reduce the carbon footprint of BOŚ by 20% relative to 2020.

In 2021, BOŚ significantly cut down its CO<sub>2</sub> emissions year on year, to a large extent thanks to lower electricity consumption by the bank's

## Letter from the President of the Management Board

facilities, introduction of the remote work option, and reduced heat consumption in the bank's buildings. All electricity purchased by BOŚ in 2021 came from renewable energy sources.

In December 2021, we obtained an ESG rating. It gives me great satisfaction to report that the ESG score from Sustainalytics\* places BOŚ in the **18th percentile in the banking industry and 23rd percentile in the Global Universe which consists of nearly 15,000 companies** assessed by the agency. The rating demonstrates that BOŚ is headed in the right direction and has strong prospects for continued sustainable growth. It is also a starting point and a touchstone for us to consistently strengthen our commitment to corporate social responsibility. Obviously, we will make an effort to steadily improve our ESG rating in subsequent years.

To sum up, BOŚ is transforming into a modern specialist bank, operating in accordance with the sustainable development concept where financial goals are pursued side by side with a commitment to the protection of the natural environment and supported by a wide range of important social initiatives relevant to both our employees and other stakeholders.

An equally important aspect is ensuring transparency of our actions and impacts and a possibility of verifying how we deliver on our plans and intentions. This report and its future editions are intended to serve as a tool for this purpose. They will facilitate your assessment of how successful we are in implementing the objectives and commitments provided for in our strategy, and will help us pursue our green mission even more effectively in the future.

Yours sincerely

Wojciech Hann

President of the Management Board of Bank Ochrony Środowiska

- BOŚ among 23% of top-rated companies in the Sustainalytics ESG ranking
- 30 years of providing support to green investments and solutions
- 2,622 green transactions, valued at PLN 1.67 billion, in 2021
- 48.7 PLN million in net profit for 2021

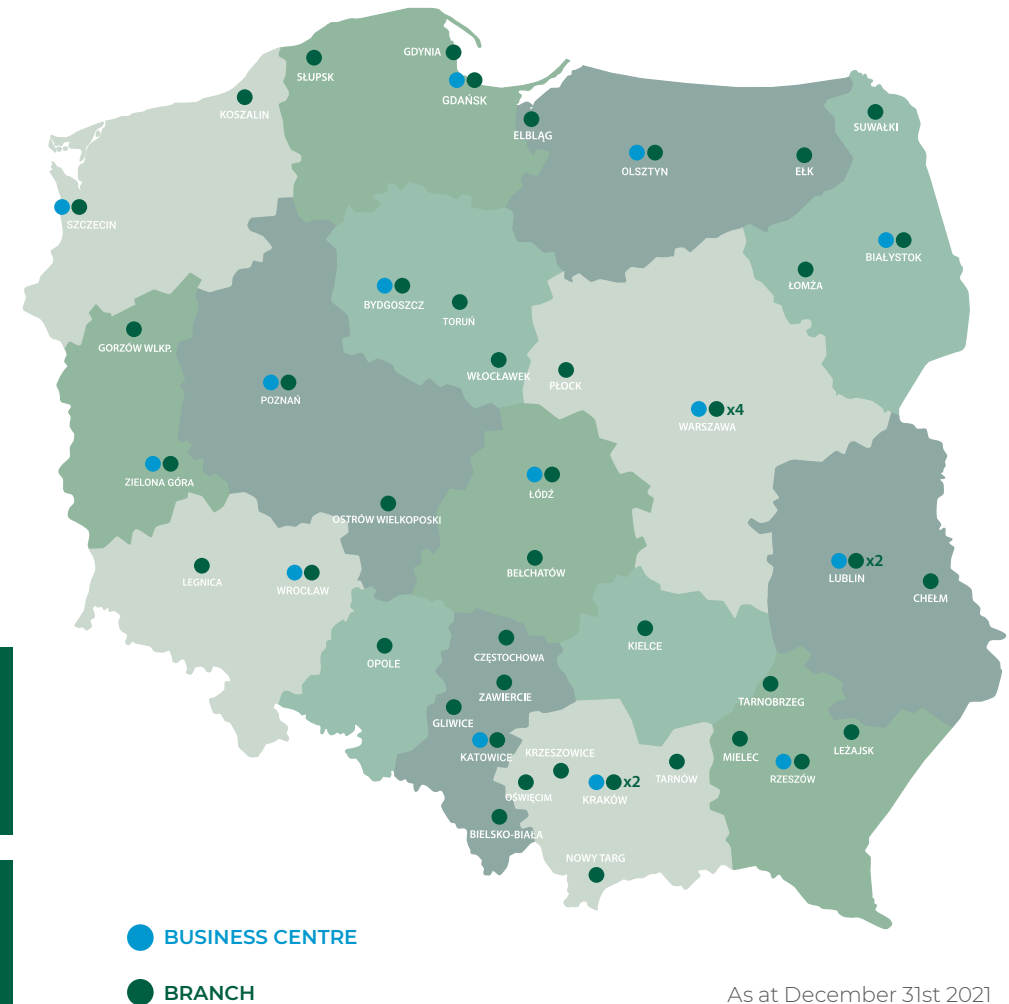
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# 1. Our bank

## GRI 102-1, GRI 102-2, GRI 102-4, GRI 102-6, GRI 102-7, GRI 102-45

We are the leader of green finance in Poland. For more than 30 years we have consistently followed the sustainability path and pursued a philosophy of climate protection. Bank Ochrony Środowiska S.A. (BOŚ) is a Polish bank specialising in the financing of broadly understood environmental projects. The environmental protection mission, provided for in the bank's Articles of Association since its inception in 1991, guides our business and educational activities.

We operate in accordance with the regulations of the Banking Law Act, the Commercial Companies Code and other laws of Poland, and on the basis of authorisations to perform banking operations which expose any repayable funds to risk.



## OUR VISION

We provide comprehensive financing for green transition by offering unique products, dedicated experts and a variety of financial instrument.

## OUR MISSION

We support green transition in an innovative and effective manner.

**GRI 102-3**

Our headquarters are situated at ul. Żelazna 32 in Warsaw, Poland. Our principal operations are conducted in Poland.

We provide our services through a network of 53 locations, including business centres and branches. In addition, until December 31st 2021, our brokerage division Dom Maklerski BOŚ S.A. operated in the Czech Republic through a branch.

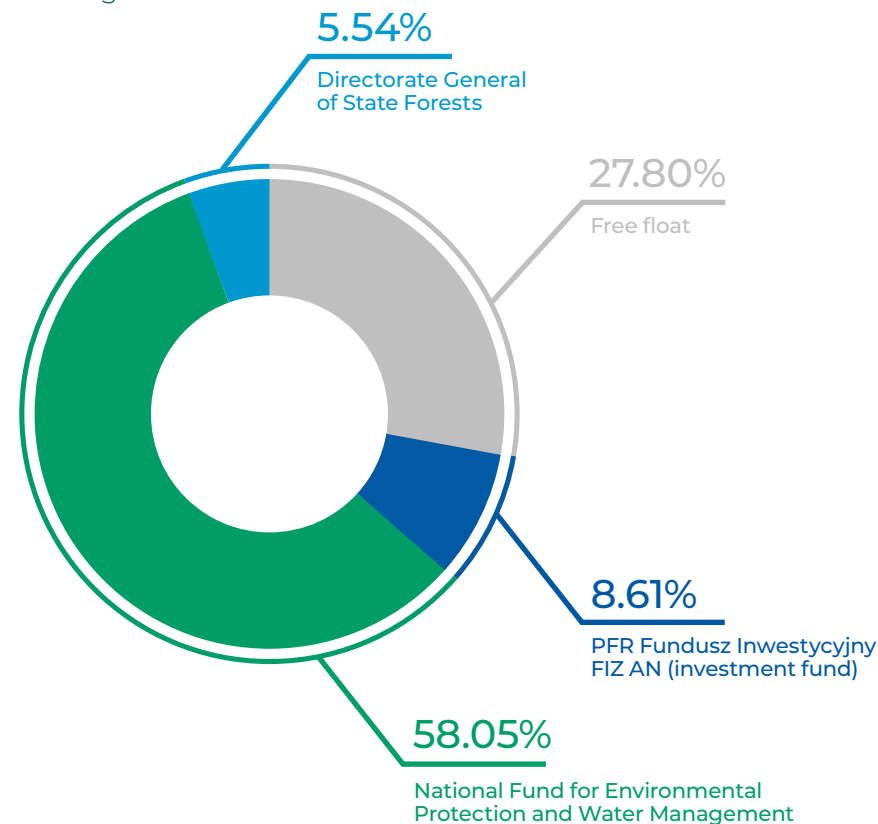
- We provide comprehensive financing for green transition by offering unique products, dedicated experts and a variety of financial instruments.
- Our services support the development of investments that have positive social, economic and environmental impacts.
- To our corporate clients, we offer preferential credit for environmental protection projects, supporting their business growth.
- Over the past three decades, we have extended credit facilities of PLN 25.1 billion for the financing of environmental projects.

Funds deposited with BOŚ are guaranteed by the Bank Guarantee Fund.

**GRI 102-5**

Since 1997, our stock has been listed on the main market of the Warsaw Stock Exchange.

Shareholding structure



For more information, visit the bank's website – Shareholders [▶](#)

## BOŚ in numbers

## GRI 102-8, GRI 102-9

	2019	2020	2021
Total number of employees at the bank (FTEs)	1 063	1 130	1 158
Total number of employees at Group companies	246	248	275
Total number of employees at the Group	1 309	1 378	1 433
Total number of business units	4	4	4
Number of clients	242.0 thousand	216.8 thousand	176.4 thousand
Interest income (consolidated)	PLN 627,590 thousand	PLN 518,582 thousand	PLN 432,230 thousand
Total assets (consolidated)	PLN 18,486,997 thousand	PLN 20,505,829 thousand	PLN 20,585,740 thousand
Total market value of BOŚ shares	PLN 697,107 thousand	PLN 557,686 thousand	PLN 845,824 thousand

## Financial results

## GRI 201-1

In 2021, BOŚ earned a net profit of PLN 48.7 million, compared with a net loss of PLN 310.3 million a year earlier (the loss in 2020 was attributable to provisions recognised for the risk relating to foreign-currency mortgage loans).

The bank's net interest income was PLN 366.0 million, down 0.4% y/y, while net fee and commission income reached PLN 72.9 million, an improvement of 16.3% on the record net fee and commission result reported for 2020.

Loans and advances made in 2021 amounted to PLN 4.2 billion, up 27% y/y. Sales of green loans came in at PLN 1.67 billion (up 24% y/y).

For more information, visit the bank's website – Current and periodic reports [▶](#)

## History of BOŚ

In 2021, Bank Ochrony Środowiska celebrated the 30th anniversary of its establishment. It was created on the initiative of the National Fund for Environmental Protection and Water Management in the 1990s as a response to the challenges presented by the comprehensive political, economic and social transformation ongoing in Poland at that time.

From the very beginning, the main objective of BOŚ has been to support environmental projects.

**PLN 25,1 bn**

green loans advanced

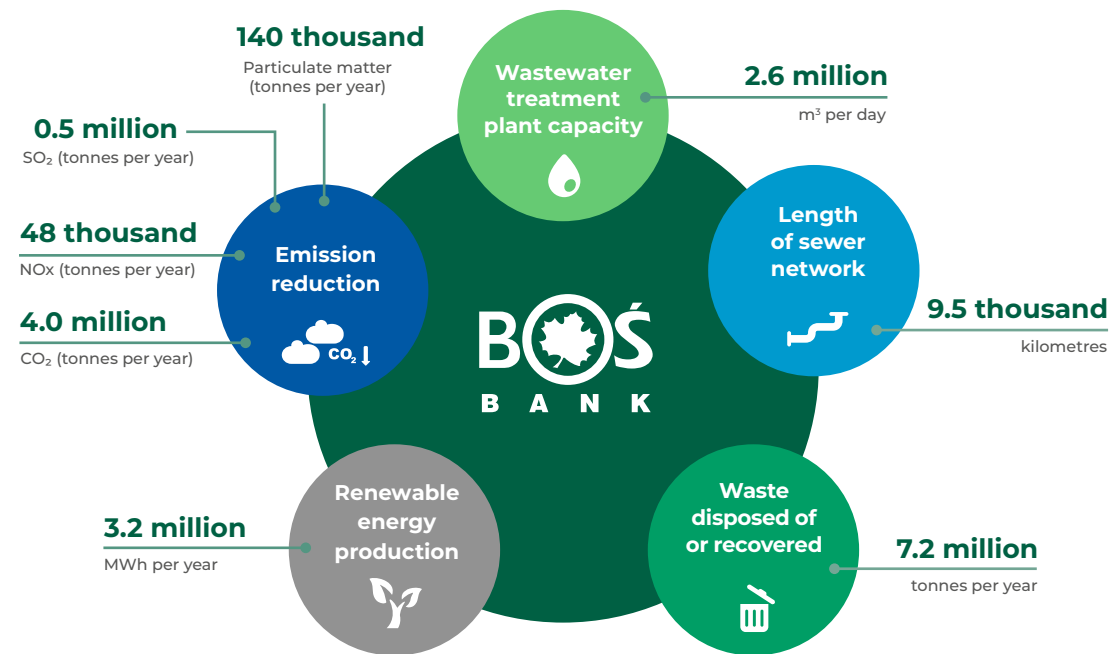
**PLN 54,9 bn**

total value of completed green projects  
co-financed by the bank

**more than 90 thousand**

total number of green projects financed by the bank

## Green impact of projects financed by BOŚ over 30 years



As at December 31st 2021



## BOŚ Group

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### **GRI 102-1, GRI 102-2**

The BOŚ Group consists of Bank Ochrony Środowiska SA, acting as the parent, and its direct subsidiaries Dom Maklerski BOŚ SA and BOŚ Leasing - EKO Profit S.A., and indirect subsidiary MS Wind Sp. z o.o.

**Dom Maklerski BOŚ S.A.** has operated in the capital market since 1995. It is one of the longest-established brokerage houses in Poland and a leading player in the Polish brokerage services market.

**BOŚ Leasing - EKO Profit S.A.** complements the BOŚ Group portfolio with a full range of lease services. In particular, it is developing green lease services by offering financing for equipment that helps reduce the environmental impact of businesses. It also offers Agro leases, i.e. dedicated solutions for farmers, and leases of many other types of machinery and equipment, including means of transport.

**MS Wind Sp. z o.o.** is an indirect subsidiary (wholly-owned by BOŚ Leasing-EKO Profit S.A.) that owns a wind farm project and operates in the area of electricity generation.

## 2. We are full of green energy

### Our strategy and business model

#### GRI 102-15, GRI 102-16, GRI 102-26, GRI 102-11, GRI 102-30

Environmental protection is the pillar of BOŚ's activities. Now that green transformation is one of the economic priorities, our experience and expertise is even more valuable.

We focus on providing dynamic end-to-end support for clients in their green transition efforts, mainly through environmental consulting services offered by our environmental engineers and experts throughout the investment process, arrangement of financing, and distribution of Polish and EU funds.

An important advantage of our bank is its ability to dynamically adapt to market conditions, as demonstrated by the BOŚ product offering, which is being expanded on an ongoing basis with new solutions, mainly in the field of environmental protection. The direct result of this constant tailoring of products to clients' needs is a steady expansion of the loan portfolio, and its indirect effect is a significant growth of the Group's profit.

We provide the bank's clients with **attractive GREEN financial products** in a modern form through dedicated distribution channels. We offer **deposit, credit and payment products for all client groups** as well as **specialist products** for selected client groups.

We are dynamically changing our business model by implementing the objectives of the bank recovery programme which has been continuing since 2016. The measures we have taken are a natural process of development for BOŚ and have an effect on the efficiency of our organisation management, cost optimisation and the bank's performance.

We are striving to achieve a model that guarantees sustainable profitability in business and operational terms, which will allow us to improve all key indicators (ROE, net banking income, C/I) in each year over the term of our Business Strategy until 2023.

We have been closely monitoring the market and building green transition experience for years. We believe that environmental protection is no longer a trend – it is now becoming a growth strategy not only in Poland, but also elsewhere in the world. Environmental issues are gaining prominence in business. More and more companies are taking a responsible approach to environmental protection, and this in turn enables them to grow faster and build a stable position in a long-term perspective, in line with the concept of sustainable development.

<b>Institutional clients</b>	<ul style="list-style-type: none"> <li>• working capital financing (including factoring)</li> <li>• green investment facilities</li> <li>• environmental consulting</li> </ul>
<b>Local governments</b>	<ul style="list-style-type: none"> <li>• working capital and investment financing</li> <li>• preferential credit for environmental projects</li> <li>• financing complementary to the portfolio offered by the National Fund for Environmental Protection and Water Management and Provincial Funds for Environmental Protection and Water</li> </ul>
<b>Retail clients</b>	<ul style="list-style-type: none"> <li>• loans for environmental projects</li> <li>• green mortgage loans</li> <li>• term deposits</li> </ul>

## Business strategy

We are implementing our Business Strategy for 2021–2023:

1. The bank's new development plan takes into account the economic consequences of the COVID-19 pandemic, as well as directions towards achieving climate neutrality defined at the EU and national level.
2. We intend to place even more emphasis on consulting capabilities and expertise in green financial products, as well as comprehensive support for Polish companies and local governments in their green transition efforts.
3. The offer for retail clients will also be focused on financing green investments.

BOŚ intends to respond to the growing demand for green financial products and engage in addressing the civilisational challenges of the coming decades. Taking this direction is expected to translate into improved operational efficiency, which should result in sustainable profitability and an improvement across all key indicators.

The Development Strategy of Bank Ochrony Środowiska for 2021–2023 [▶](#) assumes that our activities will invariably focus on environmentally friendly solutions. They will support the projects pursued by our corporate and retail clients and thus will help fulfill our mission.

In corporate banking, we focus on proactive services to medium and large companies and local governments. We follow a selective approach to the sectors and technologies we support, taking into account their revenue potential, their contribution to reducing greenhouse gas emissions, and the possibility of using public funds (domestic and EU funds).

BOŚ's retail banking offering is mainly targeted at environmentally conscious clients and focused on two product groups:

- The first group comprises loans for the purchase and installation of environmentally friendly technologies. In the area of construction, BOŚ intends to engage primarily in sustainable housing projects. The loans will be offered both directly by the bank, including online, and by environmentally minded development companies;
- The second product group for retail clients is term deposits, which will be offered mainly via the digital channel and through the optimised branch network.

### ESG strategy


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#### **GRI 103-1, GRI 103-2, GRI 103-3, GRI 102-44**

In 2021, we adopted an ESG Strategy that comprehensively governs BOŚ's approach to sustainability. It presents a set of actions undertaken in relation to our bank's impact on environmental protection, care for society and the highest standards of corporate governance. The strategy's goals, which are measurable and allow progress to be monitored over time, are also in line with the 2030 Agenda for Sustainable Development adopted by the United Nations, and the bank is a signatory to the agreement to achieve the Agenda's objectives.

#### **GRI 102-43**

Our draft ESG Strategy was evaluated through social dialogue with our stakeholders. It was consulted by representatives of the bank's Management Board with representatives of public administration, international organisations, and key clients. Participants of the meetings positively assessed the goals set out in the ESG Strategy and the activities and actions planned by the bank. They emphasised the high value of specific commitments, indicators and deadlines. We also agreed on joint activities in the implementation of the ESG Strategy.

DIRECTION	STRATEGIC OBJECTIVES	ACTIONS	UN GLOBAL GOALS
<p><b>Green change lider</b></p>	<p><b>We support green transition</b></p> <p>We develop green financial products and consistently expand our green product portfolio. We ensure that the projects we finance support tackling environmental challenges. We provide our clients with expert support to help them deliver positive results for the environment.</p> <p><b>Green transition starts with ourselves</b></p> <p>We not only set the highest environmental requirements for our clients and trading partners but also, as an organisation, make an effort to continuously mitigate our environmental.</p> <ul style="list-style-type: none"> <li>• Increase in the share of green assets in our loan portfolio to 50% by 2023</li> <li>• No new funding for thermal coal mining and new coal-fired generating units, in line with the adopted Climate Policy of Bank Ochrony Środowiska</li> <li>• Growth of sustainable product sales volumes to PLN 400 million in 2022</li> <li>• 20% carbon footprint reduction relative to 2020 by the end of 2023</li> <li>• 100% of renewable electricity starting from 2022</li> </ul>	<p><b>External activities</b></p> <p>We actively engage in financing sustainable investment projects.</p> <p>With our unique expertise, we comprehensively support and advise clients in the transformation process.</p> <hr/> <p><b>Internal activities</b></p> <p>We implement top standards for managing our environmental impacts.</p>	

DIRECTION	STRATEGIC OBJECTIVES	ACTIONS	UN GLOBAL GOALS
<p><b>Socially active bank</b></p>	<p><b>We promote sustainability</b></p> <p>We invest in the education and development of our clients, providing them with access to relevant knowledge and expertise. In our activities for the society we are guided by the objective of exerting a positive influence not only on our clients, but also on those in need. We carry out a number of important social initiatives through the programmes run by the BOŚ Foundation.</p>	<p><b>External activities</b></p> <p>We carry out our mission through continuous education supporting sustainable economic development.</p> <p>We are a responsible and committed partner of important social initiatives.</p>	 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>4 QUALITY EDUCATION</p>
	<p><b>We are building a sustainable organisation</b></p> <p>We do not forget about the advancement of our employees, and we create a dynamic workplace at a bank with a mission. We provide our employees with opportunities for continuous and sustainable development.</p> <ul style="list-style-type: none"> <li>• Creation of an educational platform to support the development of green projects, with a guide for the market on the principles of sustainable financing in 2022</li> <li>• Publication and implementation of a policy for building relations with our external environment and mitigating negative social impacts in 2022</li> <li>• Growth of the employee engagement rate to 58% by 2023</li> <li>• Improvement of the employer brand perception for BOŚ by 8 pp by 2023</li> </ul>	<p><b>Internal activities</b></p> <p>We care for our employees and create an engaging workplace, with clear employment policies that support diversity.</p>	 <p>5 GENDER EQUALITY</p> <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> <p>10 REDUCED INEQUALITIES</p> <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> <p>13 CLIMATE ACTION</p>

DIRECTION	STRATEGIC OBJECTIVES	ACTIONS	UN GLOBAL GOALS
Conscious organisation	<p><b>We integrate transparency with accountability</b></p> <p>We are improving transparency practices and effectively adapting to new regulations. We are open to external ESG evaluation and intend to improve our ESG rating in the coming years.</p>	<p><b>External activities</b></p> <p>We conduct our business in a transparent manner, using best ESG practices.</p> <p>We seek to have a sustainable supply chain.</p>	  
	<p><b>We manage ESG responsibly</b></p> <p>Given the dynamics of the changing environment in which we operate, we provide the best possible solutions for risk management and we seek to improve our internal sustainability solutions on an ongoing basis.</p> <ul style="list-style-type: none"> <li>• Obtaining an ESG rating in 2021</li> <li>• Improvement of the ESG rating in the following years</li> <li>• 100% of new suppliers to be covered by sustainable procurement policy from 2022.</li> <li>• 100% of new contracts for institutional clients with a human rights clause from 2022</li> <li>• 100% of new transactions with institutional clients to be assessed for ESG risks from 2023</li> </ul>	<p><b>Internal activities</b></p> <p>We effectively manage ESG risks.</p>	

In November 2021, BOŚ became a member of the **United Nations Global Compact (UNGC)**, an organisation whose mission is to mobilise a global movement of sustainable companies and stakeholders and to take action for the benefit of people and the environment to create the world to which all should aspire.

In December 2021, BOŚ, as the first Polish bank, joined the **Science Based Targets (SBTi)** initiative of companies striving for climate neutrality. Science Based Targets is an international partnership between the Carbon Disclosure Project (CDP), the United Nations Global Compact (UNGC), the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF), seeking to promote climate action, including carbon footprint reduction.

### ESG governance structure

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Oversight of ESG issues, including the implementation of strategic CSR and sustainability goals, is the responsibility of the **Management Board**, led by the President. ESG issues are reported directly to the Management Board member in charge of the Environment and Climate business area.

Since November 2021, an **ESG Committee** tasked with exercising strategic supervision over the bank's ESG efforts has been operating within the Management Board. The Committee is an advisory body for the Management Board. Its appointment also ensures ongoing monitoring of the implementation of our ESG Strategy.

Until the end of 2021, the organisational unit responsible for coordinating ESG activities had been the Environmental Policy and Taxonomy Office, which was transformed in 2022 into the **Environmental Policy, ESG and Taxonomy Department**.

### Key ESG policies adopted during the reported period

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In 2021, we adopted the **Climate Policy of Bank Ochrony Środowiska**, consistent with our ESG Strategy, which, among other things, excludes the possibility of providing new financing for thermal coal mining or new coal-fired generating units.

As part of our commitment to build a sustainable supply chain, on December 1st 2021 we implemented the **Supplier Code of Conduct of Bank Ochrony Środowiska**. Since that date, every new supplier that intends to perform contracts for BOŚ has been required to agree to adhere to and cause its subcontractors to adhere to the ESG standards, and to confirm this agreement by making a relevant statement.

In view of the dynamics of the changing environment, we offer the best possible solutions for risk management. In 2021, our bank introduced **ESG risks assessment for potential borrowers** as part of its overall credit risk assessment process. Every decision on providing financing to a business or local government institution is preceded by an assessment of the prospective client's engagement in ESG activities. Appropriate provisions have been included in the bank's internal risk regulations and in the product documentation, which require clients to provide the bank with relevant information.

ESG-related documents and regulations are available on the bank's website – ESG strategy and report [▶](#)



With regard to 'Socially active bank', we engage in educational initiatives and participate in the market dialogue on sustainable financing.

On November 22nd 2021, we organised a conference 'Idea – Business – Climate'. The aim of the event was to spark a discussion on the role of business in climate change processes and to demonstrate interactions between climate and business processes.

## BOŚ stakeholders and relations with the environment

### GRI 102-40, GRI 102-42, GRI 102-43

We strive for the highest standards in capital market communication. We attach particular importance to the accuracy of information, transparency and equal treatment of all stakeholders, as well as compliance with all and any provisions of law regarding the disclosure requirements for listed companies.

STAKEHOLDER GROUP	OUR APPROACH
Shareholders Investors Capital market analysts Rating agencies	We make sure that all capital market stakeholders have broad access to information about the bank. We maintain regular contact and organise quarterly meetings with our management at the time of publication of financial results. For more information, visit our website – Current and periodic reports <a href="#">▶</a>

STAKEHOLDER GROUP	OUR APPROACH
Supervisory authorities and regulated market operators	Information materials and reports intended for supervisory authorities: Directors' Reports of the operations of the BOŚ Group.
Media	We respond on an ongoing basis to questions asked by journalists. We distribute press releases, provide expert contributions to materials prepared by journalists, and publish educational articles. For more information, visit our website – Press service <a href="#">▶</a>
Employees and independent contractors	We gather opinions of our employees through periodic satisfaction surveys. We use all internal communication tools as well as face-to-face meetings and conversations to communicate. In addition, mailing is sent to the bank's employees from a dedicated box at komunikacja@bosbank.pl. We provide information to our employees through our intranet, newsletter, bulletin boards, posters and flyers.
Retail and institutional clients	We interact with our clients through face-to-face meetings and conversations. All of our clients' opinions on the quality of service and our services are carefully analysed. We make various communication channels available to our clients: <ul style="list-style-type: none"> <li>websites (contact form, online banking),</li> <li>social media accounts on Facebook, Instagram and LinkedIn.</li> </ul> We conduct information and promotional campaigns, educational campaigns, and competitions promoting pro-environmental attitudes.
Contractors and suppliers	We take care to ensure ongoing contact with our trading partners and suppliers. One of the important aspects of the 'Idea – Business – Climate' conference was educating entrepreneurs and sharing experience related to the green transition.
Dom Maklerski BOŚ and BOŚ Leasing – EKO Profit	We conduct ongoing internal communication between the companies.

### Key partnerships

#### GRI 102-12, GRI 102-13

In order to effectively make a change in the world around us, promote sustainable development, demonstrate best practices and educate the social environment, it is essential to establish alliances with financial sector institutions and cross-sector partnerships.

We actively engage in the dialogue on environmental protection and sustainable finance, for example by taking part in the work of task forces set up by public administration bodies, such as the Ministry of Climate and Environment or Polish Bank Association (ZBP). Members of the Management Board and the bank's experts participate in thematic conferences on environmental and climate issues, as well as in numerous trade fairs.

#### Examples of partnerships:

- Agenda 2030 – Partnership for the Implementation of the Sustainable Development Goals in Poland
- Climate Leadership [↗](#)
- Polish Bank Association (Związek Banków Polskich)
- 'Turn on Clean Energy for Poland' Coalition (Koalicja Włącz Czystą Energię dla Polski)
- Bankers for Financial Education of Youth (Bankowcy dla Edukacji Finansowej Młodzieży) – the BAKCYL project
- Climate Positive – United Nations Global Compact Network Poland
- Clean Air programme (Program Czyste Powietrze) [↗](#)

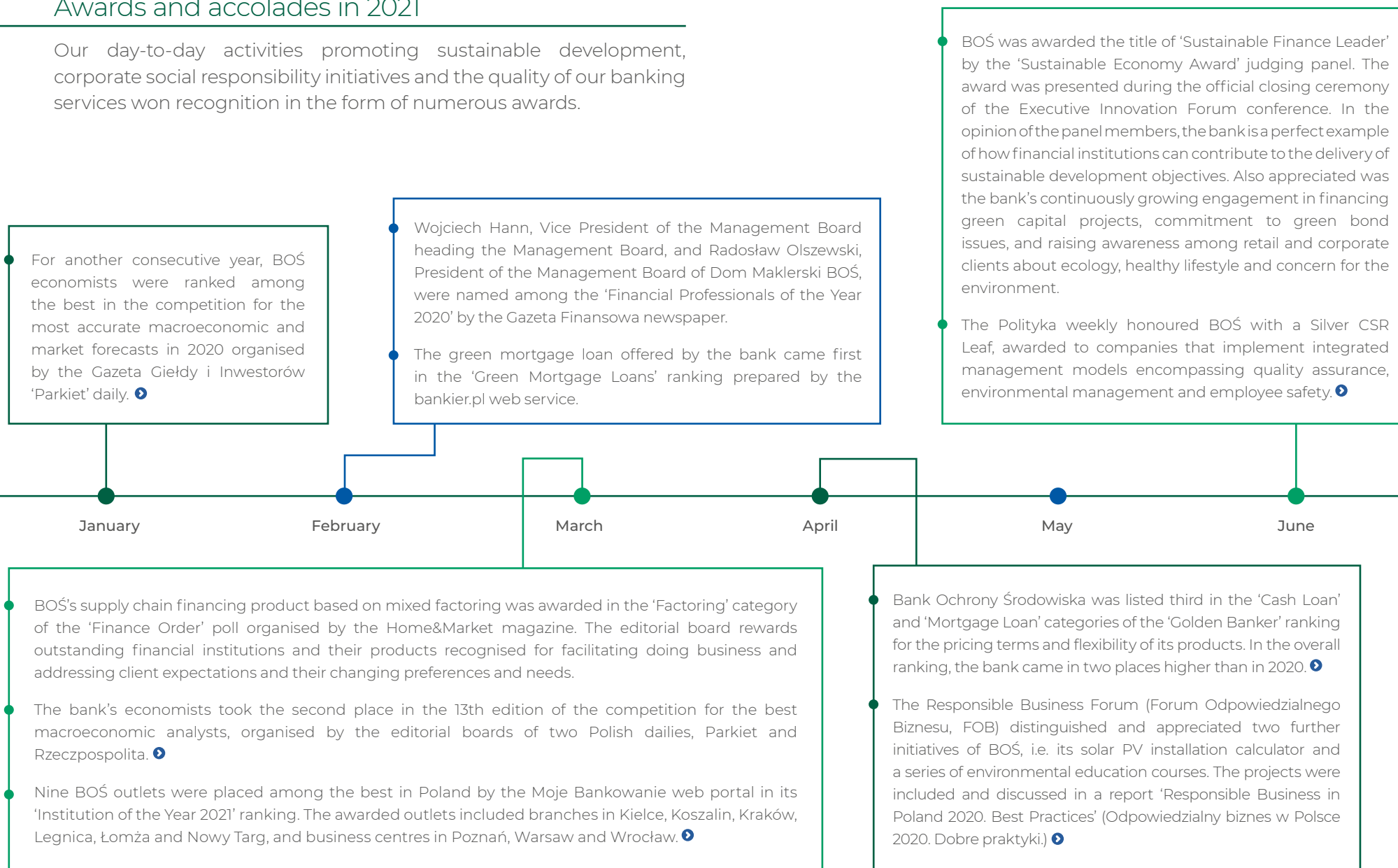
- My EV programme (Program Mój Elektryk) [↗](#)
- Polish Association of Listed Companies (Stowarzyszenie Emitentów Giełdowych)
- Polish Chamber of Ecology (Polska Izba Ekologii)
- Polish Factor Association (Polski Związek Faktorów)
- Province of Rzeszów Business Club (Podkarpacki Klub Biznesu)
- National Centre for Research and Development (Narodowe Centrum Badań i Rozwoju) [↗](#)

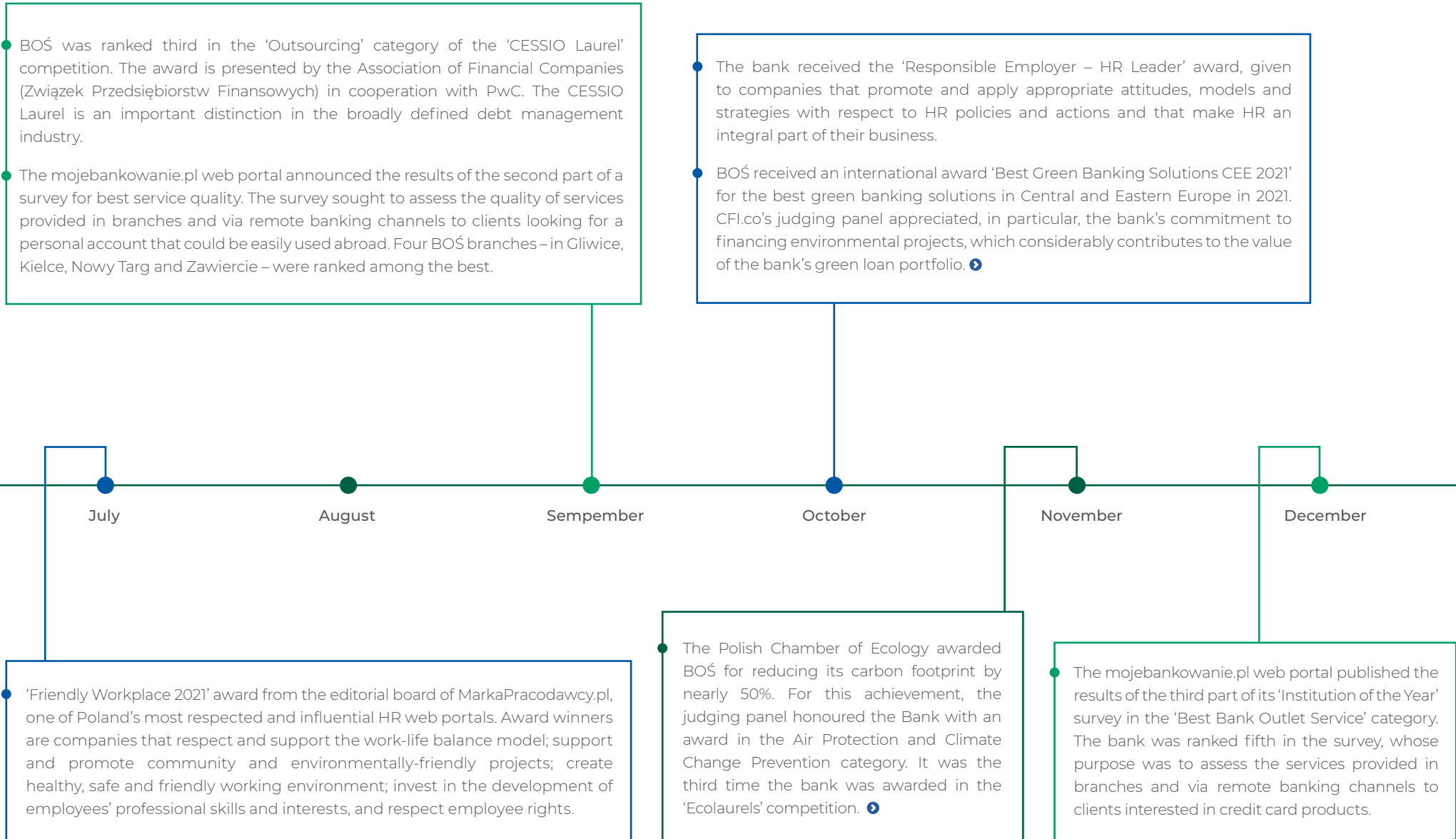
#### Agreements signed in 2021:

- Cooperation agreement for the development of the solar photovoltaic sector [↗](#)
- Cooperation agreement for the development of the biogas and biomethane sector [↗](#)
- Sectoral agreement for the development of offshore wind energy in Poland [↗](#)
- Hydrogen agreement [↗](#)

## Awards and accolades in 2021

Our day-to-day activities promoting sustainable development, corporate social responsibility initiatives and the quality of our banking services won recognition in the form of numerous awards.





# 3. Green change leader (E)

## Our ambitions

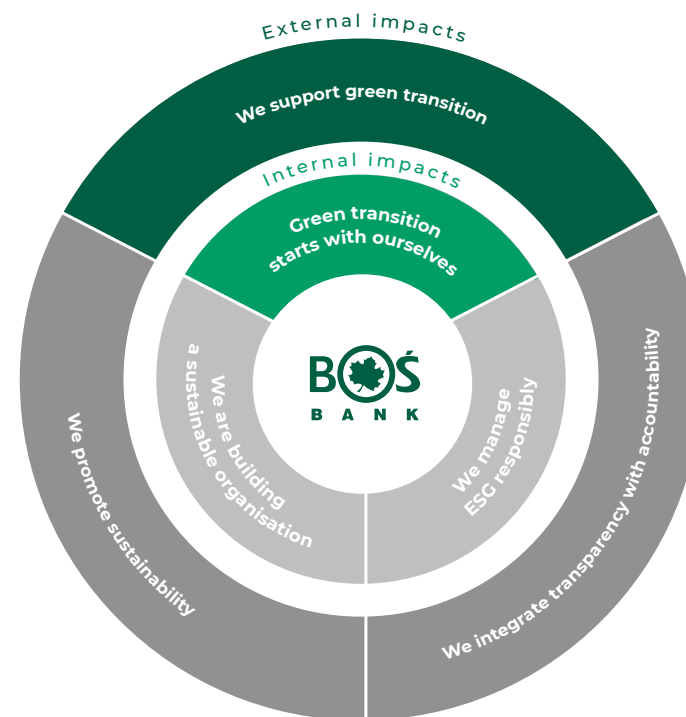
### We support green transition

We develop green financial products and consistently expand our green product portfolio. We ensure that the projects we finance support tackling environmental challenges.

We provide our clients with expert support to help them deliver positive results for the environment.

### Green transition starts with ourselves

We not only set the highest environmental requirements for our clients and trading partners but also, as an organisation, make an effort to continuously mitigate our environmental impacts.



## Key figures

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### 2021:

- PLN 4,760 million – the balance of BOŚ green loans
- 36.9% – the share of green loans in the portfolio
- More than 20 environmental engineers and experts with experience in consultancy on green transition projects
- PLN 1,670 million – value of green transactions completed
- 2,651 environmental investment projects completed by our clients, with a total cost estimate value of PLN 2,860 million

### Green impact of projects completed in 2021 and co-financed by the bank:

- renewable energy – 62.7 GWh per year
- heat consumption and heat loss savings of 58.3 thousand GJ per year as a result of completed projects
- carbon dioxide emissions reduced by 183.1 thousand tonnes per year
- particulate matter emissions reduced by more than 35.2 tonnes per year
- waste disposed of or secondary raw materials recovered – 94.7 thousand tonnes per year

## 3.1. We support transition towards sustainability

Supporting the system of financing of green investment projects in Poland is the key task of Bank Ochrony Środowiska. For the 30 years since our inception, we have executed more than 90 thousand green transactions totalling PLN 25.1 billion, which helped finance projects worth PLN 55 billion. At the same time, we seek to raise environmental awareness among the general public, knowing that this will support sustainable development not only in Poland, but also in Europe and globally.

We know that environmental projects, due to their specific nature, require modern and tailored financial products. For this reason, we expand our green offering and provide our clients with expert support to help them deliver positive results for the environment. We are aware of our role in and responsibility for climate protection.

### Our green products and services

#### **GRI 203-1, GRI 102-2**

For retail, SME and corporate clients BOŚ provides a broad range of banking products, including 'green' ones, top customer service, business ethics and care for the natural environment and sustainable development of Poland.

What makes us stand out is cooperation with key institutions that form the environmental protection financing system in Poland and play a significant role in preventing the negative effects of climate change. These include the National Fund for Environmental Protection and Water Management, Provincial Funds for Environmental Protection and Water Management, Bank Gospodarstwa Krajowego and Polish Development Fund.

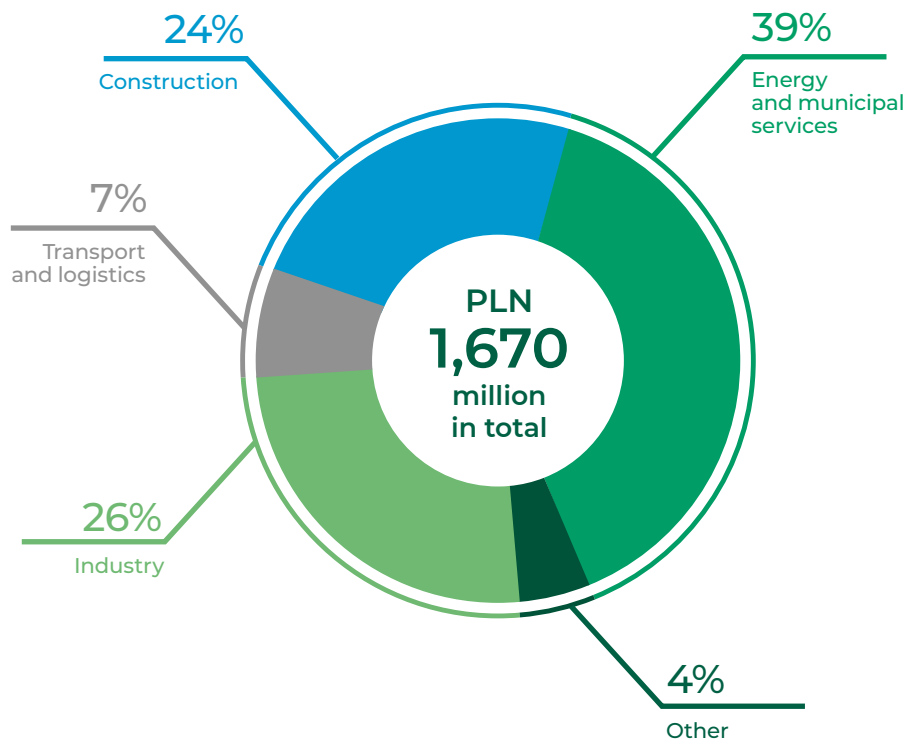
Cooperation between BOŚ and institutions managing funds for environmental protection not only allows us to offer preferential loans, but also ensures seamless operation within the framework of the National Environmental Policy. Our offering complements the priority programmes implemented by the National Fund for Environmental Protection and Water Management and Provincial Funds for Environmental Protection and Water Management.

Climate protection, which we support by financing green transition projects, is at the heart of our operations. We are positive that such projects are a must to achieve a long-term change in sustainability and minimise negative environmental impacts. They are tailored to the client's needs and demonstrate that it is possible to achieve synergies by combining business with care for the natural environment. Pro-environmental activities we finance include efforts to reduce consumption of natural resources, improve energy efficiency, and increase use of renewable energy sources.

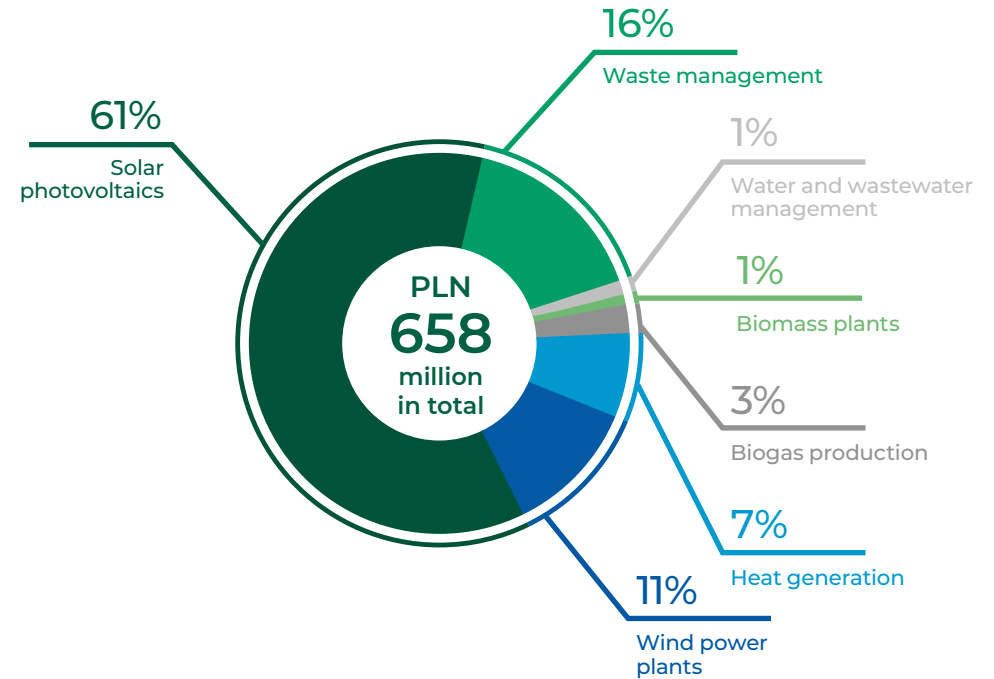
We continue to expand and adjust our green offering to meet market needs as well as corporate growth and modernisation plans to the

fullest extent possible. We actively participate in implementing initiatives formulated by the Ministry of Climate and Environment and the National Fund for Environmental Protection and Water Management by proposing financial structures and arrangements for businesses that differ in terms of their financial standing and planned scope of modernisation of energy sources and green generating units. Our green financial products are developed with due regard to the principles of sustainable development.

Green loans advanced in 2021 by sector:



Energy and municipal services are the largest group of projects financed in 2021:



### Product portfolio

With its wide range of payment, deposit and credit products, the bank can build individual offers for each client, tailored to their specific needs, with a special focus on green products.



## Credit products

### Institutional clients

- Working capital financing (including factoring);
- Investment financing for:
  - purchase and installation of environmental protection machinery and equipment,
  - financing environmental projects,
- Products offered in cooperation with partners providing green solutions to the market (e.g., low-emission boilers, renewable energy systems),
- Financial arrangements using programmes operated by the bank's partners, including the National Fund for Environmental Protection and Water Management, Provincial Funds for Environmental Protection and Water Management, Bank Gospodarstwa Krajowego, and the bank's credit facilities,
- Guarantee programmes to support innovative green projects (BiznesMax guarantee),
- Investment credit facilities with parameters tailored to specific industries and client needs, including to finance renewable energy SPVs,
- Loans for thermal upgrading and renovation projects with a bonus from the Thermal Modernisation and Renovation Fund,
- Preferential loans offered in partnership with Provincial Funds for Environmental Protection and Water Management (offered locally),

- Comprehensive financing solutions for local government institutions, including:
  - investment and working capital financing,
  - preferential credit financing,
  - financing complementary to the portfolio offered by the National Fund for Environmental Protection and Water Management and Provincial Funds for Environmental Protection and Water Management.

### Retail clients

- Investment loans for sole traders, including green loans,
- Green mortgage loan for financing properties built as energy-efficient projects,
- Czyste Powietrze (Clean Air) loan,
- Cash loan with dedicated promotions for replacement of heat sources and thermal upgrading (Przeźroczysta Pożyczka (Transparent Loan) and Pełnym Oddechem (Full Breath) loans),
- Ekokredyt PV,
- Nasza Woda (Our Water) loan to finance countering and mitigating the effects of drought, developed in cooperation with experts of the Climate Leadership programme initiated by the UNEP/GRID – Warsaw Centre,
- Preferential loans to finance environmental projects offered as

part of cooperation with partner institutions (Provincial Funds for Environmental Protection and Water Management – local offering, Bank Gospodarstwa Krajowego),

- Loans for thermal upgrading and renovation projects with a bonus from the Thermal Modernisation and Renovation Fund,
- Loan for the purchase of vehicles powered by electric or hybrid motors (Eko Mobilni),
- Credit facilities offered in cooperation with partners providing green solutions to the market, e.g., low-emission boilers, renewable energy installations.

We support our clients with expert knowledge and experience throughout their investment projects

#### GRI 203-1

With our unique expertise, we comprehensively assist and advise clients in the transformation process. Our environmental engineers provide free-of-charge support to clients to make projects co-financed by BOŚ as sustainable and environmentally-friendly as possible. We report the effects of the projects we finance through an internal system for monitoring environmental performance that has been in place at the bank for years.

April 2021 saw the establishment of a separate Environment and Climate business area with approximately 50 employees. Our clients have access to expert knowledge on environmental issues, support programmes, financing and commercialisation of green projects.

All products offered by our bank are reviewed for compliance with the law, regulatory recommendations, industry practice and the bank's internal requirements.

Key regulations forming the products' legal framework include:

- banking law act, consumer credit act, mortgage lending act,
- recommendations of the Polish Financial Supervision Authority: S, T, U, Z,
- 'Rules for Banking Product Development and Management at BOŚ SA',
- other documents laying down the rules for charging interest, fees and commissions in each client group.

## Examples of our clients' environmental projects

Best practice

### 'Rodzina Kolejowa' Housing Cooperative

'Rodzina Kolejowa' is among the largest housing cooperatives in Białystok and manages buildings located in six housing estates of that city: Przydworcowe, Sady Antoniukowskie, Osiedle Młodych, Dziesięciny, Wysoki Stoczek, and Bacieczki. The resources under the Cooperative's management comprise 311 buildings with a total usable floor area of over 748,000 sqm (September 30th 2021).

The Cooperative successively implements new construction projects to increase its resources but also takes care of the existing buildings as part of a programme designed to improve their technical condition. Examples include the thermal upgrading of a multi-family residential building at ul. Narewska 3 in Białystok, involving modernisation of its central heating and hot water systems, insulation of the flat roof, insulation of external basement walls, replacement of window joinery and exterior doors in common areas of the building (staircases, basements), and insulation of external walls.

The project was completed in October 2021. It was financed with a BOŚ loan for thermal upgrading projects with a bonus from the Thermal Modernisation and Renovation Fund. The project produced an environmental outcome of reducing the consumption of energy for heating purposes and hot water by 882.94 GJ per year. Its other positive effects included improvement of the thermal comfort of residents and of the building's appearance.

Best practice

### CENTROKOM Sp. z o.o.

CENTROKOM, whose sole shareholder is the Suchowola Municipality, provides services involving water supply, distribution and treatment, municipal wastewater treatment, transport of schoolchildren and other municipal activities.

In June 2021, CENTROKOM completed the redevelopment and expansion of the wastewater treatment plant in Suchowola. Before that, obsolete technology and ineffective system for controlling and monitoring the quality of treated water significantly hampered the proper operation of the plant, which prompted the company to invest in the upgrade project. Another problem was the sewage sludge, which had to be transported over long distances for disposal. Now that the project has been completed, the sludge is dewatered and hygienised on site, and can subsequently be used as a fertilizer. The scope of work included:

- adaptation of the two existing chambers for the purposes of aerobic digestion of excess sludge and wastewater retention reservoir,
- expansion of the plant's infrastructure building, including the construction of a new roof and a shed for storing sludge, as well as laying foundations for machinery and new floorings,
- alteration of existing pressure and gravity process pipelines,
- renovation and insulation of the infrastructure building's facade,

- Construction of new circulation routes (concrete block pavements),
- Construction of a lower heat source for the heat pump in the form of manifolds laid on the bottom of the SBR tank.

Thanks to the use of a heat pump, wastewater became a heat source for heating the infrastructure building and the amenity building. A heat pump with a rated heating capacity of 16 kW and COP (Coefficient of Performance) of 4.8 was installed.

CENTROKOM co-financed the project with funds received under Priority Axis 6 of the Province of Białystok Regional Operational Programme 2014–2020 – Preserving and Protecting the Environment and Promoting Resource Efficiency. The project cost more than PLN 3.2 million.

BOŚ provided bank financing in the form of an investment credit facility from EIB line 6, a bridge loan in the amount equal to the grant, and a working capital facility to pay VAT.

Thanks to the completion of the project, more than 2,500 residents of the Suchowola Municipality can enjoy the benefit of an upgraded wastewater treatment plant. The plant's energy efficiency and sludge management also improved.

#### Best practice

#### Pro-Wind Sp. z o.o.'s Solar PV Farm

The electricity price growth seen in recent years encouraged many investors to build and operate solar photovoltaic power plants on arms' length terms, outside the hitherto popular auction system in which the selling price of electricity was guaranteed.

An example of such project is the 10 MWp solar photovoltaic farm built by Pro-Wind Sp. z o.o. near Ząbkowice Śląskie in the Province of Wrocław, spanning an area of almost 16 hectares. The plant's annual electricity output will exceed 10 GWh and will help reduce annual CO<sub>2</sub>, SO<sub>2</sub> and NO<sub>x</sub> emissions by, respectively, 8,000, 7 and 6.5 tonnes. The work started in November 2020 and the farm began to produce electricity in March 2022.

The general contractor for the plant was EkoEnergia Polska Sp. z o.o. of Kielce, a household name among providers of end-to-end services for the renewables sector. The owner of the farm is Energy Pack Solutions S.A. of Warsaw, solar photovoltaic farm developer.

The project cost PLN 26 million. 70% of the project's costs were financed by BOŚ with the European Investment Bank's credit facility under the Climate Change Action programme.

#### Best practice

##### **Hala Gdańsk-Sopot Sp. z o.o.**

Hala Gdańsk - Sopot is engaged in public activities to meet the general needs of residents of the municipalities of Gdańsk and Sopot and to promote the two cities as tourist-friendly places. It performs these activities in the ERGO ARENA building, which serves as a metropolitan centre hosting sports, congress, cultural, exhibition and fair events.

In 2021, the company upgraded the facility by furnishing the main arena with new LED lighting (359 lighting points) along with a control system for individual management of each lighting point. The light fixtures illuminating the main arena and the fluorescent fixtures illuminating the stands were replaced. Technical lighting was installed for the purposes of moving around and cleaning the main arena. The project helped reduce the cost of electricity consumption by about 39% compared with the pre-upgrade amounts, reduce the cost of maintenance and repair of the lighting system, and improve the image of the facility as modern and environmentally friendly. Its environmental outcome is reduced electricity consumption leading to CO<sub>2</sub> emission savings of 220 tonnes per year.

The project was financed with a credit facility provided by BOŚ.

#### Best practice

##### **Elemental Holding S.A.**

Elemental Holding and its subsidiaries operate in the market for recycling of platinum group metals (including automotive catalytic converters) and copper group metals (printed circuit boards), as well as electrical and electronic equipment. The Group companies carry out bulk collection and purchase of waste, as well as initial recycling, i.e. dismantling, fractionation, separation, grinding, and recovery of metals (through smelter plants and refineries).

In accordance with the Act on Waste Electrical and Electronic Equipment (WEEE) of September 11th 2015, Elemental Holding Group entities act as collectors of waste electrical and electronic equipment, processing facilities and recyclers. This means that WEEE recovery organisations engage Elemental Holding Group entities to recover this type of waste. The recovery operations and the sale of materials recovered during waste processing is a source of income for the Group.

The Group operates worldwide.

BOŚ provides financing for the Group's day-to-day operations and prospective business in the form of working capital and investment financing as part of a bank syndicate. Elemental Holding Group companies recover and recycle more than 200,000 tonnes of waste per annum.

#### Best practice

#### **Cavatina Group**

Cavatina Holding SA is a group of developers executing end-to-end commercial property projects. Cavatina's projects are consistent with the idea of sustainable architecture and construction; all of them are BREEAM-certified. The company has also decided to seek WELL Health&Safety Rating™ certificates for its entire project portfolio. WELL Health&Safety Rating™ is a stringent safety rating system for buildings to advance human health and well-being, developed by International WELL Building Institute.

Cavatina's approach to developing each project is to be commended: it selects interesting and well-connected urban locations offering access to a variety of services and public transport. Certification starts with collaboration with an environmentalist to make the construction process as environmentally neutral as possible. The Environmentalist Report and Biodiversity Management Plan are developed. Greenery projects are carried out in line with the environmentalist's guidelines in order to increase the environmental value of the area, and provide building users with access to recreational areas and green terraces. Soil is tested and, if necessary, remediation work is undertaken on any contaminated land. Environmentally friendly solutions are employed already at the design phase, for instance the arrangement of the workplaces ensures good access to daylight, and garages feature parking spaces for bicycles. Cavatina strives to select safe and healthy materials with ISO 14001, EPD, FSC, PEFC, VOC-free certificates. LCA (Life Cycle Analysis) is also performed, involving assessment of construction materials in terms of their environmental impact at each stage of using the building (calculation of the impact on global

warming, ozone depletion, environmental acidification and CO<sub>2</sub> emissions).

Cavatina's projects often support the revitalisation of urban areas, as in the case of Cavatina Hall, a concert hall in Bielsko-Biała, which helped revitalise one of the city's main streets. What makes Cavatina Hall unique is that it is the first building of this type in Poland to hold a BREEAM certificate.

Cavatina also earns international acclaim – its projects in Kraków, Warsaw, Wrocław, Katowice, Gdańsk and Bielsko-Biała have received a number of prestigious awards.

The bank provided a working capital facility to Cavatina GW Sp. z o.o., which is the general contractor for all office and commercial buildings at the Cavatina Group.

Best practice

**EKO-ENERGIA Brzoza Sp. z o.o.**

In the era of energy transition and ongoing climate change, reducing the number of conventional energy sources in favour of renewable ones is becoming increasingly important. EKO-ENERGIA Brzoza Sp. z o.o. took up the challenge and built a facility generating energy from renewable sources – a 499 kW agricultural biogas plant.

The plant is designed to produce electricity and heat by burning biogas from anaerobic fermentation of agricultural biomass. The project has received operational support under guaranteed tariffs in the Feed In Premium (FIP) system in accordance with the Renewable Energy Sources Act.

The process used in the plant consists in converting raw materials of agricultural origin through wet methane digestion into biogas with a high methane content. The chemical energy contained in methane is converted into mechanical and thermal energy through combustion in a gas engine, and then electricity is produced in an electric power generator. The employed technology enables processing various agricultural substrates in different proportions, ensuring flexible operation of the biogas plant.

Electricity generated from biogas is fed into the power grid, while thermal energy is used for the plant's own purposes, including for heating the digesters. The use of a cogeneration system as an energy generating unit has optimised the efficiency of using gas.

The measurable environmental outcomes of the project include electricity output of 3,934,116 kWh per year and heat output of 16,007,674 GJ per year, which corresponds to a reduction in CO<sub>2</sub> emissions of 3,115.82 Mg per year.

## 3.2. We take a responsible approach to environmental protection

### GRI 102-29

'The Environmental Policy of Bank Ochrony Środowiska SA' encompasses a number of initiatives and projects aimed at minimising the bank's environmental footprint. Those of particular importance include:

- continual reduction of energy consumption (energy-saving equipment and lighting systems, including advertising lighting); Use of dusk sensors; Use of smart air conditioning, heating and ventilation systems, low emission corporate vehicle fleet; Eco-driving training,
- continual reduction of water consumption and sewage generation (e.g. faucet aerators, dual flush systems),
- effective waste reduction, implementing mandatory waste segregation; Contracts with specialist companies to handle the remaining waste,
- educating employees (e.g. reminding them of the need to turn off the lights, limit the number printouts, limit water consumption and waste generation, including plastic waste).

We consistently work on solutions to mitigate our negative environmental impacts.

Environmental issues are coordinated in the Environment and Climate business area, comprising three divisions: the Environmental Protection, Taxonomy and Analysis Division, the Environmental Projects Division, and the Support and Environmental Protection Division.

### Energy efficiency

#### GRI 302-1, GRI 302-4

Our business relies on electricity from renewable energy sources (RES). In 2021, our total electricity consumption amounted to 2,094 MWh and all of it was covered by certificates of origin for electricity from RES, issued by energy suppliers.

We are strongly committed to improving energy efficiency. In 2021, we replaced the facade glazing at the Head Office building, which improved insulation of the building and thus reduced consumption of thermal energy. At our branch in Częstochowa, we switched from a gas-fired boiler house to district heating in order to actively reduce local GHG emissions.



## LED lighting and motion sensors

**2,094 MWh**  
total electricity consumption in 2021

This is an estimated value based on a sample of energy consumption from 49 outlets with 1,071 employees. The energy consumption value for the 49 outlets was given by the bank on the basis of invoices. To establish energy consumption for the remaining four outlets based on energy consumption data and the number of employees in 2021, energy consumption per bank employee was calculated.

### CO<sub>2</sub> emissions resulting from electricity consumption by the bank in 2021

Location-based: 1,365.32 Mg

Market-based: 0 Mg

Methodology: The emissions volume was estimated for the activities of the bank as a financial institution, including the operation of the bank's Head Office and 53 outlets with an average headcount of 1,137 employees.

We seek to reduce our energy consumption. At the Head Office, regular light switches have been replaced with motion and dusk sensors in kitchens, rest rooms and stairwells. In an effort to promote energy efficiency, we installed LED bulbs and fluorescent lights in our facilities. At the same time, we are constantly educating our employees on the subject, reminding them that even small daily actions such as turning off the lights are of great importance to climate protection.

## Carbon footprint

### GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-5

We have committed to calculate greenhouse gas emissions annually and to submit the calculations for independent verification. The first estimate of greenhouse gas emissions in the bank's operations was made for 2007. In June 2022, the verification of BOŚ's 2021 carbon footprint calculation was completed in collaboration with an independent third party.

The calculations were made in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. The 2021 calculations were based on the data (as complete as possible) for each of the three scopes. As only some of the data was available to the bank, certain solutions were applied to make a reliable estimate of our carbon footprint. In addition to data from invoices and billings provided by building managers, market emission rates sourced from relevant literature and industry databases were used to estimate the correct emissions volumes. The report was verified by an independent firm. The corrections it suggested were taken into account in the final version of the report, and the final results and methodology were confirmed by the firm.

#### Scope 1 – direct emissions

- company cars;
- natural gas consumption;

#### Scope 2 – indirect emissions

- electricity consumption;
- heat consumption;

#### Scope 3 – other indirect emissions

- business travel – by airplane;
- business travel – by train;
- business travel – by private car or rented coach;
- employees' commuting to and from work;
- electricity consumed by employees working remotely from home;
- electricity consumption in connection with the transmission of electricity;
- water consumption;
- wastewater discharged;
- municipal waste generated;
- paper consumption;
- courier services;
- greenhouse gas absorption by green areas.

The emission figures calculated by an independent consultant were confirmed in the course of an audit. In 2021, the carbon footprint per full-time employee was 2.53 Mg CO<sub>2</sub>eq (location-based method).

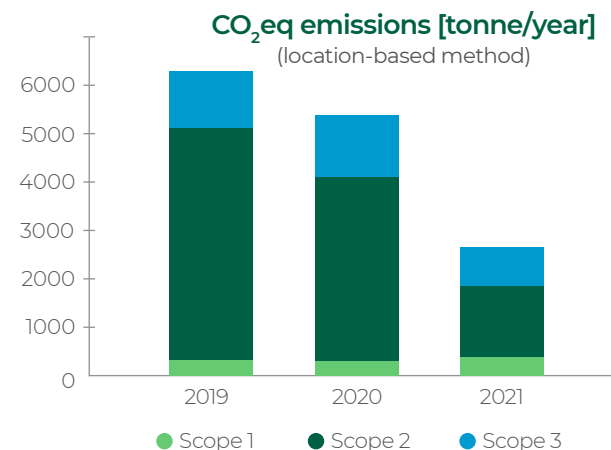
The table and the chart present data on emissions calculations for 2019–2021. The calculations for Scope 2 (consumption of electricity and heat) are presented for the following methods:

- the location-based method uses an average emission factor for a country, showing the actual volume of emissions generated in a given region as a result of the production of electricity or heat purchased by the organisation;
- in the market-based method, electricity consumption is multiplied by emission factors published by specific energy sellers, showing the impact of an organisation's purchasing decisions on the size of its carbon footprint.

If purchased energy is covered by Guarantees of Origin for renewable energy, the emission factor in the market-based method is zero irrespective of what fuel mix is published by the seller.

For more information, visit the bank's website [▶](#)

Emission volumes for each scope of carbon footprint reporting by year



Year	2019	2020	2021
Scope 1	<b>178.4</b>	<b>170.7</b>	<b>211.1</b>
Scope 2 (location-based method)	<b>5,061.3</b>	<b>4,092.4</b>	<b>1,986.3</b>
Scope 2 (market-based method)	<b>N.A.</b>	<b>2,725.3</b>	<b>620.9</b>
Scope 3	<b>1,099.4</b>	<b>976.8</b>	<b>682.7</b>
Total (location-based method)	<b>6,339.1</b>	<b>5,239.9</b>	<b>2,880.0</b>
Total (market-based method)	<b>N.A.</b>	<b>3,872.7</b>	<b>1,514.7</b>

Methodology: The emissions volume was estimated for the activities of the bank as a financial institution, including the operation of the bank's Head Office, business centres and branches, taking into account the average headcount.

## Resource consumption

We engage in various initiatives to promote the idea of sustainable development and, by our example, show how it can be embraced by financial institutions.

Our environmental policy encompasses a number of initiatives and projects aimed at minimising the bank's environmental footprint.

## Solutions to reduce water consumption

### GRI 303-3, GRI 303-5

We seek to effectively reduce water consumption on a daily basis, so faucets in our facilities are fitted with aerators. We also have dual flush systems that save up to 50% of water needed for flushing.

Year	Volumes of wastewater generated [m <sup>3</sup> ]	Sewage sludge [t]
2019	14,836.80	4.91
2020	13,652.62	4.52
2021	6,886.80	2.28

## Waste reduction

### GRI 306-3

For a few years, at our branches and the bank's Head Office waste has been segregated into five fractions, which has had a positive effect on the volumes of waste recycled. Segregated and non-segregated waste is collected by professional waste handling operators.

Year	Estimated volume of municipal waste [t]
2019	224.8
2020	187.3
2021	199.2

The estimated waste generation rate per employee in 2021 was 81.5 kg.

## Second life of furniture and electronic equipment

All equipment and electronic devices (PCs, notebooks, phones) no longer used by the employees are given a second life by being offered for purchase at attractive prices to employees or third parties. Decommissioned tangible assets may be donated to external entities – institutions of science, education, child-rearing, culture, healthcare and social welfare, charity, environmental protection, public order and safety, including organisations referred to in Art. 3.2 and Art. 3.3 of the Act on Public Benefit Initiatives and Volunteerism of April 24th 2003 (Dz. U. 2018, item 450, consolidated text) for the purposes specified in Art. 4 thereof. In 2021, the bank donated 175 pieces of furniture free of charge, while 41 pieces were resold. The amount of decommissioned IT equipment that has been resold or donated free of charge is shown in the table below.

Resold equipment	Number of pieces
Cell phones	1,044
Notebooks	121
Computer sets	225 (16 pieces donated free of charge)
iPad, tablet	47
Modem cards	129

## Paperless – we cut down a paper consumption

We use duplex printing and keep colour printing down to an absolute minimum. In 2021, these measures translated into paper consumption savings of 13.4% compared with 2020.

We also minimise the number of advertising leaflets: they are printed only when we launch new products or when the terms and conditions of existing products are amended. The leaflets are printed on EKO-certified paper.

Mass mailing and other materials are printed on eco-friendly Ecolabel PL/011/001 certified paper and responsibly sourced FSC certified paper (FSC C007894).

## We responsibly source marketing items and office supplies

In 2021, we purchased advertising items that met one of the following criteria to qualify as environmentally friendly materials:

- the product is made from an environmentally friendly raw material (e.g. cork cover notebooks and cork pens, office calendars made of recycled paper, paper packaging, natural wax candles),
- the product, given its function, supports conservation of natural resources (e.g. reusable water bottles, waste sorting bags, reusable packaging such as wax cloth wrappers).

Promotional materials that are no longer used are collected in appropriate containers (in particular printed materials that were prepared for products offered on specific terms).

We also reduce the use of advertising window film at our branches by applying it on selected panes only. In the past year, only one film application campaign was conducted at 44 branches. The average surface area of the film was 8.18 m<sup>2</sup> per branch. This small amount is attributable to the bank's effort to limit the surface area of window panes used to display advertising.

New branches are equipped with furniture containing at least 70% of recycled materials. In addition, BOŚ seeks to address the green challenge by fitting ceilings at its branches that are made of recycled materials in at least 40%.

We regularly seek to ensure that our promotional and advertising materials and office supplies are produced in a sustainable manner and are made of environmentally friendly or recycled materials. In 2021, 7% of the office supplies purchased by BOŚ were ECO-certified. As at the date of writing this report, this proportion rose to 15%.

### Certyfikat „Green Office”

On a path to climate neutrality, we strive to make our operations increasingly environmentally friendly, while constantly monitoring the goals achieved. In 2019, we obtained Green Office certification for the bank's Head Office for the first time, and in 2021 we had them recertified.

For us, the certificate is a confirmation of environmental standards in office management. It is awarded by independent auditors of the Foundation for Environmental Education based on international standards.

Being a certified Green Office means compliance with the environmental standard criteria, which can be divided into two groups: technical criteria and environmental education criteria.

The first group covers issues such as the possibility of waste segregation or management of water and electricity consumption. The second group includes criteria related to environmental education of employees, suppliers and clients as well as creating a friendly work environment. The fact that we have **received the Green Office certification again** proves that we keep top standards in our operations and provide our employees with various opportunities to develop their environmental knowledge.

## 4. Socially active bank (S)

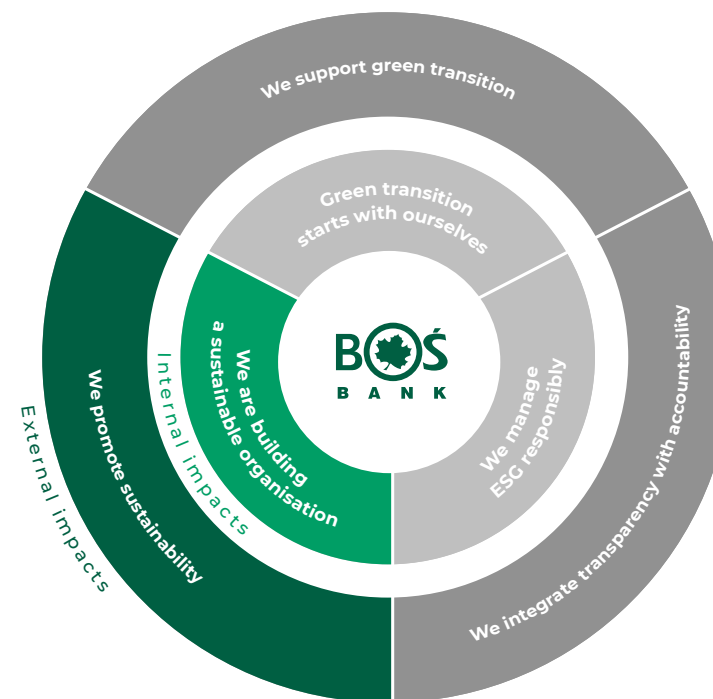
### Our ambitions

#### We promote sustainability

We invest in the education and development of our clients, providing them with access to relevant knowledge and expertise. In our activities for the society we are guided by the objective of exerting a positive influence not only on our clients, but also on those in need. We carry out a number of important social initiatives through the programmes run by the BOŚ Foundation.

#### We are building a sustainable organisation

We do not forget about the advancement of our employees, and we create a dynamic workplace at a bank with a mission. We provide our employees with opportunities for continuous and sustainable development.



- We support 11 NGOs.
- PLN 1,032,159 is the total amount we spent on gifts and donations in 2021.
- We are a diverse organisation, with women accounting for 67% of our total headcount and 37% of our management.
- The BOŚ Foundation works to protect the natural environment and foster pro-environmental attitudes and broadly defined sustainability.

## 4.1. Joint efforts in fostering sustainable development

### GRI 102-29, GRI 413-1

We strongly believe that intergenerational solidarity, manifest in finding solutions that guarantee steady and equitable growth with the inclusion of all social groups, will ensure a peaceful and stable future for us and the next generations. Our bank, together with the BOŚ Foundation, has for many years invested in corporate social responsibility initiatives. Every year we implement dozens of projects for the employees of the bank and the entire BOŚ Group, our trading partners and local communities.

### Common goals, joint commitment

We are aware that 'together is more' and therefore we have for years engaged in various initiatives to draw public attention to the pressing problems of climate protection.

Representatives of BOŚ participated in debates and discussions with representatives of legislative institutions, local governments and the world of business and science directly related to the environmental protection industry and municipal management. Last year, BOŚ was present at, among others, the International Trade Fair for Environmental Protection POLECO, the ENVICON International Environmental Protection Congress, the 7th EKO FORUM Congress, the Thermal Insulation Forum, the Energy and Recycling Forum, the



Waste Management Forum, the Polish Wind Energy Association Conference, and the 25th Polish Heating Industry Conference. The bank's representatives take part in the following industry conferences and meetings, presenting our offering of financial products designed to support environmental protection: POWERPOL Energy and Heating Congress, Eco-Forum International Congress, and Carbon Footprint Summit 2021.

We have also sponsored a range of social and environmental projects, including TOGETAIR Climate Summit, and painting of a mural in cooperation with the Polish State Forests.

#### IDEA - BUSINESS – CLIMATE

In 2021, BOŚ organised the first 'Idea – Business – Climate' conference, which is intended to be a cyclical event held annually. Its objective is a substantive discussion about the role of businesses in addressing the climate change risks. It is our intention to show the interaction between climate and business processes. Some of the key themes addressed during the panels included anticipated shifts in the business environment, re-evaluation of the competitive position of companies (including in the banking, construction, automotive and energy sectors), changing consumer preferences, and the energy transition. A distinctive feature of the event is its multidisciplinary nature: the topics covered during the conference include a wide range of issues and demonstrate the complexity of the energy transition challenge.

The conference is also an opportunity to share opinions. In accordance with the concept of the event, presentations by invited speakers – outstanding experts in their fields are concise, informative, and provide

a starting point for discussion among the panellists. The formula of the conference also includes the possibility for the present guests to take an active part in the ongoing debates. The event is intended for businesses and its objective is to educate and hold a robust debate about how companies can generate profits while meeting ESG goals.

Other initiatives:

- In April 2021, we became a partner supporting the **Operation Clean River** project, the largest nationwide initiative launched by the Kraina Bugu publishing house. Its goal is to join forces to clean recreation areas on the banks of local rivers. BOŚ employees, together with their families and friends, cleaned the banks of rivers located on the Bydgoszcz Canal – the Sebastian Malinowski Boulevard, the banks of the Vistula on the route from Gassy to Dębówka, the riverbed of the Pisia river in the Province of Warsaw – in the Dittrich Park and near Górny Staw. Teams led by volunteer BOŚ employees collected 83 bags of garbage.
- In October, representatives of the Business Centre in Kraków and employees of the bank's Head Office planted 2,150 trees in an area of 4,800 sqm. Thus we once again jointly showed that environmental activities are our speciality. The event was yet another edition of a forestation campaign, which demonstrated the social commitment of the bank and its employees.
- BOŚ supported Black Storks Online, a joint project of the Regional Directorate of State Forests in Łódź and the Department of Biology and Environmental Protection at the University of Łódź. On the initiative of these institutions, a mural with a black stork was painted at 3 Orła street. We hope it will play an important

educational role and encourage Łódź residents, as well as tourists, to learn more about the species.

- On November 25th 2021, the Topacz Castle in Wrocław hosted the 24th 'Urtica for Children' Gala, a charity auction of paintings created by children with cancer diseases. The charges of the 'Urtica for Children' Foundation provided 30 unique paintings they made during a 'Sunny Gallery' workshop. During the auction the bank's representative purchased a painting 'Ms Małgosia – Our Fairy' for PLN 13 thousand.
- We held an art contest for the children and grandchildren of BOŚ employees – 'Holidays with the Natural Environment in Mind'. The participants were requested to prepare an artwork in any technique, depicting an answer to the question "what did we do for the environment during our holiday trip?" The purpose of the contest was to inspire pro-environmental attitudes in children and educate them on the overall objective of BOŚ's activities.

Social media are an integral part of today's world. They significantly influence people's reactions and decisions, broaden horizons and facilitate communication. We use social media channels to publish inspiring content that demonstrates the BOŚ's experience, such as:

- the #FutureFriday series, in which we present the bank's initiatives or trends in environmental protection;
- #ThrowbackThursday, devoted to environmental initiatives we have already completed;
- an environmental advice series in the form of 'Rynn is Drawing' cartoons.

Our YouTube channel features videos about best practices of companies that have collaborated with BOŚ in the implementation of their innovative projects with an environmental impact. They show a broad perspective of the initiatives that benefit both the companies' financial performance and the natural environment through more efficient use of natural resources and energy.

## Partnerships for climate

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UN Global Compact Network Poland: in November 2021, BOŚ became a member of the United Nations Global Compact [👉](#) and joined the Climate Positive programme. BOŚ CEO, Wojciech Hann, participated as a speaker in a conference organised in connection with the publication of the report 'Green Finance in Poland 2021 and Summary of COP26'.

UNEP/GRID – Warsaw Centre. since 2019 we have been a partner of the Climate Leadership programme [👉](#), which aims to build a community of leaders of real change in business for climate neutrality and sustainable development. Its participants regularly implement changes in their offerings and thus encourage companies to take positive action in response to the climate crisis and related risks. The programme puts into practice the idea of the Partnership for the Implementation of the Environmental Sustainable Development Goals 'Together for the Environment', established by the UNEP/GRID – Warsaw Centre. The Partnership brings together businesses, public administration, social organisations and academia. Its mission is to build intersectoral cooperation and initiate specific projects that further the Sustainable Development Goals.

In 2021, BOŚ joined four sectoral agreements prepared by the Ministry of Climate and Environment in cooperation with investors, universities, public administration and financial institutions:

- Sectoral agreement for the development of offshore wind energy in Poland,
- Polish hydrogen agreement,
- Cooperation agreement for the development of the biogas and biomethane sector,
- Cooperation agreements for the development of the solar photovoltaic sector.

The purpose of the agreements is to establish extensive cooperation for the development of specific sectors, for instance by supporting investors and entrepreneurs that create supply chains, and helping in the development of production and exports. Joining the agreements opens up opportunities to work with stakeholders, and supports implementation of the bank's strategy to participate in the green transition.

## BOŚ Foundation

The BOŚ Foundation was established in 2009. It is the first and, so far, the only corporate foundation in Poland created by a bank that works to protect the natural environment and foster pro-environmental attitudes and broadly understood sustainable development.

Over the past 12 years, the Foundation has been involved in projects of importance to the bank and aimed at educating the public on environmental protection and promoting healthy behaviours and lifestyles, good eating habits and physical activity, especially among children and young people.

For more information, visit the Foundation's website [▶](#)

## Pillars of the BOŚ Foundation's social activities

PILLAR	Objectives	Examples of initiatives
<b>HEALTH</b>	Raising awareness on the role of healthy diet and physical activity in retaining good health in the time of global changes.	'Cooking with a Plan' (PlanujeGotuje.pl) 'Fit Diet, Fit Brain' Active Means Healthy' (Aktywniepozdrowie.pl)
<b>ECOLOGY</b>	Raising social awareness about sustainable development and environmental issues; promoting environmental care ideas, particularly among young people.	'Bet on the Sun' 'It's Dirty Here' 'Green Bench' 'Traditional Orchard' Cooperation with the Polish Chamber of Electromobility Development Cooperation with the Copernicus Science Centre Cooperation with the Science Festival
<b>VOLUNTARY WORK</b>	Active involvement in voluntary work as a component of the corporate social responsibility policy and one of the key components of the organisational culture, strengthening relations among employees.	'Micro-subsidies' 'Helping All Year Round'

## Programmes run by the BOŚ Foundation

### Bet on the Sun

7th and 8th editions

The project, running since September 2014, promotes renewable energy sources, in particular solar photovoltaics. It includes two competitions for elementary and high school students: a research and film competition.

In the research competition, young people gain knowledge in the field of renewable energy micro-systems, prepare designs of solar PV installations for single-family houses and school buildings, and then share their knowledge with the local community.

In the film competition, the students' task is to create a film showing renewable energy sources, local renewable energy installations, or explaining how selected renewable technologies work

The seventh edition of the project was completed in June 2021.

**260 student teams (1,300 participants) signed up for the project. They created 244 micro-system designs.**

**The film competition produced 60 films promoting renewable energy sources.**

November 2021 saw the launch of the eighth edition.

[www.postawnaslonce.pl](http://www.postawnaslonce.pl) ▶

### Green Bench

7th edition

A nationwide social outreach grant project addressed to residents of open housing estates managed by housing cooperatives, housing communities or local governments in cities with populations of over 10,000.

It supports the transformation of neglected areas in the housing estates into mini-gardens with a bench. It results in the revitalisation of areas around blocks of flats, creating space for rest and socialising, and shows residents the importance of joint action and the effects it can produce.

Expert partners of the project are the Department of Landscape Architecture and the Department of Landscape Art at Warsaw University of Life Sciences. The **seventh edition attracted 340 participants. Fourteen grants were awarded** to transform neglected places into green areas. In this edition additional funds were also allocated for small-scale water retention projects.

[www.zielonalaweczka.pl](http://www.zielonalaweczka.pl) ▶

**It's Dirty Here**

The objective of the project is to assist local governments in the fight against illegal dumping of rubbish. Anyone who downloads the free 'Brudno Tu' app available on Google Play and the App Store to their smartphone can send a report if they spot a site where rubbish has been illegally dumped in forests, parks and other places anywhere in Poland. After a report with a photo and a brief description is entered in the app, the system automatically locates the site and sends information to the relevant local government and the entity that is responsible for waste disposal on its behalf, in accordance with applicable regulations.

In 2021, nearly 500 rubbish dumps were reported through the app.

[www.brudnotu.fundacjabos.pl](http://www.brudnotu.fundacjabos.pl)

**Traditional Orchard**

4th edition

The objective of the programme is to restore and promote native varieties of fruit crops that have been replaced by new generation varieties. The project supports maintenance of traditional old fruit trees and draws attention to the need to increase biodiversity, which serves to protect natural ecosystems. The task of the participants in this grant competition is to create a mini-orchard consisting of at least five trees in a publicly accessible area, next to a school or presbytery, or on a plot of land owned by the municipality.

Fourth edition of the project, focusing on old varieties of cherry, was launched in early 2021. Honorary patronage for the project was provided by: **the Minister of Education and Science, the Minister of Climate and Environment, the Minister of Agriculture and Rural Development, the Institute of Horticulture in Skierniewice, and the Centre for Environmental Studies and Sustainable Development.**

**231 schools (1,630 participants)** from all over the country took part in the project, and **149 received** a grant to establish a mini-orchard. Despite the difficulties caused by the pandemic, **150 mini-orchards were created and about 770 old-variety trees were planted.** An additional stage was the **creation of a Pomological Map of Poland** to identify places with historical varieties of fruit trees – apple, pear, plum, and cherry. Last year's edition participants provided information on the location of 150 trees that can be a valuable source of fruit tree genes.

[www.tradycyjnyasad.pl](http://www.tradycyjnyasad.pl)

**Fit Diet, Fit Brain**

11th and 12th editions

'Fit Diet, Fit Brain' is addressed to the youngest students (reception classes and grades 1–3 of elementary schools). For 11 years, the BOŚ Foundation has been involved in the project, which from its very beginning has sought to improve the health of the younger generation. Divided into stages corresponding to the seasons, it lasts throughout the school year and has the form of a nationwide inter-school team competition. Its main goal is to promote health-oriented attitudes among children by encouraging healthy eating habits. Since the 7th edition, the project has been under the honorary patronage of Agata Kornhauser-Duda, the wife of the President of Poland.

September 2020 saw the launch of its 11th edition, running until June 2021. **It was joined by more than 2,600 competition teams comprising over 50,000 students and teachers.** Competition participants were tasked with passing on what they have learnt to their peers at school and to their parents. In this way, **approximately 120,000 students and 40,000 of their parents and guardians were educated about healthy habits. 27 top teams from 26 schools across Poland, comprising almost 40 teachers and 500 students, were selected during the project.**

The 12th edition was launched in September 2021. It has been joined by more than 2,000 teams and counting.

[www.zdrowojem.fundacjabos.pl](http://www.zdrowojem.fundacjabos.pl)

**'Cooking with a Plan'****PlanujeGotuje.pl**

PlanujeGotuje.pl is a website and application featuring a range of recipes created during the implementation of the Foundation's projects. The website contains almost a thousand recipes for cooking enthusiasts, whatever their eating preferences or diet.

The special 'FIT' section presents healthy diet plans prepared by nutritionists. A tool called Good Taste Creator allows users to plan their own diet using a calorie counter as well as dairy-free, gluten-free or vegan diets.

[www.planujegotuje.pl](http://www.planujegotuje.pl)

**'Active Means Healthy'****(AktywniePozdrowie.pl)**

The [www.aktywniepozdrowie.pl](http://www.aktywniepozdrowie.pl) website is another element of the entire 'Health' programme and a compendium of knowledge concerning healthy eating habits, physical activity and environmental protection. The articles available on the website were written by scientists from leading Polish research centres and universities, making it a reliable source of knowledge about environmental protection and healthy lifestyle, frequently used by netizens. In 2021, the website was viewed more than 80,000 times.

[www.aktywniepozdrowie.pl](http://www.aktywniepozdrowie.pl)

## Employee volunteering

The BOŚ Foundation helps the bank's employees to take action for the benefit of local communities by supporting the employee volunteering programme. The programme was designed in such a way as to allow volunteers to choose their preferred form of involvement. Our bank offers its employees an opportunity to take a day off to pursue volunteering or environmental activities.

**76 days (606 hours)**

were spent by the bank's employees  
on volunteering projects in 2021

BOŚ Group employees can apply for funds under the **'Micro-subsidies'** project to finance initiatives addressed to a specific local community and carried out by employees in cooperation with selected non-governmental organisations or public institutions.

In the first half of 2021, due to the pandemic, applications were processed on a rolling basis. A grant was awarded under this procedure for the project 'We Take Light from the Sun, So Can You' seeking to educate and encourage local community to use renewable energy sources.

Another eight applications received financing under the programme as a result of the traditional application round announced by the Foundation in the autumn:

- ‘CO Detectors’ – BOŚ employees ran an information campaign on the detrimental effects of heating homes with solid fuels and encouraged people to replace their home heating sources with more environmentally-friendly ones. The funds raised under the project were used to purchase CO detectors, which were installed by Volunteer Fire Brigade firefighters at homes of people in need in the Przylep district of Zielona Góra.
- ‘Bieszczady to the Rescue of Animals’ – construction of an aviary for animals living in the Bieszczady mountains. The project was carried out in partnership with the Bieszczady Organisation for the Protection of Animals.
- ‘A New Home for Charles the Raccoon’ – construction of a new aviary for Charles, a life time resident of the Wild Animals Rehabilitation Centre in Skrzynice, and assistance in cleaning up wild animals’ enclosures.
- ‘Brave Encounters with Insects’ – educating children and youth about the role of insects in nature and insect-friendly plant species. Foundation funds were used to purchase the plants needed for the project.
- ‘Renovation of the Cattery and a Cat House’ – general renovation (removing moisture from the walls, fumigation, painting the walls) of the cattery’s isolation unit and building wooden houses to shelter stray cats in winter. The project was carried out in partnership with the ‘Sosnośląskie koty do adopcji KOTłownia’ Foundation.
- ‘Get Moving to Develop Speaking and Thinking’ – Sensory Therapy – volunteers, supported by therapists from the Special School Complex no. 102 in Warsaw, conducted therapy for children and teenagers with moderate, significant and severe intellectual disabilities with the use of equipment purchased for the purposes of the project.
- ‘Hug a Tree – tree therapy (silvotherapy)’ – volunteers cleaned and prepared the school’s grounds for plantings and conducted educational activities with the pupils.
- ‘Dzieciakowo II’ – people- and animal-friendly garden of a family group home. The purpose of the project was to improve the living conditions of residents of the ‘Dzieciakowo’ family group home, plant old-variety fruit trees in the adjacent garden and thus create the opportunity to enjoy the fruits from the trees and bushes, to watch insects, birds, and to play and eat together outdoors.

**‘Helping All Year Round’** – regular charity initiatives of BOŚ Group employees and the Foundation. The project was created in response to the needs of the bank’s and its subsidiaries’ employees wanting to help their colleagues who are in difficult life circumstances and to raise funds for charitable causes.

In an application round under the ‘Helping All Year Round’ project announced in November 2021 the Foundation received seven requests for financial assistance, of which six were found to have merit and were granted.

Thanks to the generosity of the bank’s and Dom Maklerski BOŚ’s employees, scholarships for talented young people from low income families were also awarded under the project. Three



students under the care of the Santa Claus Foundation, with which the BOŚ Foundation has been working for several years now, received support in the 2021/2022 school year.

## Donations and sponsorship

Making gifts and donations is first and foremost about getting satisfaction from lending support to those who need it the most, as well as improving the quality of local communities' life and promoting activities targeting broadly defined environmental protection and people's health.

BOŚ supports the BOŚ Foundation with an annual donation.

**PLN 900 thousand**

**Amount of the donation made to the BOŚ Foundation in 2021**

We also sponsored conferences on the modernisation of Polish businesses towards building a competitive economy that uses renewable energy sources. Examples include sponsorship of the TOGETAIR 2021 Climate Summit and participation in the Solar Energy Congress. The bank also sponsored projects addressed to younger generations, i.e., 'Our Future Forum Conference' or 'Masterclass with NASA', which focused on exploring global processes, such as climate change and depleting natural resources.

During the 'Idea – Business – Climate' conference, we decided not to distribute traditional promotional items and instead made donations totalling **PLN 45 thousand** to the following three beneficiaries:

- The 'Animals' Woods Clearing' Foundation,
- The Santa Claus Foundation,
- The Centre for Rehabilitation of Domestic Animals.

We also support foundations offering assistance to people in difficult life circumstances, such as for instance Support for Families Association, Polish Social Welfare Committee, 'Urtica for Children' Foundation, 'From the Heart' Association, 'East Now' Foundation. We provided financial support to the Regional Specialist Hospital in Grudziądz and the Provincial Specialist Hospital in Włocławek for the purchase of medical equipment. In addition, we made donations to the following animal welfare organisations: VIVA International Voice for Animals Foundation, the Animal Protection Society in Poland Foundation and Paluch Animal Shelter.

We also contribute to the development of street art – last year we donated **PLN 15 thousand** for the 'Passage II' environmentally-oriented mural, created by the TO Foundation. The avant-garde mural was made using paints that capture nitrogen oxide from the air: 1 m<sup>2</sup> of the mural catches 0.44g of nitrogen oxide from urban smog per day, comparable to the amount captured by one medium-sized tree. The 'Passage II' mural covers 120 m<sup>2</sup> of walls.

We have indefinitely extended our support to animal welfare organisations as part of the 'Talk to a BOŚ Pollster and Help Animals' campaign. For every client satisfaction survey, we donate one Polish

złoty in the form of financial support for animals living in shelters. In 2021, we donated almost **PLN 9 thousand** to The VIVA Foundation in Korabiewice, Paluch Animal Shelter in Warsaw and the Zofia and Roman Witkowski shelter in Milanówek. [👉](#)

**PLN 1,032,159**

Total donations made by BOŚ in 2021

## 4.2. Friendly working environment

We are convinced that building full and multifaceted awareness and raising interest in social, political, economic and environmental matters is an investment in the future. We work hand in hand to broaden knowledge and teach skills necessary to protect and improve the natural environment.

We advocate the idea of sustainability in all spheres of life among the bank's employees. We firmly believe that it takes people who share the same values for an organisation to grow.

### Organisational culture

#### GRI 102-16

We pay heed to what our employees have to say. In April 2021, we conducted an Employee Opinion Survey and based on its results we took a number of actions to create a friendly working environment where commitment, professionalism, cooperation and respect unite. We are particularly committed to initiatives strengthening the organisational culture and improving atmosphere at work. Our organisational culture, as one of the pillars of our corporate strategy, is built to support the delivery of our strategic objectives. We are committed to a value-based culture, where employees can develop

their skills and pursue their professional goals. While working on our strategy, we developed four values which stand for our bank's DNA:

- professionalism,
- respect for others and the environment,
- commitment,
- cooperation.

All employees had access to topical webinars held by external and internal experts as well as to e-learning and micro-learning materials. Dealing with the power of values, their importance in life and business, commitment, or feedback. The materials were made available on the e-learning platform to view at the employees' convenience. The project also involved participation in competitions and dedicated volunteer initiatives.

We create an engaging workplace, with clear employment policies that support diversity. Last year, we further stepped up our efforts in this area by, among other things, building an employer branding strategy and reviewing remuneration policies. We completed a job evaluation process and, taking into account the bank's mission, vision and strategy as well as the macroeconomic situation, we reviewed the remuneration policies and modified the incentive system covering all our employees.

## Green transition starts with ourselves

We improve professionalism of our employees by offering them training that raises their environmental awareness and skills. We finance a series of trainings (e.g., amended Renewable Energy Sources Act, renewable energy support systems, energy efficiency, waste management market development, environmental projects, basic knowledge of how solar PV systems are made, Clean Air Programme) and post-graduate courses, including MBA programme, to develop the environmental and financial competences of our employees. We raise our employees' awareness and inspire them through panel discussions, webinars and e-learning training on diversity. The range of training courses offered by the bank includes the 'BOŚ is Green' (BOŚmy Zieloni) training, designed to strengthen the employees' environmental skills and build their pro-environmental and pro-social attitudes.

## Workforce structure

### GRI 102-8, GRI 102-41

Bank employees by gender (as at December 31st 2021)

Number of employees	Women	Men	Total
Total number	<b>781</b>	<b>389</b>	<b>1,170</b>
Percentage of the workforce	<b>67%</b>	<b>33%</b>	<b>100%</b>

- Greatest length of service at the bank – 30.6 years
- Age of the oldest employee – 72
- Age of the youngest employee – 20
- Average age at the bank – 44
- Median (age) – 44
- Dominant (age) – 41

Headcount at the bank, by number of people and FTEs – as at December 31st 2021

	Number of employees	Number of FTEs
Head Office	777	766.61
Branches and business centres	387	385.63
Remote Sales Centre	6	6
Total for the bank	1,170	1,158.24

Contracts of employment at the bank (number of people) by type of contract and gender – as at December 31st 2021

Number of employees	Women	Men	Total
Trial period	1	-	1
Fixed term contract	141	71	212
Open-end contract	618	312	930
Total number	781	389	1170

Bank's employees by age, gender and minorities – as at December 31st 2021

	Women	Men	Total
Total number of employees	781	389	1 170
Number of employees by age			
≤ 29	57	43	100
30-50	525	248	733
51 ≤	199	98	297
Workforce structure by age [%]			
≤ 29	7%	11%	9%
30-50	67%	64%	66%
51 ≤	25%	25%	25%
including employees with disabilities	8	8	16
Employees with disabilities as % of total workforce	1,0%	2,1%	1,4%

Methodology – number of people employed under employment contracts.

Workforce structure at the bank by position and province – as at December 31st 2021

Province/Region	Women	including full-time employment	Men	including full-time employment	Total
Province of Wrocław	19	19	10	10	29
Province of Bydgoszcz and Toruń	27	26	7	7	34
Province of Lublin	25	23	8	8	33
Province of Zielona Góra and Górzów Wielkopolski	7	7	1	1	8
Province of Łódź	16	15	6	6	22
Province of Kraków	35	35	10	10	45
Province of Warsaw	478	458	285	277	763
Province of Opole	5	5	1	1	6
Province of Rzeszów	22	22	4	4	26
Province of Białystok	19	19	6	6	25
Province of Gdańsk	23	23	7	7	30
Province of Katowice	31	31	12	12	43

#### 4. Socially active bank (S)

Province/Region	Women	including full-time employment	Men	including full-time employment	Total
Province of Kielce	5	5	0	0	5
Province of Olsztyn	19	19	7	7	26
Province of Poznań	23	23	12	12	35
Province of Szczecin	19	19	5	4	24
Telework	8	8	8	8	16
Total	781	757	389	380	1,170

Number of bank's employees in each age group – as at December 31st 2021

	Management Board and officers*			Senior and junior managers			Other administrative staff		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Age ≤ 29	0	1	1	0	0	0	57	42	99
Age 30-50	17	27	44	52	27	79	456	193	649
Age ≤ 50	6	9	15	17	7	24	176	83	259
Total	23	37	60	69	34	103	689	318	1,007

\* Officers: Managing Directors, Directors of Departments, Offices and Business Centres.

## Employee turnover at the bank

## GRI 401-1

Number of new employees and number of people whose employment with the bank terminated in 2021

	Women			Men			Total	
	Age	≤ 29	30-50	51 ≤	≤ 29	30-50		51 ≤
Number of new employees		<b>38</b>	<b>124</b>	<b>20</b>	<b>22</b>	<b>76</b>	<b>19</b>	<b>299</b>
Percentage of new employees		<b>13%</b>	<b>41%</b>	<b>7%</b>	<b>8%</b>	<b>25%</b>	<b>6%</b>	<b>100%</b>

## Employee turnover in 2021

Total	<b>23%</b>
Head Office	<b>17%</b>
Branches and business centres	<b>32%</b>

## Number of employee departures in 2021 by gender and age group

	Women			Men			Total	
	Age	≤ 29	30-50	51 ≤	≤ 29	30-50		51 ≤
Number of departures		<b>28</b>	<b>99</b>	<b>26</b>	<b>21</b>	<b>70</b>	<b>19</b>	<b>263</b>
Percentage of departures		<b>10%</b>	<b>38%</b>	<b>10%</b>	<b>8%</b>	<b>27%</b>	<b>7%</b>	<b>100%</b>

Methodology: number of terminated contracts in 2021/headcount as at January 1st 2021 \*100%.



## Diversity

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### GRI 102-12

Our commitment to diversity means that no one is discriminated against, whether directly or indirectly, because of their gender, age, disability, medical condition, race, nationality, ethnicity, religion, denomination, irreligion, political views, union membership, sexual orientation, gender identity, family status, lifestyle, basis of employment, and other grounds that may give rise to discriminatory practices. The following regulations are in place at BOŚ to support diversity in employment:

- **Diversity Policy** applicable to all bank employees, regardless of the position held, which aims to:
  - support the bank in pursuing its strategic objectives through the implementation of the diversity principle,
  - promote diversity hiring,
  - create a friendly working environment where every employee feels respected and valued.
- **Diversity Policy Applicable to Members of the Management Board of Bank Ochrony Środowiska**, which aims to:
  - promote diversity in appointing members of the bank's Management Board,
  - support the pursuit of strategic objectives by ensuring diversity among the members of the Management Board,

- ensure that members of the Management Board represent a broad spectrum of characteristics and competencies, such as diverse skills, educational backgrounds, professional experience, knowledge, gender, and age.
- **Human Rights Policy**, which describes how human rights are supported and respected through:
  - non-discrimination,
  - freedom of association,
  - opposition to forced labour,
  - appropriate working and pay conditions,
  - occupational health and safety,
  - integrity,
  - respect for privacy,
  - Whistleblowing procedures.

We seek to create a friendly working environment and organisational culture based on mutual respect and to prevent any discrimination or workplace bullying. We have a whistleblowing policy and an anti-bullying policy in place. We conduct the recruitment process in a way that ensures equal opportunities for candidates in accordance with the Recruitment Rules. We support the employment of people with disabilities (programme 'The Bank Open to People with

Disabilities'). We have a transparent remuneration policy and employee evaluation system that ensure equal treatment of all employees. We monitor the level of acceptance for diversity in our annual Employee Opinion Survey.

## Diversity at the bank

### GRI 405-1

- Women account for the vast majority of the workforce at BOŚ (67%).
- In 2021, 37.5% of the senior management members were women.
- The share of women in other managerial positions is 67%.
- Senior management members are graduates of various faculties in Poland and abroad (including economics, engineering, IT, law, linguistics); they have diverse professional experience gained in Polish and European financial and non-financial undertakings.
- 8.3% (5 persons) of the senior management members have worked for BOŚ for more than 15 years.
- The average length of service for women and men is, respectively, 9 and 7 years.
- The bank hires foreigners, retirees and retirement-eligible persons as well as persons with disabilities.
- The percentage of employees with disabilities is 1.4%.

In 2021, the composition of the management and supervisory bodies was diverse in terms of age, educational backgrounds, work experience and gender.

Biographical notes of the members of the bank's Management Board and Supervisory Board are posted on the bank's website. [▶](#)

Composition of the Management and Supervisory Boards by gender – as at December 31st 2021

	Number of members	Number of women	Proportion of women
Supervisory Board	10	1	10%
Management Board	5	1	20%

Composition of the Management and Supervisory Boards by age – as at December 31st 2021

	Number of members	Age	
		up to 50 years	over 50 years
Supervisory Board	10	3	7
Management Board	5	3	2

Composition of the Management and Supervisory Boards by education – as at December 31st 2021

	Environmental protection	Law	Banking and finance	International relations	Science	Management	Economics
Supervisory Board	2	3	1	1	1	1	1
Management Board	-	-	3	-	2	-	-

## Gender Pay Gap at the bank

### GRI 405-2

In 2021, the total average salary and remuneration (basic and variable) of men was 125% of the total average salary and remuneration of women.

Ratio of average basic salary and remuneration of men to women	
Management and executive positions	135%
Non-managerial positions	126%
Ratio of average paid salary and remuneration of men to women	
Management and executive positions	121%
Non-managerial positions	116%

Methodology: total salaries and remuneration of employees in a given employee group divided by the number of FTEs.

BOŚ category (job groups)	Ratio of the median salary and remuneration of men to women
Information Technology	108%
Operations	100%
Risk	106%
Sales and Environmental Protection	162%
Support	107%
Management	145%

Methodology: the median salary and remuneration in a given employee group.

## Parental leaves

GRI 401-3



Out of the 17 retained employees, 14 are women and 3 are men, while out of those 13 who terminated their employment contracts 11 were women and 2 were men.

## Communication with employees

GRI 102-42, GRI 102-43

Most of our communications are addressed to all employees, but sometimes they are meant for stakeholders from a selected business area or region. Employees share information about their business, sports or volunteering initiatives on an ongoing basis. They are invited to contribute content through competitions: we organise competitions and internal campaigns engaging employees.

We ensure that our employees receive sufficient information about BOŚ's activities. To this end, we supply and publish materials such as newsletters, mailings and news on the intranet. We also take care to ensure that the visual content and information presented on the intranet are consistent and that the BOŚ Visual Identity Book is up to date.

Internal communication at the bank falls within the remit of the Communication and Investor Relations Office, which disseminates information concerning personnel matters, current events, security, up-to-date information about BOŚ's activities, rules, procedures, event coverage, etc.

- 441 pieces of information provided to employees via the intranet.
- More than 11,000 messages sent from [komunikacja@bosbank.pl](mailto:komunikacja@bosbank.pl), including 747 to all of the employees.

## Communicating the bank's new strategy

The implementation of a new business strategy is a major event in the life of any organisation, so we took great care to communicate the objectives of our own new strategy to employees via the intranet, mailings, newsletter, wallpapers and screensavers on company computers. We shared details of the strategy and how it was going to affect our work in order to make employees feel included in strategy execution and help them understand the impact of the process on their career goals.

### Acting together

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We held a range of special events throughout 2021, including:

- 'Helping by Giving' – we collected used clothes to give them a second life. Additionally, every kilo of clothing collected during our campaign translated into PLN 1.00 donated to the animal shelter in Korabiewice. Over half a tonne of clothes, shoes, bags and accessories were collected, 743.48 kg to be exact! Clothes were collected at our Head Office and branches, and we received support from people outside the bank who also donated clothes to our campaign.
- Second edition of the 'Help for Children Piskowice' – almost 65 BOŚ employees engaged in the campaign buying Christmas gifts for children staying in the Treatment and Care Centre in Piskowice.
- The employees shared photos of their pets in festive looks and their New Year's resolutions, with the photos and 2022 resolutions graphically edited and published on the intranet.

### Sports teams

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Being green means caring about the environment, but also about one's health. Therefore, BOŚ encourages its employees to engage in team sports. Active lifestyle is not just one of the commitments made by the bank's employees; it is a way to spend free time in the spirit of healthy competition. Many BOŚ employees are members of sports teams. Our volleyball team has regularly participated in the amateur business league for over ten years. In 2021, it took the second place in the 'Let's GO' Volleyball Division II. The bank's football team participated in the 'ELitLiga' Business Football League. Every year the bank's team takes part in the Polish Bank Association Cup sailing race.

## Employee benefits

### GRI 401-2, GRI 403-6

Our bank offers various employee welfare programmes and benefits, both the ones commonly found in business (such as additional financing from the Company Social Benefits Fund) and unique for the bank. All employees are eligible to receive additional benefits, regardless of whether they work part-time or full-time or under a fixed term or open-end contract.

Employees have access to private healthcare provided through a network of healthcare facilities across the country, with a wide range of healthcare specialists.

1	MyBenefit – providing employees with a full range of fringe benefits, partly financed from the Company Social Benefits Fund, including MultiSport cards, services for children, travel, cinema and theatre tickets (available via physical and online stores).
2	Enelmed – the ENEL-MED medical care programme provides employees and their family members with access to own and partner medical facilities throughout Poland. Employees may use a wide range of medical packages tailored to their individual needs and the needs of their families.
3	Mental health helpline – free support available seven days a week to all BOŚ employees without leaving home.
4	Group personal accident insurance coverage with PZU Życie S.A. – BOŚ employees may take out group accident insurance offered by PZU Życie S.A.
5	Legimi – providing unlimited access to a library offering over 60,000 e-books and audiobooks on a variety of topics.

6	Sports teams – BOŚ supports the passions and interests of employees by assisting them with the cost of training, participation in sports events, purchase of sports outfits and equipment necessary to represent the bank during sports events, rental of sports facilities and equipment for training.
7	Remote working – providing remote working options for employees (also after the pandemic).
8	Access to MS Office 365 pro Plus for employees – providing BOŚ employees with free access to the Office 365 pro Plus package for personal use, which includes new and upgraded versions of Word, Excel, PowerPoint, Outlook, OneNote, Publisher and Skype for Business applications.

At BOŚ, all employees benefit from the Company Social Benefits Fund.

**1,035 employees**

use private medical care services

**19 retirees**

additionally use benefits from  
the Company Social Benefits Fund

## Training and development

### GRI 404-1, GRI 404-2, GRI 404-3

Average number of training hours per employee by employment category:

	Women	Men	Weighted average
Management Board and officers	159	112	129
Senior and junior managers	15	10	13
Other administrative staff	23	29	25

Methodology: The average number of training hours per employee is calculated as the number of employee training hours by employment category in 2021 divided by total employees by employment category to the end of 2021..

# 28.2

Average hours of training per employee in 2021

Number of employee training hours by employment category in 2021 :

	Women	Men	Total
Management Board and officers	3,503	4,129	7,632
Senior and junior managers	1,714	662	2,376
Other administrative staff	14,820	8,198	23,018
Total number of training hours	20,037	12,989	33,026

Methodology: The calculation includes external training, internal training, e-learning, conferences, congresses, courses, seminars, employee development workshops for employees, excluding graduate, postgraduate and MBA studies. An hour is an hour of work (60 minutes). The calculation of training hours does not include training required by law, such as Fire, health and safety training.

Participation of the bank’s employees in various types of training:

	External training	Internal training	E-learning
Number of BOŚ employees	739	1,175	1,170

Development of an organisation is not possible without the development of employees, who are its biggest strength. We constantly invest in enhancing the skills and qualifications of our team. This commitment is reflected in key documents forming a comprehensive training and development policy.

The overriding goals of the training and development activities undertaken at the bank are to:

- enhance the knowledge and skills necessary to achieve the objectives defined in the bank’s strategy and the business plans of individual business areas;
- support the efforts aimed at cultural transformation and implementation of an organisational culture based on the values upheld by the bank;
- develop managerial skills and knowledge necessary for modern and effective management.

The training courses we offer cover a broad spectrum of topics, from environmental issues, through product details, to highly specialist external trainings. They also contribute to support employees in development and preparation for new roles they may take on within the organisation, for example by participating in internal recruitment.

All employee development activities help us build a learning-focused culture that is open to change. Every employee, regardless of their length of service with the bank, can participate in training.

Our expert team stands out with expertise and experience in environmental protection and in financing and commercialisation of green business projects, which they use to support clients engaging in cooperation with the bank. Aware of the dynamic developments and new regulations concerning ecology and environmental protection, we plan initiatives to further advance our experts’ professional skills and qualifications through their participation in training courses and seminars.

Middle and senior management at BOŚ participate in a competence development programme to help them become better team leaders. A **manager development programme** offers participation in a variety of training courses, including remote team management, effective recruitment, goal setting, progress evaluation, giving feedback, preventing workplace bullying and discrimination, manager as a sales leader and sales team management, leadership and coaching by feedback.

To ensure high quality of training provided by the bank, training programmes are evaluated on an ongoing basis for efficiency, participant satisfaction and the level of knowledge gained by participants, and constantly improved. This applies both to onsite training and e-learning.



### E-learning

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The e-learning library was accessed by 1,170 users; yet, as some of them attended more than training course, the number of visitors to the library exceeded 6,200.

### Employee evaluation

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We recognise that employee engagement is driven to a large extent by an effective and transparent appraisal process that plays both an evaluative and developmental role.

It is vital for us to know whether employees have achieved their targets but also how they have achieved them and with what attitude. The #SOOP performance appraisal process includes an evaluation of performance against targets and employees' attitudes based on the bank's values of cooperation, commitment, professionalism, respect for others and for the environment.

The process relies on regular feedback between employees and managers achieved through constant monitoring of employees' performance against targets and attitude. The process is based on a partnership in which both the manager and the employee are responsible for the quality of achievement and daily attitude.

In #SOOP! we also focus on employee development. Working with their line manager, every employee defines their own Individual Development Plan designed to support their daily work and increase their efficiency.

### 'Welcome to the Green Team' onboarding programme

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Our approach to adaptation is built so as to ensure a positive experience for new hires and better onboarding efficiency. We aim to reduce first-year employee departures. We engage with employees from day one, providing them with key facts about the bank in a structured way, introducing them to experts in various fields and showing them activities worth getting involved in. We provide the support of managers, the team and the entire bank community in the first weeks of work. Adaptation training by in-house experts and e-learning courses are available for new employees. They are also encouraged to participate in gamification events and dedicated new-hire meetings.

We care about efficiency – we focus on clear communication with new hires, and we constantly monitor the quality of our onboarding programme.

### Employee development programmes

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Our **'Reach for Development'** HR Academy series is a soft skills cafeteria learning programme led by in-house experts. The initiative provides a range of opportunities to expand knowledge and competencies and to share knowledge with colleagues. It aims to promote a lifelong learning and competency development mindset at the bank. We want employees to have access to development content in many forms tailored to their needs and capabilities. This is our way of building a learning-centred organisation where the value of 'professionalism' translates into real action.

In 2021, we launched the Management Academy for **senior management personnel**. The programme helps develop the leadership competencies necessary to build committed and effective teams, teaches strategic management, motivation, and the formation and reinforcement of attitudes consistent with the bank's values. It emphasises that a good leader has responsibility for their own performance and business results as well as for team success and employee development.

An eight-month coaching programme was run for heads of Business Centres to strengthen their soft skills in management.

We continued to the strategic N.E.W.S.® COMPASS™ workshops on navigating and managing change, dedicated to BOŚ senior management.

### Changing the bank's organisational culture – promoting values

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To communicate the values to the employees and to create a forum where they could engage in discussion and collaboration, we created the **'Autumn of Values'** project. All employees had access to topical webinars held by external and internal experts and to micro-learning materials, dealing with the power of values, their importance in life and business, commitment, or feedback. The materials were made available on the e-learning platform to view at the employees' convenience. Also, employees participated in volunteer initiatives and competitions.

## Workplace safety and ergonomics

### GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-7

We are committed to ensuring safety and health of our employees and management of occupational safety at the bank in accordance with applicable regulations. Workplace safety is an area where we strive for the highest standards so that we can be confident that our employees can work in comfort.

Occupational health and safety tasks are carried out by an internal OHS team operating within the structure of the Administration Department, with the support of specialists from an external company.

The OHS services implement the recommendations set forth in the Regulation of the Polish Council of Ministers of September 2nd 1997 on the occupational health and safety services in the following areas:

- initial training,
- periodic occupational risk assessments,
- incident analysis,
- ongoing and periodic health and safety inspections at all of the organisation's outlets.

In 2021, we did not identify any risks that could have a negative impact in the area of occupational health and safety. We conducted an occupational risk assessment of all positions using the Risk Score method. Each assessment is subject to ongoing monitoring and periodic review.

The primary threats are:

- falls on the same level (slips, trips),
- falls to a lower level (stairs),
- inadequate lighting or unpleasant glare,
- strike against something fixed or stationary,
- stress of the musculoskeletal system, eye stress (computer work),
- electrocution (operation of electrically powered equipment),
- traffic accidents (during business-related trips),
- psychological stress associated with exposure to COVID-19,
- fire and explosion hazards,
- rye strain,
- acts of aggression.

The bank also has a Health and Safety Committee in place, acting as an advisory and consultative body. The Committee consists of an equal number of representatives of the employer, including members of the OHS Team and the physician providing preventive health care to employees, and representatives of the employees.

We conduct mandatory initial and periodic OHS training as part of which employees learn how they should behave when working, in front of a monitor. Training takes place in a new, employee-friendly format: the process has been automated. The topics addressed during training sessions include:

- selected labour law regulations and regulations on the organisation of working conditions,
- the circumstances and causes of occupational accidents and diseases,
- ways to prevent occupational accidents and diseases,
- occupational risk analysis,
- procedures to be followed in case of an accident or emergency, such as fire or technical failure.

In addition, we make sure that our workstations are ergonomic. Employees who work in front of monitors can receive reimbursement for corrective glasses.

## Accident incidence rate – number of accidents at work

### GRI 403-9

	2020		2021	
	Women	Men	Women	Men
Total number of accidents at work	2	0	1	2
Number of fatal accidents	0	0	0	0
Number of severe accidents	0	0	0	0
Total number of people injured in accidents	2		3	
Incidence rate 1*	1,8		2,6	
Incidence rate 2**	6.5		0	

\*Incidence rate (IR) calculated as total number of people injured in accidents/ headcount x 1,000.

\*\* Incidence rate calculated as number of days lost due to post-accident absenteeism/ number of accidents.

### Support to clients and employees during the COVID-19 pandemic

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Concern for the health and safety of clients and employees is our top priority. In the past year, we continued our efforts to improve efficiency of the bank's operations. We took a number of steps in order to curb the impact of the external situation on the bank's operations while ensuring the highest possible safety standards. These included in particular:

- disinfecting the bank's Head Office and outlets using ozone treatment and fogging,
- furnishing the bank's Head Office and outlets with antibacterial soap, hand sanitisers, and disinfectants for working surfaces,
- providing blends and disposable gloves for direct client service desks and stands, and masks to all employees,
- ensuring the possibility of disinfection of the bank premises by means of ozone treatment and fogging after any suspicion of contact with a person infected with COVID-19,
- disseminating internal communications raising employees' knowledge and awareness about epidemiological security issues,
- purchasing devices for automatic measurement of body temperature of persons entering the bank's premises, disinfecting mats and contactless thermometers,
- providing all employees with access to a telephone support service (Online Psychologist), available seven days a week,
- providing employees with the possibility of testing for COVID-19,
- offering the possibility of remote work to employees, where possible given the employee's position; The teams for which this form of operation was not possible worked alternating schedules: the teams were divided so as to separate persons performing the same duties.

### PFR Shield

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We also joined in the implementation of solutions introduced by the public administration and we offered to our clients the possibility of using the financial resources available under the 'PFR Financial Shield' aid programme run by the Polish Development Fund. It was crucial from the point of view of businesses and the bank's clients that found themselves in a difficult situation as a result of the pandemic.

For many businesses this was an opportunity to quickly obtain capital necessary to maintain liquidity, pay their liabilities and employee compensation, and thus maintain jobs and continue operations.

- On the basis of an agreement for the provision of services under the 'PFR 1.0 Financial Shield' programme, signed by BOŚ with the Polish Development Fund (PFR) on April 28th 2020, PFR approved 1,006 applications for financial subsidies totalling PLN 285,047 thousand. PFR transferred PLN 288,155 thousand to the bank. Two agreements for PLN 3,108 thousand were cancelled and the funds were returned by the clients to PFR.
- Pursuant to an agreement for the provision of services under the 'PFR 2.0 Financial Shield' programme, signed by BOŚ with PFR on January 15th 2021, PFR approved 126 applications for financial subsidies for a total of PLN 43,932 thousand.

In order to mitigate adverse effects of the COVID-19 pandemic BOŚ introduced the possibility of suspending the repayment of clients' credit card debt for a period of three to six months.

In addition, the limit for contactless card transactions without PIN confirmation was increased from PLN 50 to PLN 100, which reduced the frequency of clients' physical contact with terminals and shortened the transaction time, thereby mitigating the risk of infection when making payments in shops.

### Development of online banking

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The digital transformation process accelerated at the bank during the pandemic. We implemented projects increasing the role of electronic distribution channels and aligning traditional distribution channels with new market challenges. This included, for instance, activities to develop new electronic and mobile banking functionalities. We continued work on software-based automation of recurring business processes.

In December 2020, holders of BOŚ debit and credit cards were offered the possibility of requesting that their card be added to Google Wallet. Google Pay (G Pay) is a convenient and easy-to-use mobile payment system that allows payments to be made in brick-and-mortar and online shops with an Android phone.

In April 2021, the myID service, developed by the Central Clearing House (KIR), was launched on the BOŚBank24 platform, providing functionalities for secure confirmation of identity online. [▶](#)

BOŚ clients may use myID to:

- set up and use the Trusted Profile,
- confirm identity to use public services on the ePUAP platform – www.gov.pl, available in the My Gov service catalogue,
- confirm identity with commercial service providers, e.g., insurance, telecommunications or medical companies,
- sign documents on the ePUAP platform.

With the implementation of myID, BOŚ became an electronic identity provider, allowing its clients to do administrative errands or use commercial services online, securely, right from home.

In July 2021, the bank implemented BLIK mobile payments thus providing its clients with an efficient and modern mobile payment tool. Using the 6-digit BLIK code, users of the BOŚBank24 mobile application can make payments online as well as in brick-and-mortar stores and withdraw cash from ATMs - without **using a card. BLIK phone transfers are also available in the mobile app**, allowing clients to instantly transfer money to other BLIK accounts. [👉](#)

## Transparency and client dialogue

In the era of pandemics, remote contact has proven to be very important for our clients. Thanks to the dedication of the Call Centre staff, we have ensured a high level of customer service on an ongoing basis.

In 2021, our Call Centre handled more than **12,000 incoming calls**, nearly **23,000 outgoing calls** and about **60,000 emails**.

We focus on quality and relationship building, and our clients appreciate it. More than 97% of clients participating in the telephone service quality survey said the consultant was knowledgeable and resolved their issue or said how to resolve it.

**“We will strive to change the banking language so that our clients understand all we write or tell them” – this is a quote from the Plain Language Standard Declaration for banks, which was joined by BOŚ.**

To fulfil this promise we launched the ‘Plain Language’ project, targeting all bank employees and covering three areas of competence. These are:

- knowledge – we have prepared e-learning training for all employees on using plain language, with elements of gamification,
- skills – we have prepared workshop training for persons who write texts addressed to the bank’s clients and partners. The workshops are tailored to the types of texts and the communication channel used to deliver them,
- attitude – we have prepared webinars for all managers, in the course of which the Management Board members, managing directors,

heads of departments and offices and team managers learn about their role in changing the way we communicate and about the benefits that come from using simple language. All plain language training is mandatory. The project also envisages expert support for the employees in the form of consultations with linguists. In addition, we are preparing information and educational campaigns and campaigns encouraging employees to use simple language in letters to clients, documents and internal communications.

### Satisfaction surveys – mystery shopper and awards for the bank outlets

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We conduct surveys gauging client satisfaction with the face-to-face service at our branches and our hotline service. In this way, we gather information on our existing and prospective clients' experience with the bank.

The satisfaction surveys are based on telephone interviews and are addressed to individual (retail) and corporate (business) clients.

Prospective client surveys are administered using the mystery shopper method. Interactions in which we assess the quality of service are conducted at all branches serving retail clients.

The mystery shopper method is also used to assess the quality of service at bank branches by the [mojebankowanie.pl](https://www.mojebankowanie.pl) web portal in the 'Institution of the Year' ranking. In its 7th edition, 17 of our branches received the title 'Best Banking Outlet in Poland'. This is an improvement on the 2020 edition, when 9 of our branches were distinguished.

As part of corrective actions, based on the results of the satisfaction surveys we identify areas for improvement and make suggestions of changes to the relevant organisational units responsible for a given process.



# 5. Conscious organisation (G)

## Our ambitions

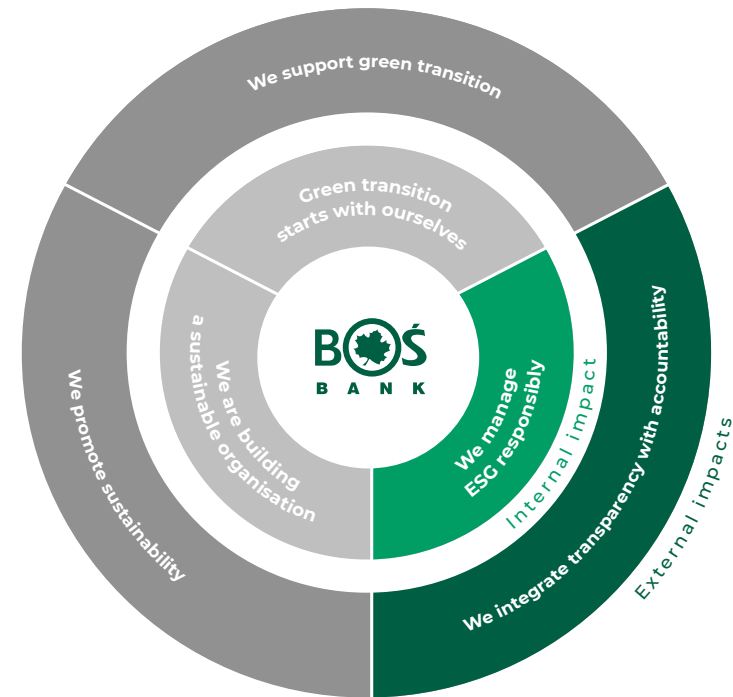
### We integrate transparency with accountability

We are improving transparency practices and effectively adapting to new regulations. We are open to external ESG evaluation and intend to improve our ESG rating in the coming years.

### We manage ESG responsibly

Given the dynamics of the changing environment in which we operate, we provide the best possible solutions for risk management and we seek to improve our internal sustainability solutions on an ongoing basis.

- 100% of new hires have completed the bank's proprietary training on environmental issues.
- 100% of members of management bodies have read the organisation's anti-corruption policies and procedures.



## 5.1. Corporate governance

The principles of corporate governance at BOŚ follow from the applicable laws (in particular, the Commercial Companies Code, the Banking Law Act and capital market regulations) and the recommendations contained in the following documents: Best Practice for WSE Listed Companies and Principles of Corporate Governance for Supervised Institutions.

### Management Board

#### GRI 102-18, GRI 102-22, GRI 102-24

The bank's Management Board is a management and executive body, which operates in accordance with applicable laws, the bank's Articles of Association and Rules of Procedure for the Management Board. In the period from February 15th to December 31st 2021, the bank's Management Board consisted of five members. Pursuant to the BOŚ Articles of Association, members of the Management Board are appointed by the Supervisory Board for a joint three-year term of office. The number of terms of office is not limited.

Composition of the bank's Management Board as at December 31st 2021, including the division of responsibilities:

First name and surname	Position on the bank's Management Board	Area of responsibility
Wojciech Hann	President of the Management Board	MANAGEMENT including the Management Division and the following Departments: Internal Audit, Bank's Security, Cybersecurity, Human Resources, Compliance, and Office for the Prevention of Money Laundering and Terrorist Financing
Arkadiusz Garbarczyk	Vice President of the Management Board, First Deputy President of the Management Board	RISK including the Capital Adequacy and Asset Valuation Department, the Credit Decisions Department, the Restructuring and Debt Collection Department, the Financial Risk Department, the Credit Risk Department, the Operational Risk Department, the Credit Exposure Valuation and Monitoring Department, and the Model Validation Office (MVO)
Robert Kasprzak	Vice-President	BUSINESS including the Regional Banking Division, the Finance and Products Division, the Strategic Client Division, and the Public Programmes and EU Projects Department
Marzena Koczut	Vice-President	ENVIRONMENT AND CLIMATE including the Environmental Protection, Taxonomy and Analysis Division, the Environmental Projects Division, and the Support and Environmental Protection Division

First name and surname	Position on the bank's Management Board	Area of responsibility
Jarzy Zań	Vice-President	FINANCE AND OPERATION including the Finance Division, the Operations and Settlement Department, and the Information Technology and Telecommunications Department

In 2022, by the date of this report, the composition of the bank's Management Board changed as follows:

- On April 26th 2022, Ms Marzena Koczut resigned from the position of Vice President of the Management Board and from membership of the Management Board with effect from May 23rd 2022,

The Environment and Climate area came to be supervised by Wojciech Hann, President of the Management Board.

## Supervisory Board

### GRI 102-18, GRI 102-22

In accordance with the bank's Articles of Association, the Supervisory Board consists of natural persons elected by the General Meeting for a joint term of office, with no less than 5 and no more than 11 members. The joint term of office of the Supervisory Board is three years. The number of terms of office is not limited. The Supervisory

Board elects a chairman, a vice-chairman and a secretary from among its members.

The appointment of members of the Management and Supervisory Boards is governed by applicable laws and the bank's internal regulations, taking into account the diversity policy and the suitability assessment policy.

The Supervisory Board exerts continuous supervision of all fields of operation of the bank. The Supervisory Board performs its duties collectively, however, it may delegate its members to perform specific supervisory duties individually. The Supervisory Board may appoint committees and determine their composition.

As at December 31st 2021, the following Supervisory Board committees were active at the bank:

- Internal Audit Committee
- Environmental Protection Committee
- Risk Committee
- Remuneration and Nomination Committee
- Strategy and Development Committee.

Composition of the Supervisory Board as at December 31st 2021:

- Emil Ślęzak – Chairman of the Supervisory Board, appointed on July 13th 2021
- Ireneusz Purgacz, Deputy Chairman of the Supervisory Board
- Paweł Sałek, Secretary of the Supervisory Board

Members:

- Leszek Banaszak
- Robert Czarnecki
- Zbigniew Dynak
- Janina Goss
- Marcin Jastrzębski
- Andrzej Matysiak
- Piotr Wróbel

During the year, the following changes took place in the composition of the Supervisory Board:

- On February 10th 2021, Marzena Koczut, following her appointment as of that date as Vice President of the Management Board, tendered her resignation as member of the Supervisory Board;
- On June 23rd 2021, the Annual General Meeting of the Bank:
  - removed Wojciech Wardacki from the Supervisory Board,
  - appointed Zbigniew Dynak and Andrzej Matysiak to the Supervisory Board.

All members of the Management Board and all members of the Supervisory Board of Bank Ochrony Środowiska meet the requirements under Art. 22aa of the Banking Law Act of August 29th 1997 Regarding restrictions on the number of positions they hold on the management and supervisory boards of other companies.

As at December 31st 2021, seven members of the Supervisory Board met the independence criteria and three members of the Supervisory Board were dependent.

For more information, visit the bank's website – About the Bank [🔗](#)

Following the expiry of the term of office of the Supervisory Board, on June 30th 2022 the Annual General Meeting appointed the bank's Supervisory Board of the 12th term of office for 2022–2024, which on the same date determined its composition as follows:

- Emil Stanisław Ślężak – Chairman
- Iwona Maria Marciniak – Deputy Chair
- Andrzej Grzegorz Matysiak – Secretary

Members:

- Piotr Wojciech Bielarczyk
- Janina Goss
- Piotr Sadownik
- Paweł Sałek
- Aleksandra Świdorska
- Tadeusz Ludwik Wyrzykowski

## Compliance with laws and regulations

### GRI 307-1, GRI 418-1, GRI 419-1

We ensure that our operations comply with the best standards of transparency and ESG. We operate in accordance with the law using the principles of integrity, reliability and due diligence. The bank's employees are required to comply with the law, guidelines of superior regulators and BOŚ's internal regulations.

As at December 31st 2021, BOŚ was:

- a claimant in 1,381 lawsuits for a total amount of: PLN 108.79 million,
- a respondent in 724 lawsuits for a total amount of: PLN 212.16 million,
- not involved in any material proceedings pending before any court, arbitration body or public administration authority where the amount of the bank's liabilities or claims would represent at least 10% of the bank's equity.

For information about proceedings pending before any court, arbitration body or public administration authority, see Section 7 of the Directors' Report on the Operations of the BOŚ Group in 2021.

Więcej na stronie internetowej banku – raporty bieżące i okresowe [▶](#)

The corporate governance and compliance solutions we implement enhance the transparency of processes and the organisational culture of our bank. Our activities in this area are governed by the Compliance Policy which defines the basic principles for ensuring compliance with the applicable laws, BOŚ's internal regulations and market standards, and the Compliance Risk Management Rules.

## Ethics and integrity

### GRI 102-16, GRI 102-25, GRI 102-17

The values we follow in our work are not only communicated externally. Above all, we ensure that they are the actual foundation of our daily activities and conform to the principles of sustainable development. We ensure that all our processes and procedures meet the highest standards.

For this reason, values which are of key importance for us are reflected in internal regulations, but even more importantly, they are part of our organisational culture, shaping employee attitudes and behaviour.

To guarantee top quality of our products and services, we strive to make sure they comply with the law and accepted standards, are tailored to the needs and interests of our clients, and do not have a negative impact on them. The bank has a policy in place to prevent and manage conflicts of interests that may arise in connection with our business. We have implemented appropriate solutions to prevent a situation where conflicts of interests could prejudice the interests of our clients.

The key principles of transparency, integrity and ethics are governed by:

- 'Code of Ethics of Bank Ochrony Środowiska',
- 'Code of Banking Ethics (Rules of Good Banking Practice)',
- 'Rules for Accepting and Granting Benefits and Gifts at Bank Ochrony Środowiska',
- 'Policy to Counteract and Manage Conflicts of Interest at Bank Ochrony Środowiska',

- 'Rules for Accepting and Granting Incentives at Bank Ochrony Środowiska',
- 'Procedure for Anonymous Reporting of Violations of Law and Ethical Procedures and Standards Applicable at Bank Ochrony Środowiska',
- 'Work Rules'.

As an institution of public trust, we pay particular attention to ethical issues. The key document governing this area is the Code of Ethics of Bank Ochrony Środowiska, which stresses the importance of friendly working environment and points to values such as equal treatment in the commencement and termination of the employment relationship, terms and conditions of employment, promotion and access to professional development programmes, in particular regardless of gender, age, disability, medical condition, race, nationality, ethnicity, religion, denomination, irreligion, political views, union membership, sexual orientation, gender identity, family status, lifestyle, basis of employment, and other grounds that may give rise to discriminatory practices.

Our bank also has in place an internal anti-bullying policy the objectives of which are consistently pursued, which makes it possible to demonstrate due diligence in combating workplace bullying.

However, it should be borne in mind that ethical solutions cannot be implemented only at the level of internal regulations, but must become the cornerstone of the organisational culture. We are aware that only then will they be effectively applied and will become a point of reference in problematic or difficult situations that may occur. To communicate them to as large a number of employees as possible,

we have organised training on ethics and conflict of interest prevention. We strive to make sure that all our employees receive training and become familiar with these documents in the near future. We are involved in the work of the Ethics Committee at the Polish Bank Association. To appropriately respond to any instances of unethical conduct, we have implemented a whistleblowing system to report violations of law and ethical standards. We also protect the whistleblowers.

**In 2021, there were two cases of reported violations of ethical norms and standards.** We addressed the problems by taking appropriate corrective measures. Responsibility for ethical issues at the bank rests with the Head of Compliance.

### Anti-corruption

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#### **GRI 102-25, GRI 102-48, GRI 205-1, GRI 205-2, GRI 205-3**

We adhere to the highest standards of integrity, honesty and fairness with regard to all our internal and external activities. In line with our Code of Ethics, we pursue a policy under which members of the bank's governing bodies, employees or representatives may not, whether directly or indirectly, give, offer, solicit, promise, approve, demand or accept financial or any other benefits in connection with their service for the bank. To provide our employees with a clear guidance on anti-corruption, we have put in place the Rules for Accepting and Granting Benefits and Gifts at Bank Ochrony Środowiska.

#### **In 2021, we did not identify any instances of corruption.**

To raise our staff's awareness of ethics and anti-corruption, we are developing a dedicated programme designed to provide comprehensive training for all of the bank's employees. No dedicated training had been administered as at the date of this report.

In 2021, a new approach to the classification of types of training was adopted, and as a result there was a change in relation to the information provided in last year's ESG report regarding the percentage of employees who received training on anti-corruption procedures.

Whenever the anti-corruption policy is amended, all of the bank's employees are required to read it and make appropriate representations.

Anti-corruption and anti-bribery processes at the bank are the responsibility of the Head of Compliance.

## 5.2. Risk management system

### GRI 102-11, GRI 102-15, GRI 102-30

The risk management system in place at BOŚ ensures that the risk taking function is separated from risk control. Such separation is provided for in the bank's internal regulations governing its organisational structure and the remits of its various units. The primary objective of risk management at the bank is to ensure its secure and sustainable operations and continued growth by mitigating the attendant risks and keeping them at acceptable levels.

The risks are managed through a continuous process of assessing the adequacy of actions taken by the bank, in accordance with the bank's Development Strategy and annual financial plans approved by its Supervisory Board and implemented by the Management Board. A crucial element of effective risk management is a sound and coherent risk culture underpinned by values guiding BOŚ in its operations, with a particular focus on the principles of sustainability, including a commitment to environmental, social and governance priorities.

In order to ensure a sound risk management process, the following have been established and systematically improved:

- an appropriate organisational structure;
- formalised rules defining the bank's risk appetite and tolerance, as well as procedures for identifying, measuring (estimating), controlling, monitoring and reporting risks;
- a framework management reporting system through which risks can be monitored and reported at different management levels.

The role of the bank's Management Board is to design, implement and ensure the operation of the risk management system. The bank's Supervisory Board, on the other hand, supervises the risk management system, evaluating its adequacy and effectiveness. Dedicated committees have been set up with responsibility for day-to-day management of various banking risks under the model established by the Management Board: The Asset and Liability Management Committee (ALCO), the Credit Risk Management Committee, the Operational Risk Committee, the Liquidity and Market Risk Committee assisting the ALCO, the Head Office Credit Committee and the Risk Committee of the Supervisory Board.



### Risk identification process

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Risk identification is the process of determining actual and potential sources of risk and assessing their impact on the bank's financial condition. The identification process involves the formulation of criteria for recognition of risks as material. The bank has compiled a list of risks to be monitored, including risks that are permanently material, permanently immaterial or may be found to be material as a result of a periodic materiality assessment. The rules for assessing the materiality of risks and determining an adequate amount of internal capital to support the related exposures are reviewed and revised at least annually.

### ESG risk management

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We help advance a sustainable economy by integrating ESG assessments, covering all the three aspects (environmental, social and governance), into our lending decisions. In assessing ESG risks, BOŚ evaluates a set of criteria relating to the implementation of an environmental strategy and policy, environmental management, adherence to the standards of environmental responsibility and concern for the environment. Environmental performance refers especially to expenditures incurred on its protection, pollution control, carbon emission levels, energy consumption, and the use of energy-efficient technologies in operations. When evaluating a company's social performance, the internal sphere is usually considered, i.e. the quality of employment, including workforce diversity in terms of

gender and origin, and employee training opportunities, as well as the public sphere, i.e. client satisfaction, relations with the local community, and relations with market stakeholders, such as suppliers, clients and trading partners. Important considerations include the working conditions, compliance with employee rights as well as health and safety performance. The quality assurance policy in place should apply to both management procedures and product quality. A company's disclosure policy and transparency are also evaluated; analysis performed to evaluate the management and governance-related criteria covers such factors as the structure of a company's management board, respect for shareholder rights, due fulfilment of the disclosure obligations towards all shareholders, independence in decision-making and management skills, remuneration scheme, and incidence of corruption.

Being fully aware of the need to integrate environmental, social and corporate governance (ESG) factors into risk management and investment policies, we seek to support global climate change mitigation targets through our lending activities. In 2021, we implemented a new element into our credit risk assessment process by examining the ESG risk profiles of potential borrowers. The final lending decision is influenced by an assessment of the risks. If such risks are found to exist at unacceptable levels, we may refuse to provide finance even though a client has been assessed as creditworthy based on financial data.

Risk management is a process carried out across all organisational levels, from the Supervisory Board (including its Risk Committee) and the Management Board, through the committees and dedicated units responsible for identifying, measuring, monitoring, controlling and mitigating risks, to business units.

The bank uses a client monitoring model that assesses creditworthiness of the clients, thereby ensuring them access to credit. Creditworthiness is assessed based on the probability of default as computed by the model. Depending on the estimated probability of default on their obligations, a client is assigned the relevant rating.

Analysis has shown that the difference in the model's estimated probability of default between men and women is only 0.03 percentage point. The difference being this negligible, it is not regarded as an obstacle to treating men and women equally in the credit risk assessment process. This means that BOŚ clients are not discriminated against on the grounds of gender and are treated equally irrespective of gender when making lending decisions.

## Complaint management

We realise that even the highest standards will not make our organisation fully proof against mistakes. If such mistake is made, our clients can lodge a complaint. All complaints received are recorded in a single application. The complaint and grievance handling process is centralised, which ensures the right quality of complaint management. Based on the data collected, we generate reports that allow us to identify the most typical reasons for complaints and take remedial action. The reports are reviewed e.g. by the Operational Risk Committee, and forwarded to Management Board members for information. Their findings and

summaries are used in other reports concerning compliance and operational risk as well as in business reports. Management of this process has been significantly aided by the introduction of an out-of-court dispute resolution procedure. If a complaint is not resolved to their satisfaction, we advise clients that they can refer to the Arbitration Court of the Polish Financial Supervision Authority, the Banking Consumer Arbitrator or the Financial Ombudsman.

The complaint acceptance and handling process is described on the bank's website [🔗](#)

Number of complaints accepted in 2021 by category/product:

Checking accounts	<b>1,647</b>
Loans	<b>1,449</b>
Cards	<b>851</b>
Electronic channels	<b>401</b>
Service quality	<b>267</b>
Advances	<b>251</b>
Deposits	<b>217</b>
Current accounts	<b>182</b>

Unauthorised payment transactions (PSD 2)	142
Savings accounts	124
Other accounts	88
Office	81
Miscellaneous matters	57
Other	34
Investment funds of Dom Maklerski BOŚ (AIF)	32
Safe deposit boxes	11
Activities of Dom Maklerski BOŚ	5
Factoring	2
Total	5,841

## Client security and cybersecurity

The primary document governing our Security System is the Security Policy of Bank Ochrony Środowiska, which ensures an adequate level of security at the bank, including:

- information security,
- ICT environment security,
- security of the bank's clients, personnel and property,
- crisis management ensuring business continuity,
- identifying and preventing attempts to use the bank for illegal activities or circumvention of law,
- security of internal processes carried out at the bank,
- building secure relationships with the bank's clients and service providers.

Rules of access to the bank's facilities, which additionally ensure environmental security, are defined in the Physical and Environmental Security Rules of Bank Ochrony Środowiska.

## Personal data security

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In processing the personal data of our clients, employees and other individuals having any kind of relationships with the bank, we rely on technical and organisational measures necessary to ensure the security of such data. As personal data is considered to be one of our crucial resources, its security is treated with utmost concern. We constantly improve the technical and organisational means used to ensure the security of personal data processing, in particular the protection of data against unauthorised access or loss. In accordance with the requirements of GDPR (the General Data Protection Regulation in force since May 25th 2018), we protect personal data through systematic measures which involve updating of relevant processes, procedures and policies, necessary changes to the process of managing data flow and storage, appropriate communication, and incorporating GDPR requirements into our projects and system management methods. We assess the impact of our banking products and services on clients' privacy already at the conceptual design stage. Personal data protection opinions are required for our internal regulations, as well as for contracts and documents addressed to clients. The protection of personal data is also an area covered by the bank's audit activities, leading to measures aimed at eliminating any future irregularities. Our security incident response procedure requires employees to promptly report any personal data breaches to the Data Protection Officer.

## Internal data security regulations

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Data protection standards adopted by BOŚ are defined by a number of internal regulations. Since 2018, all processes related to data security have been detailed in the document Security Rules for Protected Information at Bank Ochrony Środowiska. As regards the processing of personal data, we follow the applicable laws and regulations governing the protection of personal data, especially GDPR. In particular, in accordance with the Personal Data Protection Policy of Bank Ochrony Środowiska, we have developed additional regulations, such as the Rules for Entrusting and Sharing Personal Data by Bank Ochrony Środowiska, which set out detailed procedures for entrusting and sharing personal data with other entities: clients, employees or other individuals, to the extent it is processed by the bank as a data controller. Another key document is the Personal Data Retention Policy of Bank Ochrony Środowiska, which defines the rules for processing data after the original purposes of its use have been achieved.

With these regulations, the bank has implemented all the leading data protection standards. By way of the regulations BOŚ has committed to obtaining user data through lawful and transparent means with the express consent of data subjects, and has obliged users to collect and process data only for specific purposes. Users are required to make a statement in which they undertake to process data only for specific purposes and acknowledge information on the terms and conditions of data processing. In its internal regulations the bank has also laid down conditions for the collection, use, disclosure and storage of user data, including data transferred to third parties. Third parties to whom personal data was disclosed are obligated to comply

with the relevant BOŚ policies. Our bank also applies a 'Confidentiality Undertaking for Employees of Third Parties Providing Services to the Bank' and a model non-disclosure agreement, which includes provisions obligating third parties to maintain confidentiality.

Any changes are reviewed on an ongoing basis and incorporated into the bank's internal procedures and regulations. As a member of the Polish Bank Association, we are working with other banks to develop a common code of conduct and relevant data protection solutions.

### Data Protection Officer

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Supervision over proper processing of personal data at our bank is the role of the Data Protection Officer. In addition, there is a Data Protection Officer Team, tasked with supporting the bank's employees in performing their data processing duties.

For more than three years since GDPR came into force, we have noted steady and increasing interest in privacy protection issues among our clients and we have also seen growing awareness of how important it is to protect information these days. There is an incessant stream of letters and requests from clients seeking to exercise their rights under GDPR coming into the Data Protection Officer's inbox. The bank responds to such requests with utmost diligence, within the statutory deadline. The email address of the Data Protection Officer is available on the bank's website. We receive hundreds of client requests regarding their rights under GDPR, as well as other enquiries concerning data protection. As part of supervision over proper processing of personal data, the Data Protection Officer performs inspections based on which privacy risks are assessed, evaluates the technologies and practices used by BOŚ and makes relevant recommendations. In addition, the bank has in place a Data Protection Impact Assessment Procedure and a Data Protection by Design Procedure, used as a basis for privacy risk assessments.

### Data breach complaints in 2021

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- Number of personal data breach complaints in 2021: 98, including 9 valid complaints,
- Number of completed proceedings before the President of the Personal Data Protection Office: 2 (the proceedings were discontinued),
- Total number of personal data breaches: 14, including 2 breaches reportable to the President of the Personal Data Protection Office.

As at the end of 2021, we received no administrative decisions from the Personal Data Protection Office stating the bank was processing data in violation of the GDPR.

### Employee education and raising data security awareness

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Our employees receive communications on data security on a regular basis in order to raise their awareness and knowledge of the matter. They participate in mandatory data protection training held as e-learning or in-person courses.

### Clients' data protection rights

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We process personal data for the purposes of contract execution, performance of various obligations imposed on the bank, operation of bank accounts, safe and secure execution of orders and instructions, communicating new services and products, etc. As the data controller, the bank uses its best efforts to ensure full compliance with Regulation 2016/679 on the protection of personal data (GDPR) and thus protect personal data.

We provide assurance that all persons can exercise their rights and freedoms defined in the GDPR. All persons whose data we process may request the bank to cease the processing of their data. We provide clients with access to multiple channels they can use to submit their request:

- in person – at any organisational unit,
- by mail – through a postal or courier service operator,
- by phone – at the Contact Centre,
- by electronic means – via online banking.

## Cybersecurity

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With the security of its clients in mind, in response to emerging cybersecurity threats, BOŚ implements measures to protect the confidentiality, integrity, availability and authenticity of information in accordance with the National Cybersecurity System Act of July 5th 2018, as amended, which implements the NIS Directive.

The Security Policy at BOŚ covers all areas of security. The Policy is reviewed at least once a year, with the review confirmed by a report.

The bank's internal regulations, checklists, rules and procedures were prepared on the basis of national documents (e.g. National Cybersecurity Standards), PFSA recommendations and international standards and best practices (CISA, ENISA, SANS, etc.). The level of security is periodically confirmed by tests and audits performed by internal and external specialists with relevant qualifications. BOŚ has information security and physical security policies, procedures, standards and rules in place to ensure an adequate level of security for data, clients and employees. These regulations are periodically reviewed and updated to reflect changing regulatory recommendations, laws and external risk factors.

Our Cybersecurity Department staff actively participate in the exchange of information on current threats through membership of three threat information sharing forums operating within the Polish Bank Association. Also, our bank uses systems for sharing threat information available within the banking sector (including the Malware Information Sharing Project or MISP).

We provide more detailed information on the bank's cybersecurity programme to our trading partners upon request.

The organisational units successfully fulfil their daily monitoring, security and business continuity responsibilities. A dedicated DIT-HOUSTON unit operating within the Information Technology and Telecommunications Department monitors ICT systems for business continuity reliability on a 24/7 basis. Also, a separate Security Operations Centre operates within the Cybersecurity Department on a 24/7 basis, monitoring the bank's ICT environment security.

We continuously improve our incident response capabilities in order to comply with international best practices in cybersecurity. We update and upgrade our systems in response to emerging threats.

Cybersecurity education is an ongoing process at BOŚ with employees undergoing basic mandatory cybersecurity training. Further education is supported by mandatory e-learning training courses delivered at least once a year. Regular phishing resistance exercises are a fixed component of cybersecurity education.

The number of cyberattacks on the banking sector is rising at an alarming rate. When monitoring the security of electronic transactions, we employ tools that allow us to assess the security status of the device used by the client to log in to online banking via the website or the mobile app. Information on the client's device is collected and correlated, with any discovered anomalies (device changes, detected malware installed on the device) analysed by a dedicated unit established within the bank.

We also educate our clients on cybersecurity. We regularly publish and update security messages on the bank's website. In urgent cases, such

as phishing campaigns, the BOŚ website displays alerts with visual warnings.

Clients can read about the latest cybersecurity threats at the bank's website [🔗](#), where we provide user-friendly educational videos as well as basic security principles. Clients can also report cybersecurity incidents directly to the Cybersecurity Department through a dedicated form available at the bank's website. [🔗](#)

Throughout the COVID-19 pandemic, all activities were coordinated by a dedicated team. No major security or fraud incidents were reported by BOŚ CSIRT in 2021.

## Supply chain

### GRI 102-9, GRI 308-1, GRI 414-1

All purchases we make at the bank are subject to the Procurement Policy of Bank Ochrony Środowiska. Purchases over PLN 20,000 (VAT-inclusive) are handled by the Procurement Office. Procurement procedures of up to PLN 20,000 (VAT-inclusive) are handled independently by organisational units at the Head Office, which are required to report on the procedures in compliance with the rules set forth in the Procurement Policy referred to above.

In December 2021, we introduced ESG Standards for Suppliers of Bank Ochrony Środowiska [🔗](#), setting a framework of conduct compliant with the bank's values and the sustainability and corporate social responsibility rules for suppliers defined in the ESG Strategy. The document contains a clear, consistent and comprehensive set of standards of conduct, particularly in terms of environmental protection, social impacts, observance of ethical standards and proper working conditions, compliance with social criteria and respect for human rights, etc.

We expect our suppliers to source goods and services responsibly, and we believe the supply chain should ensure compliance with relevant standards to the fullest extent possible. The document also provides for certain controls and conditions for their implementation, which apply to all suppliers and their subcontractors.

As suppliers are key players in the value chain for the products we offer, we strive to incorporate social and environmental criteria into the supplier selection and evaluation processes. All suppliers entering



a procurement process or performing a contract for the bank are required to agree to observe the ESG Standards. New contracts and purchase orders with suppliers contain mandatory clauses incorporating the requirements set forth in the ESG Standards to ensure that suppliers make an informed decision about entering into cooperation with the bank.

We also expect this approach to encourage suppliers to take or refine measures aimed at mitigating their adverse environmental impacts and improving their social responsibility performance.

Throughout the procurement process we apply procurement best practices: maintain objectivity and the highest ethical standards in the supplier selection process, negotiate the terms of the offer made by a supplier, verify compliance of the supplied products, services and invoices with the negotiated terms and conditions, and keep records of the supplier selection process.

During the effective period of the Procurement Policy of Bank Ochrony Środowiska, i.e. from December 1st 2021 to the date of preparation of input data for this report, BOŚ conducted 148 procedures valued at more than PLN 20,000 (VAT-inclusive) with about 100 suppliers, accounting for 98% of the total value of all completed procurement procedures, and 613 procedures with a value of PLN 20,000 (VAT-inclusive) or less, which accounted for 2% of the total.

Around 95% of the bank's suppliers are companies having their registered office or a branch established in Poland.

## Key due diligence policies and procedures

## GRI 103-1, GRI 103-2, GRI 103-3, GRI 102-25

<b>Code of Ethics of Bank Ochrony Środowiska</b>	<p>The Code defines the professional ethics standards applied by the bank. It is a set of rules to be followed by all employees in their work, providing basic rules of cooperation with trading partners and contractors. The Code applies to members of the Supervisory Board, members of the Management Board, all employees regardless of their position and type of employment, and all persons acting for or on behalf of the bank.</p> <p>The Code puts special emphasis on:</p> <ul style="list-style-type: none"> <li>• equal treatment of all employees when it comes to hiring, employment termination, terms and conditions of employment, promotion and access to upskilling training opportunities,</li> <li>• responsibility of employees to maintain the confidentiality, integrity and availability of the bank's information while ensuring compliance with legal and contractual requirements,</li> <li>• preventing any form of workplace bullying in accordance with the anti-bullying procedure in force,</li> <li>• due diligence in customer service,</li> <li>• compliance with all antitrust and pro-competition laws.</li> </ul> <p>For more information, visit the bank's website – Code of ethics <a href="#">▶</a></p>
<b>Policy to Counteract and Manage Conflicts of Interest at Bank Ochrony Środowiska</b>	The Policy sets out the principles of preventing and managing conflicts of interest.
<b>Rules for Counteracting and Managing Conflicts of Interest at Bank Ochrony Środowiska</b>	The rules set out the measures and methods to be applied to prevent conflicts of interest at the bank and activities to be undertaken by persons involved in preventing, identifying, diagnosing and managing conflicts of interest.
<b>Rules for Accepting and Granting Benefits and Gifts at Bank Ochrony Środowiska</b>	The document sets out the rules for offering and accepting gifts by related parties, including clients and affiliates of the bank.
<b>Procedure for Anonymous Reporting of Violations of Law and Ethical Procedures and Standards Applicable at Bank Ochrony Środowiska</b>	The Procedure sets out the rules and ways to report and act on reports of actual or potential violations of laws, procedures and ethical standards, including regulations on anti-money laundering and countering financing of terrorism and on the performance of activities specified in Art. 70.2 of the Act on Trading in Financial Instruments, and prescribes the method of protecting whistleblower anonymity.

<b>Rules for Accepting and Granting Incentives at Bank Ochrony Środowiska</b>	The document sets out the rules for offering and accepting by the bank and related parties of incentives associated with the provision of investment services.
<b>Internal Control System of Bank Ochrony Środowiska</b>	The regulation defines the bank's internal control system operated as part of the management system, specifies the elements of the structure and organisation of the internal control system, and sets out the goals and objectives and the manner of operation of the key elements of the internal control system at the BOŚ Group. The Internal Control System is supported by numerous procedures, policies and guidelines.
<b>Compliance Risk Management Rules of Bank Ochrony Środowiska</b>	The Policy defines the key rules for ensuring compliance of our organisation's activities with applicable laws, internal regulations and general market standards.
<b>Compliance Policy of Bank Ochrony Środowiska</b>	The document prescribes the method for managing the risk of the bank's non-compliance with the law, internal regulations and market standards through the compliance risk management process. It is an implementation instrument under the Compliance Policy of Bank Ochrony Środowiska.
<b>Rules for Complaint and Grievance Handling at Bank Ochrony Środowiska</b>	The document describes the procedure for receiving, handling and responding to complaints and grievances at the bank. It also defines the rules for complaint processing and reporting.
<b>Rules for Detecting and Preventing Misconduct against Bank Ochrony Środowiska</b>	The document defines what misconduct is and identifies the methods of and persons responsible for detecting misconduct. It sets out the procedure in case of suspected misconduct and prescribes the methods for preventing misconduct and monitoring preventive measures.
<b>Work Rules of Bank Ochrony Środowiska</b>	The Rules establish the organisation and order in the work process and related rights and obligations of the employer and employees working at the bank.
<b>Remuneration Policy of Bank Ochrony Środowiska and Employee Remuneration Rules of Bank Ochrony Środowiska</b>	The Policy lays down rules governing the adopted remuneration policy, designed to: <ul style="list-style-type: none"> <li>• ensure adequate remuneration of employees for their work, while motivating them to strive towards robust performance and achieve the bank's strategic objectives,</li> <li>• attract and retain qualified staff whose experience, knowledge and skills create the bank's competitive advantage,</li> <li>• ensure that the remuneration system does not encourage excessive risks-taking behaviours beyond the risk appetite approved by the bank's Supervisory Board or inappropriate sale practices, and specifically that the remuneration system has regard to client rights and interests by limiting possible conflicts of interest,</li> <li>• ensure equal pay for the same work or work of the same value, and neutrality in terms of gender, age, disability, health condition, race, nationality, ethnic origin, religion, denomination, irreligion, political beliefs, trade union membership, sexual orientation, sexual identity, family status, lifestyle and other circumstances that may be a source of discriminatory behaviour.</li> </ul>

<p><b>Human Rights Policy of Bank Ochrony Środowiska</b></p>	<p>The Policy describes how human rights are supported and respected through:</p> <ul style="list-style-type: none"> <li>• non-discrimination,</li> <li>• freedom of association,</li> <li>• opposition to forced labour,</li> <li>• appropriate working and pay conditions,</li> <li>• occupational health and safety,</li> <li>• integrity,</li> <li>• respect for privacy,</li> <li>• Whistleblowing.</li> </ul> <p>For more information, visit the bank's website – <a href="#">Human rights protection policy</a></p>
<p><b>Diversity Policy of Bank Ochrony Środowiska</b></p>	<p>The Policy outlines ways to promote diversity in the bank through:</p> <ul style="list-style-type: none"> <li>• proactively countering workplace bullying, discrimination and harassment based on the Anti-Bullying Policy,</li> <li>• conducting recruitment processes in a manner ensuring equal opportunities to candidates applying for the same position in accordance with the internal Recruitment Rules,</li> <li>• supporting the employment of people with disabilities.</li> <li>• transparent employee remuneration and compensation policy, which ensures equal treatment to all employees,</li> <li>• employee evaluation system,</li> <li>• employee Skills Development Strategy of Bank Ochrony Środowiska covering all employees.</li> </ul> <p>For more information, visit the bank's website – <a href="#">Diversity policy</a></p>
<p><b>Anti-Bullying Policy of Bank Ochrony Środowiska</b></p>	<p>The document is aimed at preventing and countering any incidents of workplace bullying, discrimination or harassment at the bank.</p>
<p><b>Rules Governing Employee Training and Development Processes at Bank Ochrony Środowiska</b></p>	<p>The Rules define the directions for employee training and development activities.</p>
<p><b>Periodic Work Evaluation Process Rules of Bank Ochrony Środowiska</b></p>	<p>The periodic work evaluation process is based on the evaluation of employee performance (targets) and attitudes and is aimed at encouraging the professional development of employees and promoting attitudes which reflect the bank's core values, including mainly by identifying conduct that sets an example for others and conduct that still requires improvement in view of the strategic challenges facing the bank.</p>

<p><b>Recruitment Rules of Bank Ochrony Środowiska</b></p>	<p>The document sets out the rules and procedures for recruiting candidates to work at Bank Ochrony Środowiska.</p>
<p><b>Hiring Rules of Bank Ochrony Środowiska</b></p>	<p>The document includes the rules and procedures for hiring employees and establishing an employment relationship, regardless of the title of the contract entered into by the parties, and for amending terms of employment during the period of the employment relationship with the bank.</p>
<p><b>Telework Rules of Bank Ochrony Środowiska</b></p>	<p>The Rules specify the organisation of the telework process and the respective specific rights and obligations of the employer and employees.</p>
<p><b>Rules of the Company Social Benefits Fund at Bank Ochrony Środowiska</b></p>	<p>The Rules specify how the Social Benefits Fund is created and how its assets are managed and allocated for social purposes, including housing assistance, for eligible persons.</p>

## 6. About the report

**GRI 102-45, GRI 102-46, GRI 102-47, GRI 102-50, GRI 102-51,  
GRI 102-52, GRI 102-53, GRI 102-54, GRI 102-56**

This ESG Report of Bank Ochrony Środowiska (also called the “bank” in the report) presents the bank’s activities in 2021 (January 1st 2021–December 31st 2021), unless indicated otherwise. The report provides information on the activities of Bank Ochrony Środowiska S.A., which is the parent of the BOŚ Group, and to a limited extent of other companies comprising the Group as at December 31st 2021, i.e.: Dom Maklerski BOŚ S.A., BOŚ Leasing – EKO Profit S.A., an indirect subsidiary of MS Wind Sp. z o.o. The report also presents the activities of the BOŚ Foundation.

### Reporting standards

This report has been prepared in accordance with the Global Reporting Initiative Standards (GRI Standards): Core option.

The reporting cycle of Bank Ochrony Środowiska is annual. The most recent ESG Report of Bank Ochrony Środowiska was published on October 21st 2021.

All the presented data and information has been consulted internally and verified by staff competent in the given area. This report has not been externally assured.

## Material topics

A materiality analysis of the topics was conducted in 2021 during the formulation of the bank's ESG Strategy. It took into account the perspective of stakeholders, including experts, trading partners and social partners of the bank. Topics of particular materiality from the perspective of the bank's impacts include environmental issues, concern for society and the highest standards of corporate governance. The report presents information about the approach to managing material topics, objectives and results. The content of the report is consistent with the priorities outlined in the strategy.

More than a dozen people from all relevant units responsible for providing data for the report were involved in the reporting process. Before starting work on the report, they received external training on ESG reporting. The activities were coordinated by Katarzyna Rumowska (expert), with the support from Anna Burza (manager) of the Environmental Policy, ESG and Taxonomy Team.

Priority topics for ESG reporting	ESG area
Support for green transition	Environment
Reduction of environmental impacts	Environment
Promotion of sustainable development	Society
Creation of an employee-friendly and engaging organisation	Society
Responsible ESG management	Corporate governance
Transparency	Corporate governance

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For more information, visit the bank's website – ESG strategy and report [👉](#)



Disclosure number	GRI standard title	Title of the disclosure	Pages in the report
GRI 101. Foundation 2016 [Does not include any disclosures]			
<b>I. General disclosures</b>			
GRI 102-1	<b>GRI 102. General Disclosures 2016</b>	Name of the organisation	5, 9
GRI 102-2		Activities, brands, products, and services	5, 9, 23
GRI 102-3		Location of headquarters	6
GRI 102-4		Location of operations (number and names of the countries)	5
GRI 102-5		Ownership and legal form	6
GRI 102-6		Markets served	5
GRI 102-7		Scale of the organisation	5
GRI 102-8		Information on employees and other workers	7, 52
GRI 102-9		Supply chain	7, 88
GRI 102-10		Significant changes to the organisation	Brak tego typu zmian
GRI 102-11		Precautionary principle or approach	10, 80

Disclosure number	GRI standard title	Title of the disclosure	Pages in the report
GRI 102-12	GRI 102. General Disclosures 2016	External economic, environmental and social charters, principles, or other initiatives subscribed to or endorsed by the organisation	18, 57
GRI 102-13		Membership of associations	18
GRI 102-14		Statement from senior decision-maker	3
GRI 102-15		Key impacts, risks, and opportunities	3, 10, 80
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