



ESG REPORT

of Bank Ochrony Środowiska SA
for 2022

Contents

Letter from the President of the Management Board	4	3. Green change leader (E)	38
1. Our bank	6	3.1 We support transition towards sustainability.....	40
1.1 Our vision and mission.....	6	3.1.1 Our green products and services.....	40
1.2 Shareholding structure.....	7	3.1.2 Support in the transition process.....	44
1.3 BOŚ in numbers.....	8	3.1.3 Examples of our clients' environmental projects.....	45
1.4 Financial results.....	8	EBC-MEW LIPICA SP. Z O.O.....	45
1.5 History of BOŚ.....	9	NOWY PROKOCIM HOUSING COOPERATIVE.....	46
1.6 BOŚ Group.....	10	UNI-MASZ H. M. JUSZCZUK SPÓŁKA JAWNA.....	46
2. We are full of green energy – our strategy and business model	12	EKO WIELKOPOLSKA SP. Z O.O.....	48
2.1 Business strategy.....	13	ROMET SP. Z O.O.....	49
2.2 ESG strategy.....	14	3.1.4 Collaboration with National and Provincial Funds for Environmental Protection and Water Management.....	50
2.3 Contribution to the achievement of UN Sustainable Development Goals.....	17	3.1.5 PFR Shield.....	51
2.4 ESG governance structure.....	20	3.1.6 Development of online banking.....	51
2.5 Key policies and documents outlining our approach to ESG in the reporting period.....	22	3.2 We take a responsible approach to environmental protection.....	52
2.6 BOŚ stakeholders and relations with the environment.....	27	3.2.1 Energy efficiency.....	52
2.7 Key partnerships.....	28	3.2.2 Carbon footprint.....	53
2.8 Awards and accolades in 2022.....	30	3.2.3 Resource consumption.....	56
2.9 Transparency and client dialogue.....	32	3.2.4 Green Office Certificate.....	58
2.10 Reliable information to clients, ethical marketing and sales.....	34	4. Socially active bank (S)	59
		4.1 Joint efforts in fostering sustainable development.....	60

Contents

4.1.1	Common goals, joint commitment.....	60	5.1.5	Ethics.....	110
4.1.2	Bank Ochrony Środowiska Foundation.....	64	5.1.6	Anti-corruption.....	111
4.1.3	Employee volunteering.....	68	5.1.7	Prevention of money laundering and terrorist financing (AML).....	112
4.1.4	Donations and sponsorship.....	70	5.1.8	Communication of critical concerns.....	114
4.1.5	Activities related to the war in Ukraine.....	71	5.2.	Risk management system.....	115
4.2	Friendly working environment.....	72	5.2.1	Risk identification process.....	117
4.2.1	Organisational culture.....	72	5.2.2	ESG risk management.....	117
4.2.2	Workforce structure.....	74	5.2.3	Complaint management.....	118
4.2.3	Employee turnover at the Bank.....	79	5.2.4	Client privacy and security.....	120
4.2.4	Diversity.....	81	5.2.5	Cybersecurity.....	125
4.2.5	Remuneration policies.....	86	5.2.6	Supply chain.....	127
4.2.6	Gender Pay Gap at the Bank.....	88	5.2.7	Key due diligence policies and procedures.....	129
4.2.7	Parental leave.....	89	6. About the report.....		133
4.2.8	Communication with employees.....	90	6.1	Material topics.....	133
4.2.9	Employee benefits.....	92	6.2	Reporting standards.....	137
4.2.10	Przystanek Wellbeing – we are committed to the well-being of our employees.....	93	6.3	Contact details.....	137
4.2.11	Training and development.....	95	6.4	GRI content index.....	138
4.2.12	Employee evaluation.....	98	7. Additional reporting standards.....		153
4.2.13	Workplace safety and ergonomics.....	99	7.1	EU Taxonomy reporting.....	153
5. Conscious organisation (G).....		101	7.2	TCFD-aligned climate-related disclosures.....	155
5.1	Corporate governance.....	102			
5.1.1	Management Board.....	102			
5.1.2	Supervisory Board.....	106			
5.1.3	Policies on the appointment of governing bodies.....	109			
5.1.4	Compliance with laws and regulations.....	109			

Letter from the President of the Management Board



[GRI 2-22, GRI 2-18]

Ladies and gentlemen,

It is with great pleasure that I present to you the ESG Report of Bank Ochrony Środowiska for 2022. It showcases our progress towards the ESG strategy ratified by BOŚ in 2021 and outlines the impacts our organisation has on external environment, with a particular focus on our commitment to fostering environmental stewardship, employee well-being, serving the interests of diverse stakeholder groups, and promoting the highest corporate governance standards.

Last year was an exceptional period for our bank. Despite the economic slowdown and strong market uncertainty and volatility caused by Russia's assault on Ukraine and additional burdens faced by the banking sector, the BOŚ Group ended 2022 with a record-high net profit. We consistently implemented our ESG initiatives and commitments. This demonstrates healthy business growth can go hand in hand with strong non-financial performance. Delivering on ESG goals can stimulate growth, improve competitiveness and enhance the Bank's attractiveness in the eyes of individual stakeholder groups.

In 2022, BOŚ entered into more than 1 000 green transactions worth PLN 1.6bn. Green projects completed by our clients that year had a similar value. The results of the projects implemented last year include an annual renewable energy generation of 82,7 GWh, a yearly reduction in consumption and heat loss resulting in savings of 26,500 GJ, as well as a decrease in carbon dioxide and particulate matter emissions by 89,600 tonnes and 40 tonnes per year, respectively.

Our ambition is to lead the green change, actively supporting Poland's transition to a sustainable future by funding environmentally-friendly projects for our retail and corporate clients, while also sharing our unparalleled expertise. Hence our strong focus on continuous development of green financial products and advisory services that match the needs and capabilities of various client groups. We are proud of our accomplishments in this field that are unrivalled in Poland's banking sector – our green assets accounted for just under 41% of BOŚ's total loans at the end of 2022. In line with our climate policy, we are reducing finance to high-emitting sectors while supporting clients in meeting the challenges of climate change.

In addition to supporting sustainable development of our clients, it is equally important for BOŚ to lead by example. Our goal is to reduce our carbon footprint by 20% relative to 2020 by the end of 2023.

Letter from the President of the Management Board

As the first bank in Poland, we joined the Science Based Targets (SBTi) initiative to develop a comprehensive emission reduction plan to put the bank's operations on track to achieve the Paris Agreement goals. We are already striving to offset our environmental impact by actively participating in numerous environmental initiatives. For example, our employees planted nearly 2,750 trees last year and participated in a river cleanup campaign.

Our efforts were again recognised by Morningstar Sustainalytics, with an ESG Risk rating of 14.2 assigned to BOŚ, which is considered low risk, representing a significant improvement on the already strong score from the year before (ESG Risk of 19.9). The 2022 rating places BOŚ among the 9% top-rated banks globally (out of over 1,000 financial institutions assessed by the firm) and among the top 8% of the total of over 15,500 companies worldwide covered by Morningstar Sustainalytics. We take great pride in the contributions of all our employees towards this achievement. We have an ambition to maintain and further improve our excellent ESG ratings.

The score we have obtained also shows that we are headed in the right direction. We will continue the sustainable growth of BOŚ while supporting our partners in their sustainability efforts. We will engage in important social contribution initiatives and support the development of our employees in an open, inclusive and flexible workplace we want BOŚ to be.

In order to deliver on our goals and ambitions, we need to be fully transparent. Hence this report, summarising a great part our activities and tracking our year-on-year progress in implementing our ESG strategy. Subsequent editions of the ESG report allow users to assess our performance against the commitments we have

set ourselves and the commitments we have made towards our stakeholders, which only motivates us to keep pushing forward.

We are full of green energy, and I hope you can feel that when reading this report. .

Yours sincerely,



Arkadiusz Garbarczyk,

Vice President of the Management Board of Bank Ochrony Środowiska,
First Deputy President of the Management Board

- **ESG Risk** rating from Morningstar Sustainalytics at **14.2 – low ESG risk**
- BOŚ among **the 9% top-rated banks globally (out of over 1,000 financial institutions assessed by the firm)** and among the **top 8% of the total of over 15,500 companies worldwide** covered by Morningstar Sustainalytics.
- Over **30 years** of providing support to green projects, investments and solutions
- **1 074** green transactions valued at **PLN 1.6bn** in 2022
- **PLN 128m** in net profit for 2022
- **Long-Term Foreign Currency Issuer Default Rating at 'BB-' with a stable outlook.**

1. Our bank

1.1. Our vision and mission

[GRI 2-1, GRI 2-6]

We are the leader of green finance in Poland. For over 30 years, we have consistently embraced the path of sustainability and remained dedicated to our philosophy of environmental protection. Bank Ochrony Środowiska S.A. (BOŚ) is a Polish bank specialising in the financing of a wide range of 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.

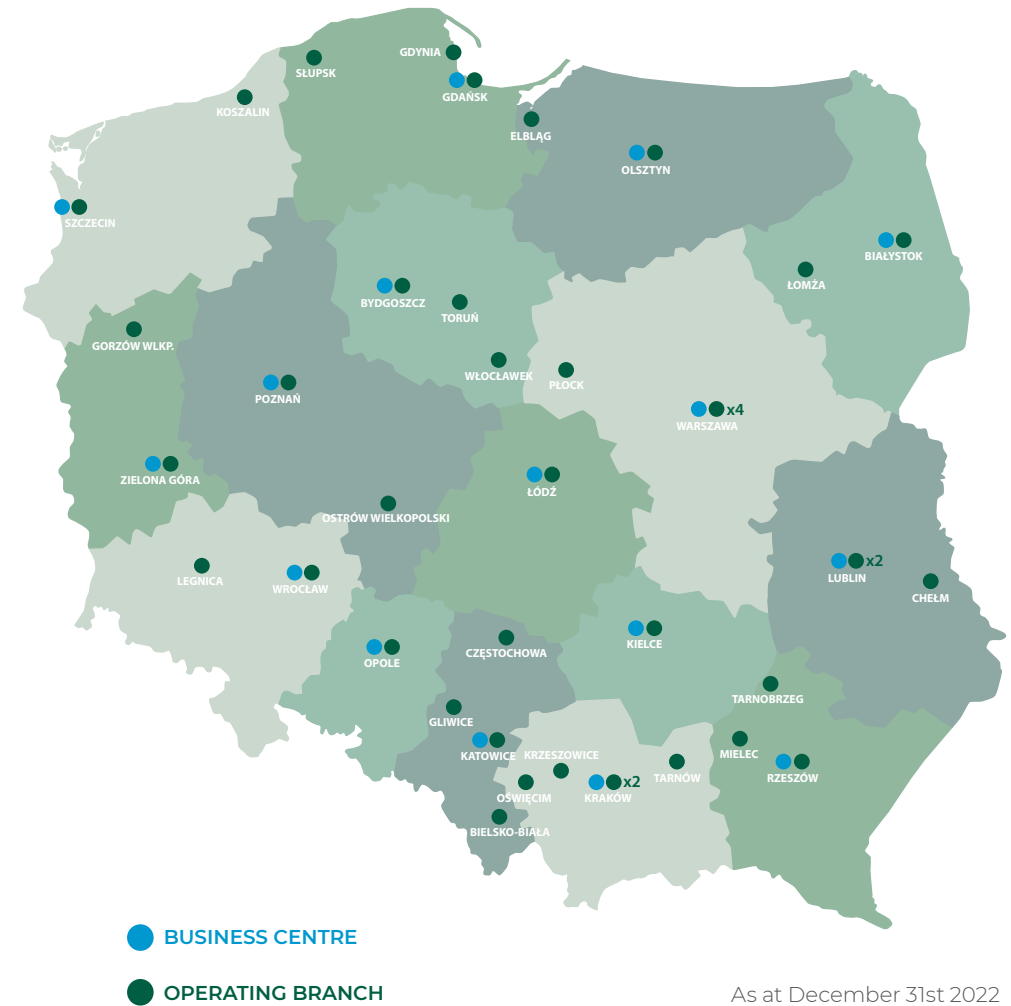
We operate in accordance with the regulations of the Banking Law Act, the Commercial Companies Code and other laws of Poland, and on the basis of authorisations to perform banking operations which expose any repayable funds to risk.

OUR VISION

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

OUR MISSION

We support green transition in an innovative and effective manner



Our headquarters are situated at ul. Żelazna 32 in Warsaw, Poland. Our operations are conducted in Poland. We provide our services through a network of 58 locations, including business centres and branches.

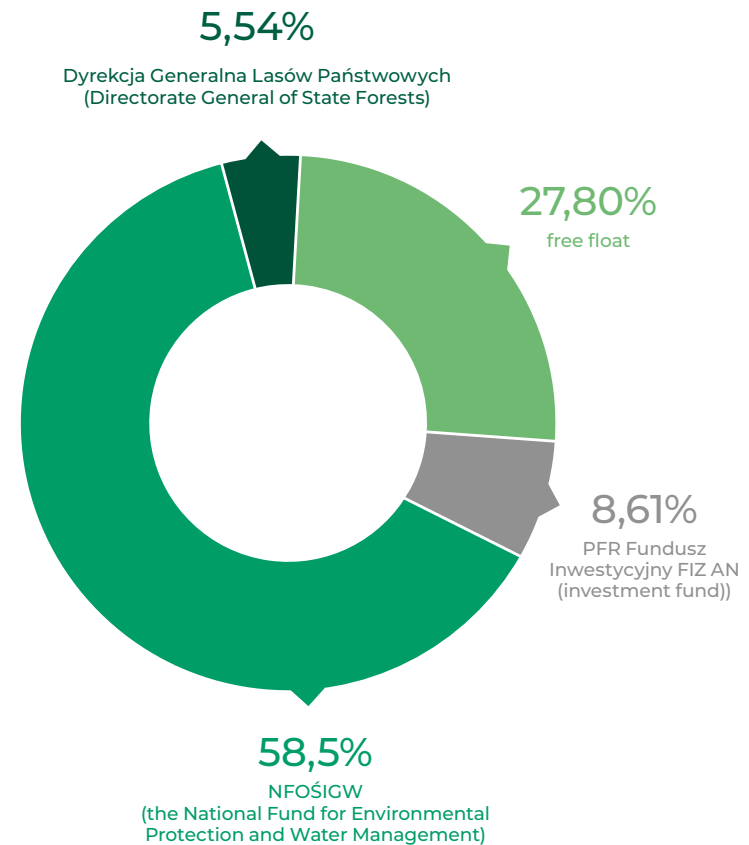
We provide comprehensive financing for green transition by offering unique products, dedicated expert support, and a variety of financial instruments.

- 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, at the same time supporting their business growth.
- Over the past three decades, we have extended credit facilities of PLN 26.7bn for the financing of environmental projects.

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

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

1.2. Shareholding structure



For more information visit the Bank's website – Shareholding structure ►

1.3. BOŚ in numbers

[GRI 2-6]

	2020	2021	2022
Total number of employees at the Bank (FTEs)	1,116	1,158	1,210
Total number of employees at Group companies	248	275	316
Total number of employees at the Group	1,364	1,433	1,526
Total number of business units	4	4	4
Number of clients (thousand)	216.8	176.4	160.5
Interest income (consolidated) (PLN thous.)	518,582	430,640	1,205,878
Total assets consolidated (PLN thous.)	20,505,829	20,229,559	22,006,181
Total market value of BOŚ SA shares (PLN thous.)	557,686	845,824	784,478

1.4. Financial results

[GRI 201-1]

Consolidated data for the BOŚ Group	2020	2021	2022	Change % 2022/2021
Net interest income (PLN million)	371	374	758	102.7%
Net fee and commission income (PLN million)	135	142	128	-9.9%
Net profit (PLN million)	-307	47	128	172.3%
Balance of loans advanced as at year-end (PLN billion)	11.9	11.5	11.1	-3.5%
Balance of green loans advanced as at year-end (PLN billion)	4.7	4.8	5.1	6.3%
Amount of loans advanced during the year (PLN billion)	3.3	4.2	3.7	-11.9%
Amount of green loans advanced during the year (PLN billion)	1.3	1.7	1.6	-5.9%

For more information, visit the Bank's website – Current and periodic reports ►

1.5. History of BOŚ

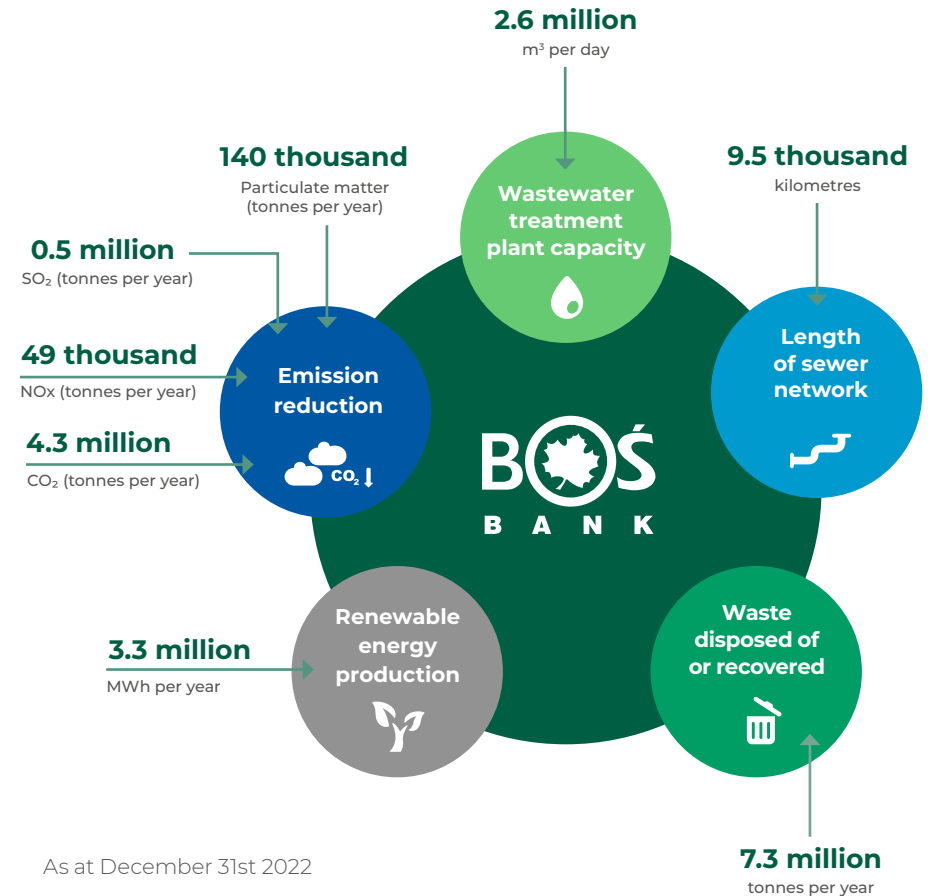
BOŚ was created on the initiative of the National Fund for Environmental Protection and Water Management in the 1990s as a response to the challenges presented by the comprehensive political, economic and social transformation ongoing in Poland at that time. From the very beginning, the main objective of BOŚ has been to support environmental projects.

PLN 26.7 billion
green loans advanced

more than 91 thousand
total number of green projects financed by the Bank

PLN 56.5 billion
total value of completed green projects co-financed by the Bank

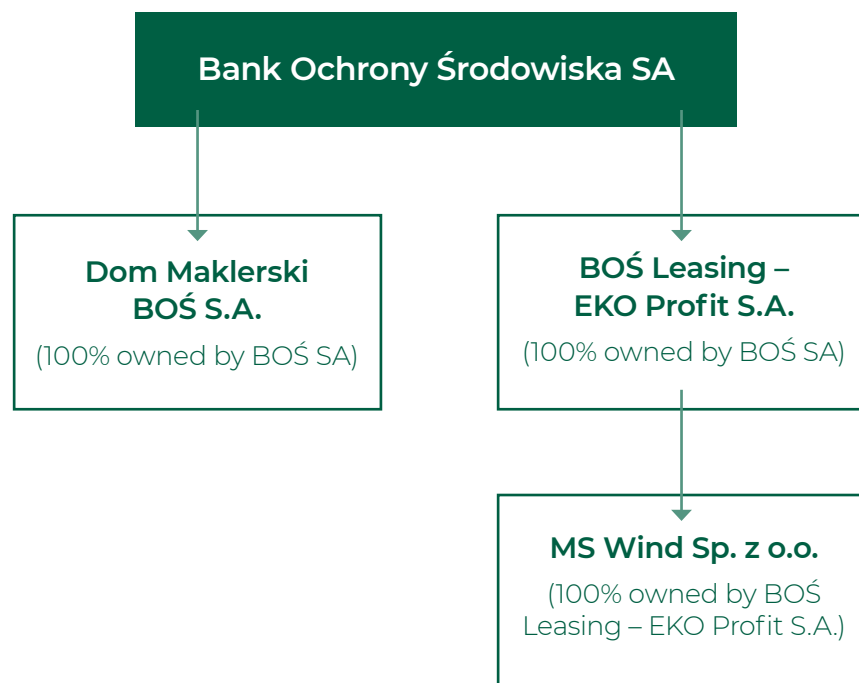
Green impact of projects financed by BOŚ over 31 years



1.6. BOŚ Group

[GRI 2-1, GRI 2-2, GRI 2-6]

Bank Ochrony Środowiska Group



The parent Bank Ochrony Środowiska SA is a joint-stock company listed on the Warsaw Stock Exchange. BOŚ SA has direct subsidiaries Dom Maklerski BOŚ S.A. and BOŚ Leasing - EKO Profit S.A. and an indirect subsidiary MS Wind Sp. z o.o.

Dom Maklerski Banku Ochrony Środowiska SA 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, providing quality products that are preferred by investors. Dom Maklerski BOŚ S.A. is a Polish-owned brokerage providing a full suite of products to its clients and partners.

Since its inception, the brokerage has received coveted awards and accolades from investors, capital market institutions, and financial media.

The brokerage is gradually expanding its range by adding innovative products. DM BOŚ offers its retail and institutional clients high-quality products including Polish and foreign stock exchanges, OTC markets, asset management, and pension products (individual pension accounts IKE/individual pension security accounts IKZE). Striving to fulfil its educational mission, the brokerage supports investors by providing numerous training opportunities, analyses, recommendations, and expert comments.

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. The company also offers Agro Leases, which are 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.

Bank Ochrony Środowiska has long maintained its commitment to environmental stewardship and the well-being of people. The Bank's Management Board launched an initiative in 2009 to establish a foundation that would support delivery of the organisation's mission. Thus, the **BOŚ Foundation** was formed as the first bank foundation promoting environmental protection, ecology, and sustainable development, filling a gap in the realm of corporate foundations in Poland.

The **BOŚ Foundation** is a non-governmental organisation separate from its main founder Bank Ochrony Środowiska.

The BOŚ Foundation runs its own programmes and projects, collaborates with other non-governmental organisations, advances employee volunteering, participates in the development and implementation of the Bank's social responsibility strategy, and provides financial support to selected third-party projects.



2. We are full of green energy our strategy and business model

[GRI 2-6]

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.

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 dedicated to achieving a model that ensures sustainable profitability in both business and operational aspects and that will enable us to enhance key indicators (such as ROE, net banking income, C/I, Green Assets, ESG rating upgrades, and employee engagement) each year throughout the duration of our business strategy until the end of 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.

2.1. Business strategy

[GRI 2-6, GRI 2-23, GRI 2-24, GRI 2-25]

The Development Strategy of Bank Ochrony Środowiska SA for 2021–2023 adopted in June 2021 was subsequently updated and revised to reflect the economic implications of the COVID-19 pandemic and the war in Ukraine, as well as EU and national projects aimed at climate neutrality. We 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. The offer for retail clients is also focused on financing green investments. This is our way to stand out in the market, 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.

Key elements of the Bank's strategy:

- focusing on delivering comprehensive and dynamic support to clients in their green transition efforts, primarily through consulting services that span the entire investment process, as well as facilitating financing arrangements and distribution of Polish and EU funds;
- in corporate banking, focusing on proactive services for SMEs and selective supporting for green projects in large companies and local government institutions; following a specialised and 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), with a focus on the energy, transport, construction, industrial and local government sectors (particularly on financing municipal companies and suppliers);

- in retail banking, focusing primarily on two product groups: green loans (mainly offered by partners) and term deposits in digital form, and opportunistic mortgage lending exclusively for sustainable housing projects;
- sustainably profitable business and operating model;
- growth in total loans and a higher share of green loans in the loan portfolio;
- improvement of organisational efficiency;
- growth in net banking income;
- obtaining and upgrading ESG rating to attest to the Bank's sustainable development, particularly its commitment to fostering environmental stewardship, the well-being of employees and serving the interests of all stakeholders.

We want to much more actively participate in the development and implementation of strategic financing solutions for green economy and environmental protection projects in Poland by arranging financing (and increasing syndication) for major green transition projects, both in the debt and capital markets (through green bond issues), and participating in public institutions' working groups, environmental and climate conferences, and industry events such as various expert

groups, panels, workshops and conferences on renewable energy, water and wastewater systems, green industry, low-carbon construction, transport, and electromobility. The growing public awareness and demand for green projects create opportunities for further growth enabled by our unique offering and capabilities in this field.

An undisputed advantage of BOŚ is its green brand. The Bank's name has a clear association with environmental protection, and its efforts, including carbon footprint measurement and reduction activities, reflect its commitment to environmental stewardship.

For more information, visit the Bank's website ►

2.2. ESG strategy

[GRI 2-6, GRI 2-12, GRI 2-23, GRI 2-24, GRI 2-25]

In October 2021, we published our 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 are in line with the 2030 Agenda for Sustainable Development adopted by the United Nations. Bank is a signatory to the agreement to achieve the Agenda's objectives.

The table summarises progress in achieving the ESG Strategy KPI targets for 2022. Initiatives not fully completed in 2022 are continued in 2023.

Summary of progress under initiatives supporting delivery of the ESG Strategy in 2022

STRATEGY KPI	Progress
Implement EU Taxonomy in accordance with regulatory dates and deadlines	✓
Grow sustainable product sales volumes to PLN 400m in 2022	✓
Conduct an analysis of the green product portfolio in 2022	✓
Provide environmental expert opinion at each business centre	🕒
Establish a marketing communication standard including an environmental education component in 2022	🕒
Achieve 100% renewable electricity	✓
Analyse the feasibility of implementing an environmental management system	✓
Create an educational platform to support the development of green projects, with a market guide on the principles of sustainable financing	🕒

STRATEGY KPI	Progress
Hold an annual BOŚ conference	✓
Implement the initiative “BOŚmy pełni zielonej energii”	✓
Publish and implement a policy for building strong relationships with societal stakeholders and mitigating adverse social impacts	✓
Increase the number of the Foundation's programmes by at least two per year	✓
Join at least one organisation of socially responsible companies in 2022	✓
Implement development programmes for the Bank's management personnel and employees in 2022	✓
Implement an internal knowledge sharing programme within the organisation	✓
Implement an ESG education programme for all employees	✓
Run at least one well-being initiative every quarter	✓
Conduct a needs survey (as part of well-being initiatives)	✓
Increase employee volunteer programme engagement	✓
Run employer branding activities promoting BOŚ as an employer	✓

STRATEGY KPI	Progress
Conduct an annual wage review	✓
Implement a diversity policy	✓
Publish an ESG report once a year	✓
Ensure 100% of new suppliers are covered by the sustainable procurement policy	✓
Ensure 100% of new contracts for institutional clients contain a human rights clause	✓
Implement a process support tool and methodology in 2022 (client ESG risk assessment)	✓
Secure an ESG rating upgrade in 2022	✓

We consistently implement and continuously monitor performance against our ESG Strategy commitments, indicators, and deadlines. ESG Strategy progress reports are submitted to the ESG Committee and the Bank's Management Board every quarter and to the Supervisory Board's Environmental Protection Committee and the Supervisory Board every six months.

2. We are full of green energy – our strategy and business model

The goals set in our ESG Strategy are measurable and their progress can be tracked, with our annual ESG Reports enabling assessment of the progress.

We also undergo independent audits. We obtained our first ESG rating in 2021, with a score of 19.9 which means that the bank was at 'Low Risk' of exposure to major ESG issues. The ESG assessment performed by Sustainalytics placed Bank Ochrony Środowiska among the top 18% of the highest-rated banks.

For more information, visit the bank's website ►

In 2022, Bank Ochrony Środowiska managed to improve its already strong rating and received an ESG Risk score of 14.2, which means it was assessed by Morningstar Sustainalytics to be at low risk. This updated ESG Risk Rating represents a significant improvement on the already strong score from the year before. It placed BOŚ among the top 9% of the world's highest-rated banks.

For more information, visit the bank's website ►

Copyright © [2023] Morningstar Sustainalytics. All rights reserved. Understand publication contains information of origin by Sustainalytics (www.sustainalytics.com). This information is owned by Sustainalytics and/or its third party providers („Third Party Data”) and is for informational purposes only. There is no single product or performance recommendation or investment advice. There is no guarantee that they are complete, current, effective or effective utility purposes. The terms of use are available at <https://www.Sustainalytics.com/legal-disclaimers>.



2.3. Contribution to the achievement of UN Sustainable Development Goals

[GRI 2-23, GRI 2-24]

DIRECTION	ESG STRATEGIC OBJECTIVES	ACTIONS	UN GLOBAL GOALS
Green change leader	<p>We support green transition</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>Green transition starts at home</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 impacts.</p> <p>KPI:</p> <ul style="list-style-type: none"> • By the end of 2023, above 50% share of green loans for institutional banking clients in the volume of total loans (based on the business strategy updated in April 2023) • No new funding for thermal coal mining and new coal-fired generating units, in line with the adopted Climate Policy of Bank Ochrony Środowiska • Growth of sustainable product sales volumes to PLN 400m in 2022 • 20% carbon footprint reduction relative to 2020 by the end of 2023 • 100% of renewable electricity starting from 2022 	<p>External activities</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>	
	<p>Internal activities</p> <p>We implement top standards for managing our environmental impacts.</p>		

DIRECTION	ESG STRATEGIC OBJECTIVES	ACTIONS	UN GLOBAL GOALS
<p>Socially active bank</p>	<p>We promote sustainability</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>External activities</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>We are building a sustainable organisation</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> <p>KPI:</p> <ul style="list-style-type: none"> • 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 • Publication and implementation of a policy for building strong relationships with societal stakeholders and mitigating adverse social impacts in 2022 • Increase in the employee engagement index to 46% (based on the business strategy updated in April 2023) • Improvement of the employer brand perception for BOŚ by 8 pp by 2023. 	<p>Internal activities</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	ESG STRATEGIC OBJECTIVES	ACTIONS	UN GLOBAL GOALS
<p>Conscious organisation</p>	<p>We integrate transparency with accountability</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>We manage ESG responsibly</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> <p>KPI:</p> <ul style="list-style-type: none"> • Obtaining an ESG rating in 2021 • Improvement of the ESG rating in the following years • 100% of new suppliers to be covered by sustainable procurement policy from 2022 • 100% of new contracts for institutional clients with a human rights clause from 2022 • 100% of new transactions with institutional clients to be assessed for ESG risks from 2023 	<p>External activities</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>Internal activities</p> <p>We effectively manage ESG risks.</p>	

2.4. ESG governance structure

[GRI 2-13]

Oversight of ESG issues, including the implementation of strategic CSR goals, is exercised at all levels of the organisation:

- the Bank's Supervisory Board approves and supervises the implementation of the ESG Strategy adopted by the Bank's Management Board, and the Bank's climate and environmental policies;
- the Environmental Protection Committee, acting in an advisory capacity, supports the Bank's Supervisory and Management Boards in expanding the Bank's pro-environmental activities and identifying areas of its environmental protection activities, supporting the implementation of BOŚ S.A.'s corporate mission through recommendations and opinions setting directions for future growth in the area of environmental protection;
- the Bank's Management Board implements climate and environmental policies and other internal regulations, ensuring operability of the ESG management system. ESG issues are reported directly to the Management Board member responsible for the Management Area including the Environmental Protection, Taxonomy and Analysis Division;
- the ESG Committee comprising the President of the Bank's Management Board acting as the Chair of the ESG Committee and five directors representing areas of key importance to the ESG strategy implementation at BOŚ. ESG Committee:
 - exercises strategic oversight over the Bank's ESG activities;
 - acts as an advisory body for the Management Board;
 - monitors the implementation of the Bank's ESG Strategy;
 - issues opinions on schedules for updating the existing ESG Strategy and implementing new ESG Strategies;
 - issues its position to the Bank's Management Board on the recommended directions for further strategic growth in areas covered by the Bank's ESG Strategy;
 - issues opinions on drafts of new ESG Strategies or updates to an existing ESG Strategy;
 - provides the Management Board with opinions on:
 - the ESG Strategy being developed or updated,
 - implementation of the adopted strategic objectives, as part of the quarterly reporting process,
 - reasons for updating the Bank's ESG Strategy,
 - priority actions in the ESG areas broken down into E – Environment, S – Social and G – Governance,
 - drafts of internal policies and regulations concerning matters falling within the scope of the ESG Strategy,
 - ESG reports,
 - performs other tasks supporting the implementation of the Bank's ESG Strategy, as requested by the Bank's Management Board;

2. We are full of green energy – our strategy and business model

- organisational units responsible for identifying, measuring, monitoring, controlling and mitigating ESG risks and business units responsible for day-to-day ESG management in line with the model established by the Bank's Management Board;
- 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 (DPT)**.

DPT reports on the implementation of the ESG Strategy:

- 1) quarterly – to the Bank's Management Board and the ESG Committee;
- 2) semi-annually – to the Bank's Supervisory Board and the Environmental Protection Committee.



2.5. Key policies and documents outlining our approach to ESG in the reporting period

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

Key ESG documents and regulations applied by BOŚ.

<p>ESG Strategy of Bank Ochrony Środowiska S.A.</p> <p>▶</p>	<p>A comprehensive document governing the Bank’s approach to sustainability, our ESG Strategy is aligned with the business strategy for 2021–2023. It presents a set of actions undertaken in view of the Bank’s impact on environmental protection, its care for society and the highest standards of corporate governance. The strategy’s objectives – measurable and enabling progress to be monitored over time – are aligned with the ESG criteria. They are also in line with the 2030 Agenda for Sustainable Development adopted by the United Nations. The Bank is a signatory to the Partnership for the Implementation of the Sustainable Development Goals in Poland. ▶</p>
<p>E – ENVIRONMENTAL</p>	<p>GREEN CHANGE LEADER</p>
<p>Climate policy of Bank Ochrony Środowiska S.A.</p> <p>▶</p>	<p>The climate policy sets the direction of Bank Ochrony Środowiska SA’s efforts to counter and adapt to climate change, as well as to achieve emission reduction targets in line with the ESG Strategy. The policy facilitates the implementation of tasks derived from documents on sustainable financing and climate-related reporting. BOŚ’s climate policy incorporates provisions of the Paris Agreement and the European Union’s legislative packages such as, but not limited to, the European Green Deal, Fit for 55, and national strategy documents.</p> <p>Policy objectives will be pursued through actions focusing on:</p> <ul style="list-style-type: none"> • reducing the Bank’s carbon footprint, • supporting clients’ climate transition processes, • reducing financing to high-emitting sectors and projects, • managing risks related to climate change, • capturing opportunities and potential positive effects of climate change. <p>In 2022, the energy crisis caused by the Russian-Ukrainian war and other factors prompted us to revise our approach to climate policy objectives by addressing the need to ensure energy security and hence the need to diversify raw material supply sources or manage the risk of disruption to a client’s/industry’s normal operations and to strive for a just transition path that would mitigate social risks of climate transition.</p>

<p>Environmental policy of Bank Ochrony Środowiska S.A.</p> <p>▶</p>	<p>The environmental policy deals with the Bank’s environmental impacts, setting out goals and commitments to minimise risks arising from irresponsible use of natural resources. The policy incorporates ESG aspects into business decision making and provides for regular monitoring of the Bank’s carbon footprint.</p> <p>The policy sets out BOS’s commitment to ensuring compliance with applicable environmental protection laws, promoting sustainability among its clients, pollution prevention, application of good market practices in environmental protection, and promoting environmental education among stakeholders.</p>
<p>S – SOCIAL</p>	<p>SOCIALLY ACTIVE BANK</p>
<p>Diversity policy of Bank Ochrony Środowiska S.A.</p> <p>▶</p>	<p>The diversity policy sets out the rules for preventing employment discrimination. The Bank’s commitment to diversity means that it does not discriminate against any person, whether directly or indirectly, on the basis 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, or other grounds that may give rise to discriminatory practices.</p> <p>The policy applies to all Bank employees, regardless of the position held.</p> <p>Bank Ochrony Środowiska SA promotes diversity by:</p> <ul style="list-style-type: none"> • proactively countering workplace bullying, discrimination and harassment based on the Anti-Bullying Policy, • conducting recruitment processes in a manner ensuring equal opportunities to candidates applying for the same position in accordance with the internal Recruitment Rules, • supporting the employment of people with disabilities, • transparent employee remuneration and compensation policy, which ensures equal treatment to all employees, • employee evaluation system.
<p>Diversity policy for members of the Management Board of Bank Ochrony Środowiska S.A.</p> <p>▶</p>	<p>The diversity policy for members of the Management Board aims to:</p> <ul style="list-style-type: none"> • promote diversity in appointing members of the bank’s Management Board, • support the pursuit of the Bank’s 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.

<p>Human rights policy of Bank Ochrony Środowiska S.A.</p> <p>▶</p>	<p>The human rights policy describes how human rights are supported and respected through:</p> <ul style="list-style-type: none"> • non-discrimination, • freedom of association, • opposition to forced labour, • appropriate working and pay conditions, • occupational health and safety, • integrity, • respect for privacy, • Whistleblowing procedures. <p>As part of its commitment to respecting human rights, BOŚ strives to identify, assess, prevent and mitigate the risk of human rights violations by taking prompt and adequate action whenever any indication of such risk arises.</p> <p>The Bank acknowledges its responsibility for respecting and protecting fundamental human rights and undertakes to respect the same in accordance with the United Nations Universal Declaration of Human Rights as well as other internationally recognised norms and standards. BOŚ complies, inter alia, with International Labour Organisation conventions, in particular Discrimination (Employment and Occupation) Convention No. 111.</p>
<p>Supplier Code of Conduct of Bank Ochrony Środowiska S.A.</p> <p>▶</p>	<p>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 S.A. 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.</p> <p>In 2022, the Code was extended in the part related to fundamental employee rights by adding provisions on minimum pay and maximum working hours.</p>
<p>Declaration on building strong relationships with societal stakeholders and mitigating adverse social impacts of Bank Ochrony Środowiska S.A.</p>	<p>As part of our efforts to be a good corporate citizen and to build strong relationships with our external stakeholders, in December 2022 we adopted a Declaration on building strong relationships with societal stakeholders and mitigating adverse social impacts of Bank Ochrony Środowiska SA.</p> <p>The purpose of the Declaration is to:</p> <ul style="list-style-type: none"> • define the Bank's responsibility for the effects its decisions and activities have on the general public and the environment, • provide transparent and ethical policies on environmental impact management that would contribute to the achievement of sustainable development goals, also thanks to alignment with stakeholder expectations.

G – GOVERNANCE	CONSCIOUS ORGANISATION
<p>Development Strategy of Bank Ochrony Środowiska S.A. for 2021–2023</p> <p>▶</p>	<p>The Development Strategy of Bank Ochrony Środowiska S.A. for 2021–2023 defines</p> <ul style="list-style-type: none"> the Bank’s mission: “We support green transition in an innovative and effective manner” the Bank’s vision: “We provide comprehensive financing for green transition by offering unique products, dedicated experts and a variety of financial instruments”. <p>The Bank’s development plan takes into account the economic consequences of the COVID-19 pandemic, as well as EU and national projects aimed at achieving climate neutrality. Therefore, BOŚ intends 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. The offer for retail clients will also be focused on financing green investments. This will help BOŚ 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.</p>
<p>Client ESG risk assessment policies</p>	<p>In view of the dynamics of the changing environment, we offer the best possible solutions for risk management. In 2021, our Bank introduced rules for assessment of ESG risks present at potential borrowers into 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.</p> <p>The ESG risk assessment considers factors such as compliance with environmental laws, prevention of environmental pollution, respect for employees’ rights, preservation of positive local social relations, absence of corruption processes, and protection of customer data, among others.</p> <p>Under the new rules, the Bank refrains from providing financing to clients if critical risks are identified; critical risks are those whose materialisation or disclosure could potentially lead to a loss of a client’s creditworthiness or have a negative impact on the Bank’s reputation. This approach is reflected in the Credit Risk Management Policy, which states that, recognising the importance of integrating environmental, social, and corporate governance (ESG) factors into risk management and investment policies, the Bank seeks to support global climate change mitigation targets through its lending activities.</p>

<p style="text-align: center;">Code of Ethics ▶</p>	<p>The Code of Ethics establishes a set of guidelines that all employees are expected to adhere to in their work, providing fundamental principles for fostering cooperation with trading partners and contractors.</p> <p>Being a listed company, Bank Ochrony Środowiska S.A. attaches great importance to ensuring that its business is conducted in a sustainable and ethical manner, considering these factors as fundamental principles that align with the Bank's mission and guide its operations.</p> <p>As an institution of public trust, the Bank operates in accordance with applicable laws, best market practices and the Code of Ethics. The Bank also complies with the Rules of Good Banking Practice adopted by the Polish Bank Association.</p>
<p style="text-align: center;">Policy to counteract and manage conflicts of interest at Bank Ochrony Środowiska S.A. ▶</p>	<p>The policy outlines measures for identifying, diagnosing, managing, and eliminating conflicts of interest that must be followed during the creation, development, design, co-creation, updating, and marketing of financial instruments, advisory services, and insurance products. It also applies to the execution of outsourcing agreements and other banking activities.</p>
<p style="text-align: center;">Anti-corruption policy of Bank Ochrony Środowiska S.A. ▶</p>	<p>BOŚ has a zero tolerance policy towards corruption in all aspects of its business. We are committed to building our image, reputation and clients' and trading partners' trust, by taking steps to effectively counteract any form of corruption. The anti-corruption policy of Bank Ochrony Środowiska S.A. aims to uphold the Bank's commitment to the highest standards of integrity, honesty, and fairness in all internal and external activities.</p>

2.6. BOŚ stakeholders and relations with the environment

[GRI 2-29]

Stakeholders are individuals and organisations who are impacted by and have an impact on our organisation. We consider the needs of our stakeholders and value their opinions in our day-to-day operations. We strive for the highest standards in capital market communication. We attach particular importance to the reliability 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 the Bank's website – Current and periodic reports ►
Supervisory authorities and regulated market operators	We work closely with supervisory authorities and regulated market operators. We prepare information materials and reports intended for supervisory authorities on a regular basis.
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 the Bank's website – Press office ►

STAKEHOLDER GROUP	OUR APPROACH
Employees and independent contractors	We collect feedback from our employees, including through regular satisfaction surveys. We use all internal communication tools as well as face-to-face meetings and conversations to do that. Emails are sent to the Bank's employees from the dedicated mailbox komunikacja@bosbank.pl. We communicate information also through: <ul style="list-style-type: none"> • the Intranet, • a newsletter, • information boards, posters, and leaflets.
Retail and institutional clients	We interact with our clients through face-to-face meetings and phone calls. All client opinions regarding the quality of our service and our products are thoroughly analysed. We offer various communication channels to our clients: <ul style="list-style-type: none"> • websites (contact form, online banking), • Contact Centre, • client satisfaction surveys, • social media Facebook, Instagram and LinkedIn. We conduct information and promotional campaigns, educational campaigns, and competitions promoting pro-environmental attitudes. In 2022, we held the Idea-Business-Climate conference to educate entrepreneurs and share experience related to green transition.
Contractors and suppliers	We take care to ensure ongoing contact with our trading partners and suppliers. We are building and fostering relationships founded on integrity, trust, and shared responsibility for business practices encompassing health and safety, human rights, business ethics, employee well-being, and environmental stewardship throughout all stages of our operations.
Dom Maklerski BOŚ and BOŚ Leasing - EKO Profit	We conduct ongoing internal communication between the companies.

2.7. Key partnerships

[GRI 2-28]

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.

We are members of the following associations:

- Executive Club
- Polish Human Resources Management Association (Polskie Stowarzyszenie Zarządzania Kadrami)
- Polish Bank Association (Związek Banków Polskich)
- Polish Association of Listed Companies (Stowarzyszenie Emitentów Giełdowych)
- Polish Factor Association (Polski Związek Faktorów)
- Women in Banking Council of the Polish Bank Association (Rada Kobiet Bankowości przy Związku Banków Polskich) – Diversity and Inclusion
- Responsible Business Forum
- UN GLOBAL COMPACT NETWORK POLAND with the Climate Positive programme
- Warsaw Institute of Banking Foundation (Fundacja Warszawski Instytut Bankowości) – Bakcyl project

We participate in the following programmes:

- Agenda 2030 – Partnership for the Implementation of the Sustainable Development Goals in Poland
- National Centre for Research and Development (Narodowe Centrum Badań i Rozwoju)
- Program Climate Leadership coordinated by UNEP Grid Warszawa
- Science Based Targets Initiative (SBTi)
- ‘Turn on Clean Energy for Poland’ Coalition (Koalicja Włącz Czystą Energię dla Polski)
- Czyste Powietrze (Clean Air) programme
- Mój Elektryk (My EV) programme
- TRIBES programme run by CIONET

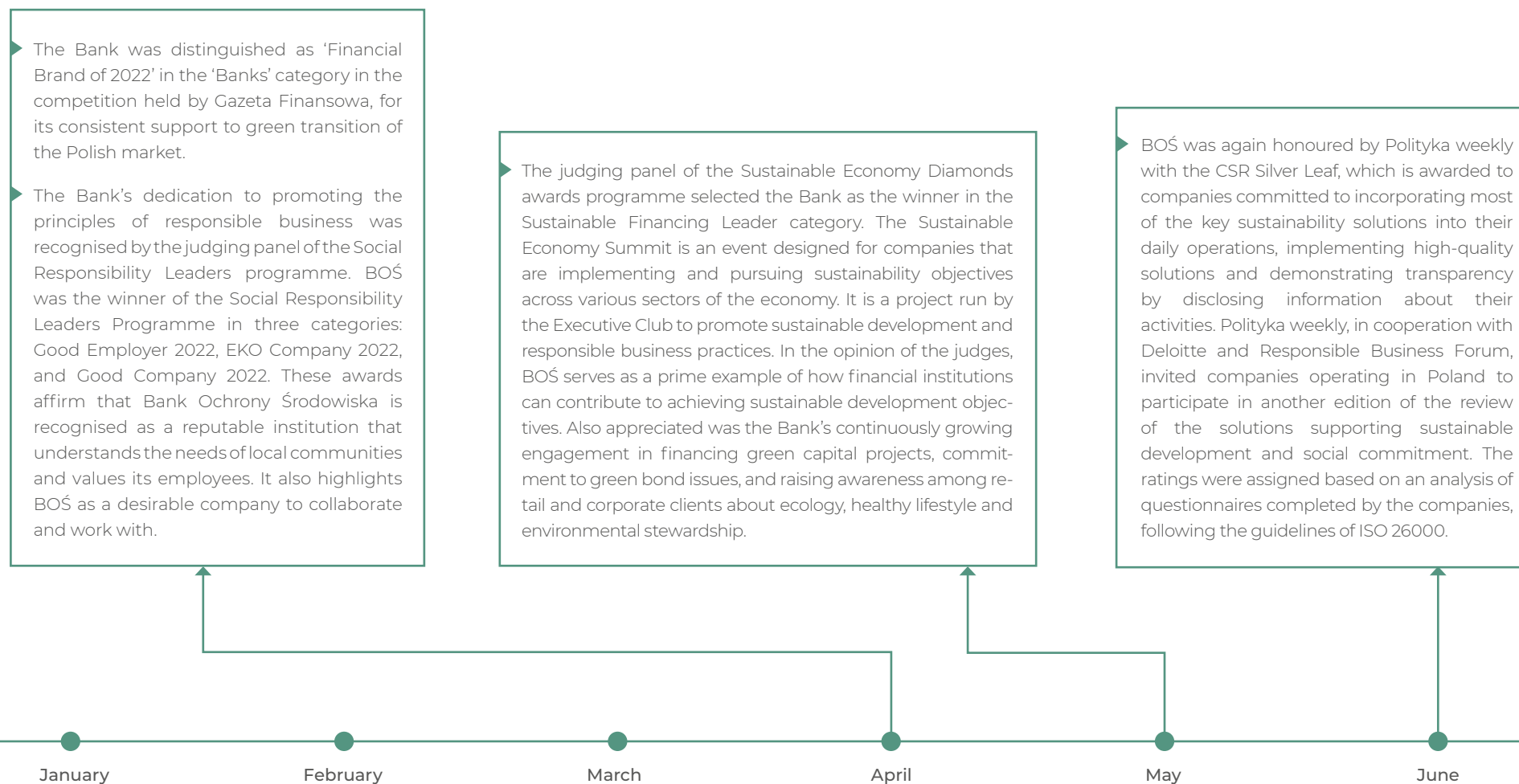
In the Polish Bank Association, BOŚ is a member of: the Consumer Arbitration, the Sustainable Financing Committee, the Financial Services Quality Committee, the Diversity and Inclusion Committee, the Qualifying Standards System, the Electronic Banking Council, the Banking Cybersecurity Centre Committee, the Women in Banking Council of the Polish Bank Association (notification in 2022), and a participant in the Restricted Documents Information Campaign.

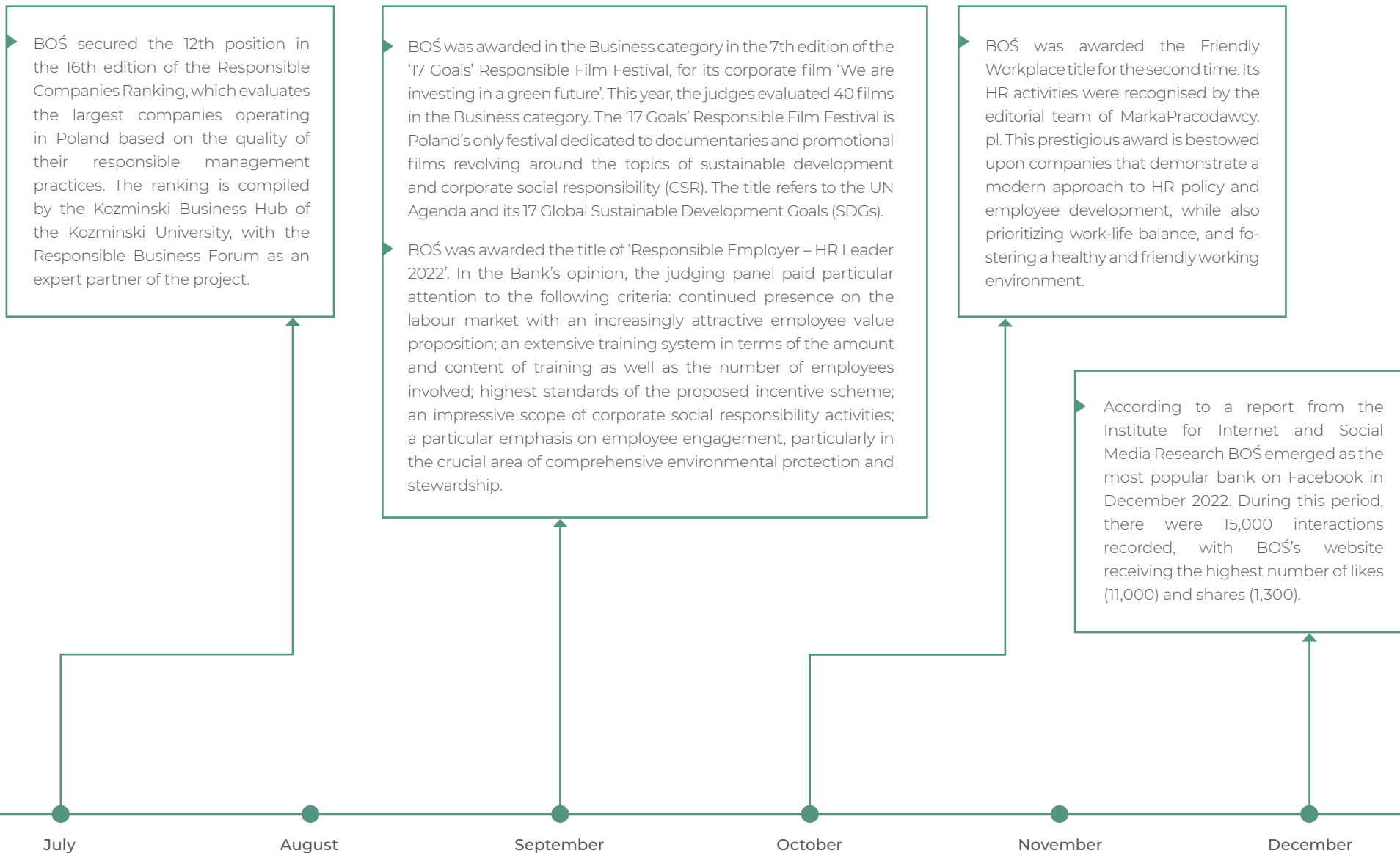
In November 2021, BOŚ became a member of the United Nations Global Compact (UNGC), an organisation whose mission is to mobilise a global movement of sustainable companies and stakeholders and to take action for the benefit of people and the environment to create the world to which all should aspire.

In December 2021, Bank Ochrony Środowiska became the first Polish bank to join the **Science Based Targets (SBTi)** initiative, which comprises companies working towards achieving 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.

2.8. Awards and accolades in 2022

Our pro-environmental activities, corporate social responsibility initiatives, and the quality of our banking services have been acknowledged and honoured through numerous awards.





In January 2023 Bank Ochrony Środowiska received the Top Employer 2023 Poland title, a prestigious distinction won by the Bank for the first time. This award is given to companies that create engaging workplace and fulfilling workplaces for their employees. This recognition affirms BOŚ's effective implementation of strategies aimed at enhancing the work environment and prioritizing employee satisfaction and well-being. BOŚ strives to be a reliable and caring employer, committed to implementing HR practices that align with the needs of its employees and incorporate the latest industry trends. The Bank was recognised by the Top Employer institute for various aspects, including its commitment to a green mission, strong values, sustainability efforts, ecological activities, environmental concern, community involvement, adherence to ethical principles, HR strategy, leadership development, employer branding, recruitment process, diversity initiatives, onboarding, and employee development.

2.9. Transparency and client dialogue

Clients expect convenient communication with the Bank and increasingly use remote channels. Our Bank can be reached through various channels, including relationship managers at our branches, the helpline, electronic banking, email, or the contact form available on our website. Regardless of the selected channel, we seek to ensure high quality of communication.

In 2022, clients used remote communication channels, mainly telephone, as frequently as in 2021. Thanks to the dedication of the Contact Centre staff and the Remote Sales Team, we ensured a high level of customer service on an ongoing basis.

Service		2021	2022
Contact Centre – Services	Incoming calls	122,781	121,244
	Outgoing calls	23,379	18,578
	Emails	55,383	50,775
Remote Sales Team	Incoming calls	6,800	15,000
	Outgoing calls	5,800	13,655
	Emails	9,700	10,500

Contact Centre staff are competent, friendly and open to clients' needs. Our clients consistently affirm that when asked about their satisfaction with our telephone services, nearly 98% responded that the consultants were competent and effectively resolved their cases or provided guidance on how to resolve them. The Net Promoter Score (NPS), which measures client loyalty, for the Contact Centre's services was 85% in 2022. In satisfaction surveys, clients are also given the opportunity to provide their comments and opinions, which we continuously analyse.

During phone calls and electronic correspondence, we strive to use plain language that facilitates collaboration and fosters strong client relationships. We launched #IGetIt (#ToRozumiem) plain language project. We invited language experts from the University of Wrocław to work with us on the project. With their assistance, we prepared and delivered:

- webinars for managers, attended by members of the management board, managing directors, heads of departments and offices, and team managers,
- mandatory workshops for lawyers, compliance staff and personal data protection officers,
- training courses for all interested employees responsible for preparing letters, communications, materials and documents for clients.

All employees were required to complete e-learning training on best practices for clear and effective banking communication. On a daily

basis, we actively promoted the use of plain language and encourage each other to communicate using straightforward words and phrases, not only in our interactions with clients.

Nearly 900 of employees participated in the #ToRozumiem project.

Measuring client satisfaction and service quality

We study client satisfaction with the service they receive at:

- operating branches,
- business centres.

We conduct satisfaction surveys with retail and corporate clients over the phone.

We also study the quality of customer service provided to potential clients interested in our products using the mystery shopper method at all our operating branches.

2.10. Reliable information to clients, ethical marketing and sales

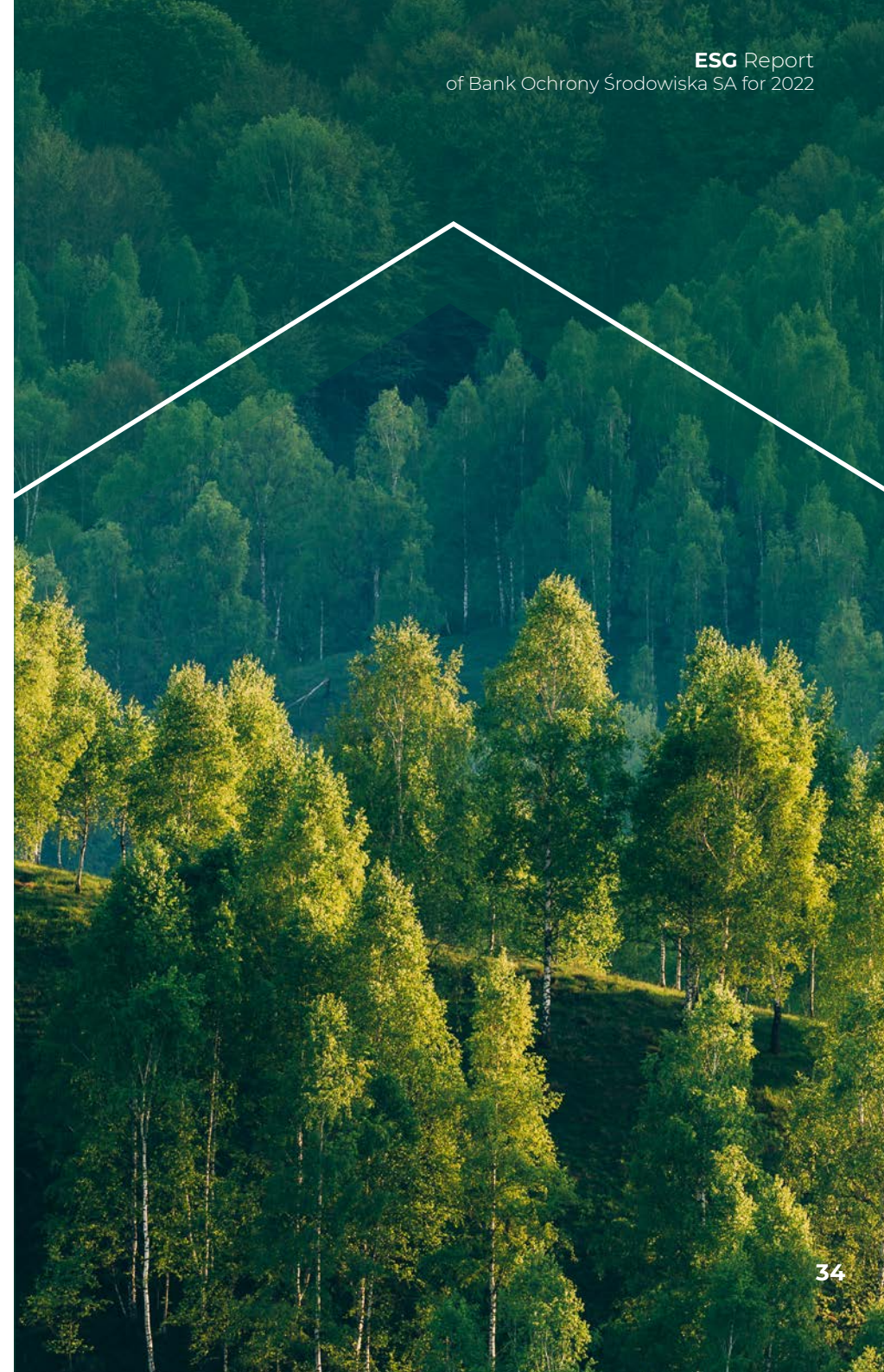
[GRI 3-3, GRI 417-1, GRI 417-2, GRI 417-3]

At the Bank, we are guided by the principle of responsible product policy in our approach to all clients, while upholding high standards of quality management in sales, client communication, and the delivery of services and solutions. We place a strong emphasis on fair and accurate (responsible) product and service pricing and transaction settlement. We offer our clients professional after-sales support.

Our banking products are developed in compliance with legal standards, regulatory recommendations, industry practices, 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 (PFSA): S, T, U, Z,
- EBA's Guidelines on loan origination and monitoring,
- 'Rules for Banking Product Development and Management at Bank Ochrony Środowiska',
- Other documents laying down the rules for charging interest, fees and commissions in each client group.



When developing new products and services, we prioritise safeguarding clients' interests against potential harm, consulting with the Bank's teams of experts to ensure the highest standards of compliance with legal regulations. The relevant guidelines are laid down in the new product approval policy adopted by a resolution of the Bank's Management Board and approved by a resolution of the Supervisory Board.

One of the stages in introducing/modifying/withdrawing a banking product is the preparation of the product concept. Each concept is accompanied by a non-compliance risk assessment document, which is submitted for consultation with the Compliance Department.

The product concept includes an analysis of the impact of introducing/modifying/withdrawing the product on the risk profile/level.

Based on the non-compliance risk assessment document, the identification of risks related to non-compliance with laws, internal rules, and the Bank's standards of conduct is performed for the product. The main categories of non-compliance risks assessed in the document are:

- breach of personal data protection policies,
- failure to fulfil notification/disclosure obligations to clients,
- unfair or misleading advertising,
- misleading market practices,
- use of abusive contractual clauses,
- inappropriate business or market practice,

- non-compliance of the Bank's operations (internal processes/regulations) with applicable laws.

The responsibility for creating marketing materials for the Bank's products rests with the Marketing Department.

In accordance with the policy on compliance with applicable laws, internal regulations and standards of conduct in the marketing activities of Bank Ochrony Środowiska S.A., marketing materials should not:

- contain any inaccurate information on offering a product only for a limited period of time in order to induce the Client to make a quick decision,
- omit information on restrictions relating to the preferential terms under which a product or service is provided,
- mislead or create a risk of potentially misleading the Client, in particular as to the benefits that can be achieved from a product or service,
- encourage the Client to use a product or service by referring to false, undocumented or outdated results of polls, statistical surveys, rankings or ratings or without specifying the source of information presented,
- tarnish the reputation of other participants in the financial market.

Marketing materials are reviewed and approved in terms of their content by the relevant organisational units of the head office, as well as by a law firm for formal and legal aspects. Objectives and assumptions for marketing campaigns are further consulted in terms of the potential occurrence of events that could affect the Bank's reputational risk.

We ensure that clients have unrestricted access to all the information regarding a product or service, including any recommendations and disclaimers that are an integral part of the marketing communication.

The Bank upholds its social responsibility by informing clients about risk mitigation strategies, as evidenced by its internal regulations containing clauses relating to:

- procedures to mitigate market/financial risks,
- response in case a risk materialises.

Before signing a loan agreement, our clients are informed about the specific risks associated with the particular type of agreement, including:

- risks associated with a variable interest rate and the possible increase in loan servicing costs,
- risk of collateral depreciation and the potential requirement for additional collateral,
- currency risk and the impact of the currency spread on foreign currency loans, especially mortgage loans.

For clients interested in obtaining financing, a template statement on increased risk is available on the Bank's website [▶](#)

A risk may be reported by the client in the form of a complaint. The detailed procedure for submitting and handling complaints is outlined in the complaints handling policy of Bank Ochrony Środowiska SA, which is accessible at all branches and on the Bank's website [▶](#).

To ensure a sufficient level of investment protection for clients, we evaluate the suitability of the financial instruments we offer. The suitability assessment process is conducted prior to the execution of the financial instrument contract. The purpose of the assessment is to evaluate whether the financial instrument is suitable for the client, considering their knowledge and experience in financial instrument transactions. This involves assessing the client's understanding of financial instrument mechanisms, awareness of associated risks, familiarity with transaction execution rules, and their level of experience in making investment decisions.

Before entering into any agreement for transactions regulated by MiFID, we provide the client with a comprehensive description of the financial instruments and the associated risks, including:

- the risk of cash flow mismatch that may arise if the client's actual cash flows do not align with the obligations arising from the transaction,
- the risk of the requirement to provide or increase collateral,
- legal and tax risks associated with potential changes in laws governing financial instrument trading, company regulations, business activities regulations, as well as tax, customs, and other regulations,
- market risks that may arise from unexpected changes in market environment parameters,

2. We are full of green energy – our strategy and business model

- the valuation risk that may arise if prices significantly deviate from the prices at which the transaction was executed,
- the counterparty risk that may arise if the Bank is unable to meet its obligations towards the client,
- the liquidity risk that may arise, for example, in situations where significant disruptions occur in the operation of a foreign exchange market or when security prices fluctuate due to changes in the supply-demand relationship,
- the issuer's credit risk.

The risks related to individual treasury products are presented on the Bank's website in [Treasury products – Important information – Risks](#) ►1 ►2 ►3

The Bank provides regular training in offering treasury products. Ensuring sufficient employee participation in professional development or training programmes on the provision of financial services stems from both external requirements (PFSA Recommendation A on the management by banks of risks related to transactions in derivative instruments) and internal regulations (Treasury Derivatives Policy of Bank Ochrony Środowiska S.A.). In order to comply with the above requirements, authorised bank employees must have the necessary certifications that authorise them to enter into transactions, especially those subject to MIFID regulations. The training is conducted annually and concludes with a test, after which participants are awarded a completion certificate. The certificate (issued by the Warsaw Institute of Banking) verifies the acquisition of key skills that result from the

training and comply with the MiFID II requirements for employees involved in providing investment advisory services.

In 2022, we recorded no incidents of non-compliance of marketing communication policies with applicable laws, industry practices or the Bank's internal regulations.

3. Green change leader (E)

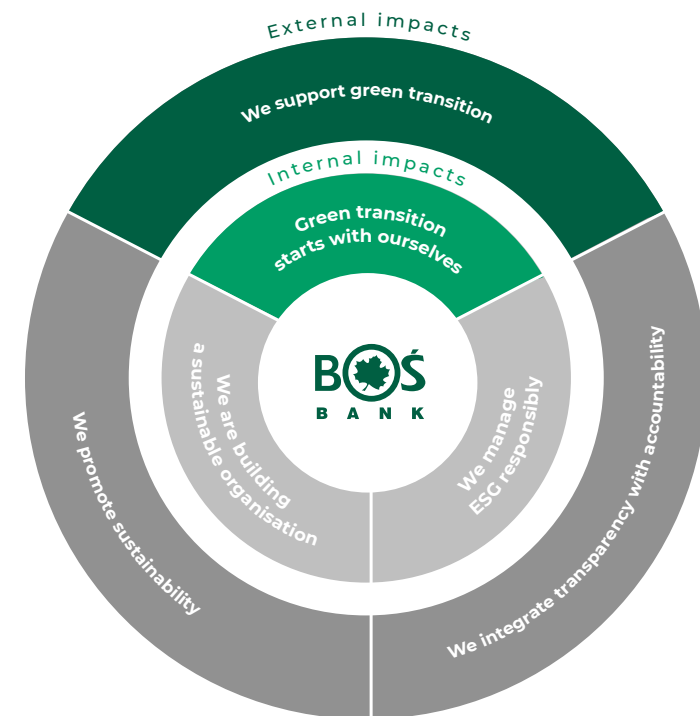
We support green transition

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

[GRI 203-2]

As at December 31st	Unit	2020	2021	2022
balance of green loans	(PLN million)	4,660	4,760	5,089
share of green loans in the loan portfolio	%	36.3	36.9	40.8
net banking income from the green loan portfolio	(PLN million)	43.1	92.7	88.2
amount of green transactions entered into during the year	(PLN million)	1,346	1,670	1,622
number of completed green projects of BOŚ clients	pcs.	2,536	2,651	918
cost estimate value of completed green projects of BOŚ clients	(PLN million)	731	2,860	1,625

Green impact of projects completed in 2020–2022 that were co-financed by the Bank

Environmental effects in the areas	Unit	2020	2021	2022
renewable energy production	GWh/year	56.9	62.7	82.7
heat consumption and heat loss savings from completed projects	thousand GJ/ year	12.2	58.3	26.5
reduction of carbon dioxide emissions	thousand tonnes/year	69.2	183.1	89.6
particulate matter emissions reduction	tonnes/year	27.6	35.2	40.0
waste disposed of or secondary raw materials recovered	thousand tonnes/year	36.3	94.7	69.2

3.1. We support transition towards sustainability

[GRI 2-6, GRI 3-3, GRI 203-2]

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 91,000 green transactions totalling PLN 26.7 billion, which helped finance projects worth PLN 56.5 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.

3.1.1 Our green products and services

Since its inception and in alignment with its mission, the Bank has been actively supporting client projects aimed at improving quality of life and promoting environmental protection, including renewable energy initiatives. Our portfolio comprises a diverse range of products with lending purposes that qualify them as green, and the Bank's methodology for documenting clients' projects enables the measurement of their actual environmental impact.

The Bank provides a variety of credit products designed to finance projects that have a direct impact on the environment. For all our green credit products, we require clients to provide documentation confirming that the project to be financed contributes to environmental protection, specifying:

- the subject matter of the project – the client is required to present an invoice specifying the type and capacity of the acquired asset, such as a PV unit,
- documents evidencing project execution – the client is required to provide e.g. proof of payment, a report of acceptance or connection to the grid, and confirmation of hazardous waste disposal by municipal services,
- equipment/product certificates – if the product/project financed by the loan is required to meet certain minimum standards, the satisfaction of these requirements is documented through relevant certificates.

The Bank has introduced a loan product that allows clients to submit a loan application along with a financing application under the Clean Air government programme. The design of the offer and the implemented process ensure that the funds provided through the loan are allocated towards achieving an environmental objective. During the loan application process, the Bank offers clients free advisory services regarding appropriate classification and provides support throughout the project execution.

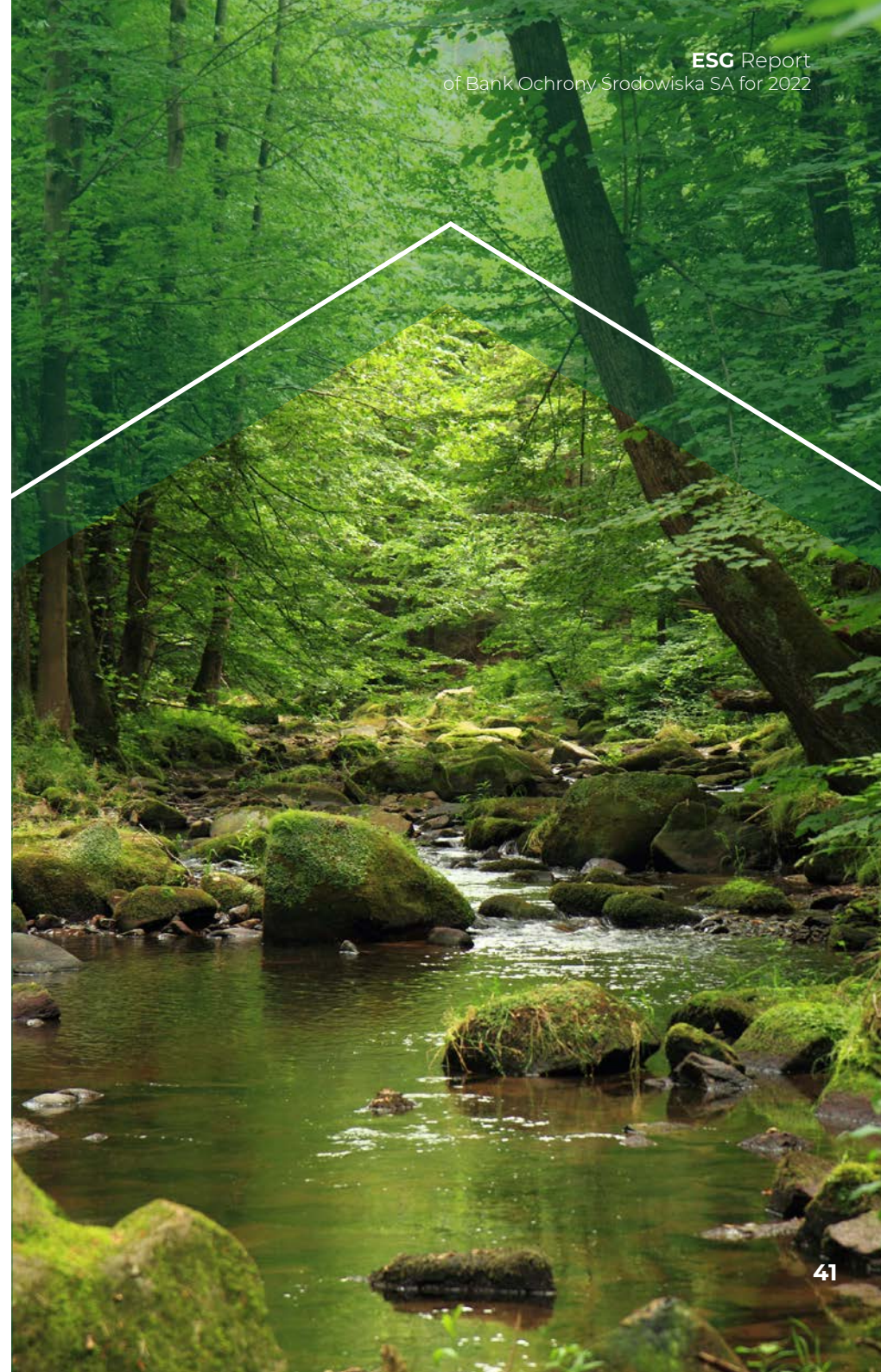
3. Green change leader (E)

The commitment and pro-environmental attitude of local government units are crucial to the success of the green transition, and BOŚ aims to support its partner cities, municipalities, or counties with its expertise. We are prepared to customise our banking services to best suit environmental projects undertaken by the central or local governments. In 2022, the Bank entered into 19 agreements with local government units to exchange information and experiences regarding potential sources and forms of financing for green projects.

BOŚ is continuously expanding its range of products and actively pursuing new opportunities to support clients in their green projects. One of the tools used by the Bank is a grant received from the European Investment Bank through the ELENA facility. The grant can cover 90% of the costs associated with the technical documentation required for implementing energy efficiency projects.

Green loans advanced, by sector

Sectors	2021	2022
energy and municipal services	39%	34%
industry	26%	34%
construction	24%	29%
transport & logistics	7%	2%
other	4%	1%
total	PLN 1,670m	PLN 1,622m



Institutional clients

In corporate banking, our focus is on supporting SMEs, while also providing assistance to selected green projects undertaken by large corporations and local government units. We follow a selective approach to the sectors and technologies we support, taking into account their revenue potential, their pro-environmental effects, and the possibility of using public (national and EU) funds.

As regards products for institutional clients, the Bank offers solutions to support clients who aim to pursue ESG (environmental, social, governance) objectives as part of their operations.

Our portfolio of credit products for institutional clients includes:

- working capital financing (including factoring),
- investment financing for:
 - purchase and installation of environmental protection machinery and equipment,
 - financing of green projects; for example, the Green Savings (EkoOszczędny) loan product is designed to finance environmental projects aimed at achieving savings through the use of renewable energy sources, reducing costs related to environmental use, installing energy generation systems for internal use, transitioning to new energy sources, or changing energy supply; these savings serve as a source of funds to repay the loan,
- 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 schemes supporting innovative green projects (BusinessMax 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

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 directly by the Bank, including online, or by environmentally minded development companies;
- the other product group for retail clients are term deposits, which will be offered mainly via the digital channel.

Loan products for retail clients:

- Green mortgage loan for financing properties built as energy-efficient projects. A project financed by the Bank:
 - may not be powered by an internal coal-fired heat source,
 - must be LEED, BREEAM, HQE, DGNB, WELL, ITB EKO or Zielony Dom certified (certificate to be presented on project completion),
 - must meet specific energy efficiency criteria,
- a cash loan to finance the achievement of environmental objectives falling into one of the following five categories: renewable energy sources, energy efficiency/thermal upgrades, waste management, water management/small water retention, and electric mobility. Each client's implementation is documented by providing the

Bank with proof of purchase, including detailed specifications of the acquired object, along with acceptance reports,

- a PV loan, providing direct support for investments in solar photovoltaic (PV) units to generate electricity from sunlight. The client provides documentation to the Bank, including proof of purchase and reports of acceptance or connection to the power grid, to demonstrate how the loan funds were utilised,
- Clean Air (Czyste Powietrze) loan supporting the transition to cleaner energy; clients have the option to submit a loan application along with an application for financing under the government programme,
- investment loans for sole traders, including green loans.

3.1.2 Support in the transition process

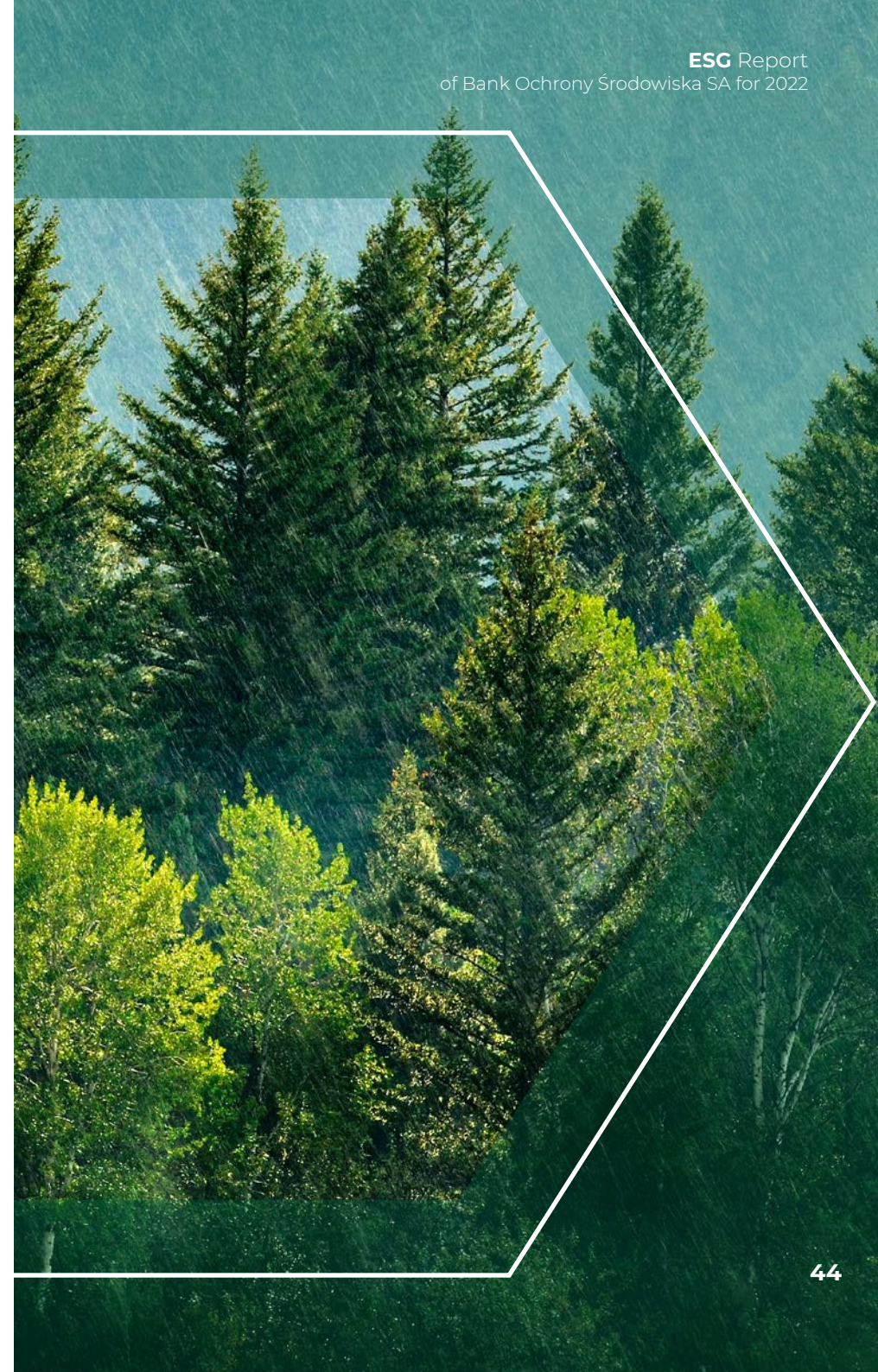
[GRI 3-3, GRI 203-1]

We support our clients with expert knowledge and experience at every stage of investment projects.

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.

Our clients have access to expert knowledge on environmental issues, support programmes, financing and commercialisation of green projects.

Within the Bank's organisational structure, there is a Management Area that consists of the Environmental Protection, Taxonomy, and Analysis Division, which had over 20 employees as of the end of 2022.



3.1.3 Examples of our clients' environmental projects

EBC-MEW LIPICA SP. Z O.O.

The ongoing energy transition in Poland promotes the advancement of eco-friendly technologies. Hydroelectric power is one of the most reliable sources of renewable electricity.

EBC-MEW LIPICA sp. z o.o. of Olsztyn completed a project consisting in the revitalisation and modernisation of the LIPICA Small Hydroelectric Power Plant located on the Noteć river in the municipality of Czarnków in the Czarnków-Trzciana county (province of Poznań).

The provided financing covered the costs associated with revitalizing and reopening the LIPICA Small Hydroelectric Power Plant, which had been closed for two years. As part of the project, the worn-out turbine generators were replaced with carefully selected equipment that is suitable for the existing hydrological conditions.

As part of the project, seven new syphon turbines were installed. The new turbines have a rotor diameter of approximately 1,100 mm and an installed flow capacity of approximately 5.7 m³/s.

Tests found that each of the newly installed turbines is capable of generating approximately 60 kW. With the maximum water flow of 39.2 m³/s passing through all the turbines and a 1.52 m head-drop, the plant has the potential to generate 490 kW (the capacity was limited during the upgrade in compliance with the relevant permits).

Another advantage of the upgraded power plant is its fully automated operation – the plant can be remotely monitored and adjusted.

The project involved upgrading a facility comprising a weir built at the Lipica lock, but the resulting work essentially transformed the facility into a new power plant complete with hydro-mechanical structures, located at kilometre 136+240 of the Noteć Canal.

The revitalisation and upgrade of the Lipica small hydroelectric power plant has a positive environmental impact – it has created the necessary conditions to produce 2,043.53 [MWh/a] of electricity from renewable sources, helping to avoid:

- 1,522.430 [Mg/a] of CO₂ emissions;
- 1.138 [Mg/a] of NO₂ emissions;
- 1.112 [Mg/a] of SO₂ emissions;
- 0.443 [Mg/a] of CO₂ emissions;
- 0.057 [Mg/a] of PM emissions.

In the future, the investor plans to further upgrade the plant to increase its connection capacity from 259 kW to 385 kW.

NOWY PROKOCIM HOUSING COOPERATIVE

Established in 2000 in the south of Kraków, Nowy Prokocim Housing Cooperative has been a client of Bank Ochrony Środowiska for many years. Since inception, the cooperative has prioritised upgrading its buildings and improving their energy efficiency.

The cooperative manages 48 multi-family buildings made of prefabricated concrete and comprising 4,726 flats with a total area of 219,000 m².

By 2005, the cooperative had completed upgrades to the central heating systems in all residential buildings, implemented individual metering for each flat, and installed thermal insulation on the external walls. Later on, the cooperative initiated the upgrade of the domestic hot water systems by connecting the flats to the central hot water system and removing gas heaters from the bathrooms. In addition to achieving heat savings, this improvement also enhanced safety during usage.

The thermal upgrade of the last four buildings was completed in 2022, reducing the annual heat demand by 1,622 GJ.

The energy efficiency improvement project was financed from a preferential investment loan with a bonus from the Thermal Modernisation and Renovation Fund offered by BOŚ SA.

UNI-MASZ H. M. JUSZCZUK SPÓŁKA JAWNA

UNI-MASZ H. M. Juszcuk Spółka Jawna is a Polish company designing and manufacturing machinery and equipment for fruit and vegetable processing. It was established in 1996. Currently, it offers more than 60 types of machinery for various processes in the food industry. It also offers complete technology lines. All the equipment is manufactured in accordance with HACCP procedures and European standards.

In 2018, the company made a decision to diversify its business profile by venturing into globally innovative production of a new line of snacks – specifically, freeze-dried fruit-based foods. The project was based on the results of research and development work and was part of measure 3.2 ‘Support for innovation in enterprises’, which was co-financed by the European Regional Development Fund of the Polish Agency for Enterprise Development.

The project comprised:

- construction of a production hall in Jastków near Lublin,
- fruit and vegetable freeze drying equipment.

The objective of the project was to introduce high-quality foods with a unique composition, incorporating:

- natural ingredients, namely fruit and vegetables of high nutritional value,
- functional extract additives known for their health benefits, antioxidant and anti-inflammatory properties, concentrated fruit juices as natural sweeteners.

3. Green change leader (E)

Freeze drying food preserves its flavours, natural colour, and nutritional content, which are typically lost during conventional dehydration methods that involve heat.

The new product is distinguished by the following features that provide added value:

- unique ingredients (natural ingredients rich in flavonoids, antioxidants, essential oils, tannins, organic acids, etc. offering health benefits),
- antioxidant properties (fresh vegetables and fruit serve as an excellent source of free radical scavengers).

In addition to being based on freeze-dried vegetables and fruit, the product is enhanced with:

- active functional additives such as elderflower, linden and rutin (derived from buckwheat flowers) helping to prevent many lifestyle diseases,
- higher vitamin C content (most food production and distribution processes tend to result in vitamin loss). Approximately 79% of vitamin C is lost during traditional cooking methods. Freeze drying allows to preserve 73% of the initial vitamin C content found in the raw material,
- lower calorific value.

In addition to healthy food production, the project also delivers the tangible environmental benefit of reducing the amount of water consumed in the production process by approximately 90%. This is possible thanks to an innovative freeze-drying process which recovers water after evaporation and defrosting of condensers,

allowing it to be reused in the refrigeration system condenser or for cooling heating shelves in freeze dryers.

The technology helps to save an estimated 2,131 m³ of water per year.

The project cost PLN 32m, with Bank Ochrony Środowiska SA contributing 84% of the project's funding, including a bridge loan towards grants from the Polish Agency for Enterprise Development (PARP).

EKO WIELKOPOLSKA SP. Z O.O.

To maintain balance in the face of ongoing climate change, it is essential for the global economy to continually increase the proportion of renewable energy sources in the energy mix. A meaningful reduction in greenhouse gas emissions is possible only by replacing fossil fuels with renewable energy sources.

In recent years, Poland has seen a rapid growth in the development of new solar projects that provide green energy to businesses and households.

Solar PV projects are the core business of Eko Wielkopolska Sp. z o.o., a company established in 2014. Its principal business activities consist of greenfield development of renewable energy projects. Given the regulatory changes and support schemes existing at the time, during its initial years of operation, the company focused on the assessment of feasible renewable energy technologies, evaluation of potential locations, and design work. As a result of these efforts, the company commenced its first PV farm project in 2021.

To date, the company has built four solar PV farms with a total nominal capacity of 3.998 MW. The installations are located in the municipalities of Lipno and Rakoniewice in the province of Poznań. When implementing the project, the company sought to achieve the highest possible energy output from the installed capacity by using bifacial monocrystalline modules. With bifacial modules, it was important to apply appropriate load-bearing solutions in order to optimise the effect of shading the underside of the panels absorbing light reflected off the surface. The applied solutions should increase productivity per kilowatt of installed capacity by approximately 30%.

The general contractor on the project was Elektrocity Rafał Bojek. The developer has built solar PV installations with a total nominal capacity in excess of 100 MW since April 2018. Their experience translated into quick project delivery and high quality of work.

Total capital expenditure incurred on the project was approximately PLN 14m. The company financed the project from its own funds and from funds provided by Bank Ochrony Środowiska S.A. with approximately 66% of the capital expenditure financed from the bank loan. The project was completed and the PV power plant came on stream in March 2023.

All projects received operational support under an auction support scheme for renewable energy sources.

The project will increase the share of renewable energy in Poland's energy mix. The annual electricity output is estimated at over 4,000 MWh, helping to avoid 3,000 tonnes of CO₂ emissions per year.

3. Green change leader (E)

ROMET SP. Z O.O.

Poland's largest and Europe's leading bicycle manufacturer, Romet has been a household name in the Polish bicycle market since 1948.

As a manufacturer, Romet operates a complete range of design and technological resources. The entire production process, from design, to 3D frame printing to lab testing of components, takes place in Poland, which helps to speed up the production process and retain full control of the process and product quality from the bike collection design phase. This is crucial when marketing new solutions and creating trends in the bicycle market.

Romet's state-of-the-art bicycle factory is capable of manufacturing premium quality products. Romet produces approximately 400,000 bicycles annually, representing one-third of the total output in Poland. The company offers mountain, electric, road, trekking, cross, urban and gravel bikes. Romet's factories are sited at its headquarters in Podgrodzie near Dębica and in Jastrowie in northern Poland, and its logistics centre is located in Kowalewo, with the facilities spanning a total area of 65,000 square metres. A major portion of total output is exported to Western European markets including Germany, the United Kingdom, Austria, Belgium, Sweden, Spain, and the Czech Republic. At present, Romet bicycles are sold on 50 markets worldwide.

Bank Ochrony Środowiska has been a financial partner of the company since 2015. In addition to traditional working capital financing supporting its day-to-day operations, the company uses other products offered by Bank Ochrony Środowiska, including FX forwards to hedge transactions with foreign customers against currency risk and recourse factoring to finance customer invoices with deferred payment terms.

3.1.4 Collaboration with National and Provincial Funds for Environmental Protection and Water Management

[GRI 2-6]

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 harmonious 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.

The collaborative partnerships include the Clean Air and My EV programmes run by the Bank. As the first bank in Poland, Bank Ochrony Środowiska launched lending activities under the banking path framework of the Clean Air government programme on July 6th 2021. The programme is intended for owners and joint owners of

single-family residential buildings or separate units in single-family residential buildings with separate land and mortgage registers. As at the end of 2022, the Bank's clients received 360 grant award decisions for a total amount of more than PLN 8m.

Another programme run by the Bank in partnership with the National Fund for Environmental Protection and Water Management is My EV (Mój elektryk) programme, a scheme designed to reduce air pollution emissions by providing assistance with the cost of projects seeking to reduce fuel consumption in transport. The National Fund for Environmental Protection and Water Management provides assistance with the purchase or lease of zero-emission vehicles. Under the programme, Bank Ochrony Środowiska S.A. and its partner leasing companies provide grants for the lease of zero-emission vehicles (including EVs) using funds entrusted to them by the National Fund for Environmental Protection and Water Management under an agreement of September 8th 2021. By December 31st 2022, BOŚ SA processed over 5,500 grant applications for more than PLN 181m, with the National Fund for Environmental Protection and Water Management having awarded grants for almost 5,000 vehicles for a total amount of just under PLN 160m in response to these applications.

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.

3.1.5 PFR Shield

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.

3.1.6 Development of online banking

The Bank maintains a strong focus on developing remote communication channels and enhancing the role of electronic banking in transaction execution and communication with clients.

The number of users served and instructions executed via BOŚBank24 mobile app is constantly growing.

Clients could use the electronic banking system to apply for mortgage loan repayment holidays, which helped to significantly optimise the process and make it more convenient for clients.

The use of pop-ups enhanced communication with clients.

As the number of transactions authorised via G-Pay is growing steadily, the Bank has implemented a safer solution to add cards to the service, which now can be added via BOŚBank24 mobile app.

3.2. We take a responsible approach to environmental protection

[GRI 2-12, GRI 3-3]

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

- reduction of the Bank's carbon footprint,
- 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.

3.2.1 Energy efficiency

[GRI 3-3, GRI 302-1]

Electricity consumption

Our business relies on electricity from renewable energy sources (RES). In 2022, our total electricity consumption amounted to 3,234.2 MWh and all of it was covered by certificates of origin for renewable electricity, issued by energy suppliers or purchased from MS Wind.

We are strongly committed to improving energy efficiency.

Electricity consumption	2021	2022
Electricity consumption at BOŚ outlets (MWh)	2,094.0	3,234.2

Energy consumption increased in 2022 as the number of the Bank's outlets rose from 53 to 58 and as employees returned to the office.

The scope and methods of calculating energy consumption at the Bank's outlets:

- 1) by reference to energy usage at each outlet – calculated using invoices for the electricity consumed. Energy consumption per employee was calculated using the number of outlets with known energy consumption volumes, the volume of electricity consumed by each outlet, and the number of employees.
- 2) by reference to the energy consumption ratio – calculated using the number of outlets, the number of employees in each outlet and the pre-determined energy consumption per employee ratio.

CO ₂ emissions from the Bank's electricity consumption		
Method	2021	2022
Location-based	1,365.3 Mg	2,154.0 Mg
Market-based	0 Mg	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 branches with average headcount of 1,137 employees in 2021
- 58 branches with average headcount of 1,234 employees in 2022

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 lights in place of traditional light bulbs and fluorescent lights in our facilities. We replace old lighting in outdoor advertising panels with LED lights fitted with timers that switch on the panels for a set time. 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.

Heat consumption

District heat consumption relates to the heating of BOŚ outlets. Heat consumption data was calculated based on invoices and heat consumption estimates (expressed in GJ) for individual outlets.

Heating of BOŚ outlets	Unit	2021	2022
Heat consumption, net	(GJ)	6,371.3	4,836.4
CO ₂ emissions from heat consumption	(Mg)	620.9	493.5

3.2.2 Carbon footprint

[GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, 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 from the Bank's operations was made for 2007. In June 2023, the verification of BOŚ's 2022 carbon footprint calculation was completed in collaboration with an independent entity.

The calculations were made in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. The 2022 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.

3. Green change leader (E)

Scope 1 – direct emissions

- refrigerant leaks,
- on-site fuel combustion,
- vehicles (the Bank's company cars).

Scope 2 – indirect emissions

- electricity consumption,
- district heating consumption.

Scope 3 – other indirect emissions

- purchased goods and services (paper, water),
- fuel- and energy-related activities,
- transportation and distribution (courier services),
- waste generated in operations,
- business travel,
- employee commuting,
- leased assets (third-party car rental).

The emission figures calculated by an independent consultant were confirmed in the course of an audit.

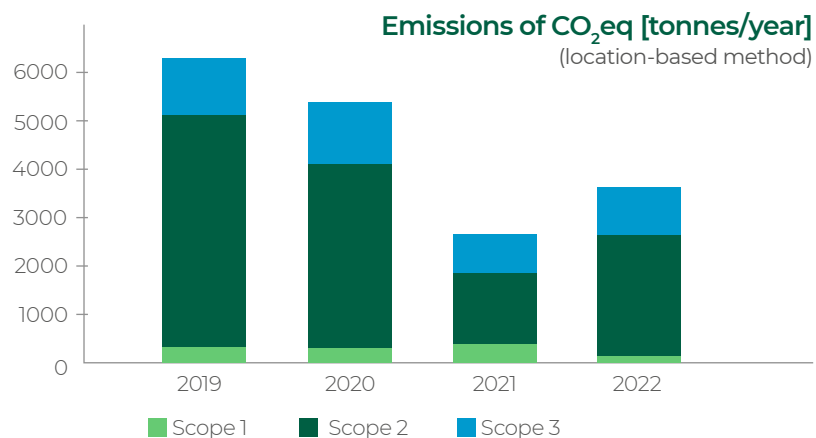
The table and the chart present data on emissions calculations for 2019–2022. The calculations for Scope 2 (consumption of electricity and heat) are presented for the following methods:

- 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	2022
Unit	[Mg CO ₂ eq]	[Mg CO ₂ eq]	[Mg CO ₂ eq]	[Mg CO ₂ eq]
Scope 1	178.4	170.7	211.1	48.3
Scope 2 (location-based method)	5,061.3	4,092.4	1,986.3	2,647.4
Scope 2 (market-based method)	N.A.	2,725.3	620.9	493.5
Scope 3	1,099.4	976.8	682.7	1,094.4
Total (location-based)	6,339.1	5,239.9	2,880.0	3,790.1
Total (market-based)	N.A.	3,872.7	1,514.7	1,636.2

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: 1,170 employees in 2021 and 1,204 employees in 2022

With a view to offsetting our carbon footprint, we participate in activities such as planting trees in nearby forest districts. Throughout 2022, we successfully planted close to 2,750 tree saplings, encompassing a variety of species such as beech, pine, oak, fir, and common pine. This way, BOŚ employees made a valuable contribution to environmental conservation and the growth of tree populations in the vicinity of their workplace.

Emission factors concerning efficiency for Scope 1 and 2 emissions calculated using the market-based method for BOŚ:

Emissions	Unit	2021	2022
per employee	[kgCO ₂ eq/person]	711.1	449.9
per client	[kgCO ₂ eq/person]	5.5	3.8
per PLN 1 million of assets	[kgCO ₂ eq/PLN 1 million of assets]	40.6	24.7
per USD 1 million of revenue	[kgCO ₂ eq/USD 1 million of revenue]	8,000.6	1,861.0

3.2.3 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 303-5]

We seek to effectively reduce water consumption on a daily basis, so taps in our facilities are fitted with aerators. We also use dual flush systems.

Year	Net water consumption [m ³]	CO ₂ emissions [Mg CO ₂ eq]
2020	13,652.6	n.d.
2021	12,534.2	2.51
2022	13,356.8	1.99

Water consumption increased year on year in 2022 as the number of the Bank's outlets rose from 53 to 58 and as employees returned to the office.

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 2022, the Bank donated 243 pieces of furniture free of charge, while 255 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 in 2021	Number of pieces in 2022
Cell phones	1,044*	153
Notebooks	121	195
Computer sets	225 (16 pieces donated free of charge)	99 (pieces donated free of charge)
Ipad, tablet	47	6
Modem cards	129	6

*The significant year-on-year difference in the number of telephones sold was attributed to the liquidation of a reserve of fully depreciated post-warranty telephones.

Paperless – we cut down on paper consumption

We use duplex printing and keep colour printing down to an absolute minimum. Thanks to these measures, we managed to reduce paper consumption by:

- approximately 13.4% in 2021 compared with 2020,
- approximately 40% in 2022 compared with 2021 (the substantial reduction in paper consumption is attributed to the absence of a large-scale mailing on changes in internal regulations in 2022).

We are also reducing the number of advertising leaflets. The paper used for printing advertising leaflets is recycled paper made from Forest Stewardship Council (FSC) certified wood.

Printouts at the Bank's Head Office and outlets are made on organic paper (75g/m² paper that helps minimise natural resource consumption and waste production) that holds EU Ecolabel (PT/011/002) and FSC (C008924) certificates.

Eco-friendly promotional and office items

In 2022, just like in 2021, we purchased advertising items that satisfied at least one of the following criteria to be considered environmentally friendly:

- The product is made from an environmentally friendly raw material (e.g. cork cover notebooks and cork pens, office calendars made of FSC-certified paper, electronic devices in a wooden casing);
- The product, given its function, supports conservation of natural resources (e.g. reusable water bottles, waste sorting bags, herb growing kits, reusable shopping bags).

Unused promotional materials (especially printed materials prepared for a specific product offer) are collected in designated containers.

We also minimise the use of advertising film on windows in our outlets by reducing both the quantity and size of glass panes dedicated to displaying advertisements. The average area of advertising film used per outlet was 6.32 m² in 2022 compared with 8.18 m² in 2021.

New outlets are equipped with furniture containing at least 70% of recycled materials. In addition to using recycled furniture, our outlets feature ceilings made from at least 40% recycled materials.

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. 22% of office supplies purchased by BOŚ in 2022 were EKO certified, marking a 15pp increase compared to the 7% share reported in 2021.

3.2.4 Green Office Certificate

On a path to climate neutrality, we strive to make our operations increasingly environmentally friendly, while constantly monitoring the goals achieved. In 2019, we achieved Green Office certification for our Head Office for the first time, and we successfully renewed the certification in 2021.

This certificate serves as confirmation of our adherence to environmental management standards within the office. It is awarded by independent auditors of the Foundation for Environmental Education in accordance with 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.

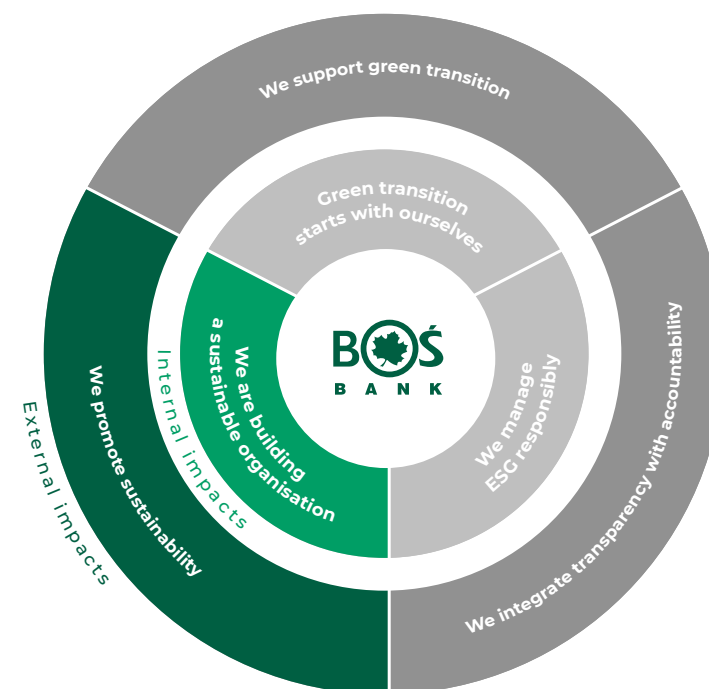
4. Socially active bank (S)

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 around 20 non-governmental organisations
- **PLN 1,788,020** is the total amount we spent on gifts and donations in 2022
- we are a diverse organisation, with women accounting for 65% of our total headcount and 40% of our management (Managing Directors, Heads of Departments, Offices and Business Centres)
- with 13 years' operating history, the BOŚ Foundation works to protect the natural environment and foster pro-environmental attitudes and broadly defined sustainability. In 2022, the Foundation:
 - supported more than 10 institutions and organisations, including the Copernicus Science Centre, the University of Warsaw and SOS Food Bank in Warsaw,
 - donated close to PLN 240 thousand to scientific research, environmental conservation and charitable initiatives,
 - provided grants totalling PLN 20,502 to seven volunteering projects,
 - recorded approximately 340 hours of volunteer work.

4.1. Joint efforts in fostering sustainable development

[GRI 2-12, 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.

4.1.1 Common goals, joint commitment

For years, we have actively participated in initiatives aimed at raising public awareness of environmental issues. This involvement includes engaging in debates and discussions with representatives of legislative institutions, local authorities, and the business and scientific communities.

In 2022, the Bank's experts took part in 113 congresses and conferences including: 14th European Economic Congress, 31st Economic Forum in Karpacz, Precop27, Congress 590, European Financial Congress, 2nd ESG Congress – Powering Polish Business, and smaller projects: Banking Forum, Euro&Oze Power, New Mobility Congress, Green Gas Poland, Polish Small Towns Forum.

During industry events, our representatives frequently spoke on topics such as energy transition and financing green projects, ESG and sustainable development, and support programmes and tools for local governments, cities, and regions.

We have also sponsored a range of social and environmental projects, including TOGETAIR Climate Summit.

IDEA - BUSINESS – CLIMATE

Building on the success of 2021, we organised the second Idea-Business-Climate conference in 2022. Targeting primarily business representatives, the conference aimed to facilitate substantive discussions on the role of businesses in addressing climate change-related challenges. Our intention was to demonstrate the interplay between climate and business processes. We also aimed to exchange views on how companies can generate economic profits while adhering to ESG principles.

The event was notable for its multidisciplinary approach, as the conference addressed a diverse range of topics, highlighting the complexity of the energy transition challenge.

The conference comprised eight discussion panels on the following topics:

- green finance,
- green projects,
- sustainable agriculture and food industry,
- new technologies,

- energy,
- water conservation and retention,
- sustainable construction,
- zero-emission transport.

A total of 45 experts participated as speakers, including representatives from the business sector (including the Bank's clients), scientific community, politics, and executive management of major banks operating in Poland, including Elisabetta Falcetti, Head of Central Europe and the Baltic States at the European Bank for Reconstruction and Development. The event also saw the participation of representatives from the business sector, think tanks, and the scientific community. The special guests of the event were Minister of Climate and Environment Anna Moskwa and President of the National Fund for Environmental Protection and Water Management Przemysław Ligenza. The conference was also attended by dr Joanna Maćkowiak-Pandera, President of the Board of Forum Energii, and Monika Morawiecka, Member of the Expert Council on Safety and Climate Affairs.

The conference partners were the Ministry of Climate and Environment, the National Fund for Environmental Protection and Water Management, and the Polish Bank Association (ZBP). The media partners were Rzeczpospolita, Polska Agencja Prasowa, WysokieNapięcie.pl, Teraz Środowiska, and wnp.pl.

For more information, visit the Bank's website ►

Other initiatives:

- in September 2022 we held an event marking first anniversary of 'My EV' programme. Invited to participate in the event were representatives of institutions associated with the programme, as well as representatives of the National Fund for Environmental Protection and Water Management and the Ministry of Climate and Environment, programme partners representing 23 leasing companies, and the author of "Race for Tomorrow" Simon Mundy. During the meeting, we showcased the Bank's accomplishments in implementing My EV programme and presented awards to leasing companies that made the most significant contributions to achieving its goals. The event also served as the world premiere of "Race for Tomorrow" – BOŚ contributed to the Polish edition of the book.

The meeting was attended by around 70 people. We aimed to showcase through the implementation of this initiative that BOŚ is a valuable business partner supporting growth of companies in the leasing sector;

- in 2022, we became an official partner of the Operation Clean River project, the largest nationwide initiative run by the Kraina Bugu publishing house. Its goal is to foster collaboration in cleaning up recreational areas along the banks of local rivers. As part of the project, BOŚ employees across Poland formed teams to clean up the banks of selected rivers together with their families and friends. They cleaned up the northern bank of the Brda, the banks of the Świder near Otwock, and the banks of the Biała Nida and the Bug, with 150 kg of rubbish collected in the process;
- we teamed up with the Responsible Business Forum as their partner in line with our ESG Strategy. The Responsible Business Forum is an organisation that aims to involve businesses in corporate social responsibility initiatives, which encompass the responsibility of businesses for their impact on society and the environment. The organisation also runs multiple CSR projects in Poland. As a partner of the Responsible Business Forum, we want to share our best practices and reach larger audiences, seeking to involve them in sustainable development initiatives;
- in the Reforestation Initiative (Sadzimylasy) we joined in the spring and autumn of 2022, representatives of our business centres in Wrocław, Katowice, Szczecin, Lublin and Łódź and our Head Office employees planted various tree species, including 200 fir seedlings, 900 beech seedlings, 300 oak seedlings, and over 2,100 pine seedlings. Once again, we demonstrated together that environmental activities are our specialty. The event marked another edition of the reforestation initiative, showcasing the social commitment of the Bank and its employees and contributing to offsetting our CO₂ emissions;
- we participated in the volunteer programme Bankers for Financial Education of Youth – the BAKCYL project. As part of the project, employees from financial institutions, including BOŚ, participate in educational activities for school students throughout Poland. The lessons for students cover topics related to personal finance, saving, entrepreneurship, and investing. A representative of the IT and Telecommunications Department conducted as many as five lessons in the 2021/2022 school year.

Social media is an important communication channel we use on a regular basis. We are active on Facebook, LinkedIn, and Twitter, and we have our own channel on YouTube. We use social media channels to share inspiring content that highlights BOŚ's activities and expertise, and educational materials. In 2022, our focus was on raising environmental awareness among our clients and promoting the Bank's new strategy and green products. We also introduced new post cycles identified by new hashtags: #EKOporady; #EKOwiedza; #EKOcuda and #EKOaktywni. We paid great attention to publishing cybersecurity content. We share corporate and promotional videos on our YouTube channel.

Partnerships for climate

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 the third edition of the programme, the Bank, in collaboration with the programme's experts, developed and published three webinars on energy efficiency, circular economy, and the relevance of ESG factors.

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. These are:

- 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.

4.1.2 Bank Ochrony Środowiska Foundation

[GRI 203-1]

We established the BOŚ Foundation in 2009 as the first corporate foundation in Poland created by a bank that works to protect the natural environment and to foster pro-environmental attitudes and sustainability in general.

Over the past 13 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 lifestyles, good eating habits and physical activity, especially among children and young people.

In 2022, donations from founders were allocated by the BOŚ Foundation to ongoing educational programmes, the launch of a new project World in the Eyes of the Young. Eco-Murals (Świat oczami młodych. Ekomurale), educational and social contribution initiatives run by non-governmental organisations and educational institutions, as well as its own administrative expenses. The Foundation supported more than 10 institutions and organisations, including the Copernicus Science Centre, the University of Warsaw and SOS Food Bank in Warsaw, and donated close to PLN 240 thousand to scientific research, environmental conservation and charitable initiatives.

For more information, visit the Foundation's website ►

Pillar	Assumptions	Examples of initiatives
Health	Raising awareness on the role of healthy diet and physical activity in retaining good health in the time of global changes.	Fit Diet, Fit Brain (Zdrowo jem, więcej wiem) Aktywniepozdrawie.pl PlanujeGotuje.pl
Environment	Raising social awareness about sustainable development and environmental issues; promoting environmental care ideas, particularly among young people.	Traditional Orchard (Tradycyjny Sad) Bet on the Sun (Postaw na Słońce) BOŚ Foundation Academy (Akademia Fundacji BOŚ) World in the Eyes of the Young (Świat oczami młodych) Green Bench (Zielona Ławeczka) It's Dirty Here (Brudno Tu) Cooperation with the Copernicus Science Centre Cooperation with the Science Festival
Voluntary work	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 (Mikrodotacje) Helping All Year Round (Pomagam Cały Rok)

Programmes run by the Foundation:

<p>Bet on the Sun 8th and 9th edition of the renewable energy project</p>	<p>Bet on the Sun is a project run since 2014 to promote renewable energy sources, solar PV projects in particular. As part of the project, we hold two competitions for students from primary and secondary schools: a research competition and a video competition.</p> <p>In the research competition, young participants acquire knowledge in the field of renewable energy micro-systems and develop designs for solar PV installations tailored to single-family houses and school buildings. They subsequently share the acquired knowledge with members of the local communities. In the video competition, young participants create videos showcasing renewable energy and local renewable energy installations, providing explanations on how they work.</p> <p>The 8th edition of the project ran from October 2021 through June 2022.</p> <p>Project outcomes:</p> <ul style="list-style-type: none"> • 215 registered student teams (1,085 participants), • 308 solar PV micro-system designs, • 28 videos promoting renewable energy sources. <p>New editions of the competitions were launched in October 2022. The video competition has been given the new name of 'Filmeko' for its latest edition, with its thematic scope broadened to include all topics related to environmental protection. We invited schools, cultural centres and other educational institutions to participate in the project. Registration for both competitions was open until January 13th 2023. As at the end of 2022, we accepted 210 teams for the research competition and over 260 teams for the video competition.</p> <p>Research competition website: postawnaslonce.pl ►</p> <p>Video competition website: filmeko.pl ►</p>
<p>Green Bench 8th edition of the grant project</p>	<p>Green Bench is a nationwide, community-oriented grant project aimed at neighbourhood teams from open residential estates in cities with a population of over 10,000 residents.</p> <p>The project supports the transformation of neglected areas in the housing estates into mini-gardens with a bench. We assist in revitalising areas surrounding blocks of flats, creating spaces for relaxation and socialising, while also demonstrating to residents the significance of collective action and the positive outcomes it can yield.</p> <p>The project received expert support from the Department of Landscape Architecture of the Warsaw University of Life Sciences.</p> <p>We launched the 8th edition of the project in April 2022, with the neighbourhood teams given an opportunity to win grants of:</p> <ul style="list-style-type: none"> • PLN 2,000 where their designs featured microretention systems, • PLN 1,500 where their designs featured no such systems. <p>Park benches were donated in addition to the grants.</p> <p>Project outcomes:</p> <ul style="list-style-type: none"> • 83 registered neighbourhood teams, • 15 grants awarded. <p>Project website: zielonalaweczka.pl ►</p>

<p>It's Dirty Here mobile app</p>	<p>It's Dirty Here is an app that aids local authorities in combating illegal waste storage. Anyone who downloads the free mobile app (available on Google Play and the App Store) can report a rubbish dump. The report, including a photo and a brief description, is automatically geolocated and sent to the relevant local authority, who will take necessary action to remove the rubbish.</p> <p>Project website: fundacjabos.pl ►</p> <p>In 2022, nearly 300 rubbish dumps were reported through the app.</p>
<p>Traditional Orchard 5th edition of the grant project</p>	<p>Under the Traditional Orchard grant project, we are working to restore and promote indigenous varieties of fruit trees that have been replaced by modern cultivars. The project aims to support the preservation of traditional, old fruit trees while raising awareness among participants and consumers about the importance of enhancing biodiversity as a means to protect natural ecosystems. The participants are tasked with creating a mini-orchard comprising a minimum of five trees in a publicly accessible area, such as a school, a parish house, or on municipal-owned land.</p> <p>The 5th edition of the project, centred around preserving old cherry varieties, was launched at the beginning of 2022.</p> <p>2022 project outcomes:</p> <ul style="list-style-type: none"> • 178 schools entered (1,310 participants) from across Poland • 110 grants awarded • 110 mini-orchards planted • 635 trees of old varieties planted. <p>The participants had the opportunity to engage in an additional task of creating a Pomological Map of Poland, assisting in locating historical varieties of fruit trees in their local areas.</p> <p>Project website: tradycyjnyasad.pl ►</p>
<p>World in the Eyes of the Young 5th edition of the project</p>	<p>World in the Eyes of the Young is a creative competition. In 2017–2020 it involved the design of postage stamps, each edition addressing an important social issue. In April 2022, we relaunched the competition in a completely different format. Its fifth edition focused on the design of ecomurals presenting biodiversity. The competition is open to primary and secondary schools, universities, cultural centres, libraries, and other educational or cultural institutions.</p> <p>Applications closed on June 30th 2022. We received 250 mural designs from 143 institutions. The competition panel, consisting of artists and representatives of the Foundation, selected six projects that were awarded grants of up to PLN 15,000 for the creation of the murals. All murals were created according to plan.</p> <p>Project website: oczamimlodych.pl ►</p>

<p>BOŚ Foundation Academy 1th edition of the grant project (a new project in 2022)</p>	<p>The BOŚ Foundation Academy is a nationwide grant competition aimed at school youth and university students. We provide support to environmentally engaged students and teachers, taking into consideration their previous accomplishments and future projects they intend to finance through the grant. In this way, we are building a community actively involved in environmental protection, with whom we will maintain long-term relationships and carry out collaborative initiatives. An important element of the competition is the continuation of financial support in subsequent editions for those who best implement the projects funded through the programme.</p> <p>We launched the competition in autumn 2022, and we received 111 applications. We will provide funding for a total of 15 groups:</p> <ul style="list-style-type: none"> • 10 school youth groups (with a maximum grant amount of PLN 5,000), • 5 university student clubs (with a maximum grant amount of PLN 10,000). <p>The competition is innovative in that applications are evaluated primarily based on ongoing and not planned activities. The winners will be announced in January 2023. The grantees will be required to submit reports on the utilisation of the grants by the end of September 2023.</p> <p>Project website: fundacjabos.pl ►</p>
<p>Fit Diet, Fit Brain 12th and 13th editions of the health promotion project</p>	<p>Fit Diet, Fit Brain is a project aimed at young students, specifically those in reception classes and grades 1–3 of elementary schools. The Foundation has been engaged in the project for 13 years. Since its inception, the programme has aimed to enhance the health of the younger generation. The project runs throughout the school year and is divided into two stages. Its main goal is to promote health-oriented attitudes among children. Since its 7th edition, the project has been held annually under the honorary patronage of the First Lady Agata Kornhauser-Duda. In September 2021, we launched the 12th edition of the initiative, which closed in June 2022 attracting more than 2,300 teams comprising over 47,000 students and teachers.</p> <p>Participants shared what they have learned with their school peers and parents, with approximately 100,000 students and some 30,000 parents receiving health education. We selected 26 top teams from across Poland (37 teachers and 499 students).</p> <p>The 13th edition of the project was launched in September 2022 and attracted applications from almost 2,000 teams by the end of 2022.</p> <p>Project website: zdrowojem.fundacjabos.pl ►</p>
<p>PlanujeGotuje.pl online cookbook</p>	<p>PlanujeGotuje.pl is an online cookbook for food enthusiasts where we have compiled all the recipes created during the Foundation's projects. The project website contains:</p> <ul style="list-style-type: none"> • recipes with calculated calorie and nutritional values, • diets prepared by dieticians, • interactive planner where you can create a 7-day meal plan. <p>Project website: planujegotuje.pl ►</p>

Aktywniepozdrowie.pl

a reliable source of knowledge

Aktywniepozdrowie.pl is a reliable source of knowledge on healthy nutrition, physical activity, and environmental awareness. The articles on the website were written by scientists from leading Polish research institutions and universities. The website was visited more than 39,000 times in 2022.

Throughout the year, we collected feedback about the website and initiated its redesign.

Project website: aktywniepozdrowie.pl ►

4.1.3 Employee volunteering

The BOŚ Foundation runs the Micro-Subsidies employee volunteering programme, which enables our employees to give back to our local communities.

All BOŚ Group employees can apply for funds to finance initiatives addressed to a specific local community and carried out by employees in partnership with selected non-governmental organisations or public institutions.

In 2022, the Foundation announced two application rounds as part of the Micro-Subsidies programme, with grants awarded to seven applications:

- 'Integration of Ukrainian female refugees into the Polish job market' – female volunteers, in cooperation with the Stowarzyszenie Ekspertki Razem association and the Kulczyk Foundation, implemented a multidimensional project supporting Ukrainian female refugees in entering the Polish job market. The project was implemented through workshops covering topics such as banking services, labour law, and practical job search strategies. Number of hours contributed by volunteers: 10;
- 'Stay green, it's only logical' – volunteers, together with children from a special education school and their caregivers, greened the school grounds by planting trees, flowers, and herbs. Number of hours contributed by volunteers: 64;
- 'Embrace the active life' – volunteers arranged sports activities (energising breaks, tournaments in various disciplines, and chess) at an elementary school. Furthermore, as part of the project, students took part in activities focused on healthy lifestyle and nutrition. Number of hours contributed by volunteers: 120;
- 'Underdogs – we care' – volunteers provided assistance to an animal shelter in Płock, installing six insulated dog kennels providing the animals with warm shelter. Number of hours contributed by volunteers: 12;
- 'Ring a bell for Santa' – volunteers organised a Santa Claus event for children and youth from the Praga-Północ district of Warsaw that included Christmas crafts and a theatrical performance in the St Jan Bosko Oratory in Warsaw. The number of hours contributed by volunteers was 60 hours;
- 'Integration of children from the state-collective-farm background, children's homes and Ukraine in a primary school in Kotomierz' –

volunteers organised a series of meetings that included games, painting, workshops on healthy eating and reducing food waste to engage and connect children. Number of hours contributed by volunteers: 24 (project completed in May 2023);

- ‘Stand tall, protect them all – promoting biodiversity and combating invasive species in the Kampinos Forest’ – volunteers, in cooperation with the Kampinos National Park, removed invasive plant species from the forest as part of the project. Number of hours contributed by volunteers: 40 (project completed in May 2023);

In 2022, we awarded a total of PLN 20,502 grants for seven volunteering projects. The total number of hours contributed by volunteers was approximately 340.

Project website ►

Our Bank offers its employees an opportunity to take three days off to pursue volunteering or environmental activities.

151 days (1,208 hours)

BOŚ employees dedicated to volunteering activities in 2022

twice as much

as in 2021 (76 days or 606 hours)

Helping All Year Round is a project that involves monthly voluntary deductions from the salaries of employees of the BOŚ Group and the Foundation. It was launched at the request of employees who wanted to help on a regular basis. The collected funds were allocated to:

- support BOŚ Group employees who found themselves in difficult circumstances,
- scholarships for talented youth from underprivileged families.

In the 2021/2022 school year, the Foundation supported three students in the care of the Santa Claus Foundation. In autumn, the Foundation selected three new scholarship recipients and announced the opening of applications for employees facing challenging life circumstances. All three applications received by the Foundation were granted.

Throughout the year, the Foundation took steps to increase the number of donors. The Foundation acquired new donors during a team-building and training trip for BOŚ Group employees. Since May, the Foundation’s team has been regularly attending meetings with new hires at BOŚ to showcase the Foundation’s activities, with a focus on initiatives aimed at employees.

4.1.4 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

the amount of the donation made to the BOŚ Foundation in 2021

PLN 1,650 thousand

the amount of the donation made to the BOŚ Foundation in 2022.

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 second edition of 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 (Fundacja Zwierzęca Polana),
- The Santa Claus Foundation (Fundacja Świętego Mikołaja),
- The Centre for Rehabilitation of Domestic Animals (Ośrodek Rehabilitacji Zwierząt Domowych).

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.

We contributed PLN 61.5 thousand to the Foundation for Transplantation: Hearts for Earth (Fundacja Dla Transplantacji - zostaw serce na Ziemi) as a partner in the #12HoursforLife (#12GodzinDlaŻycia) event, aimed at raising funds for an OCS Heart TransMedics system, which is currently the only equipment in the world used to transport the heart collected for transplantation. It is an innovative solution that extends the viable transplant window for organs by almost three times. As part of the project, a Christmas charity concert was organised under the patronage of BOŚ.

In addition, we made donations to animal welfare organisations. These were: 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 – in 2021 we donated PLN 15 thousand for the Passage II (Przejście II) environmentally-oriented mural, created by the TO Foundation in Wrocław. In 2022, we continued our support, enabling the project to be implemented using organic air purifying paints. One square metre of the mural catches 0.44 g of nitrogen oxide from urban smog per day, comparable to the amount captured by one medium-sized tree. The 'Passage II' mural is 120 m² of painted walls purifying the air like a grove!

We continued our Talk to a BOŚ Pollster and Help Animals' campaign, supporting animal welfare organisations every quarter. For every client satisfaction survey completed, we donated one Polish złoty in the form of financial support for animals living in shelters. In 2022, we donated almost PLN 7 thousand to the following foundations:

- Psierociniec
- Na Rzecz Ochrony Dzikich Zwierząt - Primum
- Albatros
- Ostatnia Przystań.

Our donations in the last two years:

PLN 1,032,159

in 2021

PLN 1,788,020

in 2022

4.1.5 Activities related to the war in Ukraine

In view of the challenging humanitarian situation in Ukraine and the need for any possible aid, the Bank organised several donation drives among its employees during the six months ending June 30th 2022. Donated items included first-aid supplies for those fighting in Ukraine, sanitary products and dressings, cosmetics, food with long expiration dates, torch lamps, power banks, thermal cups for Ukrainian refugees, and medical products to support hospitals in Ukraine. In addition, the Bank's Foundation opened a special Aid to Ukraine account To receive payments in support of Ukraine and its citizens. Every payment made by a BOŚ employee was doubled by BOŚ S.A. No commission was charged on the deposits. All funds were provided to beneficiaries through the Polish Red Cross. As a lot of help is still needed, a dedicated email address has been created to which the Bank's employees can send their suggestions for initiatives to help people affected by the war, including donation drives or advertising of items that people give away or accept as part of support for Ukraine. Their ideas were posted on a dedicated intranet site.

4.2. Friendly working environment

[GRI 3-3]

We are a socially engaged company, considering every action we take as an investment in the future. We are building a community of professionals who value environmental sustainability and actively engage with BOŚ stakeholders, while being powered by green energy.

We implement various initiatives targeted towards our employees, fostering a dynamic workplace that builds on commitment, professionalism, and respect. We provide our employees with opportunities for continuous and sustainable development. We believe that the continued growth of our organisation relies on a community of individuals that share the same values and take action.

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.

To explore job openings and learn about our recruitment policies, please visit the [Careers section on our website](#) ►

4.2.1 Organisational culture

[GRI 2-23]

We pay heed to what our employees have to say. In 2022, 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.

As part of the 'Autumn of Values' (Wartościowa Jesień) project, we encouraged employees to participate in discussions about values and to cooperate as a team:

- The internal webinar programme 'Acting for change together' (Razem działamy na rzecz zmiany) is a series of internal sessions where we share our knowledge and present the changes we have implemented within the Bank. Every week we discussed a new topic! What is our strength? How are we changing for our clients?

Is technology supporting us in that and how? What behaviour is in line with our values? How can we develop our competencies?

- Webinars with invited guests. The speakers provided valuable external perspectives and insights into market trends:
 - Iwona Grochowska 'The power of thank you' – How to convey positive feedback? How to say thank you to colleagues? Why is it so important?
 - Jakub Banasiak 'The nature of true collaboration' – exploring a fresh perspective on collaboration by diving into the world of dolphins.
 - Jakub Banasiak 'Super size growth' – getting inspired to grow, develop, and take ownership of your personal development journey.
 - Lena Rogowska-Lewandowska 'Inclusive language' – how to master everyday communication and foster respectful dialogue without prejudice? How to use language to build connections rooted in understanding? Why inclusive communication matters?
 - Jan Mela 'Motivation to change' – learning how to embrace the new and keep an open mind for challenges.
- EduSfera – for those seeking more after the webinars with experts, we offered EduSfera! We conducted workshops, webinars and e-learning sessions that offered a deeper insight into the topics discussed during the Autumn of Values programme.

In total, 700 employees participated in the events.

We create an engaging workplace, with clear employment policies that support diversity. In 2022, 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.

4.2.2 Workforce structure

[GRI 2-7, GRI 2-8, GRI 2-30]

Bank's employees by gender:

As at:	December 31st 2021			December 31st 2022		
Number of employees	Women	Men	Total	Women	Men	Total
Total number	781	389	1,170	793	441	1,234
Percentage of the workforce	67%	33%	100%	65%	35%	100%

	2021	2022
Highest length of service at the Bank (years)	30.6	31.3
Age of the oldest employee (years)	72	73
Age of the youngest employee (years)	20	19
Average age at the Bank (years)	44	44
1) Lower-level positions	bd	43.3
2) Managerial positions	bd	47.6
3) Executive positions	bd	48.3
Median (age) (years)	44	45
Dominant (age) (years)	41	46

Headcount at the Bank, by number of people and FTEs

As at:	December 31st 2021		December 31st 2022	
	Number of people	Number of FTEs	Number of people	Number of FTEs
Head Office	777	766.61	877	856.66
branches and business centres	387	385.63	357	356.13
Remote Sales Centre	6	6		
Total for the Bank	1,170	1,158.24	1,234	1,209.79

Contracts of employment at the Bank (number of people) by type of contract and gender

As at December 31st	2021	2022		
	Total	Total	Women	Men
Trial period	1	18	7	11
Fixed term contract	234	332	204	128
Permanent contract	935	893	591	302
Total	1,170	1,234	793	441

Bank's employees by age, gender and minorities

	2021			2022		
	Women	Men	Total	Women	Men	Total
Total number of employees	781	389	1,170	793	441	1,234
Workforce structure by age						
≤ 30	57	43	100	65	48	113
30-50	525	248	773	520	280	800
50 ≤	199	98	297	208	113	321
Workforce structure by age [%]						
≤ 30	7%	11%	9%	8%	11%	9%
30-50	67%	64%	66%	66%	63%	65%
50 ≤	25%	25%	25%	26%	26%	26%
including employees with disabilities	8	8	16	6	10	16
Employees with disabilities as % of total workforce	1%	2%	1%	1%	2%	1%

Methodology – number of people employed under employment contracts.

Workforce structure at the Bank by position and province

Province	2021	2022				
	Total	Women	including full-time employment	Men	including full-time employment	Total
Province of Wrocław	29	17	17	12	11	29
Province of Bydgoszcz and Toruń	34	29	27	4	4	33
Province of Lublin	33	25	23	11	9	36
Province of Zielona Góra and Gorzów Wielkopolski	8	8	8	2	2	10
Province of Łódź	22	12	11	7	6	19
Province of Kraków	45	26	26	11	10	37
Province of Warsaw	763	515	489	319	309	834
Province of Opole	6	8	8	2	2	10
Province of Rzeszów	26	16	16	8	7	24
Province of Białystok	25	14	14	7	7	21
Province of Gdańsk	30	24	24	8	5	32
Province of Katowice	43	31	30	14	13	45
Province of Kielce	5	8	8	1	1	9

4. Socially active bank (S)

Province	2021	2022				
		Women	Men	Total	Women	Men
Province of Olsztyn	26	16	16	7	7	23
Province of Poznań	35	17	17	11	11	28
Province of Szczecin	24	21	21	7	5	28
Telework	16	6	6	10	10	16
Total	1,170	793	761	441	419	1,234

Number of bank's employees in each age group – as at December 31st 2022

	Management Board and officers*			Senior and junior managers			Other administrative staff		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Age ≤ 29	0	0	0	0	0	0	65	48	113
Age 30-50	19	24	43	59	37	96	442	223	665
Age 51 ≤	7	15	22	37	13	50	164	85	249
Total	26	39	65	96	50	146	671	356	1,027
Percentage	40%	60%		66%	34%		65%	35%	

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

Associates providing work to the Bank

Contract type	December 31st 2021	December 31st 2022	Scope of work
Contract of mandate (umowa zlecenie)	3	11	Primarily evaluation of grant applications
Management contract (umowa o zarządzanie)	5	4	Management services
B2B	21	21	20 persons – Legal Department 1 person – IT Department

No collective bargaining agreements exist at Bank Ochrony Środowiska SA.

4.2.3 Employee turnover at the Bank

[GRI 401-1]

Number of new employees and number of people whose employment with the Bank terminated in 2022

	2021	Women (2022)			Men (2022)			2022
Age	Suma	≤ 29	30-50	51 ≤	≤ 29	30-50	51 ≤	Suma
Number of new employees	229	37	141	24	26	95	31	354
Percentage of new employees	100%	10%	40%	7%	7%	27%	9%	100%

Employee turnover ratio

	2021	2022
Total	23%	26%
Head Office	17%	21%
branches and business centres	32%	37%

Methodology: number of terminated contracts in 2022/headcount as at January 1st 2022 *100%.

Number of employee departures in 2022 by gender and age group

Age	2021	Women (2022)			Men (2022)			2022
		≤ 29	30-50	51 ≤	≤ 29	30-50	51 ≤	
Number of departures	263	19	141	41	13	61	29	307
Percentage of departures	100%	6%	47%	13%	4%	20%	9%	100%

4.2.4 Diversity

[GRI 3-3, GRI 405-1]

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, available on the Bank's website ►
- **Diversity Policy for Members of the Management Board of BOŚ SA**, available on the Bank's website ►
- **Human Rights Policy**, which describes how human rights are supported and respected, available on the Bank's website ►

The HR Department is responsible for implementing and reviewing diversity policies. The results of the review and any follow-up recommendations are presented to the Bank's Management Board.

We aim to foster a welcoming work environment and organisational culture built on mutual respect, while actively preventing any form of discrimination or workplace bullying. This commitment is upheld through the implementation of the measures listed below:

- 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.

Under the Embracing Diversity as Our Nature (Różnorodność mamy w naturze) programme, we educate our employees on diversity. In 2022, we hosted a discussion panel featuring representatives of the Management Board, management staff, and an external expert. We offered an e-learning course on diversity, and managers were also provided with a guide on cultivating an inclusive culture within teams. Employees were informed about selected diversity aspects through a series of webinars, including 'From differences to opportunities', 'Unconscious bias', 'Inclusive language' (in 2022) and 'Intergenerational communication and collaboration' (in 2023).

We monitor the level of acceptance for diversity in our annual Employee Opinion Survey. In 2022, we achieved a score of 55%, an increase of 13pp on the previous year, highlighting the positive outcomes of our efforts.

Diversity at the Bank

Number and percentage of employees – governance bodies					
By category					Total
Management Board and Supervisory Board	Women	Women %	Men	Men %	
under 30	0	0.00%	0	0.00%	0
30–50	1	9.09%	5	45.45%	6
over 50	1	9.09%	4	36.36%	5
Total	2	18.18%	9	81.82%	11
Number and percentage of employees – employees					Suma
Senior management	Women	Women %	Men	Men %	
under 30	0	0.00%	0	0.00%	0
30–50	19	31.15%	20	32.79%	39
over 50	7	11.48%	15	24.59%	22
Total	26	42.62%	35	57.38%	61

4. Socially active bank (S)

Number and percentage of employees – employees					Total
Middle management	Women	Women %	Men	Men %	
under 30	0	0.00%	0	0.00%	0
30–50	59	40.41%	37	25.34%	96
over 50	37	25.34%	13	8.90%	50
Total	93	65.75%	50	34.25%	146
Other employees	Women	Women %	Men	Men %	
under 30	65	6.33%	48	4.67%	113
30–50	442	43.04%	223	21.71%	665
over 50	164	15.97%	85	8.28%	249
Total	671	65.34%	356	34.66%	1,027
					1,245*

*The number of the Bank's employees plus members of the Bank's Management Board and Supervisory Board

- the Bank aims for gender balance in its employment structure (as at the date of this report, women accounted for 59% and men for 41% of the management staff);
- senior management members are graduates of various faculties in Poland and abroad (including economics, engineering, IT, law, linguistics, and others);
- 4.5% (5 persons) of senior management have worked for the Bank for more than 15 years; the average employment period with the Bank for women is 8.3 years, and for men is 2.3;
- senior management members have diverse professional experience gained in Polish and European financial and non-financial undertakings;
- the Bank hires foreigners, retirees and retirement-eligible persons as well as persons with disabilities;
- the percentage of employees with disabilities is 2.1%.

In 2022, the composition of the management and supervisory bodies was diverse in terms of age, educational backgrounds, and work experience.

Due to organisational changes, as of December 31st 2022, the composition of the governance body was not gender-diverse. However, in line with the Diversity Policy for Members of the Supervisory Board of Bank Ochrony Środowiska S.A., the Bank will strive to achieve a target gender diversity rate of no less than 30% in the coming years.

Biographical notes of the members of the bank's Management Board and Supervisory Board are posted on the Bank's website ►.

4. Socially active bank (S)

Composition of the Management and Supervisory Boards by gender – as at December 31st 2022

	Number of members	Number of women	Proportion of women
Supervisory Board	7	2	29%
Management Board	4	0	0%

Composition of the Management and Supervisory Boards by age – as at December 31st 2022

	Number of members	Age	
		up to 50	over 50
Supervisory Board	7	3	4
Management Board	4	3	1

Composition of the Management and Supervisory Boards by education* – as at December 31st 2022

	Forestry	Law	Banking and finance	Science	Economics
Supervisory Board	1	3		2	2
Management Board	-	-	2	1	1

*The table shows the educational backgrounds at the master's and doctorate degree levels – the educational background of the Management and Supervisory Board members is further diversified when considering their postgraduate studies, encompassing various disciplines such as international relations, management, accounting and controlling, risk management in financial institutions, etc.



4.2.5 Remuneration policies

[GRI 2-19, GRI 2-20, GRI 2-21, GRI 202-1, GRI 3-3]

The remuneration rules in the banking sector are governed by the guidelines of European regulatory bodies, including the European Banking Authority (EBA), the European Securities and Markets Authority (ESMA), and the national regulator – the Polish Financial Supervision Authority (KNF). The remuneration policies for members of the Supervisory and Management Boards must be aligned with applicable laws and regulations, including the Polish Act on Remuneration of Persons Managing Certain Legal Entities.

Remuneration policy for the Supervisory Board:

The total remuneration of a Supervisory Board Member comprises monthly remuneration for their service on the Supervisory Board. The monthly remuneration is payable irrespective of the number of Supervisory Board meetings.

The Supervisory Board Members are not entitled to variable remuneration.

Remuneration policy for the Management Board:

The total remuneration of a Member of the Management Board comprises:

- 1) a fixed component, in the form of a specified monthly amount. The fixed remuneration for individual Management Board Members is determined based on the scale of the Bank's business operations, in particular the value of its assets, revenue, headcount, and financial condition.

- 2) a variable component for a financial year of the Bank, which in certain/specific cases is deferred for at least three years from the date on which the right to receive variable remuneration is established by the Supervisory Board. Where deferred, variable remuneration is granted in cash and in the form of financial instruments (phantom shares or actual shares of the Bank).

The terms and conditions of remuneration for Management Board Members comply with Art. 4 of the Act on Rules for Remunerating Persons Who Direct Certain Companies of June 9th 2016, and take into account the scale of the Bank's business operations and its financial condition.

Detailed rules for remunerating members of the Supervisory and Management Boards of the Bank are set out in the Remuneration Policy for Members of the Supervisory Board and Management Board of Bank Ochrony Środowiska SA, which is available on the Bank's website ►

In order to meet the requirements set out in the Regulation of the Minister Finance, Development Funds and Regional Policy of June 8th 2021 on banks' risk management and internal control systems, and on remuneration policy, and in accordance with Directive 2013/36/EU of the European Parliament and of the Council of June 26th 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, the Bank has implemented a Management Remuneration Policy, approved by the Supervisory Board of BOŚ SA.

The Remuneration Policy of Bank Ochrony Środowiska S.A. is available on the Bank's website ►

Detailed policies on variable remuneration of management personnel are laid down in the rules governing variable remuneration components for individuals holding managerial positions at Bank Ochrony Środowiska S.A., with the exception of members of the Bank's governing bodies.

All other employees are covered by the remuneration policy enacted by the Bank's Management Board. The policy outlines the rules for remunerating employees who are not assigned to governance bodies and those whose activities have a significant impact on the Bank's risk level.

The remuneration policies applied at the Bank are designed to:

- 1) ensure adequate remuneration of employees for their work, while motivating them to strive towards robust performance and achieve the Bank's strategic objectives;
- 2) attract and retain qualified staff whose experience, knowledge and skills create the Bank's competitive advantage;
- 3) 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;
- 4) 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.

Remuneration for work is determined to reflect the required skills, scope of responsibilities, professional experience relevant to the position, and to correspond to the nature of the job and qualifications necessary for its performance; it also reflects the position's impact on the Bank's financial performance. The remuneration of a full-time employee may not be lower than the minimum wage set by separate legislation.

The median remuneration of entry-level employees to the minimum wage in Poland in 2021 and 2022

2021	2022		
Total	Total	Women	Men
214%	233%	229%	286%

The ratio of the annual total remuneration of the highest-earning employee to the annual median remuneration of all other employees in the Bank is 617%.

The ratio of the percentage increase in the annual total remuneration of the highest-earning employee to the median percentage increase in the annual total remuneration of all other employees in the Bank is 156%.

4.2.6 Gender Pay Gap at the Bank

[GRI 405-2]

The gender pay gap is examined by the Bank, and we are required to report on the matter annually to the Office of the Polish Financial Supervisory Authority.

In 2022, measures were implemented in the area of remuneration, leading to a decrease in the gender pay gap across the majority of the organisation's structures. In 2023, additional initiatives are planned to raise women's salaries, resulting in a reduction of gender-based disparities in remuneration.

The remuneration policy of Bank Ochrony Środowiska SA is gender-neutral.

Ratio of the median salary and remuneration of men to women by organisation structure category

Organisational structure category	2021	2022	YoY change
Information Technology	108%	110%	3 p.p.
Operations	100%	92%	-8 p.p.
Risk	106%	101%	-5 p.p.
Sales and Environmental Protection	162%	133%	-28 p.p.
Support	107%	115%	8 p.p.
Management	145%	135%	-10 p.p.

Ratio of average base salary of men to women, by employee category

	2021	2022	YoY change
Senior management	110%	106%	-4 p.p.
Middle management	117%	116%	-1 p.p.
Other employees	124%	118%	-6 p.p.
Bank	135%	124%	-11 p.p.

Ratio of average paid salary of men to women, by employee category

	2021	2022	YoY change
Senior management	113%	110%	-2 p.p.
Middle management	117%	118%	1 p.p.
Other employees	129%	122%	-8 p.p.
Bank	140%	128%	-13 p.p.

Ratio of median base salary of men to women, by employee category

	2021	2022	YoY change
Senior management	103%	106%	4 p.p.
Middle management	133%	116%	-17 p.p.
Other employees	136%	118%	-18 p.p.
Bank	133%	124%	-9 p.p.

Ratio of median paid salary of men to women, by employee category

	2021	2022	YoY change
Senior management	120%	110%	-9 p.p.
Middle management	124%	118%	-7 p.p.
Other employees	134%	122%	-12 p.p.
Bank	137%	128%	-9 p.p.

The basis for calculating the above ratios was the total remuneration paid to employees in 2022.

The Bank conducts monthly monitoring of remuneration in terms of the gender pay gap, analysing differences in pay between women and men across employee categories, including specialists, middle management, and senior management.

Information regarding the gender pay gap is taken into account in HR decisions related to hiring new employees or changing job positions.

4.2.7 Parental leave

[GRI 401-3]

In 2022, a total of 33 individuals were eligible for parental leave (including paternity leave), and 30 of them used the entitlement.

- 77% of men used their paternity leave entitlement;
- 100% of women used their maternity leave entitlement;

In 2022, a total of 17 individuals returned to work after utilising their parental leave, and 16 individuals who came back from leave in 2021 remained employed for the following 12 months.

In 2022, 80% of eligible women commenced their childcare leave. No men utilised their childcare leave entitlement.

In 2022, four individuals terminated their employment contracts upon returning from parental leave.

The percentage of individuals who stayed employed for the 12 months following their return from parental leave in 2022 was 53%.

4.2.8 Communication with employees

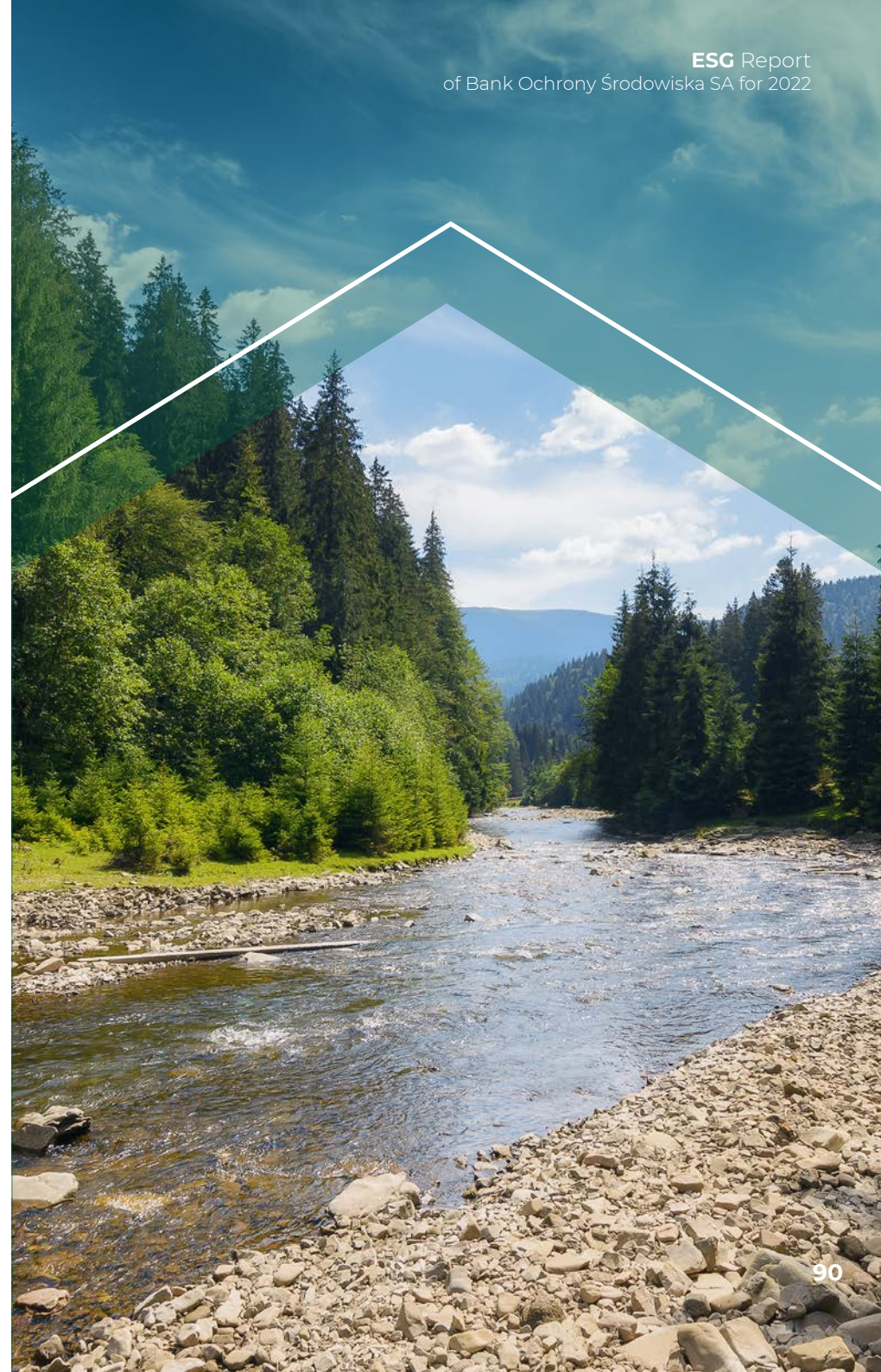
[GRI 2-29]

To ensure a current and transparent flow of information within the Bank, we maintain ongoing communication with employees. This responsibility was handled by the Communications and Investor Relations Office (BKR) in 2022 and is now managed by the Communications Office (BKO). We primarily direct most of our communications to all employees, occasionally including selected groups from specific business areas or regions. We strive to ensure that bank-related information reaches BOŚ employees firsthand through internal communication channels and tools such as the intranet, newsletters, and email updates. Our communications relate to personnel matters, current events, security, up-to-date information about BOŚ's activities, rules, procedures, event coverage, etc. Simultaneously, we encourage employees to provide the Communications and Investor Relations Office with information about their accomplishments and initiatives related to their professional, sports, and volunteer engagements.

In 2022, we sent to employees a total of:

- 647 messages through the intranet;
- over 600 email messages from the mailbox:
komunikacja@bosbank.pl.

We encourage our employees to actively participate in internal communication through contests and special initiatives, such as sharing holiday postcards and showcasing photos of their pets as screensavers, or inviting them to appear in holiday video greetings.



In 2022, we organised four contests (one in each quarter) with the sole purpose of promoting BOŚ values among employees, with a particular focus on environmental awareness.

- February ‘What Clean Air Is to You?’;
- June: ‘Raising Eco-Conscious Kids’ (an event accompanying Children’s Day celebrations);
- September: ‘Emission-Free Commute’ (an event accompanying World Car Free Day celebrations);
- December: ‘Share Your No Food Waste Ideas’.

The contests inspired our employees to become more engaged and strengthened their connection with the Bank. We received not only written responses but also poems, drawings, and presentations.

Acting together

We held a range of special events throughout 2022:

- ‘Animal Friendly BOŚ’ campaign for clients and employees. The purpose of the initiative was to raise awareness of the importance of pet hygiene and care, but also to remind clients that all pets are welcome at BOŚ branches and business centres. Two animations were produced as part of the campaign, with one showcasing a dog as the main character, and the other featuring a cat. The video materials were posted on BOŚ’s social media. The campaign was resumed around Christmas time. We launched a support project for animals in need providing assistance to the Azyl pod Psim Aniołem Foundation. The shelter received several dozen eco-friendly animal grooming kits from our Bank.

The Christmas gallery of employees’ pets was posted on the intranet and social media;

- photography project for employees, where everyone had the opportunity to propose a photo for the screensaver, depicting themes related to environmental conservation, the first signs of spring, and later, holiday views. The project attracted strong interest;
- third edition of the ‘Help for Children Piskowice’ – more than 50 BOŚ employees engaged in the campaign buying gifts for children staying in the Treatment and Care Centre in Piskowice;
- ‘BOŚ Sends Holiday Greetings’ campaign with employees recording holiday greetings to share with colleagues. A specially prepared holiday backdrop was set up, and participants had access to Christmas accessories and decorations. Management Board members and interested employees took part in the event. The material was shared via email along with greetings from the CEO, and published on the intranet.

4.2.9 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 permanent 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.

1,036

employees use private medical care services

19

retirees additionally use benefits from the Company Social Benefits Fund

4.2.10 Przystanek Wellbeing – we are committed to the well-being of our employees

[GRI 401-2, GRI 403-6]

Przystanek Wellbeing (the Well-Being Break) programme aims to support employees in fostering their well-being. We conducted an anonymous questionnaire to inquire about the well-being needs of employees. The area of physical well-being, including aspects such as healthy eating and disease prevention, as well as the ability to cope with stress, received the lowest ratings. We took action in these areas as our top priority.

Disease prevention:

- we have joined the 'Be Healthier, Not Heavier' (ZDROWIEjemy, nie Tyjemy) weight management campaign – interested employees were provided with access to webinars, articles, and worksheets;
- we organised a Health Month focused on healthy nutrition, which included body composition tests, discussions of the results with dietitians, and individual online consultations with dietitians at the Head Office and all business centres; 'Health on a plate' workshop and 'Sugar under control' webinar;
- a webinar to promote the medical care opportunities available to our employees;

Building Mental Resilience programme:

- we organised a series of webinars with psychologists on how to deal with emotional response to threat that were aimed at

employees, managers and parents ('How to talk with children about war?');

- we designed three webinar series on safety, relaxation, well-being, and stress management;
- we joined the 'Two hours for the family' campaign, providing employees with the opportunity to leave work early to spend two more hours with their families;

Support to clients and employees during the COVID-19 pandemic

Promoting health and safety in the immediate environment is our priority. Last year we continued our efforts to curb the impact of the external situation on the Bank's operations while ensuring the highest possible safety standards. Employees in our Head Office and BOŚ outlets were provided with constant access to disinfectants and sanitisers. We have put in place devices for automatic measurement of body temperature of persons entering the Bank's premises and shoe disinfectant mats. We offer the possibility of remote work to employees where possible given their job position. Additionally, we offer free psychological consultations (available 7 days a week) – either over the phone or online – for all employees of our Bank who may require this type of support.

Sports teams

As part of our ESG Strategy, we are pursuing social initiatives to enhance employee engagement and foster a friendly working environment that aligns with our values and principles. That is why we encourage and support the sports activities pursued by our employees as members of their respective sport teams.

Out of the 13 registered sports teams, including running, skiing, kayaking, shooting, scuba diving, football, cycling, mountain trekking, mind games, sailing, volleyball, table tennis, and tennis, eight were active in 2022. The teams' activities were supported from an administrative standpoint by a sports team coordinator (within the Communications and Investor Relations Office – BKR), who was responsible for tasks such as receiving and processing grant applications and annual reports, as well as ensuring compliance with the rules. In addition, the Communications and Investor Relations Office shared updates on the activities of each team on the intranet.

Our volleyball team has regularly participated in the amateur business league for over ten years. In 2022, 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. We encouraged members of the running team to take part in the 31st Warsaw Uprising Run.

We created a dedicated webpage on our intranet for well-being activities, along with a specialised channel on the e-learning platform, providing employees with access to webinars and training materials.

The events attracted over 1,700 participants, and the e-learning materials were accessed more than 500 times.

4.2.11 Training and development

[GRI 3-3, GRI 404-1, GRI 404-2, GRI 404-3]

Number of employee training hours by employment category in 2021 and 2022

	2021			2022		
	Women	Men	Total	Women	Men	Total
Management Board and directors	3,503	4,129	7,632	3,727	4,483	8,210
Senior and junior managers	1,714	662	2,376	10,924	5,128	16,052
Other administrative staff	14,820	8,198	23,018	26,363	16,012	42,375
Total number of training hours	20,037	12,989	33,026	41,015	25,623	66,637

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

Average number of employee training hours by employment category in 2021 and 2022

	2021			2022		
	Women	Men	Total	Women	Men	Total
Management Board and directors	159	112	129	286.7	154.6	195.5
Senior and junior managers	15	10	13	80.9	72.2	77.9
Other administrative staff	23	19	25	40.9	46.9	42.9
Total	25.6	33.4	28.2	51.7	58.1	54

Methodology: The average number of training hours per employee is calculated by dividing the number of training hours for each employment category in a year by the total number of employees within that category to the end of that year.

54

The average number of training hours per employee in 2022 was nearly double the average from 2021, which was 28.2 hours per employee.

Participation of the Bank's employees in various types of training

	External training	Internal training	E-learning
Number of BOŚ employees in 2021	739	1,175	1,170
Number of BOŚ employees in 2022	1,047	969	1,134

The total number of training participants; each employee is counted only once, even if they participated in multiple training course.

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 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 supporting 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

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.

Welcome to the Green Team onboarding programme

Our approach to adaptation is built so as to ensure a positive experience for new hires and better onboarding efficiency. 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

Our ‘**Reach for Development**’ HR Academy series is a 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.

Since 2021, senior management personnel have participated in the **Management Academy** programme, which 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.

4.2.12 Employee evaluation

[GRI 404-3]

We recognise that employee engagement is driven to a large extent by an effective and transparent evaluation 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 their demonstrated 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.

Percentage (%) of employees receiving regular periodic reviews

	2022		
	Women	Men	Total
Management Board and directors	92.9%	100.0%	96.4%
Senior and junior managers	93.0%	92.4%	92.7%
Other administrative staff	94.3%	92.1%	93.2%
Total	93.4%	94.8%	94.1%

4.2.13 Workplace safety and ergonomics

[GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5]

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 safely and in comfort.

Occupational health and safety tasks are carried out by an internal OHS team 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 2022, 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,
- eye 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 2022, we conducted first aid training sessions for those employees of our Head Office and outlets who wanted to learn first aid.

In addition, we make sure that 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]

	2021		2022	
	Women	Men	Women	Men
Total number of accidents at work	1	2	0	0
Number of fatal accidents	0	0	0	0
Number of severe accidents	0	0	0	0
Total number of people injured in accidents	3		0	
Incidence rate 1*	2.6		0	
Severity rate 2**	0		0	

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

** Severity rate calculated as days lost/number of accidents.

5. Conscious organisation (G)

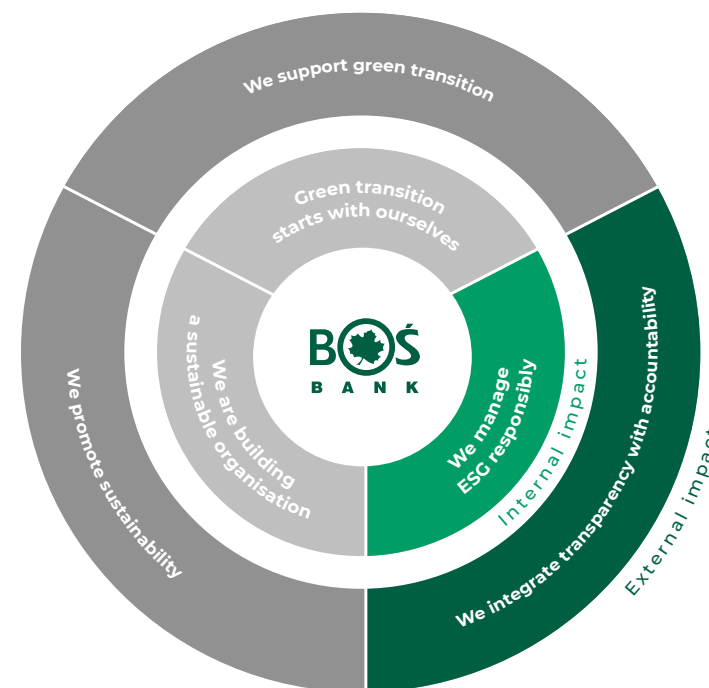
We integrate transparency with accountability

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

[GRI 2-9, GRI 2-10, GRI 2-11, GRI 2-17, GRI 2-18]

The principles of corporate governance at BOŚ follow 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.

The effectiveness of activities undertaken by the Bank's Supervisory and Management Boards is demonstrated by:

- the **ESG Risk** rating of **14.2 (low ESG risk)** assigned to the Bank by Morningstar Sustainalytics.
- **Long-Term Foreign Currency Issuer Default Rating at 'BB-' with a stable outlook.**

5.1.1 Management Board

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. 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.

From January 1st to May 23rd 2022, the Bank's Management Board consisted of five members. From May 23rd to December 31st 2022, the Bank's Management Board consisted of four members.

Composition of the bank's Management Board as at December 31st 2022, including the division of responsibilities:

First name and surname	Position on the Bank's Management Board	Area of responsibility
<p>dr. hab. Emil Stanisław Ślężak</p>	<p>Vice President of the Management Board, responsible for activities of the Management Board of Bank Ochrony Środowiska</p>	<p>MANAGEMENT including:</p> <p>1) Managing Director, Head of the Environment, Taxonomy and Analysis Division:</p> <ul style="list-style-type: none"> • Department of Environmental Policy, ESG, and Taxonomy, • Office for Sustainable Development Cooperation, <p>2) Management Division:</p> <ul style="list-style-type: none"> • Marketing Department, • Legal Department, • Executive Department, • Strategy and Organisation Department, • Quality and Customer Relations Office, • Communications and Investor Relations Office, • Procurement Office, <p>and</p> <ul style="list-style-type: none"> • Internal Audit Department,, • Bank Security Department, • Cybersecurity Department, • HR Department, • Compliance Department, • Office for the Prevention of Money Laundering and Terrorist Financing.
<p>Arkadiusz Garbarczyk</p>	<p>Vice President of the Management Board, First Deputy President of the Management Board</p>	<p>RISK including:</p> <ul style="list-style-type: none"> • Capital Adequacy and Asset Valuation Department, • Credit Decisions Department, Restructuring and Debt Collection Department, • Financial Risk Department, • Credit Risk Department, • Operational Risk Department, • Credit Exposure Valuation and Monitoring Department, • Model Validation Office.

First name and surname	Position on the Bank's Management Board	Area of responsibility
Robert Kasprzak	Vice-President	BUSINESS including: Managing Director in charge of Business Centres and the Regional Banking Division: <ul style="list-style-type: none"> • Business Clients Department, • Product Management Department, • Retail Clients Department in charge of Operating Branches, and <ul style="list-style-type: none"> • Factoring Department, • Structural Financing and Green Projects Department, • Strategic Clients Department, • Public Programmes and EU Projects Department, • Sectoral Financial Advisory Office, • Corporate Credit Products Office, • Treasury Product Sales Office, • Strategic Clients Support Office.
Jerzy Zań	Vice-President	FINANCE AND OPERATIONS including: <ul style="list-style-type: none"> • Administration Department, • IT and Telecommunications Department, • Management Information and Control Department, • Operations and Settlements Department, • Accounting Department, • Financial Markets and Analysis Department.

Changes on the Bank's Management Board in 2022:

- Marzena Koczut resigned as Vice President of the Management Board, with effect from May 23rd 2022,
- on November 23rd 2022, the Bank's Supervisory Board:
 - passed a resolution to remove Wojciech Hann from the position of President of the Bank's Management Board, with effect from November 23rd 2022,
 - passed a resolution to appoint Emil Ślęzak, Chairman of the Supervisory Board, as the temporary President of the Management Board until the completion of the recruitment process for the position of President of the Management Board of Bank Ochrony Środowiska SA but no longer than until February 23rd 2023. The resolution took effect on November 23rd 2022.

The Bank's Management Board is comprised of highly qualified individuals who are independent in their roles. Stakeholders (shareholders) have no representatives on the Management Board.

In 2022, members of the Bank's Management Board also performed supervisory functions at subsidiaries of the BOŚ Group:

- Until November 2022, Wojciech Hann, President of the Bank's Management Board, served as Chairman of the Supervisory Board of Dom Maklerski BOŚ SA. From November 2022, Emil Ślęzak, acting President of the Bank's Management Board, was appointed Chairman of the Supervisory Board of DM BOŚ SA;
- In December 2022, Jerzy Zań, Vice President of the Bank's Management Board, was appointed Chairman of the Supervisory Board of BOŚ Leasing – EKO Profit S.A.;

Changes on the Bank's Management Board up to the date of issue of this report in 2023:

- on February 8th 2023, following a recruitment procedure, the Bank's Supervisory Board:
 - appointed Emil Ślęzak as Vice President of the Management Board and delegated him to direct the activities of the Management Board of Bank Ochrony Środowiska S.A., with effect from February 8th 2023,
 - passed a resolution to seek approval from the PFSA for the appointment of Emil Ślęzak as President of the Management Board of Bank Ochrony Środowiska SA;
- on April 18th 2023, Robert Kasprzak tendered his resignation as Vice President of the Management Board of Bank Ochrony Środowiska SA, with effect from April 30th 2023;
- on May 24th 2023, the Supervisory Board passed a resolution to approve an agreement on the termination of a management contract with the Bank's Vice President Jerzy Zań. The agreement was terminated on June 23rd 2023, the date of the General Meeting approving, among other things, the Directors' Report on the operations of the Bank Ochrony Środowiska Group;
- On June 23rd 2023, Emil Ślęzak resigned from the position of Vice President of the Management Board of Bank Ochrony Środowiska S.A. responsible for managing the work of the Management Board, and from membership of the Management Board with effect as of June 23rd 2023;

- On June 23rd 2023, the Supervisory Board:
 - delegated Paweł Trętowski, Member of the Supervisory Board, effective June 23rd 2023, to temporarily perform the duties of Vice President of the Bank's Management Board, entrusting him with the management of work of the Management Board of Bank Ochrony Środowiska S.A. until the date of completion of the qualification procedure for the position of Member of the Management Board of Bank Ochrony Środowiska SA, but no longer than until September 23rd 2023,
 - delegated Iwona Marciniak, Member of the Supervisory Board, effective June 24th 2023, to temporarily perform the duties of Vice President of the Bank's Management Board until the date of completion of the qualification procedure for the position of member of the Management Board of Bank Ochrony Środowiska SA, but no longer than until September 24th 2023;
- On June 29th 2023, the Supervisory Board appointed:
 - Iwona Marciniak as Vice President of the Bank's Management Board, effective June 29th 2023;
 - Sebastian Bodzenta as Vice President of the Bank's Management Board, effective July 10th 2023.

5.1.2 Supervisory Board

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 provides continuous supervision across all operational areas 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 2022, the following Supervisory Board committees were active at the Bank:

- Internal Audit Committee,
- Environmental Protection Committee,
- Risk Committee,
- Remuneration and Nomination Committee.

Composition of the Supervisory Board as at December 31st 2022:

- Piotr Sadownik – Chair;
- Iwona Maria Marciniak – Deputy Chair;
- Andrzej Grzegorz Matysiak – Secretary;

5. Conscious organisation (G)

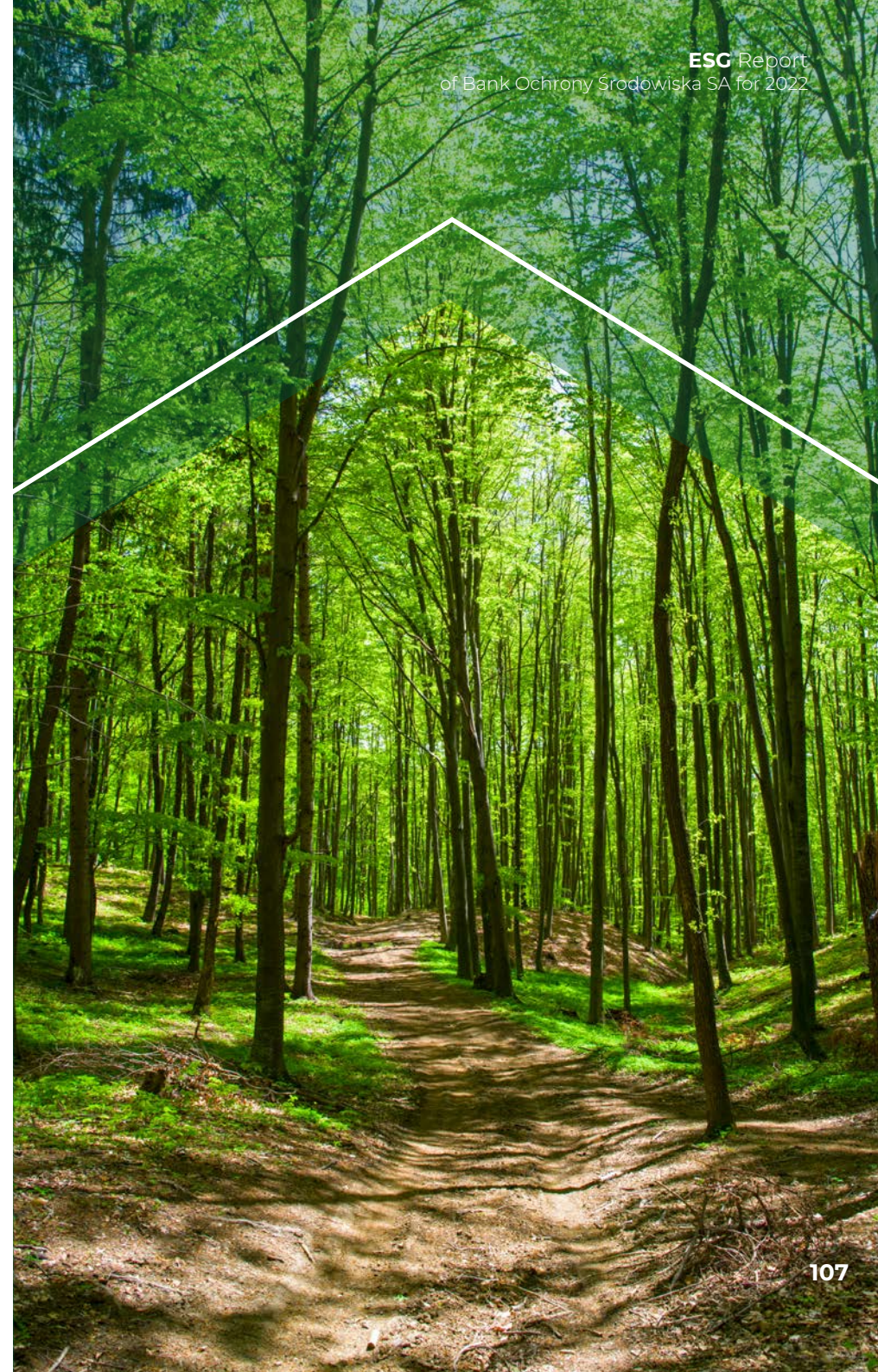
Members:

- Emil Stanisław Ślązak – Member of the Supervisory Board delegated to temporarily perform the duties of President of the Management Board;
- Piotr Wojciech Bielarczyk;
- Paweł Sałek;
- Tadeusz Ludwik Wyrzykowski;
- Aleksandra Świdarska.

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

- on November 23rd 2022, the Supervisory Board:
 - delegated Emil Ślązak to temporarily perform the duties of President of the Management Board until February 23rd 2023 or for a duration not exceeding that date;
 - appointed Piotr Sadownik as Chairman of the Supervisory Board;
- on December 8th 2022 Janina Goss tendered her resignation from the Supervisory Board, with effect from December 10th 2022.

All members of the Management Board and all members of the Supervisory Board of Bank Ochrony Środowiska meet the requirements laid down in Art. 22aa of the Banking Law Act of August 29th 1997 regarding restrictions on the number of positions held on the management and supervisory boards of other companies.



5. Conscious organisation (G)

As at December 31st 2022, four members of the Supervisory Board met the criteria for independence, while four members were considered dependent.

In 2023, up to the date of this report, the composition of the Supervisory Board changed as follows:

- Emil Ślężak tendered his resignation from the Supervisory Board in connection with his appointment as Vice President of the Management Board as of February 8th 2023;
- on June 23rd 2023, the Annual General Meeting of BOŚ SA appointed the following persons to the Supervisory Board:
 - Wojciecha Krawczyka,
 - Mariana Niemirskiego,
 - Pawła Trętowskiego,
 - Waldemara Trelkę.
- on June 29th 2023, Iwona Marciniak, then Deputy Chair of the Supervisory Board, submitted her resignation from the Supervisory Board in connection with her appointment as Vice President of the Bank's Management Board;

• therefore, starting from June 29th 2023, the composition of the Supervisory Board has been as follows:

- Piotr Sadownik – Chairman
- Andrzej Matysiak – Secretary
- Piotr Bielarczyk – Member
- Wojciech Krawczyk – Member
- Marian Niemirski – Member
- Paweł Sałek – Member
- Aleksandra Świdorska – Member
- Waldemar Trelka – Member
- Paweł Trętowski – Member
- Tadeusz Wyrzykowski – Member

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

5.1.3 Policies on the appointment of governing bodies

[GRI 2-10]

The Bank follows applicable diversity and suitability policies in selecting candidates for the Management and Supervisory Boards.

When making appointments to the Management and Supervisory Boards, the Supervisory Board or the General Meeting, as applicable, seeks to ensure a comprehensive composition by selecting individuals who contribute to diversity. Principles to be followed to ensure diversity are laid down in the Diversity Policy for Members of the Management Board of Bank Ochrony Środowiska SA and the Diversity Policy for Members of the Supervisory Board of Bank Ochrony Środowiska SA.

Members of the Management and Supervisory Boards are selected taking into account their independence and competencies relevant to the Bank's operations. The Bank applies the criteria specified in the Policy on the Suitability Assessment of Candidates for Members of the Management Board, Members of the Management Board and the Management Board of Bank Ochrony Środowiska SA, and in the Policy on the Suitability Assessment of Candidates for Members of the Supervisory Board, Members of the Supervisory Board and the Supervisory Board.

In accordance with these documents, when selecting candidates and evaluating current members of the governing bodies, the Bank follows principles of independence and assurance, and examines the qualifications of the Management and Supervisory Board members taking into account factors such as education, experience,

ethics, reputation, credibility, honesty, integrity, and the absence of conflicts of interest.

In accordance with applicable laws including, without limitation, the Commercial Companies Code, members of the Management and Supervisory Boards are prohibited from holding positions on both of these bodies simultaneously. The purpose of this prohibition is to prevent the combination of supervisory and management functions, primarily with regard to the powers of the Supervisory Board. Members of the Supervisory Board of BOŚ SA do not engage in any other roles or responsibilities at the Bank. Members of the Management Board perform management functions only.

5.1.4 Compliance with laws and regulations

[GRI 2-27, GRI 418-1]

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 obligated to adhere to the law, guidelines provided by regulatory authorities (including supervisory recommendations), and internal regulations.

As at December 31st 2022, Bank Ochrony Środowiska was:

- a claimant in 909 lawsuits for a total amount of: PLN 98.98m,
- a respondent in 993 lawsuits for a total amount of: PLN 358.97m,
- 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 2022.

For more information, visit the bank's website – Current and periodic reports ►

The Compliance Department is responsible for monitoring the Bank's compliance with applicable laws, recommendations, and guidelines from external regulatory authorities, internal rules and standards of conduct established by the Bank, also supporting the Head Office's organisational units in their compliance-related activities. The Compliance Department is managed by a Director responsible for executing tasks and achieving objectives set by the Department.

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 of Bank Ochrony Środowiska SA, which defines the basic principles for ensuring compliance with the applicable laws, internal regulations and market standards, and the Compliance Risk Management Rules of Bank Ochrony Środowiska SA.

Information regarding compliance risk, which includes the identification, assessment, control, adjustment measures, monitoring results, and corrective actions related to compliance risk is reported to the Bank's Management Board, the Internal Audit Committee and the Supervisory Board on a quarterly basis, in accordance with the Compliance Risk Management Rules of

Bank Ochrony Środowiska SA and the Internal Control Rules of Bank Ochrony Środowiska SA.

5.1.5 Ethics

[GRI 2-23, GRI 2-15, GRI 2-26]

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 key to us are reflected in internal regulations and 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.

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 S.A., 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 remembered 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. In December 2022, mandatory training on the Code of Ethics was initiated for all employees. The training concludes with a test that confirms whether each employee has a solid understanding of the Bank's ethical requirements. 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.

Identified violations are reported on a quarterly basis in line with the Management Information System in place at the Bank. Reports on violations of laws and ethical standards identified during a quarter are provided to the Management and Supervisory Boards.

No reports of ethical violations were received in 2022.

Responsibility for ethical issues at the Bank rests with the Head of the Compliance Department.

5.1.6 Anti-corruption

[GRI 2-15, GRI 205-3]

The Bank maintains a zero tolerance policy towards corruption across all aspects of its business operations. We are dedicated to fostering a positive image, reputation, and trust among our clients and trading partners by taking effective measures to eliminate any form of corruption.

We adhere to the highest standards of integrity, honesty and fairness with regard to all our internal and external activities. In line with our Anti-Corruption Policy and the Code of Ethics, we adhere to a policy that prohibits members of the Bank's governing bodies, employees, or representatives from engaging in any form of giving, offering, soliciting, promising, approving, demanding, or accepting financial or other benefits, directly or indirectly, in relation to 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.

The Bank provides anti-corruption training that includes education on obligations/requirements related to the giving and receiving of gifts and incentives:

- 1) to new hires immediately upon their employment,
- 2) to all employees – a refresher (periodic) training provided at least once a year.

Mandatory annual anti-corruption training sessions for all employees conclude with a test. These training sessions were developed and initiated in the second quarter of 2023.

Any instances of corruption proposals are reported in accordance with the Bank's internal rules. Whistleblowers are protected, and no retaliatory actions can be taken against them for making a report. The Compliance Department keeps a register of breaches.

The Compliance Department evaluates and reports on anti-corruption activities to the Bank's Management Board, the Internal Audit Committee, and the Supervisory Board. Quarterly compliance risk reports include information on reported cases of corruption, including details on how they are addressed. The personal data of the whistleblower and the individuals allegedly implicated in corruption are protected in accordance with privacy regulations.

In 2022, we did not identify any instances of corruption.

5.1.7 Prevention of money laundering and terrorist financing (AML)

[GRI 2-15, GRI 205-3]

As an obliged entity under the Anti-Money Laundering and Combating the Financing of Terrorism Act of March 1st 2018, Bank Ochrony Środowiska S.A. has implemented a comprehensive anti-money laundering and counter-terrorism financing process. Detailed financial security measures applied to clients, guidelines for recognising and verifying the risk of money laundering and terrorist financing, document retention protocols, transaction recording and reporting, identification of suspicious transactions, collaboration with the General Inspector of Financial Information (GIIF), risk control and reporting principles, and the process of executing foreign orders received from clients via electronic banking in the context of AML and international sanctions regulations, are defined in the Bank's internal regulations, including the Anti-Money Laundering and Counter-Terrorist Financing Methodology.

Responsibility for performance of the Bank's duties arising under the Anti-Money Laundering and Combating the Financing of Terrorism Act rests with the head of the Office for the Prevention of Money Laundering and Terrorist Financing (BPP).

Under separate internal regulations, the Office prepares quarterly information for the Bank's Management Board and Supervisory Board on the implementation of the AML/CFT Programme at the Bank. Starting from 2023, the Office has also prepared annual reports on the AML/CFT activities (the first report covered 2022) and the Bank's AML/CFT Strategy (the first strategy document covers 2023).

5. Conscious organisation (G)

All employees of the Bank participate in a training programme. The Bank mandates that every new employee, irrespective of their role, undergoes the initial training course. The initial training encompasses various topics, including methods for identifying transactions potentially linked to money laundering or terrorist financing, client verification and identification processes, principles of risk assessment, personal data protection, procedures to follow when encountering a suspicious transaction, transaction reporting rules, and international sanctions.

Employees involved in AML and CFT activities, both in the first and second lines of defence, undergo specialised internal and external training specific to their roles, covering topics such as international sanctions, transaction analysis, and client identification and verification.

Training is promptly organised whenever there is a significant change to the anti-money laundering and combating financing of terrorism regulations and whenever the need arises for employees involved in AML and CFT activities. Employees take part in regular improvement training sessions, which are organised at least once a year. Completing the training is equivalent to submitting a statement confirming that the individual possesses knowledge of the anti-money laundering and combating the financing of terrorism regulations, as well as the Bank's internal AML and CFT regulations.

5.1.8 Communication of critical concerns

[GRI 2-16]

Bank employees and other individuals performing activities on behalf of the Bank have the option to report legal or ethical violations through:

- 1) an electronic platform, which is a dedicated, independent, and autonomous communication channel that allows for anonymous reporting (the application is available on the Bank's internal website),
- 2) in writing, particularly in cases where access to the electronic platform is not available. In such instances, the letter should be addressed to either the President of the Management Board or the Chair of the Supervisory Board, with the envelope marked as 'anonymous report of violation'.

Employees, former employees of the Bank or other individuals who act or have acted for the Bank otherwise than under a contract of employment may report violations of anti-money laundering and counter terrorist financing regulations directly to the General Inspector for Financial Information (GIIF).

Employees and other individuals acting on behalf of the Bank, who face retaliation or any actions that negatively impact their legal or personal situation, including threats against them, or who have not been provided with adequate protection against such actions, have the right to report such incidents to the GIIF (in electronic form to the email address indicated by the GIIF: sygnalisci.GIIF@mf.gov.pl or in writing to the mailing address indicated by the GIIF).

These issues are governed by the Procedure for Anonymous Reporting of Violations of Law and Ethical Procedures and Standards Applicable at Bank Ochrony Środowiska SA. All violation reports are submitted to the Management and Supervisory Boards on a quarterly basis in accordance with the Management Information System in place at the Bank.

No reports of ethical violations were received in 2022
(the relevant register is maintained by the Compliance
Department).

5.2. Risk management system

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

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 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.

Risk management is carried out at all levels of the organisational structure:

- the Supervisory Board supervises the risk management system, evaluating its adequacy and effectiveness,
- the Management Board designs, implements and ensures the effective operation of the risk management system,
- dedicated committees, units responsible for identifying, measuring, monitoring, controlling, and mitigating risks, and business units tasked with the day-to-day management of various types of banking risks, following the model established by the Bank's Management Board.

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

- an appropriate organisational structure,

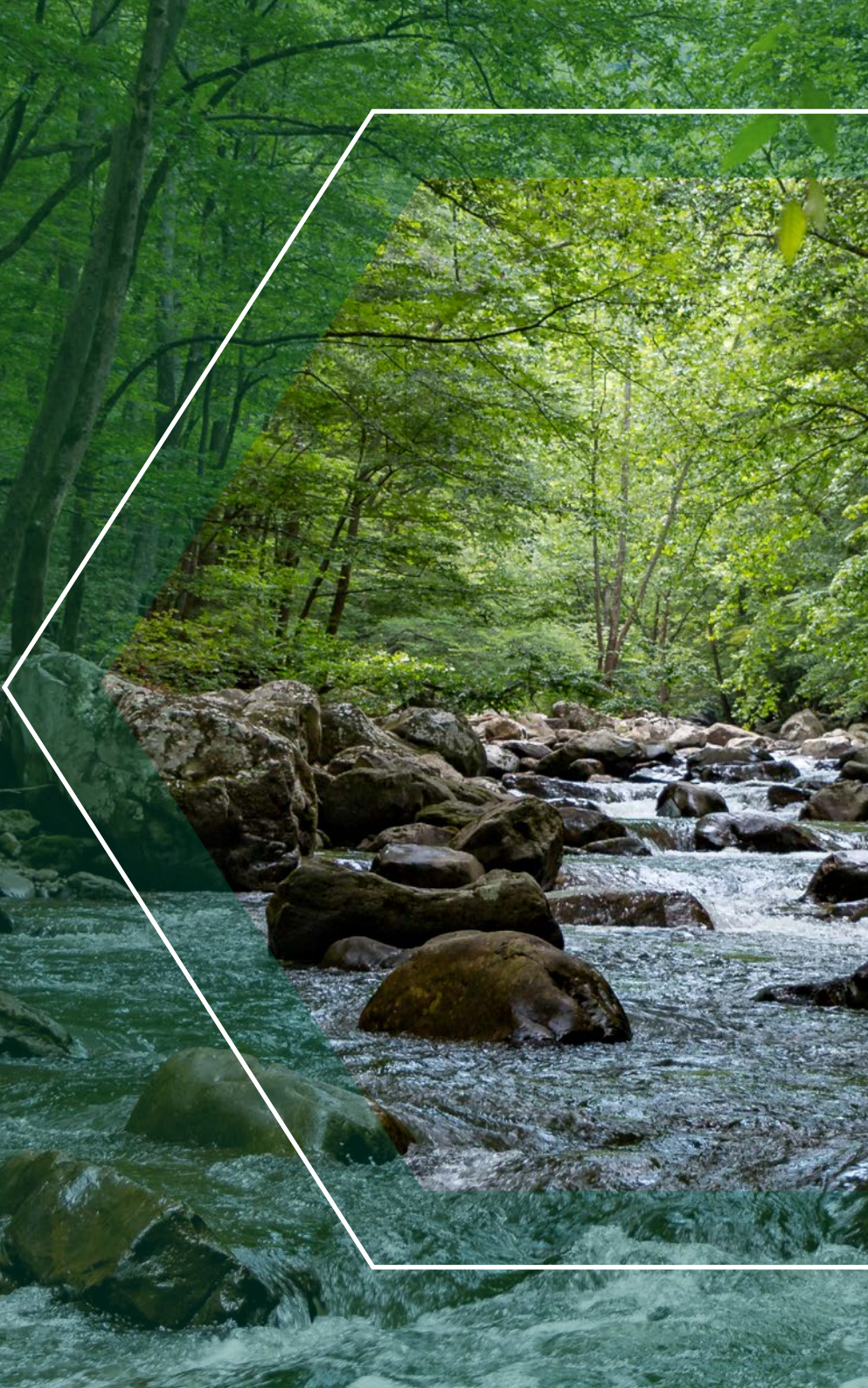
- formalised rules defining the bank's risk appetite and tolerance, as well as procedures for identifying, measuring (estimating), controlling, monitoring and reporting risks,
- a framework management reporting system through which risks can be monitored and reported at different management levels.

The Bank has implemented a management information system, which serves as a crucial tool for monitoring and controlling its operations. The system seeks to support the Bank's management, streamline task performance and ensure the security and stability of its operations. The management information system supports the Bank's Supervisory Board, Management Board and employees in the proper, efficient and effective performance of their duties.

The system is aligned with the Bank's organisational structure and encompasses the Management Board, the Supervisory Board, committees within the Bank, organisational units of the Head Office, business centres, operating branches, and other organisational units of the Bank. The management information system combines closely interrelated multifaceted management processes covering all areas of the Bank's operations and is intrinsically and comprehensively integrated with the bank's management system.

The management information system includes, without limitation:

- management reports,
- IT systems and applications providing sources of data for management information reporting.



The frequency of reporting is specified in internal regulations. In most cases, reporting to the highest governance bodies (Management Board/Supervisory Board) is on a monthly or quarterly basis.

The reporting process to the highest governance bodies also includes the following quarterly reports::

- a) reports on the progress of the Bank's ESG Strategy,
- b) reports on pro-environmental activities of BOŚ SA related to green financing.

The Bank applies various controls in order to ensure reliability and accuracy of financial reporting (i.e. the process of preparing financial statements). They are incorporated in the functionality of reporting systems and internal regulations, and include, among other things: ongoing validation and reconciliation of the reporting data with the accounting books as well as underlying analytical and other documents serving as a basis for the preparation of financial statements, and with generally applicable accounting and financial reporting laws and regulations.

The process of preparing financial statements is subject to a review, in particular for correctness of reconciliations and substantive analysis and for reliability of information. Annual financial statements are reviewed by the Internal Audit Committee, approved by the Supervisory Board and accepted for publication by the Management Board of BOŚ SA.

The rules of operation, powers and responsibilities of the Bank's Management and Supervisory Board are defined in: Articles of Association; Rules of Procedure for the Management Board of Bank Ochrony Środowiska SA; Rules of Procedure for the Supervisory Board of Bank Ochrony Środowiska SA. These documents are available in the Investor Relations section on the Bank's website ►

5.2.1 Risk identification process

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.

5.2.2 ESG risk management

The Bank identifies ESG risks associated with a wide range of factors, which have both direct impacts on the Bank and indirect impacts through trading partners and invested assets.

The Bank acknowledges the significance of ESG risks and recognises the challenges associated with managing them, arising, for example, from their intangible nature and the uncertainty of when they might materialise. The Bank recognises that the indirect impacts of ESG risks have the potential to materialise in five types of risks: credit, operational, market, liquidity, and reputation risks.

The Bank provides an ESG education programme, including training on ESG risk measurement, to employees through the e-learning platform.

The Bank's organisational unit responsible for operational risk, supervised by the Vice President of the Management Board in charge of this risk area, coordinates ESG risk management activities.

We have commenced work to introduce detailed ESG risk management regulations, and the measures we have implemented so far include:

- 1) ESG risk analysis conducted as part of the credit risk assessment for institutional clients. In assessing ESG risks, we evaluate 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,
 - social performance where 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,

5. Conscious organisation (G)

- management and governance-related factors such 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.
- 2) offering a range of products that support clients in achieving their ESG goals, applying preferential pricing for selected credit products, and maintaining a permanent range of products designed for financing investments in renewable energy, sustainable construction, green transition projects, energy efficiency retrofits, and waste management.
 - 3) in capital adequacy management, an ESG risk limit established taking into account the intangible nature of ESG risks, along with a materiality assessment, in order to mitigate and control ESG risks. Risk materiality is reviewed on a quarterly basis. The Bank considers ESG risks to be material when the impact of ESG risks is assessed to be high. Based on the materiality assessment conducted in 2022, no ESG risks were deemed material.

The scope of reporting to the Bank's Management and Supervisory Boards on the measurement and monitoring of the credit risk management process, particularly adherence to established limits and regulatory compliance, also encompasses information on the level of ESG risks associated with transactions granted in a quarter, broken down by industry. The frequency of reporting additional information is determined based on the PFSA's recommendations and the assessment of risk levels within the Bank and its operating environment.

Periodic internal audits of the Bank's ESG risk management system are conducted in line with the scope and frequency outlined in the audit plans. These audits are customised to address identified risk areas and their materiality levels, with the objective of examining and assessing the system's adequacy and effectiveness.

5.2.3 Complaint management

[GRI 2-25]

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,
- continuously monitored within the application (tracking aspects such as complaint handling times) and through horizontal and vertical tests.

The Bank's website ► contains:

- Complaints Handling Policy of Bank Ochrony Środowiska SA
- Unauthorised Payment Transactions Reporting Policy of Bank Ochrony Środowiska SA

and a complaint form.

Based on the data collected in the application (workflow tool), we generate reports that allow us to identify the most typical reasons for complaints and take remedial action. Corrective action reports are handled through the application (workflow).

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.

Number of complaints received in 2021 and 2022 by category/product

category/product	2021	2022
Checking accounts	1,647	1,072
Loans	1,449	2,932
Cards	851	695
Electronic channels	401	329
Service quality	267	348
Advances	251	266
Deposits	217	564
Current accounts	182	157

Unauthorised payment transactions (PSD 2)	142	152
Savings accounts	124	194
Other accounts	88	66
Regulatory (complaints from external institutions such as the PFSA or the Financial Ombudsman)	81	66
Miscellaneous matters	57	37
Other	34	26
Investment funds of Dom Maklerski BOŚ (AIF)	32	10
Safe deposit boxes	11	1
Activities of Dom Maklerski BOŚ	5	0
Factoring	2	0
Bancassurance (complaints relating to insurance)	0	2
Total	5,841	6,917

In 2022, we recorded a strong increase in complaints concerning:

- 1) deposits – the complaints were related to a promotional campaign for a new deposit product and our inability to process a large volume of applications in a timely manner, as required by our internal regulations;
- 2) loans – the complaints were related mainly to the failure to meet the deadline for loan repayment holidays and the delayed issuance of loan certificates.

5.2.4 Client privacy and security

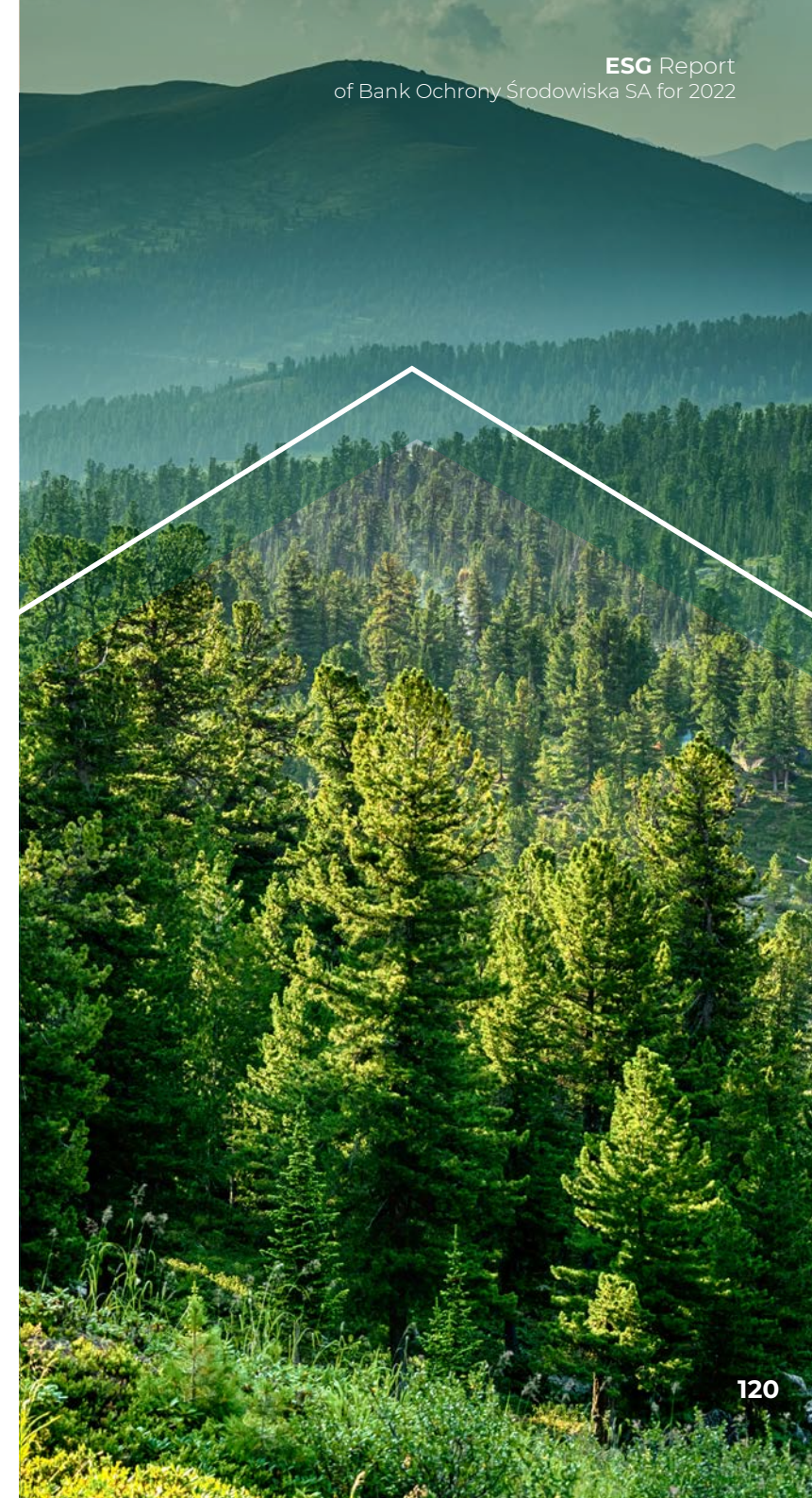
[GRI 418-1]

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 S.A.

The Bank has implemented an anti-fraud system designed to detect misconduct against the Bank and identify potential fraud risks, tailored to the nature and scale of Bank's operations. The system is permanently and seamlessly incorporated into the overall operations of the Bank. The detection of misconduct and identification of potential risks occurs at every stage of the Bank's operations and the tasks carried out by its employees.



Every employee is responsible for safeguarding the interests and resources of the Bank and its clients, as well as identifying instances of misconduct or potential misconduct.

Critical matters concerning the security and cybersecurity operations are regularly communicated to the Bank's top management through periodic reports (weekly, semi-annual, and annual reports).

During the review period, the top management of the Bank was informed about critical issues concerning the risks associated with the impact of the conflict in Ukraine on the security and cybersecurity of the Bank and its clients.

Personal data security

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. The principle of data protection by

design is specifically intended to ensure:

- collection of a minimum amount of personal data,
- processing of personal data to a minimum extent,
- storing of personal data for the shortest period necessary,
- minimum access to data,
- restricting access to data.

The principle of data protection by default should be understood as the implementation of such technical and organisational measures in the default settings of an IT system/application for data processing that will ensure the protection of privacy. As a result, during the review phase, the project leader fills out and submits to the Data Protection Officer (IOD) the 'Data protection form for design phase and default data protection' containing:

- description of personal data processing,
- risk analysis of potential violations of the rights and freedoms of data subjects,
- risk analysis of potential security threats to the processing of personal data,
- preliminary data protection impact assessment,
- data protection during the design and operation phases.

Within 5 (five) business days, the Data Protection Officer provides an opinion along with any recommendations, completing the 'Data Protection Officer opinion and recommendations' section of the form. 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.

Twice a year, the Data Protection Officer submits an information security report to the Operational Risk Committee (KRO).

Internal data security regulations

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 relevant data protection solutions.

Data Protection Officer

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

The Data Protection Officer reports directly to the President of the Bank's Management Board, which ensures that the Data Protection Officer has independence in carrying out their tasks and provides them with the necessary resources and means to perform their duties independently.

For more than four 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 2022

- Number of personal data breach complaints in 2022: 70, including 8 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: 16, including 3 breaches reportable to the President of the Personal Data Protection Office.

As at the end of 2022, 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

Our employees receive monthly communications on data protection and data security 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.

In the data protection training process, the HR Department is responsible for:

- 1) ensuring that newly hired Bank employees are given access to e-learning training on the Bank's training platform within one month of their employment, which is then followed by a test,
- 2) quarterly reporting to the Data Protection Officer on the completion status of e-learning training for every newly hired Bank employee,
- 3) providing periodic mandatory e-learning training on GDPR to all Bank employees, with a frequency of every two years, as a refresher course, and for submitting the training results to the Data Protection Officer in the form of a quarterly report,
- 4) arranging in-person training sessions conducted by the Data Protection Officer for newly hired employees using the MS Teams application.

Clients' data protection rights

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, namely:

- the right to access data,
- the right to receive copies of data,
- the right to rectification of data,
- the right to erasure of data,
- the right to restrict the processing,
- the right to data portability,
- the right to object.

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.

5.2.5 Cybersecurity

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.

The Bank's infrastructure has been equipped with a system to encrypt confidential data and to secure and protect digital information.

The 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). The process of joining the Trusted Introducer network was initiated in 2022 and successfully completed in February 2023.

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.

In line with a procedure implemented by the Bank, every employee is required to report potential cybersecurity incidents through one of the following channels: by email (including by automated means), over the telephone or in person.

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 in the Security section of 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 the Computer Security Incident Response Team (BOŚ CSIRT) in 2022.

Overall responsibility for cybersecurity is defined by the Bank's internal documents. The Cybersecurity Department is managed by a director who reports directly to the President of the Bank's Management Board.

5.2.6 Supply chain

[GRI 2-6, GRI 308-1, GRI 414-1]

All purchases are subject to the Procurement Policy of Bank Ochrony Środowiska S.A. Purchases over PLN 20,000 (VAT-inclusive) are handled by the Procurement Office. Procurement processes up to PLN 20,000 gross are autonomously managed by organisational units at the Head Office. They are required to report on them in line with the Policy referred to above.

In December 2021, we introduced ESG Standards for Suppliers of Bank Ochrony Środowiska SA, 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. In 2022, the Code was extended in the part related to fundamental employee rights by adding provisions on minimum pay and maximum working hours.

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 includes audit procedures and potential reasons for their implementation, enabling us to take action to exclude suppliers who do not meet our requirements.

All suppliers and their subcontractors, regardless of their location, are required to adhere to the standards.

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

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.

We adhere to best trading practices, including maintaining objectivity and upholding the highest ethical standards. When selecting suppliers, we apply comprehensive criteria encompassing not only their experience, skills, quality, timeliness, supply conditions, and financial capabilities, but also their ability to meet environmental, social, and quality criteria.

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.

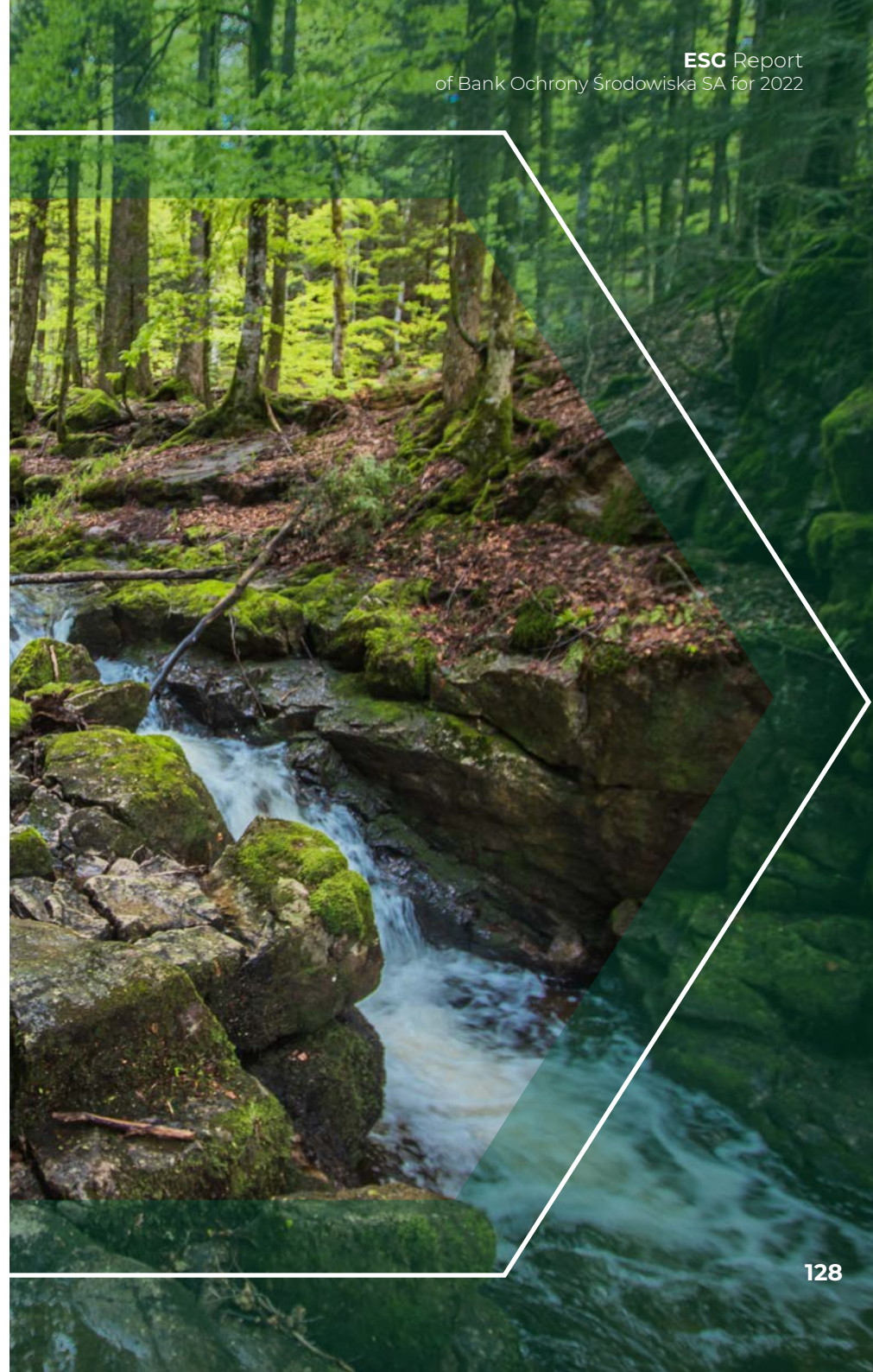
We negotiate the terms of the suppliers' offer, verify the compliance of the supplied products, services and invoices with the negotiated terms and conditions, and maintain records of the supplier selection process.

From January 1st to December 31st 2022, we conducted 290 procedures involving approximately 200 suppliers with a value exceeding PLN 20,000 gross, accounting for 92% of the value of all procedures. We conducted 1,439 procedure up to PLN 20,000 gross, representing 8% of the total value of all

5. Conscious organisation (G)

procedures. In 2022, 100% of contracted suppliers signed the ESG Standards.

Around 98% of our suppliers are companies having their registered office or a branch established in Poland.



5.2.7 Key due diligence policies and procedures

[GRI 2-15, GRI 2-23, GRI 2-24, GRI 2-25, GRI 3-3]

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

<p>Code of Ethics of Bank Ochrony Środowiska S.A.</p>	<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.</p> <p>For more information, visit the Bank's website – Code of Ethics ►</p>
<p>Policy to Counteract and Manage Conflicts of Interest at Bank Ochrony Środowiska</p>	<p>The Policy sets out the principles of preventing and managing conflicts of interest.</p> <p>For more information, visit the bank's website ►</p>
<p>Rules for Counteracting and Managing Conflicts of Interest at Bank Ochrony Środowiska</p>	<p>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.</p>
<p>Rules for Accepting and Granting Benefits and Gifts at Bank Ochrony Środowiska</p>	<p>The document sets out the rules for offering and accepting gifts by related parties, including clients and affiliates of the Bank..</p>
<p>Procedure for Anonymous Reporting of Violations of Law and Ethical Procedures and Standards Applicable at Bank Ochrony Środowiska S.A.</p>	<p>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.</p>

<p>The rules of acceptance and granting of incentives at Bank Ochrony Środowiska S.A.</p>	<p>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.</p>
<p>Anti-corruption policy of Bank Ochrony Środowiska S.A.</p>	<p>The Policy establishes a zero-tolerance approach towards corruption across all aspects of the Bank's operations, ensuring that the Bank adheres to the highest standards of law, integrity, and justice in both internal and external activities.</p>
<p>Internal Control System at BOŚ S.A.</p>	<p>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.</p>
<p>Compliance Policy of Bank Ochrony Środowiska S.A.</p>	<p>The Policy defines the key rules for ensuring compliance of our organisation's activities with applicable laws, internal regulations and general market standards.</p>
<p>Compliance Risk Management Rules of Bank Ochrony Środowiska S.A.</p>	<p>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.</p>
<p>Rules for Complaint and Grievance Handling at Bank Ochrony Środowiska S.A.</p>	<p>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.</p>

<p>Rules for Detecting and Preventing Misconduct against Bank Ochrony Środowiska S.A.</p>	<p>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.</p>
<p>Supplier Code of Conduct of Bank Ochrony Środowiska S.A.</p>	<p>The Code provides a foundation based on which the Bank and its suppliers want to develop and maintain relations that are built on integrity, trust and shared responsibility for business practices in occupational health and safety, human rights, business ethics, care for employees and concern for the natural environment at all stages of our business.</p> <p>For more information, visit the Bank's website – the Supplier Code of Conduct ►</p>
<p>Work Rules of Bank Ochrony Środowiska S.A.</p>	<p>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.</p>
<p>Remuneration Policy of Bank Ochrony Środowiska S.A. and Employee Remuneration Rules of Bank Ochrony Środowiska S.A.</p>	<p>The Policy establishes guidelines for employee remuneration.</p> <p>For more information, visit the Bank's website – the Remuneration Policy ►</p>
<p>Human Rights Policy of Bank Ochrony Środowiska S.A.</p>	<p>The Policy describes how human rights are supported and respected.</p> <p>For more information, visit the Bank's website – the Human Rights Policy ►</p>
<p>Diversity Policy of Bank Ochrony Środowiska S.A.</p>	<p>The Policy outlines ways to promote diversity in the Bank.</p> <p>For more information, visit the Bank's website – the Diversity Policy ►</p>
<p>Anti-Bullying Policy of Bank Ochrony Środowiska S.A.</p>	<p>The document is aimed at preventing and countering any incidents of workplace bullying, discrimination or harassment at the Bank.</p>

<p>Rules Governing Employee Training and Development Processes at Bank Ochrony Środowiska S.A.</p>	<p>The Rules define the directions for employee training and development activities.</p>
<p>Periodic Work Evaluation Process Rules of Bank Ochrony Środowiska S.A.</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>Recruitment Rules of Bank Ochrony Środowiska S.A.</p>	<p>The document sets out the rules and procedures for recruiting candidates to work at Bank Ochrony Środowiska.</p>
<p>Hiring Rules of Bank Ochrony Środowiska S.A.</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>Telework Rules of Bank Ochrony Środowiska S.A.</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>Rules of the Company Social Benefits Fund at Bank Ochrony Środowiska S.A.</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 2-2, GRI 2-14]

This ESG Report of Bank Ochrony Środowiska (also called the “Bank” in the report) presents the Bank’s activities in 2022 (January 1st–December 31st 2022), 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 2022, 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.

The report has been reviewed and approved by the ESG Committee and the Bank’s Management Board.

6.1. Material topics

[GRI 3-1, GRI 3-2, GRI 2-29]

In this Report, the process of determining material topics was conducted in three steps:

1) a list of key topics was drawn up

At this point, we identified issues related to:

- economic and business topics,
- environmental topics,
- employee-related topics,
- social topics.

Our objective was to assess ESG risks and opportunities that could have a significant impact on the Bank’s performance, as well as the Bank’s sustainability impacts.

The list of 27 key topics was compiled through an analysis of the Business Strategy and ESG Strategy implementation, stakeholder feedback, and industry guidelines.

6. About the report

2) a materiality assessment was performed.

To identify material topics, we conducted a survey among the Bank's stakeholders: shareholders, investors, regulators, the media, clients, trading partners and suppliers, BOŚ Group companies, and the Bank's employees including management and supervisory personnel. Overall, 123 stakeholders participated in the survey, of which 50.4% (62 individuals) were employees of the Bank and 49.6% were external stakeholders.

Each of the 27 key topics was rated on a scale of 1 to 5, where: 1 – “completely immaterial”, 2 – “rather immaterial”, 3 – “moderately material”, 4 – “material”, 5 – “very material”.

For each topic, scores were summed up and averages were calculated for the Bank's perspective, the external stakeholders' perspective, and the combined perspectives. The cut-off point for classifying a topic as material was the average of at least 4.0 points, indicating a topic of material importance from any perspective (the Bank's, external stakeholders' or combined).

The survey results helped to identify seven topics which were considered most material to stakeholders.

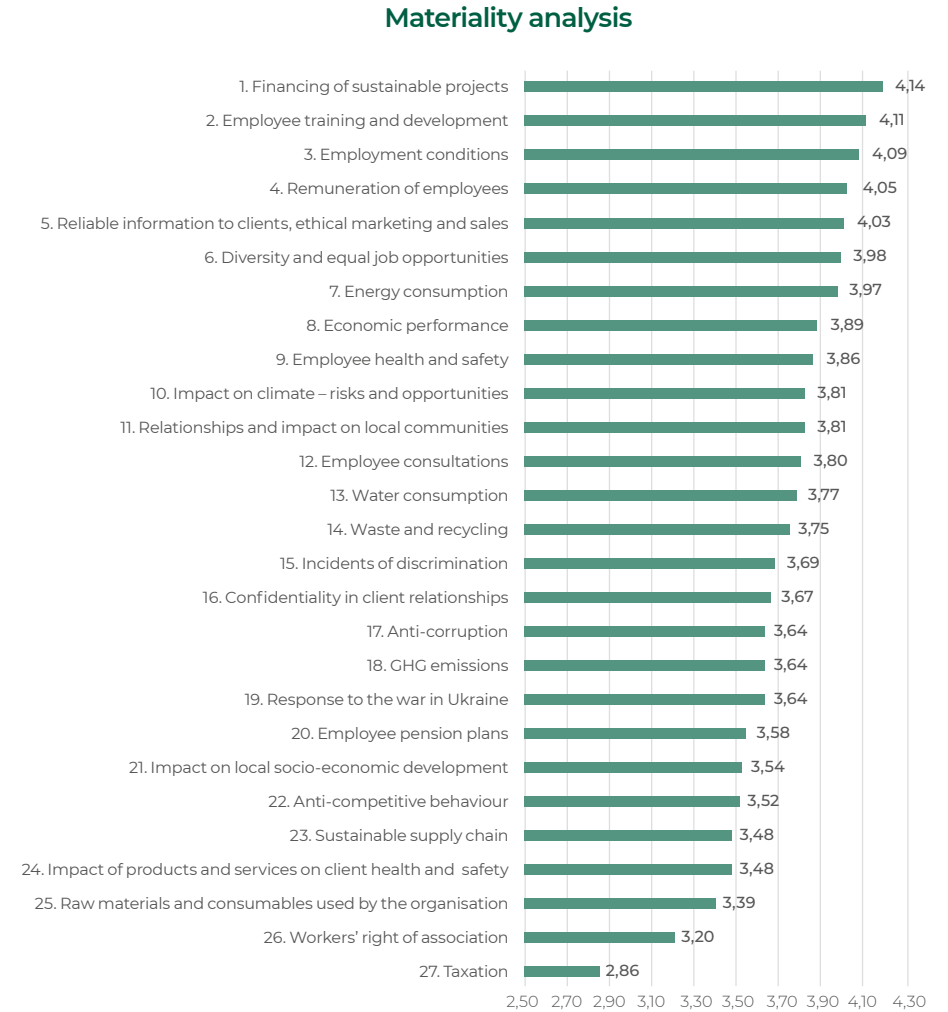
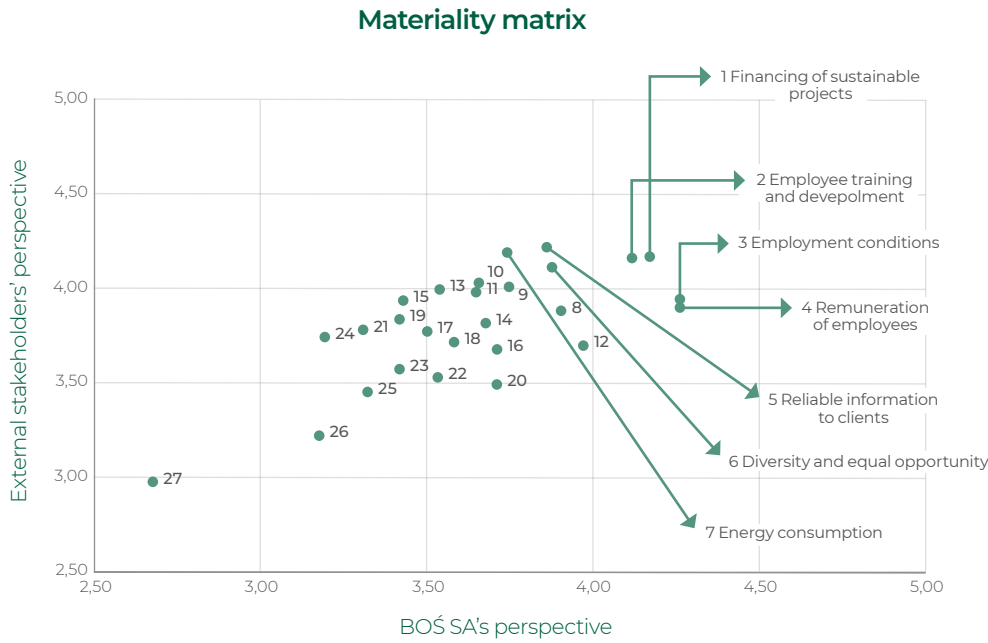
3) materiality matrix

All the key topics were included in the materiality matrix, which presents the results of the assessment and sets out a list of topics material to stakeholders and the Bank.



The materiality matrix determined seven material topics:

The chart below illustrates detailed results of the materiality analysis of the 27 key topics:



A final list of reportable material topics was determined by the ESG Committee. All material topics identified in this ESG Report have an impact on the Bank and its objectives as well as its external stakeholders.

The list of material topics has changed relative to the previous report.

Topic	ESG area	2021	2022
Support for green transition/ Financing of sustainable projects – support for green transition	Environment	✓	✓
Reduction of environmental impacts	Environment	✓	
Energy consumption and methods of reducing energy consumption	Environment		✓
Promotion of sustainable development	Society	✓	
Fostering employee-friendly and engaging organisation / Employment conditions (benefits, parental leave, employee turnover)	Society	✓	✓
Remuneration of employees	Society		✓
Employee training and development	Society		✓
Diversity and equal job opportunities; pay gap	Society		✓

Topic	ESG area	2021	2022
Reliable information to clients, ethical marketing and sales	Business		✓
Responsible ESG management	Corporate governance	✓	
Transparency	Corporate governance	✓	

Other topics included in the ESG Report:

- economic performance
- anti-corruption
- water and effluents
- emissions (carbon footprint)
- waste
- supplier environmental and social assessment
- OHS
- local communities
- customer privacy

6.2. Reporting standards

[GRI 2-3, GRI 2-4, GRI 2-5]

This ESG Report of Bank Ochrony Środowiska S.A. for 2022 is our third report presenting the Bank's impacts on its external stakeholders, especially across the environmental, social and governance spheres, as well as its sustainability activities which go beyond the information and data included in traditional financial reporting.

This Report has been prepared in accordance with the Global Reporting Initiative Standards (GRI Standards): Core option, for the period January 1st – December 31st 2022.

Our ESG reports are published annually. The previous ESG report of Bank Ochrony Środowiska was issued on September 1st 2022. The sustainability reporting period corresponds to the financial reporting period.

All the presented data and information has been consulted internally and verified by staff competent in the given area. In this Report, there are no significant changes in the measurement methods from the previous report.

This Report has not been externally assured.

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 work was coordinated by Beata Włodarczyk (expert), assisted by Anna Burza, acting Head of the Environmental Policy, ESG and Taxonomy Department.

Thank you for reading the Report. If you have any questions, please contact the Environmental Policy, ESG and Taxonomy Department.

6.3. Contact details

✉ esg@bosbank.pl

Anna Burza
acting Head of the Environmental Policy, ESG,
and Taxonomy Department

✉ anna.burza@bosbank.pl

For more information, visit the bank's website – ESG strategy and report ►

6.4. GRI content index

[GRI 2-23, GRI 2-24]

GRI Standard	Disclosure		Location in the ESG Report (topic)	Location in the ESG Report (page)	Omission			GRI Sector Standards
					Requirement(s) omitted	Reason	Explanation	
1. The organization and its reporting practices	2-1	Organizational details	1. Our Bank 1.6 BOŚ Group	6 10				GRI 2. General Disclosures 2021
	2-2	Entities included in the organization's sustainability reporting	1.6 BOŚ Group 6. About the report	10 133				
	2-3	Reporting period, frequency and contact point	6.2 Reporting standards	137				
	2-4	Restatements of information	6.2 Reporting standards	137				
	2-5	External assurance	6.2 Reporting standards	137				

GRI Standard	Disclosure		Location in the ESG Report (topic)	Location in the ESG Report (page)	Omission			GRI Sector Standards
					Requirement(s) omitted	Reason	Explanation	
2. Activities and employees	2-6	Activities, value chain and other business relationships	1. Our Bank	6				GRI 2. General Disclosures 2021
			1.3 BOŚ in numbers	8				
			1.6 BOŚ Group	10				
			2.1. Business strategy	13				
			2.2 ESG strategy	14				
			3.1 We support transition towards sustainability	40				
			3.1.4 Collaboration with National and Provincial Funds for Environmental Protection and Water Management	50				
			5.2.6 Supply chain	127				
	2-7	Employees	4.2.2 Workforce structure	74				GRI 2. General Disclosures 2021
	2-8	Workers who are not employees	4.2.2 Workforce structure	74				GRI 2. General Disclosures 2021

GRI Standard	Disclosure		Location in the ESG Report (topic)	Location in the ESG Report (page)	Omission			GRI Sector Standards
					Requirement(s) omitted	Reason	Explanation	
3. Corporate governance	2-9	Governance structure and composition	5.1 Corporate governance	102				GRI 2. General Disclosures 2021
	2-10	Nomination and selection of the highest governance body	5.1 Corporate governance	102				GRI 2. General Disclosures 2021
			5.1.3 Policies on the appointment of governing bodies	109				
	2-11	Chair of the highest governance body	5.1 Corporate governance	102				GRI 2. General Disclosures 2021
	2-12	Role of highest governance body in overseeing the management of impacts	2.2 ESG Strategy	14				GRI 2. General Disclosures 2021
			2.5 Key policies and documents outlining our approach to ESG in the reporting period	22				
			3.2 We take a responsible approach to environmental protection	52				
4.1 Joint efforts in fostering sustainable development			60					
		5.2 Risk management system	115					

GRI Standard	Disclosure		Location in the ESG Report (topic)	Location in the ESG Report (page)	Omission			GRI Sector Standards
					Requirement(s) omitted	Reason	Explanation	
3. Corporate governance	2-13	Delegation of responsibility for managing impacts	2.4 ESG governance structure	20				GRI 2. General Disclosures 2021
			2.5 Key policies and documents outlining our approach to ESG in the reporting period	22				
			5.2 Risk management system	115				
	2-14	Role of the highest governance body in sustainability reporting	6. About the report	133				GRI 2. General Disclosures 2021
	2-15	Conflicts of interest	5.1.5 Ethics	110				GRI 2. General Disclosures 2021
			5.1.6 Anti-corruption 5.2.7 Key due diligence policies and procedures	111 129				
2-16	Communication of critical concerns	5.1.8 Communication of critical concerns	114				GRI 2. General Disclosures 2021	
2-17	Collective knowledge of the highest governance body	5.1 Corporate governance	102				GRI 2. General Disclosures 2021	

GRI Standard	Disclosure		Location in the ESG Report (topic)	Location in the ESG Report (page)	Omission			GRI Sector Standards
					Requirement(s) omitted	Reason	Explanation	
3. Corporate governance	2-18	Evaluation of the performance of the highest governance body	Letter from the President of the Management Board	4				GRI 2. General Disclosures 2021
			5.1 Corporate governance	102				
	2-19	Remuneration policies	4.2.5 Remuneration policies	86				GRI 2. General Disclosures 2021
	2-20	Process to determine remuneration	4.2.5 Remuneration policies	86				GRI 2. General Disclosures 2021
	2-21	Annual total compensation ratio	4.2.5 Remuneration policies	86				GRI 2. General Disclosures 2021

GRI Standard	Disclosure		Location in the ESG Report (topic)	Location in the ESG Report (page)	Omission			GRI Sector Standards
					Requirement(s) omitted	Reason	Explanation	
4. Strategy, policies and practices	2-22	Statement on sustainable development strategy	Letter from the President of the Management Board	4				GRI 2. General Disclosures 2021
	2-23	Policy commitments	2.1 Business strategy 2.2 ESG strategy 2.3 Contribution to the achievement of UN Sustainable Development Goals 2.5 Key policies and documents outlining our approach to ESG in the reporting period 4.2.1 Organisational culture 5.1.5 Ethics 5.1.7 Prevention of money laundering and terrorist financing (AML) 5.2 Risk management system 5.2.7 Key due diligence policies and procedures	13 14 17 22 72 110 112 115 129				GRI 2. General Disclosures 2021

GRI Standard	Disclosure		Location in the ESG Report (topic)	Location in the ESG Report (page)	Omission			GRI Sector Standards
					Requirement(s) omitted	Reason	Explanation	
4. Strategy, policies and practices	2-24	Embedding policy commitments	2.1 Business strategy 2.2 ESG strategy 2.3 Contribution to the achievement of UN Sustainable Development Goals 5.2.7 Key due diligence policies and procedures	13 14 17 129				GRI 2. General Disclosures 2021
	2-25	Processes to remediate negative impacts	2.1 Business strategy 2.2 ESG strategy 5.2.3 Complaint management 5.2.7 Key due diligence policies and procedures	13 14 118 129				GRI 2. General Disclosures 2021

GRI Standard	Disclosure		Location in the ESG Report (topic)	Location in the ESG Report (page)	Omission			GRI Sector Standards
					Requirement(s) omitted	Reason	Explanation	
4. Strategy, policies and practices	2-26	Mechanisms for seeking advice and raising concerns	5.1.5 Ethics	110				GRI 2. General Disclosures 2021
	2-27	Compliance with laws and regulations	5.1.4 Compliance with laws and regulations	109				GRI 2. General Disclosures 2021
	2-28	Membership associations	2.7 Key partnerships	28				GRI 2. General Disclosures 2021
5. Stakeholder engagement	2-29	Approach to stakeholder engagement	2.6 BOŚ stakeholders and relations with the environment	27				GRI 2. General Disclosures 2021
			4.2.8 Communication with employees	90				
6.1 Material topics			133					
	2-30	Collective bargaining agreements	4.2.2 Workforce structure	74				GRI 2. General Disclosures 2021
	3-1	Process to determine material topics	6.1 Material topics	133				GRI 3. Material topics 2021
	3-2	List of material topics	6.1 Material topics	133				

GRI Standard	Disclosure	Location in the ESG Report (topic)	Location in the ESG Report (page)	Omission			GRI Sector Standards
				Requirement(s) omitted	Reason	Explanation	
Material topics							
Remuneration of employees	3-3	Management of material topics	4.2.5. Remuneration policies	86			GRI 3. Material topics 2021
			5.2.7 Key due diligence policies and procedures	129			
	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	4.2.5 Remuneration policies	86			GRI 202. Remuneration of employees 2016
Indirect economic impacts	3-3	Management of material topics	3.1 We support transition towards sustainability	40			GRI 3. Material topics 2021
			3.1.2 Support in the transition process	44			
	203-1	Infrastructure investments and services supported	3.1.2 Support in the transition process	44			GRI 203. Indirect Economic Impacts 2016
			4.1.2 Bank Ochrony Środowiska Foundation	64			
	203-2	Significant indirect economic impacts	3. Green change leader	39			GRI 203. Indirect Economic Impacts 2016
3.1 We support transition towards sustainability			40				

GRI Standard	Disclosure		Location in the ESG Report (topic)	Location in the ESG Report (page)	Omission			GRI Sector Standards
					Requirement(s) omitted	Reason	Explanation	
Energy	3-3	Management of material topics	3.2 We take a responsible approach to environmental protection 3.2.1 Energy efficiency	52				GRI 3. Material topics 2021
	302-1	Energy consumption within the organisation	3.2.1 Energy efficiency	52	Energy purchased for cooling and steam	n.a.	Measurements of energy required for cooling and steam not available	GRI 302. Energy 2021
Employment	3-3	Management of material topics	4.2 Friendly working environment	72				GRI 3. Material topics 2021
			5.2.7 Key due diligence policies and procedures	129				
	401-1	New employee hires and employee turnover	4.2.3 Employee turnover at the Bank	79				GRI 401. Employment 2016
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.2.9 Employee benefits	92				GRI 401. Employment 2016	
		4.2.10 Well-Being Break – we are committed to the well-being of our employees	93					

GRI Standard	Disclosure		Location in the ESG Report (topic)	Location in the ESG Report (page)	Omission			GRI Sector Standards
					Requirement(s) omitted	Reason	Explanation	
Zatrudnienie	401-3	Parental leave	4.2.7 Parental leave	89				GRI 401. Employment 2016
Training and education	3-3	Management of material topics	4.2.11 Training and development	95				GRI 3. Material topics 2021
			5.2.7 Key due diligence policies and procedures	129				
	404-1	Average hours of training per year per employee	4.2.11 Training and development	95				GRI 404. Training and Education 2016
	404-2	Programs for upgrading employee skills and transition assistance programs	4.2.11 Training and development	95				GRI 404. Training and Education 2016
404-3	Percentage of employees receiving regular performance and career development reviews	4.2.11 Training and development	95				GRI 404. Training and Education 2016	
		4.2.12 Employee evaluation	98					
Diversity and Equal Opportunity	3-3	Management of material topics	4.2.4 Diversity 5.2.7 Key due diligence policies and procedures	81 129				GRI 3. Material topics 2021

GRI Standard	Disclosure		Location in the ESG Report (topic)	Location in the ESG Report (page)	Omission			GRI Sector Standards
					Requirement(s) omitted	Reason	Explanation	
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	4.2.4 Diversity	81				GRI 405. Diversity and Equal Opportunity 2016
	405-2	Ratio of basic salary and remuneration of women to men	4.2.6 Gender Pay Gap at the Bank	88				GRI 405. Diversity and Equal Opportunity 2016
Marketing and Labeling	3-3	Management of material topics	2.10 Reliable information to clients, ethical marketing and sales	34				GRI 3. Material topics 2021
	417-1	Requirements for product and service information and labeling	2.10 Reliable information to clients, ethical marketing and sales	34				GRI 417. Marketing and Labeling 2016
	417-2	Incidents of non-compliance concerning product and service information and labeling	2.10 Reliable information to clients, ethical marketing and sales	34				GRI 417. Marketing and Labeling 2016
	417-3	Incidents of non-compliance concerning marketing communications	2.10 Reliable information to clients, ethical marketing and sales	34				GRI 417. Marketing and Labeling 2016

GRI Standard	Disclosure		Location in the ESG Report (topic)	Location in the ESG Report (page)	Omission			GRI Sector Standards
					Requirement(s) omitted	Reason	Explanation	
Other topics								
Economic performance	201-1	Direct economic value generated and distributed	1.4 Financial results	8				GRI 201. Economic Performance 2016
Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	5.1.6 Anti-corruption	111				GRI 205. Anti-corruption 2016
Water and effluents	303-5	Water consumption	3.2.3 Resource consumption	56				GRI 303. Water and Effluents 2018
Emissions	305-1	Direct (Scope 1) GHG emissions	3.2.2 Carbon footprint	53				GRI 305. Emissions 2016
	305-2	Energy indirect (Scope 2) GHG emissions	3.2.2 Carbon footprint	53				GRI 305. Emissions 2016
	305-3	Other indirect (Scope 3) GHG emissions	3.2.2 Carbon footprint	53				GRI 305. Emissions 2016
	305-4	GHG emissions intensity	3.2.2 Carbon footprint	53				GRI 305. Emissions 2016
	305-5	Reduction of GHG emissions	3.2.2 Carbon footprint	53				GRI 305. Emissions 2016

GRI Standard	Disclosure		Location in the ESG Report (topic)	Location in the ESG Report (page)	Omission			GRI Sector Standards
					Requirement(s) omitted	Reason	Explanation	
Supplier environmental assessment	308-1	New suppliers that were screened using environmental criteria	5.2.6 Supply chain	127				GRI 308. Supplier Environmental Assessment 2016
OHS	403-1	Occupational health and safety management system	4.2.13 Workplace safety and ergonomics	99				GRI 403. Occupational Health and Safety 2018
	403-2	Hazard identification, risk assessment and accident investigation	4.2.13 Workplace safety and ergonomics	99				GRI 403. Occupational Health and Safety 2018
	403-3	Occupational health services	4.2.13 Workplace safety and ergonomics	99				GRI 403. Occupational Health and Safety 2018
	403-4	Worker participation, consultation, and communication on occupational health and safety	4.2.13 Workplace safety and ergonomics	99				GRI 403. Occupational Health and Safety 2018
	403-5	Worker training on occupational health and safety	4.2.13 Workplace safety and ergonomics	99				GRI 403. Occupational Health and Safety 2018

GRI Standard	Disclosure		Location in the ESG Report (topic)	Location in the ESG Report (page)	Omission			GRI Sector Standards
					Requirement(s) omitted	Reason	Explanation	
OHS	403-6	Promotion of worker health	4.2.9 Employee benefits	92				GRI 403. Occupational Health and Safety 2018
			4.2.10 Well-Being Break – we are committed to the well-being of our employees	93				
	403-9	Work-related injuries	4.2.13 Workplace safety and ergonomics	100				GRI 403. Occupational Health and Safety 2018
Local communities	413-1	Operations with local community engagement, impact assessments, and development programs	4.1 Joint efforts in fostering sustainable development	60				GRI 413. Local Communities 2016
Supplier social assessment	414-1	New suppliers that were screened using social criteria	5.2.6 Supply chain	127				GRI 414. Supplier Social Assessment 2016
Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	5.1.4 Compliance with laws and regulations	109				GRI 418. Customer Privacy 2016
			5.2.4 Client privacy and security	120				

7. Additional reporting standards

7.1. EU Taxonomy reporting

[GRI 3-1, GRI 3-2, GRI 2-29]

The Bank is actively engaged in implementing the requirements set forth in Regulation (EU) 2020/852 of the European Parliament and the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 and related legal acts. Taxonomy regulations are still undergoing refinement at the European Commission level, and the availability of data concerning the Bank's clients and transactions, specifically regarding compliance with the taxonomy criteria, may currently be limited. The Bank makes mandatory Taxonomy disclosures in accordance with the regulatory schedule.

The Green Asset Ratio (GAR) represents the share of green assets allocated to taxonomy-eligible activities in the Bank's total assets, as at December 31st 2022.

These disclosures have been prepared to the best of the Bank's knowledge and represent fulfilment of the taxonomy reporting requirements for credit institutions during the transition period. In addition, the Bank provided the percentage of total assets represented by exposures to taxonomy-eligible economic activities, including mortgages, as part of the expanded GAR.

7. Additional reporting standards

Percentage share of exposures to taxonomy-eligible economic activities in total assets (GAR)	0.99%	Exposures to non-financial undertakings subject to non-financial reporting obligation
Percentage share of exposures to taxonomy-non-eligible economic activities in total assets	0.76%	Exposures to non-financial undertakings subject to non-financial reporting obligation
Percentage share of exposures to non-financial undertakings that are not required to publish non-financial information in total assets	34.60%	Exposures to non-financial undertakings that are not subject to non-financial reporting obligation
Percentage share of exposures to central governments, central banks and supranational issuers in total assets	38.90%	Exposures to government institutions and supranational issuers (including exposure in the trading book)
Percentage share of derivatives in total assets	1.03%	Derivatives presented in the trading book
Percentage of trading book in total assets	1.20%	Trading book (including derivatives)
Percentage share of interbank demand loans in total assets	0.98%	Interbank demand loans

Total assets	PLN 22bn	Total assets presented in accordance with the prudential consolidation of the Group
Voluntary disclosure		
Percentage share of exposures to taxonomy-eligible economic activities in total assets (GAR), including mortgage loans	10.30%	Applies to exposures to non-financial corporations subject to non-financial reporting and mortgage loans (for residential purposes and secured on residential property) to households (individuals and housing communities)

7.2. TCFD-aligned climate-related disclosures

TCFD standards are structured around four pillars: Governance, Strategy, Risk Management, Metrics and Targets.

PILLAR 1 Governance:

a) board's oversight,

b) management's role,

At Bank Ochrony Środowiska, climate-related and other risks are managed across all levels of the corporate structure (for more information, see ESG Report – 5.2 Risk Management System), specifically:

- The Bank's Supervisory Board approves and supervises the implementation of BOŚ SA's climate policy adopted by the Bank's Management Board,
- The Bank's Management Board designs and implements climate policies and other internal regulations, ensuring operability of the risk management system,
- dedicated committees
 - the ESG Committee develops ESG strategies, tracks and reports the achievement of strategic ESG goals to the Management Board on a quarterly basis, provides opinions on the internal ESG regulations, including climate matters,

- the Environmental Protection Committee supports the Supervisory and Management Boards in expanding the Bank's pro-environmental activities and identifying the areas of its environmental protection activities, supporting the implementation of BOŚ SA's corporate mission,
- units responsible for identifying, measuring, monitoring, controlling and mitigating risks and business units responsible for day-to-day management of various types of banking risks in line with the model established by the Management Board.

ESG responsibilities at BOŚ lie with the following organisational units:

- 1) the Environmental Policy, ESG, and Taxonomy Department (DPT) is responsible for coordinating and monitoring the implementation of the ESG Strategy;
- 2) the Operational Risk Department (DRO) is responsible for coordinating the Bank's ESG risk management activities;
- 3) the Capital Adequacy, Credit Policy and Credit Portfolio Reporting Department (DAP) is responsible for setting a limit on the ESG risk appetite in the lending policy and monitoring limit utilisation.

PILLAR II Strategy:**a) climate-related risks and opportunities,****b) impact of climate-related risks and opportunities,****c) resilience of the Bank's strategy.**

The Bank's activities have no significant direct impact on climate change and climate change has no direct impact on the Bank. However, we are relentlessly working to minimise our adverse environmental and climate impacts by continuously reducing our energy and water consumption and minimising waste. For more information, see Section 3.2 We take a responsible approach to environmental protection.

However, the Bank may have a significant indirect impact on climate change and the Bank's financial condition may be indirectly affected by climate change. This impact is related to the financing of clients and projects that have an impact on or are affected by climate change.

Based on TCFD guidance, climate-related risks are divided into two categories:

- 1) transition risks – associated with the need to adapt to changing conditions, regulations, new technologies, but also to changing energy sources, consumer expectations and other market developments,
- 2) physical risks – associated with the direct impact of extreme weather events or long-term weather patterns (e.g. damage to infrastructure or crops, supply chain interruptions, water scarcity, loss of biodiversity).

BOŚ identifies climate-related risks as part of ESG risks pertaining to environmental factors

From the double materiality perspective and considering its clients and financed projects, BOŚ identifies the following key climate-related risks:

Risks related to the impact of climate change on the Bank's clients (financial materiality)	Risks related to the impact of the Bank's clients on climate (environmental and social materiality)
<p>physical risks:</p> <ul style="list-style-type: none"> • extreme weather events disrupting business operations, including: <ul style="list-style-type: none"> • crop damage fuelling commodity price rises, • damage to property and operating losses resulting in asset/collateral impairment. <p>transition risks:</p> <ul style="list-style-type: none"> • regulatory uncertainty and economic disadvantage to the Bank's clients caused by climate protection-related regulations, • increasing energy prices leading to a less competitive economy and deteriorated standard of living compromising the quality of the loan portfolio; 	<ul style="list-style-type: none"> • energy intensity of Polish industry relying on an energy mix dominated by coal-fired generation, • obsolete and energy-intensive buildings generating high energy demand, • high carbon and pollutant emissions, • overexploitation of natural resources.

We have identified the following climate change-related risks to the Bank that could materialise in the short and medium term (up to five years):

- 1) increased costs due to the need to implement systems to evaluate and report on the Bank's and its clients' climate efforts arising from new global/EU/local regulations,
- 2) risk of client attrition if the Bank's requirements are stricter compared with its peers,
- 3) risks associated with projects involving advanced sustainable solutions using technologies at a relatively early stage of development.

We have identified the following risks that could materialise in the long term (in over five years):

- 1) disruption of corporate clients' business and financial liquidity due to high temperatures, the need to restrict funding for emission-intensive industries, rising prices of emission allowances,
- 2) disruption of corporate clients' business and financial liquidity in water-intensive industries due to hydrological drought events affecting production capacity (e.g. in the energy and agri-food sectors).

Another risk that is significant in every respect is the reputational risk arising from the Bank's exposure to counterparties that may potentially be held liable for the negative environmental and climate-related impacts of their operations.

While climate change is mainly associated with risks, it may also offer opportunities to develop products and services, particularly those relating to:

- 1) energy transition and energy efficiency improvement,
- 2) use of national and EU funding to support energy transition,
- 3) reducing raw material and waste management costs by switching to a circular economy model.

By leveraging the positive impacts of climate change, the Bank has the opportunity to:

- 1) expand its green transaction portfolio,
- 2) harness its knowledge and expertise in financing the development of low-carbon energy sources and technological innovation,
- 3) combine green project financing advisory with banking services,
- 4) spearhead the transition towards a climate-neutral economy by providing broader green project support to clients.

PILLAR III Risk management:**a) processes used to identify and assess risks,****b) management processes,****c) integration into overall risk management.**

Climate-related risk management is included in the ESG risk assessment framework as ESG risks are identified in the credit risk assessment process of proposed transactions and evaluation of environmental efforts, especially those involving environmental protection expenditure, reducing pollution, carbon dioxide emissions and energy consumption, and energy-efficient technologies. Accordingly, we have developed an ESG survey that is included in loan applications and verifies matters such as whether a client considers climate-related risks and opportunities in its operations.

With a view to mitigating climate-related risks, BOŚ has developed its own climate policy ► setting out the following goals:

- 1) to combat climate change,
- 2) to adapt to climate change,
- 3) to achieve emission reduction targets in line with the ESG Strategy.

The climate policy sets the direction of Bank Ochrony Środowiska SA's efforts to counter and adapt to climate change, as well as to achieve emission reduction targets in line with its ESG Strategy. The policy facilitates the implementation of tasks derived from documents on sustainable financing and climate-related reporting. It incorporates provisions of the Paris Agreement and the European

Union's legislative packages, including, without limitation, the European Green Deal, Fit for 55, and national strategy documents.

Policy objectives will be pursued through actions focusing on:

- 1) reducing the Bank's carbon footprint,
- 2) supporting the climate transition of the Bank's clients, including transition towards low-carbon business activities, by:
 - a) financing green projects,
 - b) offering products dedicated to financing projects which support:
 - combating climate change and climate change adaptation, including, but not limited to, renewable energy sources, energy efficiency, low-carbon technologies, minimising pollutant emissions, reducing the emission intensity of economic operators,
 - just transition of carbon- and energy-intensive industry players towards lower emissions, including through the use of natural gas as a transition fuel;
 - c) collaboration with organisations engaged in climate action,
 - d) accession to and implementation of climate agreements and declarations, including:
 - Partnerships for the 2030 Agenda goals,
 - Declaration on Climate Leadership,

- e) educational efforts and participation in market dialogue on sustainable financing,
 - f) knowledge sharing by experts from the Environment and Climate area;
- 3) reducing financing to high-emitting sectors and projects, mainly thermal coal mining and lignite- or coal-fired generation of electricity and heat. The Bank will not enter into any new transactions primarily aimed at producing coal for use as fuel in power generation and heating, as well as those involving the construction of new power or heating units, capacity expansions, or overhauls of existing coal-fired units. However, the Bank may consider financing coal-fired power generation projects that contribute to reducing emission intensity of generating units by bringing them in compliance with national or EU regulations or by leveraging innovative technologies to achieve a significant reduction in greenhouse gas (GHG) emissions,
- 4) managing risks related to climate change,
- 5) capturing opportunities and potential positive effects of climate change.

The Bank seeks to integrate climate-related risks within the ESG risk framework mainly by:

- 1) including an ESG risk analysis in the credit risk assessment process for institutional clients,
- 2) offering a range of products that support clients in achieving their ESG goals, applying preferential pricing for selected credit products, and maintaining a permanent range of products

designed for financing investments in renewable energy, sustainable construction, green transition projects, energy efficiency retrofits, and waste management,

- 3) setting an ESG risk appetite by implementing a loan portfolio limit and excluding the financing of entities whose operations do not promote a sustainable business that brings benefits to the environment, local communities, consumers, and employees,
- 4) the ICAAP process – by including ESG risks on the ICAAP risk list in the fourth quarter of 2022, conducting a quarterly review of ESG risk materiality, determining the internal capital for ESG risks if a risk is considered material, and setting alert thresholds for amounts of internal capital allocated to individual risk groups, including for the other risks group which includes ESG risks,
- 5) conducting stress tests, including climate stress tests and climate change scenario analyses, where a counterparty portfolio involving significant ESG risks has been identified.

We intend to further develop the assessment of climate risk and opportunities that can have a significant financial impact on the Bank, particularly focusing on the sector and geographic location of our clients.

Scope 1, 2 and 3 GHG emissions are described in Section 3.2.5 Carbon footprint.

PILLAR IV Metrics and Targets:

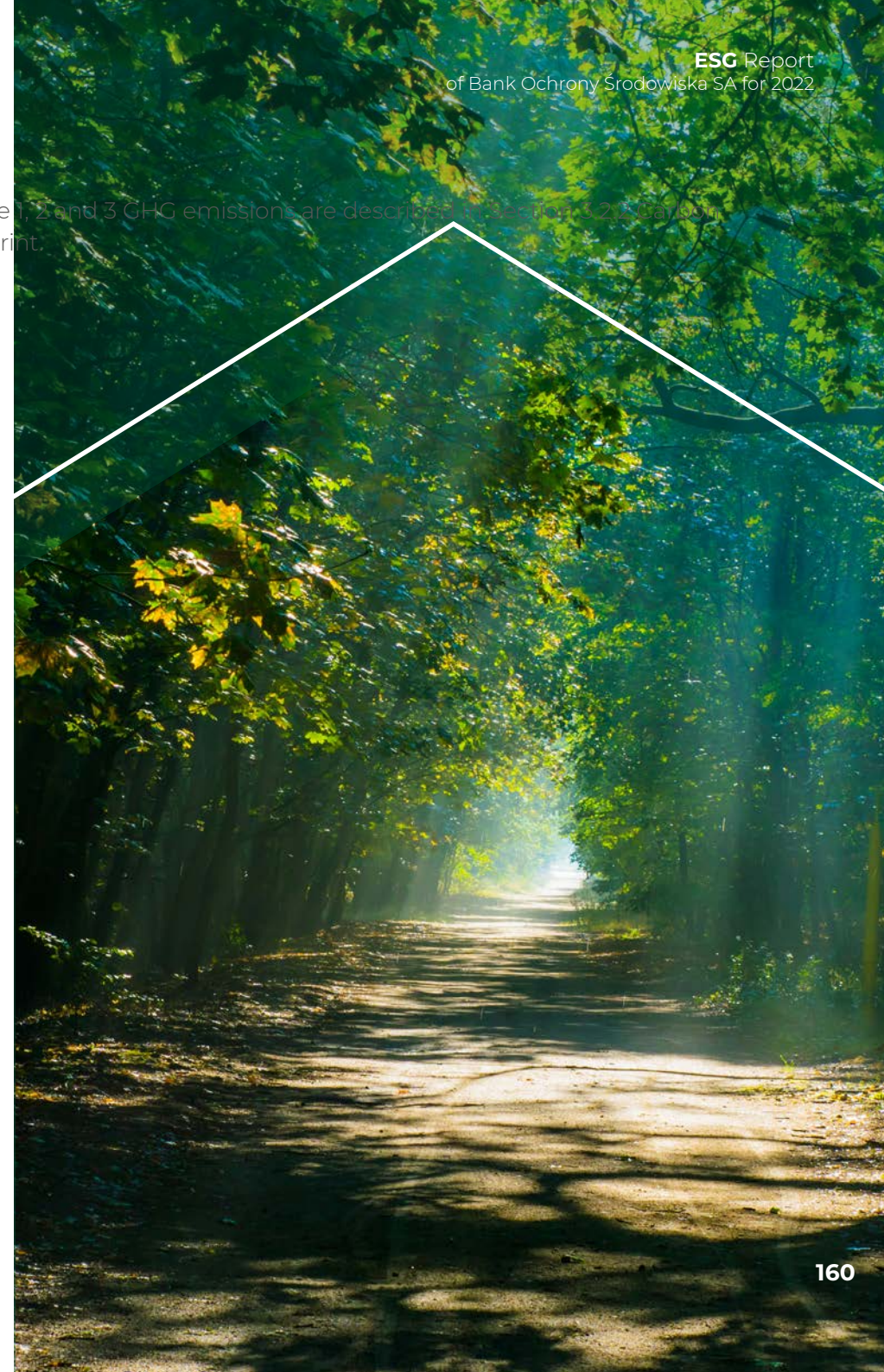
- a) metrics used in the assessment process,
- b) HG emissions,
- c) targets.

In pursuance of the ESG Strategy, BOŚ monitors a number of KPIs, reporting on performance against these KPIs to the Bank's Management Board on a quarterly basis. They include KPIs dedicated to supporting green transition, including climate change mitigation and adaptation. 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.

Selected environmental KPIs resulting from the ESG Strategy:

- 1) provide no new funding for thermal coal mining and new coal-fired generating units, in line with the adopted Climate Policy of Bank Ochrony Środowiska,
- 2) grow sustainable product sales volumes to PLN 400m in 2022,
- 3) reduce carbon footprint by 20% relative to 2020 by the end of 2023,
- 4) achieve 100% renewable electricity starting from 2022.

Progress of each KPI target is specified in Section 2.2 ESG Strategy.



Bank Ochrony Środowiska represents that the content of the Environmental, Social, Governance (ESG) Report is solely for informational purposes and is the exclusive property of the Bank. Dissemination of the content always requires the consent of the Bank. The Bank represents that the overriding goals are related to environmental, social and corporate governance. For more information about products and services, please contact our call centre or one of the Bank's branches. This document, including its contents and the Bank's logo, is the property of Bank Ochrony Środowiska S.A., and its copying, in whole or in part, requires the Bank's prior consent. Bank Ochrony Środowiska S.A., with its registered office at ul. Żelazna 32, 00-832 Warsaw, Poland, registered in the Business Register of the National Court Register by the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register, under KRS No. 0000015525; Tax Identification Number (NIP) 527-020-33-13; share capital of PLN 929,476,710 paid in full.