



ESG Report

presenting non-financial
information of BNP Paribas Bank Polska
S.A. and BNP Paribas Bank Polska S.A.
Capital Group for the year 2021



BNP PARIBAS

The bank
for a changing
world

Table of contents

Letter from the Chairman of the Supervisory Board	4
Letter from the CEO	6
I. About the Bank.....	8
1.1 BNP Paribas Bank Polska S.A.....	8
1.2 BNP Paribas Bank Polska S.A. Capital Group.....	9
1.3 Business and value creation model.....	11
1.4 Financial results	14
1.5 Stakeholders and relations with environment.....	16
1.6 Awards and distinctions	19
II. Management foundations	22
2.1 Management structure of BNP Paribas Bank Polska S.A.	22
2.2 Corporate governance	25
2.3 Strategy of BNP Paribas Bank Polska S.A.....	25
2.4 Contribution to the implementation of the Sustainable Development Goals.....	30
2.5 Growth perspectives for the Bank's Group.....	33
2.6 Management of ESG issues	39
2.7 Risk management	40
2.8 Compliance with laws and regulations	44
2.9 Ethics	44
2.10 Human rights.....	47
2.11 Corruption prevention.....	48
2.12 Sustainable supply chain	49
2.13 Due diligence policies and procedures.....	50
III. Business perspective.....	52
3.1 Sustainable finance and responsible market practices	52
3.2 Products and services with a positive impact.....	56
3.3 Partnership initiatives supporting the development of our Customers	61
3.4 Initiatives supporting the development of the Food & Agro sector	62
3.5 Supporting innovation	64
3.6 Customer support during the COVID-19 pandemic.....	65
3.7 Transparency and dialogue with Customers	67
3.8 Availability of products and services	72
3.9 Best Practices of BNP Paribas Group Companies in Poland.....	80
IV. Environmental perspective.....	85
4.1 Managing environmental responsibility	85
4.2 Green products, services and funding programmes.....	88
4.3 Organization's environmental impact	93
4.4 Promoting eco-attitudes	97
4.5 Partnerships for climate	100
V. Responsibility in the workplace.....	102
5.1 Employment structure	105
5.2 Diversity in the workplace	109
5.3 Communication with employees	114

5.4	Remuneration and benefits	115
5.5	Training and development.....	117
5.6	Occupational Health and Safety.....	120
VI. Social responsibility.....		122
6.1	Volunteering and Social Commitment	124
6.2	Initiatives for local communities	128
6.3	The BNP Paribas Foundation	129
6.4	Donations and sponsorship initiatives	133
VII. Reporting standards		137
7.1	Scope of reporting.....	137
7.2	The reporting process	138
7.3	Non-financial information table.....	141
7.4	GRI Content Index	142
7.5	Reporting according to EU Taxonomy	147
7.6	Sustainable Finance Disclosure Regulation (SFDR).....	150
7.7	Disclosures concerning climate-related information (TCFD Recommendations)	151
7.8	External verification.....	156
7.9	Contact.....	158

Letter from the Chairman of the Supervisory Board

GRI 102-14, 102-15

Dear All,

I joined the Supervisory Board of BNP Paribas Bank Polska at a very special time, in the midst of the fight against the pandemic that posed unprecedented challenges to the society, economy and business in Poland and globally. Already then I looked with appreciation at the work of the bank which reacted extremely efficiently to these exceptional circumstances, taking care of the safety of its employees, accompanying clients in overcoming new challenges, and engaging in governmental and sectoral aid programs and social initiatives. At the same time, the bank did not forget for a moment about its strategic goals, implementing more new technological solutions and financing the economy.

The past year has further confirmed the bank's ability to successfully face a volatile environment, especially an environment of changing interest rates, prolonged pandemic and inflationary pressures. 2021 was a year in which BNP Paribas Bank Polska consistently strengthened its position on the Polish banking market, through a significant increase in its lending activity and the number of clients served, acceleration of technological transformation, expansion of the omnichannel approach and digitalization, all in line with the expectations of the clients whose habits were changed by the pandemic. The bank quickly responded to the signs of market recovery, meeting the needs of our clients, e.g. by providing financing for major investment projects carried out by Polish enterprises. These efforts were sealed by the title of the "Bank of the Year" granted to the bank (among many awards) by The Banker monthly.

In parallel, it is crucial for the bank to continuously improve the client experience, the so-called clients' journey through, among other things, continuing development of digital services or utilization of technology to increase the availability of modern online and mobile banking in all areas – to name a few – open banking, mobile wallets, client acquisition, KYC and strengthening the use of technology in the bank's processes, use of data, cloud solutions, etc. Rapid changes are taking place in this area which will be further supported under the bank's new Agile@scale approach.

I am particularly glad that BNP Paribas Bank Polska is an organization aware of its impact on the environment and approaches it with full responsibility. Climate change and environmental, social and corporate governance ("ESG") issues are integral to the bank's long-term strategy and identity. This approach is also reflected in the bank's competitive offering of pro-environmental financial solutions, both for retail clients (e.g. under the Clean Air program) and corporate clients. The growth of financing for broadly understood energy transition and sustainable development is impressive – in 2021 it doubled to PLN 3.9 billion. The bank not only draws on the many years of experience of the BNP Paribas Group, which is the world leader in this sphere, but also builds and develops its own competence in this area. This is exemplified by participation in one of the first syndicated sustainability linked loans in the European logistics industry, where the bank acted as Sustainability Coordinator.

The prospects for further development of this area in the coming years are very promising. In this context, it is worth mentioning the bank's involvement in partnerships for sustainable development, such as Chapter Zero Poland – a project aimed at increasing the participation of business (in particular involvement of supervisory and management board members) in the fight against climate change. Last year, the bank became the first company to support this initiative, and I am pleased to chair its Advisory Board.

The bank's last year's results show that positive banking not only supports sustainable development, but can also be business effective. Business growth is best illustrated by the bank exceeding 4 million clients, growth in retail banking and a return to growth in corporate banking. All these achievements were possible thanks to our

employees, whose commitment and perseverance in such a difficult time are no less valuable than their high competences, creativity and flexibility. BNP Paribas Bank Polska is an organization that gathers its employees around shared values, building its DNA and culture on the principles of cooperation, mutual support, diversity and inclusion. A good example of this involvement is the Women Changing BNP Paribas initiative and the related WomenUp personal development program. Also, the bank's Management Board was joined by two women, and the Supervisory Board, which I have the honor to chair since July, already has five women (i.e. 42%). These are very good changes.

I am confident that the excellent commitment of the bank's team of employees and colleagues on the Management Board will allow us to attain the goals set for 2022. I am writing this letter 2 days after the entry of Russian troops into Ukraine. 2022 will be a year marked by this event. I would like to wish us all peace.

Lucyna Stańczak-Wuczyńska

Chairman of the Supervisory Board BNP Paribas Bank Polska S.A.

Letter from the CEO

GRI-102-14, 102-15

Dear Shareholders, Customers and Employees
of BNP Paribas Bank Polska S.A. Capital Group,

another year full of challenges has gone by. The rise in uncertainty was driven by macroeconomic and geopolitical factors, the on-going pandemic and challenges within the banking sector concerning CHF loans, including a growing number of customer lawsuits against banks, which we are also seeing at our bank. Despite all of this, it was a good year for us, one in which we consistently grew the scale of our business. We developed dynamically in the retail area and returned to a growth path in corporate banking. Sales of personal accounts and mortgage loans in parallel with outstanding corporate loans reached their historic highs.

Our net banking income reached a record level of PLN 4,809 million in 2021 thanks to growth in both interest income and commission income. We recorded PLN 176 million in net profit, with the year-on-year decline being due to the recognition of additional provisions for claims related to CHF loans, amounting to PLN 1 045 million. Without the provisions for Swiss franc loans, our net profit would have reached PLN 1.2 billion.

Our achievements in 2021 have been acknowledged and recognised. BNP Paribas Bank Polska was named as the Bank of the Year in Poland in 2021 by prestigious monthly *The Banker*, which is part of Financial Times Group.

The past year was also the final year in our Fast Forward strategy. We delivered as expected in each of the five “pillars” that our development was based on (simplicity, digitalisation, quality, growth, enthusiasm). We substantially improved customer service quality, recorded a decline in the number of complaints and reduced the time for their examination. In certain areas, such as digitalisation, we achieved higher growth than what had been expected. The achievement of our financial goals was considerably influenced by changes in the macroeconomic situation caused by the pandemic and resulting in a major decrease in interest rates as well as a temporary decline in customer activity. Despite the unfavourable conditions and numerous challenges, the growth in business scale and revenue we recorded is a cause for satisfaction and a good starting position for further development.

Digitalisation – both in the customer services area and in our own business – remains a priority. Our activities, including continuous development of online and mobile banking functionalities, are being noticed, and the best proof of this is the dynamically growing number of customers in our remote channels, which has exceeded 1.5 million users. The bank’s daily operations are to an increasingly large extent based on agile. In 2021, we prepared to implement Agile@Scale, a new operating model that transposes agile thinking, values and rules onto the entire bank. Approx. 1,300 people began work in Agile@Scale on 1 January 2022. Across 14 Tribes, 46 Products and 54 Chapters, they create and develop products and work on process and system implementations.

As always, what matters to us is not only what targets we want to achieve but also the way in which we want to achieve them. The values of our new organisational culture adopted last year: transparency, courage, empowerment, simplicity and cooperation, are the foundation of our activities. We are guided by these values in our daily work.

Reducing the negative environmental footprint resulting directly from our business and deriving from the investments we finance, turning the sustainability concept into reality, exerting a positive social impact and fighting for the natural environment are all still very high on our agenda. This is why we not only accompany our customers in their energy transition (the total value of “sustainable financing” granted in 2021 reached PLN 3.9 billion) but we also inspire and show the way. We are striving to build up our stakeholders’ awareness and to implement and promote good market practices in ESG. 100% of the electricity purchased by our bank in 2021 came from renewable sources. Our car fleet is being systematically electrified, and implementing the paperless concept by deploying Autenti solutions is a source of pride for us.

In order to respond to the most pressing challenges even more effectively, we established the Sustainability Area within the bank. This step reflects the importance of ESG aspects for us and our commitment to pursuing the sustainability mission.

I have very high hopes for further development and for an even greater emphasis on our key values and ideas in the bank's new strategy, which we intend to publish in the first quarter of this year, after it is approved by the Supervisory Board.

The growth in business scale and achievement of objectives – despite the difficult market environment – let us look to the future with optimism. I am hoping that this year will bring us a significant decline in the impact of the Covid-19 pandemic on our lives. I am content with the Monetary Policy Council's decisions on the gradual adjustment of interest rates to reflect the economic reality. Uncertainty over the further development of the pandemic, impact of geopolitical events on our economy and the CHF loan issue remain the key risk factors. Despite the uncertainty, we are fully focused on further growth and on providing the highest quality services to our customers. Our employees, without a doubt, remain the most important factor in our future success. It is their involvement, professionalism and ability to cooperate that allowed us to reach our current position and let us think about further development with optimism.

Przemek Gdański

CEO

BNP Paribas Bank Polska S.A.

I. About the Bank

1.1 BNP Paribas Bank Polska S.A.

GRI 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7, 103-1, 103-2, 103-3 reporting themes: "Offering products and services that address social and/or environmental challenges" and "Offering innovative banking services and products"

BNP Paribas Bank Polska S.A. (hereinafter: the Bank) is part of the BNP Paribas international banking group operating in 68 countries. It constitutes the parent company in the BNP Paribas Bank Polska S.A. Capital Group.

We are a universal Bank with a global reach. In Poland, we provide services to Retail and Wealth Management clients as well as companies in the micro, SME and corporate banking segments. As the Bank of Green Change, we support clients in the transition to a low-carbon economy and inspire them to make responsible financial decisions. We consistently pursue a strategy of financing investments that have a positive impact in social, economic and environmental areas.

OUR MISSION

We bring positive banking into our Clients' lives, addressing their financial needs and making it easier for them to achieve their goals. We operate in a simple, thoughtful and safe way, taking care of society and the environment.

Since May 2011, BNP Paribas Bank Polska S.A. has been listed on the Warsaw Stock Exchange. 87.44% of its shares belong directly and indirectly to BNP Paribas.

BNP Paribas Bank Polska S.A.
operates through the following
operating segments:

- **Retail and Business banking** covers comprehensive services for individual clients, including private banking clients (Wealth Management), and business clients (micro enterprises).
- **Corporate banking** offers a wide range of financial services to large and medium-sized enterprises, local government units and entities that are part of international capital groups.
- **SME banking** includes services for agro and non-agro clients.
- **Corporate and Institutional Banking (CIB)** supports sales of products of the Group, dedicated to the largest Polish enterprises including services provided to key clients.
- **Other Banking Operations**, comprising the activities of the Asset and Liability Management Division and the Corporate Center.

The Bank offers:

- **to individual Clients:** savings and investment products, a wide range of loans, including housing and consumer loans. The Bank also offers a comprehensive range of protection and multiplication services, as well as asset optimisation;
- **to Micro, SME and corporate enterprises:** solutions for financing operations on both domestic and international markets.

We offer a particularly wide range of services to enterprises from the agri-food sector – for a detailed description, please refer to the *Business perspective* chapter. The other important area of focus for the Bank is the financing of regional infrastructure.

History of the Bank

In 2015, the Bank merged with Bank Gospodarki Żywnościowej. Since then, the Bank has been strengthening its position by successfully combining innovation with tradition. In 2018, BGŻ BNP Paribas acquired the core business of Raiffeisen Bank Polska. This way, our organisation joined the group of Polish banks with assets of over PLN 100 billion. **On March 29, 2019, after an appropriate change in the National Court Register, Bank BGŻ BNP Paribas S.A. changed its name to BNP Paribas Bank Polska S.A.**

Since 5 January 2021, the organisation's headquarters are located in the modern Petrus building in Warsaw at Kasprzaka Street 2.

For more information about the Bank's history, visit: <https://www.bnpparibas.pl/o-banku/historia>

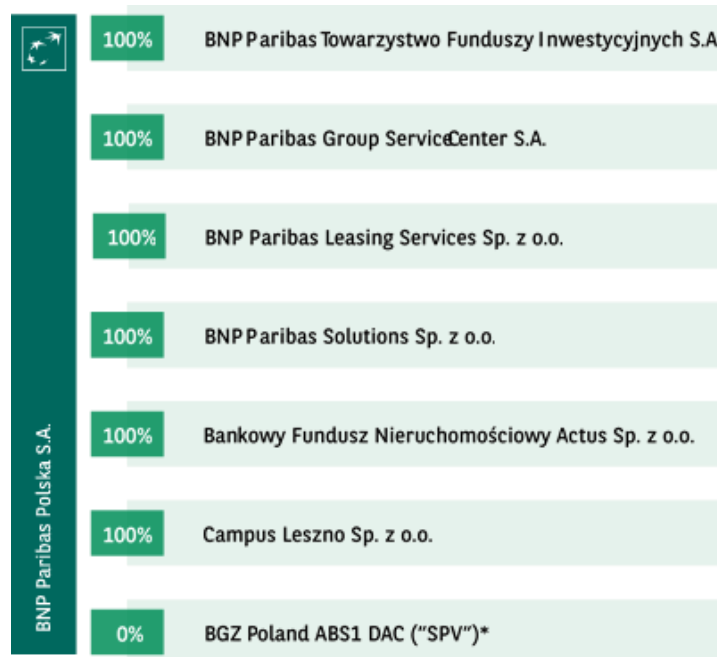
1.2 BNP Paribas Bank Polska S.A. Capital Group

GRI 102-45

BNP Paribas Bank Polska S.A. (hereinafter: the Bank) is the parent entity of the BNP Paribas Bank Polska S.A. Group. (hereinafter: the Group). Fully consolidated subsidiaries included in the Group are listed below: The Bank's share in the equity of the respective subsidiaries is presented in percentages:

Structure of the Capital

Group



*BGZ Poland ABS1 DAC („SPV”) - An SPV company with which the Bank performed a securitization of a part of the loan portfolio. The Group has no equity contribution in this entity. The company is controlled by Bank BNP Paribas S.A. due to the fulfilment of the control conditions only within the understanding of IFRS 10

In 2021 there were no changes in the structure of BNP Paribas Bank Polska S.A. Capital Group.

All transactions between the Bank and its related parties resulted from the current operating activity and included mainly loans, deposits, transactions in derivatives as well as income and expenses on advisory services and financial intermediation. Detailed information on transactions with affiliated entities can be found in Note 53 of the Consolidated Financial Statements of the BNP Paribas Bank Polska S.A. Capital Group for 12 months ended 31 December 2021.

In addition to the companies listed above (which are part of the Group), at the end of 2021 the Bank held equity investments in the infrastructure companies (including among others: Biuro Informacji Kredytowej S.A., Krajowa Izba Rozliczeniowa S.A., VISA Inc., Mastercard Inc., SWIFT) and a portfolio of several companies in which it held minority, non-controlling interests.

2021 AT BNP PARIBAS BANK POLSKA S.A. CAPITAL GROUP IN NUMBERS
over 4 million

Customers of all business lines

790 thousand

retail Customers – users of the GOonline banking platform (+6% YoY)

over PLN 3.9 billion

loans granted by BNP Paribas Bank Polska S.A. within the framework of sustainable financing

over 16 thousand

photovoltaic installations for individual customers in 2021

911 thousand

users of the GOMobile banking platform (+36% YoY)

100%

electricity purchased directly by the Bank in 2021 comes from renewable energy sources

514

deposit machines (dual-purpose devices) and 60 ATMs

427

branches of retail and business banking

8,809

people employed in the Capital Group of BNP Paribas Bank Polska S.A.

9,035

people employed in the BNP Paribas Bank Polska S.A Capital Group

8,504

FTEs in BNP Paribas Bank Polska S.A.

8,667

FTEs in BNP Paribas Bank Polska S.A. Capital Group

over 5,000

employees involved in the Bank of Green Changes program from 2019

174

CSR sectoral analyses carried out

96

volunteers of the „BAKCYL” program – Bankers for the Financial Education of Youth

83

scholarship holders of the scholarship program “Class” in 2021/2022

60

grants for social organisations in the 11th Edition of the Local Grants Program

over PLN 2 million

of support for local social organisations in 11 editions of the Local Grants Program

The global BNP Paribas Group

Key shareholder of the Bank is leading international banking group BNP Paribas,

which operates in the following key areas:

- **Retail Banking** - includes all of the Group's retail operations and specialised business lines,
- **Investment & Protection Services** - includes specialised companies that offer savings, investment and insurance services,
- **Corporate & Institutional Banking** - offers customized financial solutions for corporate and institutional customers

The BNP Paribas Group supports its clients (retail customers, local authorities, entrepreneurs, SME, corporate customers and institutions) in the implementation of various projects, offering a broad range of financial, investment and savings products along with insurance.

THE BNP PARIBAS GROUP IN NUMBERS

68 countries	over 193 thousand employees	148 thousand employees in Europe
------------------------	---------------------------------------	--

In addition to the BNP Paribas Bank Polska S.A. Capital Group, to which the present report relates, there are also other BNP Paribas Group companies operating in Poland:

- BNP Paribas Lease Group Sp. z o.o. (BNP Paribas Leasing Solutions in Poland)
- Arval Service Lease Polska Sp. z o.o.
- BNP Paribas Securities Services Poland S.K.A. branch in Poland
- BNP Paribas Cardif w Polsce
- BNP Paribas Faktoring Sp. z o.o.
- BNP Paribas Real Estate Poland Sp. z o.o.

For more information on the BNP Paribas Group companies operating in Poland, please refer to *Business perspective*.

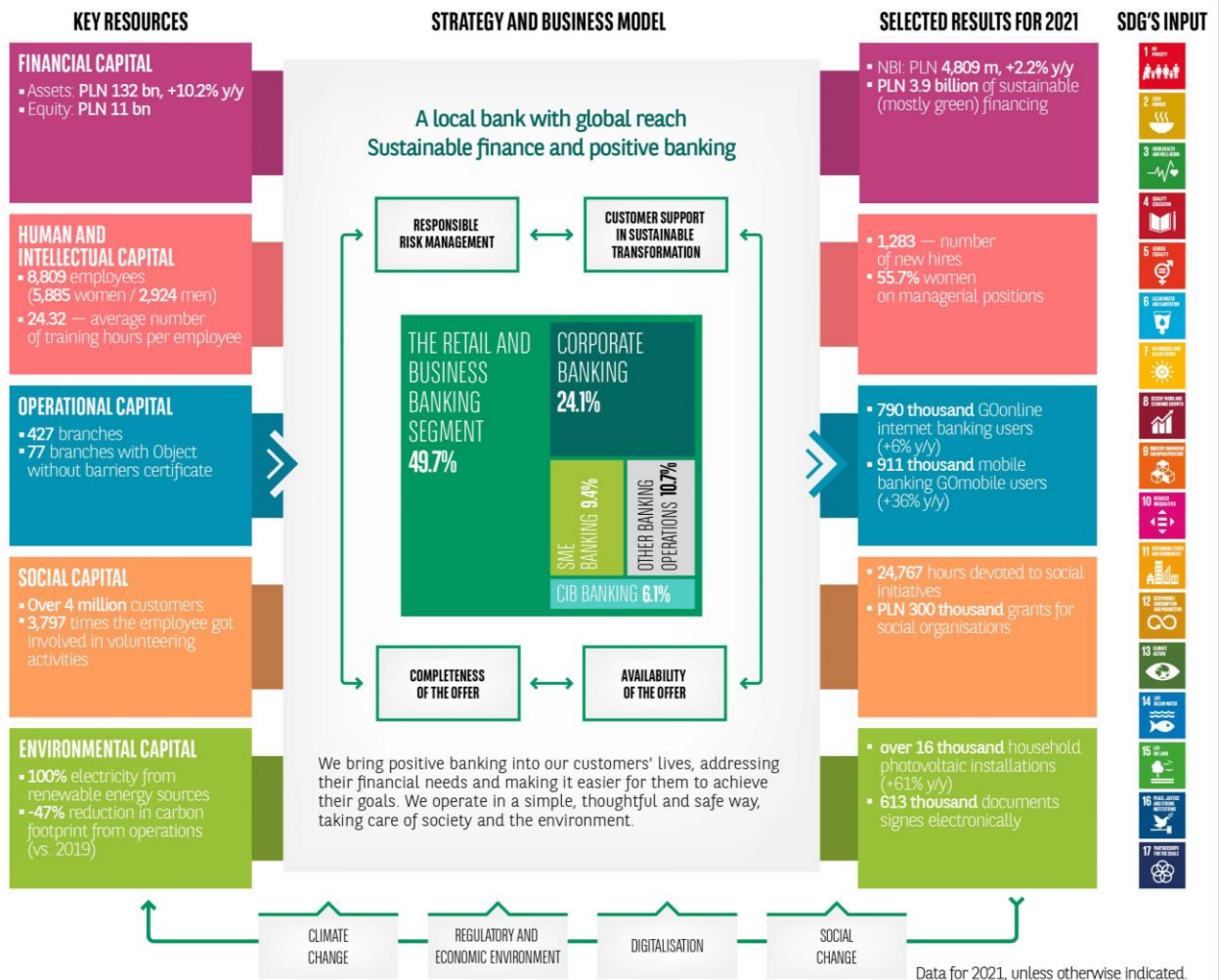
1.3 Business and value creation model

GRI 102-15, GPW E-P3

BNP Paribas Bank Polska S.A. Capital Group operates through operating segments (we present in in %, the share of a business line in the Group's banking activity result, NBI, for 12 months 2021):

- **The Retail and Business Banking Segment** - provides services to retail customers - including private banking customers (Wealth Management), and business customers - including micro enterprises. The largest share in NBI – 49.2%,
- **Corporate Banking** - offers a wide range of financial services to large and medium-sized enterprises, local government units and entities that belong to international capital groups. Share in NBI – 24.3%,
- **SME Banking** – provides services to agro and non-agro customers. Share of NBI – 9.4%,
- **The Corporate and Institutional Banking (CIB)** - supports sales of the Group's products to Polish companies and provides services to strategic customers. Share in NBI – 6.2%,
- **Other Banking Operations** - includes activities performed by the ALM Treasury and the Corporate Center. Participation in NBI – 10.9%.

IN A CHANGING WORLD, WE SUPPORT CUSTOMERS IN SUSTAINABLE DEVELOPMENT



We live in a changing world. That is why it is so important for us to secure financial needs and introduce innovative solutions. We support our customers in sustainable development. We care about professional development and employee engagement. We generate increased shareholder value and benefits for the economy, the environment and local communities.

Foundations of the activity of BNP Paribas Bank Polska S.A. Group

GRI 102-16, GPW G-P2

Completeness of the offer

We offer our customers a variety of financial products and services provided by the Bank and Group companies. We are close to our customers. We provide services in a network of bank branches, and we are constantly developing and adapting our outlets to their needs. Our loan products are also available at partner shops and selected car dealer networks. To meet technological challenges, we are constantly developing our products and digital service channels: mobile and online banking, new forms of communication.

Availability of the offer

We strive to provide every customer with equal access to banking. To this end, we improve our products and introduce facilities in our branches. Through these facilities, we provide access to banking for people with disabilities, seniors and people from groups at risk of exclusion.

Responsible risk management

Our objective is to deliver the highest quality of service to our customers. Prudent market management and a culture of Compliance are the pillars of our business activities. We have implemented and apply procedures through which we manage risk. One of the key elements of this system is ESG risk management, including climate risk.

Customer support in sustainable transformation

Long-term support for sustainable development of the economy and building lasting relationships with customers and other stakeholders of the Bank is a key dimension of our responsibility. We offer products and services tailored to the changing needs of our customers, while responding to global challenges and local market conditions.

	Key resources	Effects for stakeholders
Financial capital	We use the funds raised from customers and shareholders as well as the profits we generate to offer responsible financial products and services.	We strive to continuously increase shareholder value while respecting the principles of sustainable development. We support customers in their green transformation and contribute to the pace of its achievement.
Human and intellectual capital	Thanks to the knowledge and competence of our employees, we create innovative products and services in response to our clients' needs.	We create a responsible workplace with a broad range of opportunities for growth and social engagement.
Operational capital	We work agilely and continuously to develop and improve the quality and accessibility of our services through traditional and digital contact channels.	We provide financial services at the highest level and ensure professional customer service based on stable relations.
Social capital	As a public trust institution, we initiate actions for positive changes in our environment.	We engage in social activities in response to the challenges of our environment, so that together we can build a citizen society. We support equal opportunities and counteract social exclusion.
Environmental capital	We care about the environment and offer solutions to support a sustainable economy.	We offer environmentally friendly products and services in pursuit of environmental and climate protection. We promote responsible attitudes and raise awareness on climate change.

1.4 Financial results

GRI 201-1

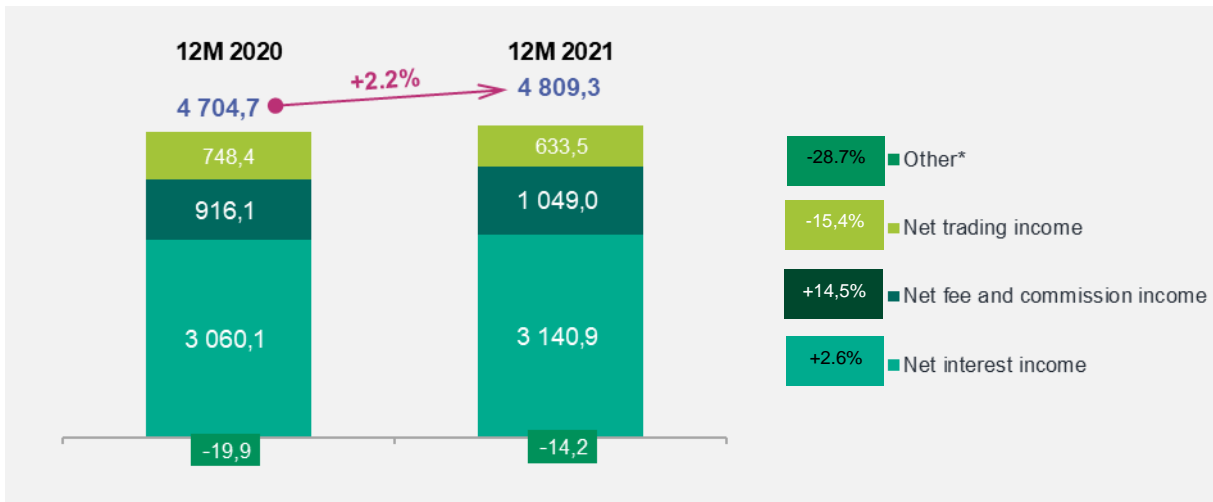
In 2021, the BNP Paribas Bank Polska Group generated a net profit of PLN 176,298 thousand, which is PLN 556,797 thousand (i.e. by 76.0%) lower than that achieved in 2020. It is estimated that, excluding provisions for the risk of litigation related to CHF housing loans, the Group's net profit in 2021 would amount to PLN 1,221,602 thousand and would be PLN 320,351 thousand (i.e. by 35.5%) higher than that generated in 2020. (PLN 901,251 thousand on a comparable basis).

Statement of profit or loss

in PLN'000	12 months ended 31.12.2021	12 months ended 31.12.2020	change y/y PLN'000	%
Net interest income	3,140,942	3,060,070	80,872	2.6%
Net fee and commission income	1,048,986	916,095	132,891	14.5%
Dividend income	8,550	9,669	(1,119)	(11.6%)
Net trading income	633,493	748,390	(114,897)	(15.4%)
Result on investment activities	(5,133)	29,081	(34,214)	(117.7%)
Result on fair value hedge accounting	50,369	(11,077)	61,446	(554.7%)
Other operating income and expenses	(67,950)	(47,534)	(20,416)	43.0%
Net income on banking activity	4,809,257	4,704,694	104,563	2.2%
Net impairment losses on financial assets and contingent liabilities	(266,185)	(601,499)	335,314	(55.7%)
Result on provisions for legal risk related to foreign currency loans	(1,045,304)	(168,156)	(877,148)	521.6%
General administrative expenses	(2,143,976)	(2,137,605)	(6,371)	0.3%
Depreciation and amortization	(399,553)	(367,958)	(31,595)	8.6%
Operating result	954,239	1,429,476	(475,237)	(33.2%)
Tax on financial institutions	(338,110)	(318,909)	(19,201)	6.0%
Gross profit	616,129	1,110,567	(494,438)	(44.5%)
Income tax expenses	(439,831)	(377,472)	(62,359)	16.5%
Net profit	176,298	733,095	(556,797)	(76.0%)
Net profit Excluding impact of provisions for the risk related to court cases concerning CHF mortgages	1,221,602	901,251	320,351	35.5%
Net profit Excluding integration costs*	176,298	720,673	(544,375)	(75.5%)
Net profit Excluding impact of provisions for the risk related to court cases concerning CHF mortgages and integration costs	1,221,602	888,829	332,773	37.4%

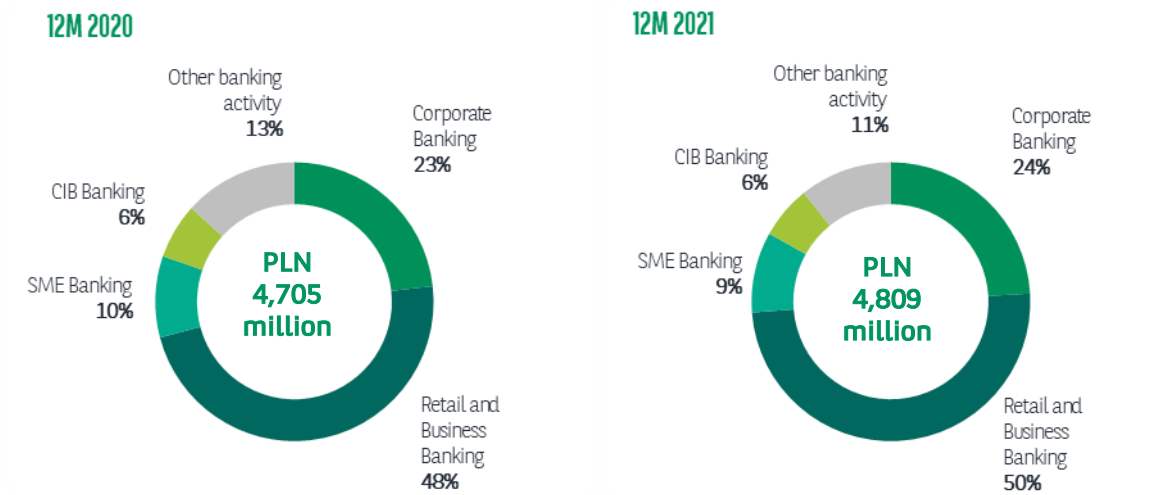
* Integration costs: 2021: N/A, in 2020: positive amount of PLN 15.3 million (positive amount of PLN 10.3 million in operating costs and positive amount of PLN 5.0 million in other operating expenses) Note: As the figures have been rounded up, the totals in the tables and charts of this Report may not add up

Structure of net income on banking activity in PLN million



* The 'Other' category includes the result on investment activities, result on hedge accounting, dividends income and other operating income and expenses

Net income on banking activity by segments



The changes in the structure of the result on banking activity broken down by segments, as shown in the charts above, are i.a. a result of an decrease in 2021 in the result on trading and investment activity carried out within the Asset and Liability Management Division (ALM Treasury).

1.5 Stakeholders and relations with environment

GRI 102-40, 102-42, 102-43, GPW S-P4, UNGC 1 i 3

The stakeholders of BNP Paribas Bank Polska S.A. are all those we influence and who affect our organisation. In our activity we consider their needs and embody their opinions in our actions. We focus on a continuous and open dialogue as the opinions of our stakeholders enable us to take into account the changing socio-economic conditions in the Bank's plans.

STAKEHOLDERS GROUP	MAIN FORMS OF ENGAGEMENT	SELECTED EXAMPLES OF ENGAGEMENTS IN 2021
<p>Individual and institutional customers (Retail Banking, Wealth Management, Corporate banking, Micro banking, SME banking, Agro segment)</p>	<ul style="list-style-type: none"> • Direct meetings and telephone/online conversations with our clients. • Analysis of customer feedback on the quality of service and the services we offer • Stakeholder surveys conducted in preparation for reporting of the non-financial data • Websites (chat, video chat, contact form, online banking) • Social media: Facebook, Instagram and LinkedIn 	<ul style="list-style-type: none"> • Agronomist platform • Customer Journey surveys to respond to customer needs and requests on an ongoing basis • Customer Days • „What have you done for your Customer?“ („A co Ty zrobisz dla swojego Klienta?“) Campaign • „He who listens does not wander“ („Kto słucha, nie błądzi“) Campaign • „The world needs you“ („Świat Cię potrzebuje“) Campaign • International Trade Programme • Food & Agro Conference •
<p>Our people</p>	<ul style="list-style-type: none"> • Cyclical employee satisfaction surveys (quarterly) • Internal communication tools • Direct meetings and conversations • Stakeholder surveys conducted in preparation for reporting of the non-financial data • Validation meetings of relevant reporting topics for managers 	<ul style="list-style-type: none"> • Echonet – internal information portal • Hello Newsletter • Bonjour magazine (monthly as a responsive page) • lunches with President Przemek Gdański • meetings with members of the Management Board for all employees (<i>Closer (Blżej)</i> series) and in specific areas (e.g. <i>Magda goes live</i> or <i>Coffee with Kazik (Kawa z Kazikiem)</i>)
<p>Companies within BNP Paribas Bank Polska S.A. Capital Group</p>	<ul style="list-style-type: none"> • Ongoing internal communication between subsidiaries that form the BNP Paribas Bank Polska S.A. Capital Group • Stakeholder surveys conducted in preparation for reporting of the non-financial data 	<ul style="list-style-type: none"> • Management Board Report of BNP Paribas Bank Polska S.A. Capital Group

Entities within BNP Paribas Group in Poland and abroad	<ul style="list-style-type: none"> • Ongoing internal communication within the BNP Paribas Group in Poland and abroad 	<ul style="list-style-type: none"> • Integrated Annual Report 2020
Market environment (business partners, suppliers, Polish Bank Association, consumer and industry organizations, competitive environment, administration, nationwide media)	<ul style="list-style-type: none"> • Ongoing communication with business partners and suppliers • Stakeholder surveys conducted in preparation for reporting of the non-financial data 	<ul style="list-style-type: none"> • CSR declaration for suppliers - a document describing the principles of cooperation with suppliers • Declaration of Responsible Sales - we are a signatory, we implement the principles of responsible sale • Office Hours
Supervisory authorities (Financial Supervision Authority, National Bank of Poland)	<ul style="list-style-type: none"> • Information materials and reports intended for supervisory authorities 	<ul style="list-style-type: none"> • Management Board Report of BNP Paribas Bank Polska S.A. Capital Group
Capital market (institutional and individual investors, Warsaw Stock Exchange, rating agencies, analysts)	<ul style="list-style-type: none"> • Information materials and reports for the investment community • Ongoing contact with representatives of capital market institutions 	<ul style="list-style-type: none"> • Integrated Annual Report 2020
Local communities (social partners, local government administration, institutions supporting cultural, educational and sports events, universities, schools, residents of local communities, local media, NGOs, BNP Paribas Foundation)	<ul style="list-style-type: none"> • Ongoing contact with social partners as part of the implementation of projects related to CSR and sustainability of the Bank and BNP Paribas Foundation • Stakeholder surveys conducted in preparation for reporting of the non-financial data • Websites (chat, video chat, contact form, online banking) • Social media: Facebook, Instagram and LinkedIn • Webinars 	<ul style="list-style-type: none"> • „Where are our Patronesses?” („Gdzie są nasze Patronki?”) Campaign • „The world needs you” („Świat Cię potrzebuje”) Campaign • Noble Gift (Szlachetna Paczka) • Mission Education 2021 • Mission: Independence
Environment (regulatory organisations and NGOs working on environmental issues)	<ul style="list-style-type: none"> • Ongoing contact with social partners as part of the implementation of projects related to CSR and sustainability of the Bank and BNP Paribas Foundation • Stakeholder surveys conducted in preparation for reporting of the non-financial data • Websites (chat, video chat, contact form, online banking) • Social media: Facebook, Instagram and LinkedIn • Spotify podcasts • Participation in industry conferences • Partnerships for the implementation of the SDGs 	<ul style="list-style-type: none"> • „The world needs you” („Świat Cię potrzebuje”) Campaign • Open Eyes Economy Summit • European Forum for New Ideas in Sopot • Climate Positive Working Group of the UN Global Compact • Climate Leadership Programme in cooperation with UNEP GRID

Key partnerships

GRI 102-12, 102-13

The Bank is guided by the conviction that in order to achieve a state of social and climate justice, it is essential to pursue Sustainability Goal 17, i.e. to establish cross-sectoral partnerships. In order to effectively change the world around us, to promote good practices in business and, in particular, in the financial services sector in terms of the accessibility of products, services and outlets or responsible sales, we undertake cross-sectoral cooperation with numerous partners.

Selected partnerships of BNP Paribas Bank Polska S.A. from the perspective of sustainability and social commitment

- Responsible Business Forum (FOB Partnership Programme, Diversity Charter, Chapter Zero Poland)
- Agenda 2030 - Partnership for the Implementation of Sustainability Goals in Poland
- United Nations Global Compact (Climate Positive, Standard of Ethics)
- UNEP/GRID-Warsaw (Partnership for the Implementation of the Environmentally Sustainability Goals - Together for Environment, Climate Leadership)
- Polish Bank Association (e.g. Working Group on Sustainable Finance)
- Lewiatan Confederation (including the Green Transformation Council)
- Pro Bono Leaders Coalition
- Wiosna („Spring”) Association – Noble Gift
- Integration Foundation

For more information on the Bank's partnerships, please refer to *Business perspective*, *Environment perspective* and *Social perspective* chapters, or visit: <https://www.bnpparibas.pl/csr/partnerstwa>

For more information on the BNP Paribas Foundation partners, visit: <https://www.bnpparibas.pl/fundacja/partnerzy>.

1.6 Awards and distinctions

The numerous awards and distinctions for BNP Paribas Bank Polska S.A. in the area of corporate social responsibility and sustainability, which we received in 2021, are an honour for us, but also a commitment to continue to work for changes in the world around us.

The strategic integration of sustainability into the organisation's activities has been recognised on several occasions. In 2021, the Bank was awarded first place in the general classification of the Ranking of Responsible Companies in Poland for the third consecutive year and in the banking, financial and insurance sector category.

January 2021

- **Distinction of the "DOBRZE" programme** in the category of Best Wellbeing Practices in "The best of Wellbeing 2020" #pozytywnywplyw (#positiveimpact)
- The title of **Top Employer Polska** for an HR policy developed in line with best market practices
- The Bank receives bronze for "POCIĄG DO ZMIAN" in the 18th edition of the "**Złote Spinacze**" competition

March 2021

- BNP Paribas Lokata Kapitału fund managed by BNP Paribas TFI awarded as **the best Polish corporate paper fund** with a Alpha 2020 award by to Analizy Online website
- the Bank receives **distinctions (TOP3 nominations)** in the Polish Debt Securities sub-fund category for BNP Paribas Konserwatywne Oszczędzanie and in the Polish Long-Term Debt Securities sub-fund category for BNP Paribas Obligacji
- 9th place in the Forbes **Banking Innovation of the Year** ranking for cooperation with Booksy
- The bank was awarded in six categories of the 6th edition of the **Institution of the Year** competition: the bank became the leader in "Best service in remote channels", "Best bank for companies" and "Best bank in Poland"; other statuettes were awarded for "Best service in a branch", "Best internet banking" and "Best remote account opening process"
- BAKCYL programme, Bankers for Youth Financial Education - distinction at the 5th Congress on Financial Education and Entrepreneurship for volunteer activity in 2020 in the in the categories: the highest number of trained volunteers and the highest number of conducted lessons.
- **Przemek Gdański**, President of BNP Paribas Bank Polska ranks third in Forbes' **Banker of the Year** ranking

February 2021

- **5-star rating for BNP Paribas Wealth Management** in Forbes magazine's private banking services rating
- **Refinitiv Award for Forecasting Economic Indicators for Poland** for the best forecasts for Poland in 2020 was granted to the Economic Analysis Department of BNP Paribas Bank

May 2021

- **Mastercard World Elite**, issued by BNP Paribas Wealth Management, in **3rd place in Forbes magazine's black credit card ranking**
- For the third time, the Responsible Business Forum places the Bank on the **Diversity IN Check** list. The list includes companies that best manage diversity and build an inclusive organisational culture

June 2021

- **4th place in the Ranking of institutions caring for professional and social equality of LGBT+ people** published in the report "Cashless for equality" (highest classification among banks)
- Distinction of **Srebrny Listek CSR award** of "Polityka" weekly awarded to companies that maintain the highest standards of social responsibility and sustainable development
- **First prize for the "DOBRZE" programme** in the "training and development" category of the "HR of Change" competition
- First prize in the finance category in the **"Diamonds of Innovation"** competition organised by Executive Club for the implementation of the sign language interpreter service Migam
- 1st place in the general classification (3rd consecutive year) and 1st place in the banking, finance and insurance category in the 15th **Ranking of Responsible Companies**
- Distinction in the CSR category and special award for creative and effective promotion of diversity for the action "Where are our patrons?" and distinction in the B2B sales promotion category for the project "OLX 1000 to start" in the Golden Arrow contest
- The Bank is ranked first in the 7th edition of the Star of Banking ranking in the ESG category for the Bank's actions that take into account environmental, social and governance factors

July 2021

- Bank receives Fastest Time to Value award in the first edition of the Sonatype Elevate Awards 2021 for its fast and successful implementation of the **Responsible Companies Nexus** platform

August 2021

- BNP Paribas Wealth Management is awarded the title of **Best Private Bank in Poland** in the international competition Global Private Banking Innovation Awards 2021, and BNP Paribas Group is awarded in 8 categories

September 2021

- Bank uzyskuje tytuł **NEXT MMP 500** dla najbardziej proekologicznie zaangażowanych marek w Polsce
- **Moje Konto Premium** zostaje uznane za najlepsze wśród aktualnie obecnych na rynku ofert kont premium przez portal Bankier.pl

November 2021

- The Bank wins the main award in the Social Campaign / CSR category for the campaign "Where are our Patrons?" and an honourable mention in the Digital category - mobile applications / games for the project "Misja Samodzielność" in the **Kreatura 2021 contest**
- The Bank wins four statuettes for the campaign "Where are our patrons?" in the **Advertisement Creators Club Competition** and bronze in the **Innovation 2021 Competition**

October 2021

- The Bank wins the second main prize in the 16th edition of "**The Best Annual Report 2020**" competition of the Accounting and Tax Institute
- **My Premium Account** again takes the first place in the ranking of premium accounts of the Bankier.pl portal
- The Bank is announced as a finalist in the **Digital Excellence Awards** competition organised by CIONET in the Environmental & Social Impact category for the implementation of the Autenti Platform
- The "Bank of a Changing World" campaign is awarded silver in the Long Term Marketing Excellence category of the **Effie Awards 2021**

December 2021

- The Bank is awarded the title "**Bank of the Year in Poland**" by "The Banker" monthly
- The bank's campaign, "Superheroes, or family choices" wins a double bronze in the Sustainability and CSR Communications category and in the Finance category in the "**Złote Spinacze**" competition

For the full list of awards and distinctions, visit: <https://www.bnpparibas.pl/o-banku/nagrody-i-wyroznienia>.

II. Management foundations

2.1 Management structure of BNP Paribas Bank Polska S.A.

Management Board

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

The Bank's Management Board is the management and executive body that operates on the basis of applicable laws, the Bank's Statute and the Regulations of the Management Board. As of 1 January 2020, the Bank's Management Board consists of nine members and this is pursuant to the Bank's Statutes. The members of the Management Board - president and vice-presidents - are appointed by the Supervisory Board for a joint term of office which lasts three years. The mandates of the members of the Management Board expire upon expiry of their terms of office on the date of the General Meeting which approves the financial statements for the last full financial year in which they performed their functions. In addition, the Supervisory Board, acting on the basis of the "Policy for appointing and dismissing members of the Management Board", may at any time dismiss or suspend a member of the Management Board. The President of the Management Board and at least one other member of the Bank's Management Board must have the knowledge and experience to manage the Bank in a stable and cautious manner. At least half of the members of the Bank Management Board should have good knowledge of the banking market in Poland, i.e., they should permanently reside in Poland, have a good command of Polish and have gained the required experience on the Polish market.

Composition of the Bank's Management Board as at 31.12.2021 and division of functional responsibilities of particular Board members

Name	Office held in the Management Board of the Bank	Supervised areas
Przemysław Gdański	president	Bank Management, Strategy and Agro Markets Area, Human Resources Area, Transformation Area. He oversees the Internal Audit Division, Compliance Division, Marketing, Communications and Community Engagement Division, the Legal Division, Strategy and Market Analysis Division, and Agribusiness Division.
Jean-Charles Aranda	vice-president	Finance area , including the Financial Accounting Division, Capital Management Department, Management Accounting and Investor Relations Division, Tax Department, Asset and Liability Management Division, Data Governance Department.
André Boulanger	vice-president	CIB Banking Area , including the Financial Markets Division, CIB Strategic Clients Department, CIB Support and Business Development Department and Custody Services Department
Przemysław Furlepa	vice-president	Brokerage Office, Retail and Business Banking Area , including Sales Division, Internet Banking Division, Retail and Business Products Division, Credit Decision Department, Retail Banking Budgeting and Analysis Office, Wealth Management Department, Customer Relationship Development Department, Customer Transformation and Experience Development Department
Wojciech Kemblowski	vice-president	Risk Area , including the Corporate Restructuring and Debt Collection Division, SME and Agro Clients Risk Division, Individual and Micro Clients Risk Division, Financial and Counterparty Risk Division, CIB

Name	Office held in the Management Board of the Bank	Supervised areas
Kazimierz Łabno	vice-president	and Corporate Clients Risk Division, Systemic Risk Management Division, Operational Risk, Credit Control and Fraud Prevention Division. Operations and Business Support area , including the Operations Division, Central Purchasing Department, Real Estate and Administration Department, Operations Control Department.
Magdalena Nowicka	vice-president	New Technologies and Cyber Security Area , including the New Technologies, Architecture and IT Support Division, Central Functions IT Division, Corporate Banking and Capital Markets IT Development Division, Retail IT Systems Development Division, IT Project Portfolio Management and Organization Department, Security and Business Continuity Management Division, GCS Team (SPV).
Volodymyr Radin	vice-president	Personal Finance (PF) Banking Area , including Automotive Sales Division - Personal Finance, Consumer Finance Sales Division, B2C Sales Department, New Business Models and Innovation Department PF, Product Development and Customer Relationships Department PF, Partner Services and Insurance Banking Department PF, Operations Division PF, Planning and Finance Department PF.
Agnieszka Wolska	vice-president	*SME and Corporate Banking Area , including the Corporate Banking Sales Network Division, International Enterprises, Public Sector and Institutions Division, Corporate Banking Credit Decisions Department, Business and Organization Development Division, Specialized Finance Division, Cash Management Division, SME Sales Network Management Division, SME Product Development, Strategy and Credit Decisions Division, Leasing Department, Trade Finance Department, Factoring Management Department, Transaction Advisory Department, and Large Corporations Office.

* From 8 March to 31 August 2021 André Boulanger oversaw the SME and Corporate Banking Area - until Agnieszka Wolska took over.

Changes in the composition of the Bank's Management Board in 2021:

- 8 March 2021 - The Bank's Supervisory Board appointed: Przemysław Gdański, Jean-Charles Aranda, André Boulanger, Przemysław Furlepa, Wojciech Kemblowski, Kazimierz Łabno, Magdalena Nowicka and Volodymyr Radin as members of the Management Board for a new three-year term of office starting after the Annual General Meeting of the Bank approving the financial statements for 2020 (i.e. 24 March 2021). Jerzy Śledziwski, who supervised the SME and Corporate Banking Area, did not apply for the position of Vice-President of the Management Board for a new term of office (he held the position of Vice-President until 8 March 2021).
- 12 May 2021 - The Bank's Supervisory Board appointed Agnieszka Wolska as Vice-President of the Management Board, overseeing the SME and Corporate Banking Area from 1 September 2021 until the end of the current term of the Management Board.

Supervisory Board

GRI 102-18, 102-22

The Bank Supervisory Board shall be composed of five to twelve members appointed for a joint five-year term of office by the General Meeting. At least half of the members of the Bank Supervisory Board should have good knowledge of the banking market in Poland.

According to the Bank's Statute, at least two members of the Supervisory Board should be independent members. As at 31 December 2021, five members of the Supervisory Board met the independence criteria (the criteria for independence of a member of the Supervisory Board are set out in § 16, par. 4 of the Bank's Statute). The status of independent member of the Supervisory Board was held by the following persons: Lucyna Stańczak-Wuczyńska, Jarosław Bauc, Małgorzata Chruściak, Magdalena Dziewguć i Mariusz Warych.

Composition of the Supervisory Board as at 31.12.2021 and 31.12.2020 with information on the independence of members

Office held in the Supervisory Board	Composition of the Supervisory Board as at 31.12.2021	Composition of the Supervisory Board as at 31.12.2020
1. Chairperson	Lucyna Stańczak-Wuczyńska* <i>independent member</i>	Józef Wancer
2. Vice-Chairman	Jean-Paul Sabet	Jean-Paul Sabet
3. Vice-Chairman	Francois Benaroya	Lucyna Stańczak-Wuczyńska* <i>independent member</i>
4. Member	Jarosław Bauc <i>independent member</i>	Jarosław Bauc <i>independent member</i>
5. Member	Małgorzata Chruściak <i>independent member</i>	Francois Benaroya
6. Member	Géraldine Conti	Sofia Merlo
7. Member	Stefaan Decraene	Stefaan Decraene
8. Member	Magdalena Dziewguć <i>independent member</i>	Magdalena Dziewguć <i>independent member</i>
9. Member	Vincent Metz	Vincent Metz
10. Member	Piotr Mietkowski	Piotr Mietkowski
11. Member	Khatleen Pauwels	Stéphane Vermeire
12. Member	Mariusz Warych <i>independent member</i>	Mariusz Warych <i>independent member</i>

Lucyna Stańczak-Wuczyńska została wybrana na przewodniczącą Rady Nadzorczej od 1 lipca 2021 r.

* Lucyna Stańczak-Wuczyńska has been elected as Chairman of the Supervisory Board with effect from 1 July 2021.

Changes in the Supervisory Board of the Bank in 2021:

- On 24 March 2021 The Annual General Meeting of the Bank appointed: Józef Wancer, Lucyna Stańczak-Wuczyńska, Jean-Paul Sabet, Francois Benaroya, Jarosław Bauc, Stefaan Decraene, Magdalena Dziewguć, Vincent Metz, Piotr Mietkowski, Stéphane Vermeire and Mariusz Warych as members of the Supervisory Board for the next five-year term. Sofia Merlo did not run for the Supervisory Board of the new term.
- On 21 March 2021 Stéphane Vermeire resigned from the Supervisory Board with effect from 31 May 2021.
- On 2 June 2021 Józef Wancer resigned as a member of the Supervisory Board and Chairman of the Supervisory Board with effect from 30 June 2021.
- On 17 June 2021 the EGM appointed the following persons to the Supervisory Board - from 1 July 2021 until the end of the current five-year joint term of office of the Supervisory Board members:
 - Małgorzata Chruściak (independent member),
 - Géraldine Conti,
 - Khatleen Pauwels.

In 2021 the Bank's Supervisory Board held 20 meetings (including 14 in writing). It adopted 139 resolutions. The attendance rate of the Board members was 85%.

Supervisory Board Committees

The Supervisory Board appoints internal committees composed of members of the Supervisory Board. The Committees have a consultative and advisory function for the Supervisory Board. The Committees activity is aimed at supporting the Supervisory Board through preparation in a working mode of opinions, recommendations and draft decisions concerning motions submitted for the Supervisory Board decision. The scope and mode of operation of the committees are determined by their regulations, which the Supervisory Board introduces in the form of a resolution.

The AGM approves the annual reports on the activities of the Supervisory Board and its Committees.

Composition of the Supervisory Board and Supervisory Board Committees as at 31.12.2021

Name	Audit Committee	Risk Committee	Remuneration Committee	Nomination Committee
Lucyna Stańczak-Wuczyńska	Member	Member	Member	Member
Jean-Paul Sabet			Chairman	Chairman
Francois Benaroya	Member	Chairman	Member	Member
Jarosław Bauc	Member			
Małgorzata Chruściak		Member		
Géraldine Conti			Member	Member
Mariusz Warych	Chairman	Member		

2.2 Corporate governance

The corporate governance binding at BNP Paribas Bank Polska S.A. results from the provisions of law (in particular, the Code of Commercial Companies and Partnerships, the Banking Law and the regulations related to the functioning of the capital market) and recommendations included in the documents: "Good practices of companies listed on the WSE" and "Corporate governance rules for supervised institutions".

The Bank's Management Board declares that in 2021 the Bank and its bodies complied with the corporate governance principles set out in the "Corporate governance rules for supervised institutions" and "Good practices of companies listed on the WSE" to the extent adopted by the Bank. In the period covered by the present report, no cases of breach of corporate governance rules adopted by the Bank were identified.

The BNP Paribas Group, in all its activities, is guided by the values defined in *The BNP Paribas Way* and *The BNP Paribas Group Code of Conduct*.

For more information on the organisation's values and diversity management, please refer to the *Responsibility in the Workplace* chapter.

For information on ethical issues, anti-corruption, respect for human rights and risk management, please refer to the following sections of the present chapter.

2.3 Strategy of BNP Paribas Bank Polska S.A.

GRI 102-26, 103-1, 103-2 i 103-3 tematu raportowania: „Podsumowanie strategii rozwoju Banku na lata 2018-2021 (Strategia Fast Forward)”

The main assumption of the new Fast Forward strategy for 2018-2021, adopted by the Bank's Management Board and Supervisory Board in May 2018, was focus on the customer and digital transformation of products, services and processes aimed at accelerating development and increasing profitability.

The financial strategic objectives that the Bank planned to achieve within the strategy horizon are: a growth rate of the result on banking activity **higher than the market**, ROE **above 10%** and C/I ratio at the level **ca. 50%**.

Business development is based on five key pillars: **growth, simplicity, digitalisation, quality and enthusiasm**.

- **Growth** – The primary driver of development is retail banking. Within this area, the Bank has prepared a new offer for individual customers, together with the modernisation of digital tools (Internet and mobile banking). The selection of products and services will be constantly adjusted to promote a broader range of products to be contracted by the customers. The new acquisition will be supported by expanding cooperation with B2B customers. The Bank's ambition is to become one of the leaders in corporate and SME banking, to become the first-choice bank for micro-enterprises and to strengthen its position among leaders in private banking.
- **Simplicity** – On the customer side, the Bank will strive to simplify products and communication methods along with the improvement of processes, especially those related to the so-called customer journey. On the business organization side, the Bank will review its internal structures and optimize the sales network.
- **Quality** – Achieving a high level of satisfaction and thus customer loyalty will be a priority. On a synthetic level, the Bank aims at doubling the NPS ratio in the horizon of the current strategy. The level of satisfaction is constantly monitored at various levels, enabling improvement of internal processes. Additional support will be provided by systemic promotion of quality parameters in areas related to customer service.
- **Enthusiasm** – In order to achieve its strategic goals, the Bank will take care of high retention of the best employees and support cooperation and information exchange between business units. The priority will also be to run the business in a socially responsible manner, which is at the same time an element of the brand identity.
- **Digitalisation** – In order to enhance cost efficiency, the Bank introduces process automation by means of artificial intelligence. A great deal of effort is put into cyber security and modernisation of IT architecture. Customers will experience better integrated sales and service channels and will receive better-suited product and service proposals

Implementation of the strategy in 2021

TCFD

The course of events in 2021 has confirmed the oft-repeated thesis that, at present, only uncertainty remains certain. The sweeping waves of the coronavirus with its successive mutations still do not allow for a full return to normality. Disruptions of supply chains, global shortages of materials, and the energy crisis have further fuelled rising inflation. Its scale exceeded all previous forecasts and translated into a relatively strong increase in interest rates. In addition, banks were still struggling with the problem of CHF loans. The year 2021 did not bring the expected decisions in the Supreme Court, the scale of legal uncertainty increased, which made most banks decide to make significant provisions on this account. As a result, financial results were under pressure, sometimes marking the net result at negative levels.

Given the difficult environment, last year was a successful one for the Bank. We strengthened the foundations of organic growth, thanks to which the customer base exceeded 4 million. All key products sold well, with particular emphasis on mortgage loans. Loan balances grew in each quarter, both on the retail and corporate side. The Bank developed its digital capabilities, which was reflected in the growing number of customers using remote channels. Already at this stage, the mobile channel shows the greatest potential for further growth.

The Bank is increasingly supporting initiatives in the ESG area. This is reflected in the change in internal structures, which were directed towards the development of this area and provided the framework for defining plans for the coming years. Importantly, the Bank has not limited itself to classic sustainable products based on customer financing. Equally important is the cooperation with promising startups through which the Bank offers advice on green transformation. An example of this is the implementation of the online calculator AgroEmisja allowing the Bank to monitor its own greenhouse gas emissions.

2021 is the final year of the Fast Forward strategy horizon for 2018-21, during which time the Bank successfully completed its merger with the separated part of Raiffeisen Bank Polska, rebranded and began to systematically build a new brand identity. Thanks to the scale built, greater diversification of activities, it was able to enter the path of organic growth, improve profitability and efficiency. Individual and corporate customers can also benefit

from modern transaction systems. All this has been achieved with a focus on ethics towards customers and on employee safety. Nevertheless, the Bank sees elements that still require attention. Due to lower interest rates than originally assumed, the pandemic and the higher cost burden of provisions for legal risks related to the CHF loan portfolio, profitability as measured by ROE and the cost-to-income ratio were below strategic targets. The lower cost efficiency is partly due to the complexity of systems and processes, in the modernisation and optimisation of which the Bank plans to continue to invest. Furthermore, the focus will remain on further improving customer satisfaction, which will strengthen organic growth opportunities in the next strategic horizon.

At the same time, preparatory work was underway in 2021 on the Bank's Strategy for 2022-2025, in which the sustainability aspect will be one of the key dimensions. The strategy will be published in the first quarter of 2022.

Other actions within the strategy are described in the table below

PILLAR	STRATEGIC ASSUMPTIONS	ACHIEVEMENTS IN 2021
GROWTH	focus resources (people, IT and capital) on the most profitable products and segments to increase acquisitions, sales and ultimately financial performance	<ul style="list-style-type: none"> • Successful customer acquisition, personal account sales in 2021: 321.8 thousand (+25% y/y). • Growing retail loan sales in 2021: <ul style="list-style-type: none"> • mortgage loans PLN 6.6 billion (+18% y/y); • cash loans PLN 3.6 billion (+32% y/y). • PLN 3.9 billion of sustainable (mainly green) financing provided in 2021 • Over 16,000 photovoltaic installations financed for prosumers. • Participation in significant corporate client transactions: <ul style="list-style-type: none"> • syndicated financing: Ciech (PLN 2.1 billion), Press Glass, (PLN 1.1 billion), Polpharma (PLN 0.8 billion), Cargounit (PLN 0.6 billion), CLIP logistics (EUR 0.14 billion), Arctic Paper (PLN 0.3 billion), Resi4Rent (PLN 0.3 billion), Scanmed (PLN 0.2 billion), post-IPO financing for InPost (PLN 2.75 billion); • Bielenda Kosmetyki structured financing package (PLN 215 million); • exclusive provider of financing for the construction of a logistics park near Wrocław (EUR 70 million); financing of the acquisition of five logistics parks with a total area of 209,000 m² by the investment company Polish Logistics LLP; • exclusive organiser and dealer of ATAL SA two-year bond issue worth PLN 120 million. Co-organiser and dealer of the record-breaking Ghelamco bond issue worth PLN 285 mln. • Significant green financing transactions: investments by Qair Polska (PLN 184 million), acquisition of a portfolio of 130 photovoltaic farms by Aberdeen Standard Investments; R.Power participation in a consortium financing the construction of 7 solar power plants (PLN 242 million); EIB and BNP Paribas Leasing Services agreement to support SME financing in Poland (EUR 200 million). • First Sustainability Linked Loan for Raben Group worth €225 million. • The 100th structured certificate offered by the Bank Brokerage (first subscription X 2016). • Współpraca z renomowanymi partnerami: DECATHLON, Media Saturn Holding. • Introduction of the possibility of long-term rental of consumer devices for individual customers. Pilot service made available in stationary iSpot stores. • Joining the Clean Air Programme 2021-22.

SIMPLICITY

simplified product offering, especially in Retail Banking, and simplified and interactive communication with customers, simplified processes and focus on customer service, optimisation of traditional distribution channels and migration of customers to digital channels, simplification of the organisation to increase its efficiency

- Development of the Autenti solution: 613 thousand documents electronically signed in 2021 (290 thousand in 2020).
- Release of myID (mojeID) service provided by the Krajowa Izba Rozliczeniowa (KIR) - free creation of an Electronic Identity, allowing remote identification for official and commercial matters.
- Free AgroEmissions calculator that allows agricultural producers and farmers to estimate greenhouse gas emissions from crop and dairy production.
- "Local Flavours" („Lokalne Smaki”) promotional campaign launched by BNP Paribas Food & Agro with Allegro Lokalnie - a possibility to sell food products online without commissions for the Bank's Customers.
- Launch of NFC standard for SwatchPAY watch payments.
- Chatbot Eva - development of a self-learning program to support processes inside the Bank.

QUALITY

a significant improvement in the level of customer service quality and satisfaction by changing the organisation and streamlining service processes and focusing on the customer relationship recognising and valuing the loyalty of existing customers and changing the meaning of and approach to measuring customer satisfaction

- "Bank of the Year in Poland" award of The Banker monthly owned by Financial Times Group. Financial results were evaluated, as well as strategic initiatives, technological development, products and services, and actions taken in the fight against pandemics.
- 1st place for the third year in a row in the Ranking of Responsible Companies in the general classification and in the banking, financial and insurance sector category.
- Best Private Bank in Poland title for BNP Paribas Wealth Management in the Global Private Banking Innovation Awards 2021.
- Fastest Time to Value award for implementing the Nexus platform to support secure software development.
- Improved service quality decrease in the number of complaints.
- Extension of OK SENIOR certification for branch network, confirming service according to highest safety and fraud protection standards and sale of reliable and understandable products.
- Induction loops to assist the hearing impaired in 50 branches.
- Guidance for employees on how to behave towards people with disabilities
- Increasing the number of branches with barrier-free facility certification to 77.
- More than 600 calls to a sign language interpreter after more than a year of service implementation.
- Travel insurance with the Mastercard World Elite card extended to COVID-19.

ENTHUSIASM

increased employee engagement through participation in interesting projects and increased levels of collaboration, reinvigorating the organisational culture by rewarding performance, focusing on talent, attracting the best in the market and nurturing the best employees

- 15 years of the BNP Paribas Foundation activity. Over 1,300 beneficiaries of scholarship programmes and nearly 100,000 hours devoted to social activities by bank volunteers. As part of its activities in 2021, among others:
- 9th edition of the competition for volunteering projects 56 projects submitted.
- Strategic partner of the 'Ocalenie' Foundation.
- Almost 72,000 km completed by Bank employees as part of the "Good Kilometres" campaign organised by the Foundation.
- Local Grants Program providing PLN 300,000 to 60 local NGOs across Poland in 2021.
- Chapter Zero Poland Partner of a programme for management bodies of companies, raising awareness of the consequences of climate change.
- Next steps to reduce carbon footprint (-47% vs 2019)
- BNP Paribas Poland Open. Title partner of the only WTA tennis tournament in Poland.
- Mastercard OFF CAMERA. Strategic partner of the International Festival of Independent Cinema.
- "Where are our Patrons?" initiative encouraging schools to adopt extraordinary women as school patrons.
- Signing the #JamaisSansElle (Never Without Her) card pledging key managers not to attend public events of more than three people without a woman present.
- "Diversity and inclusive culture step by step". Preparation, together with partners from a dozen other non-banking companies, of a guide for companies developing on the basis of diversity and inclusion ideas.
- Strategic partner of the 4th edition of the 'Jestem Liderką' programme organised by Vital Voices Poland.
- The campaign "The world needs you" involving stakeholders in the implementation of the UN Sustainable Development Goals.
- The #razemzmieniamy campaign grants a total of PLN 50,000 to artists and organisations implementing the Sustainable Development Goals.
- The campaign "Every reason is good to help", highlighting the Bank's employees' involvement in volunteering for the Noble Parcel.
- of the BeeOmonitoring project involving local monitoring of biodiversity and environmental pollution in agricultural and industrial areas using bees.

DIGITALISATION

building a competitive advantage based on technology: digitisation to optimise costs by automating operations, digitisation to enable growth using a comprehensive, multi-channel sales and service model, and digitisation to support the identification of customer needs through the use of CRM and data analytics to improve offer tailoring and personalise customer communications through consistent online and mobile platforms

- GOMobile: 911 thousand users, +36% y/y.
- GOonline: 790 thousand users, +6% y/y.
- GOonline and GOMobile (including users of both systems): 1.38 million, +19% y/y.
- New functionalities in the mobile application: Credit card repayment from an account in another bank, convenient and fast opening of foreign currency and savings accounts, modification of standing orders and increasing the limit in Allegro purchases.
- Implementation of GOonline Biznes in place of BiznesPI@net.
- The first use of AIS (Account Information Service) within open banking, allowing to confirm the client's income when applying for an instalment loan, together with automatic filling of the application.
- Over 2.8 million sheets of paper saved through digitisation since 2018.

2.4 Contribution to the implementation of the Sustainable Development Goals

GRI 102-29

The Bank supports the Sustainable Development Goals (SDGs) by implementing its CSR and Sustainability Strategy, a key part of our "Fast Forward" Strategy. We analysed the UN's pillars of responsibility, and we have identified areas where we can make the most significant contribution. We strongly believe that Goal 17 is essential for the success of the 2030 Agenda, therefore we focus on cross-sectoral cooperation for sustainable development.





The Bank's contribution to the implementation of the Sustainable Development Goals is consistent with the policy of the BNP Paribas Group.

The responsibility of the BNP Paribas Group includes:

- Long-term financing of the economy and building lasting relationships with Customers in accordance with ethical principles,
- A responsible approach to employee development and involvement,
- Increasing the availability of products and services,
- Openness to Customer needs and initiatives for local communities,
- Limiting the negative impact of operations on the environment,
- Eco-friendly products and services, popularisation of eco-attitudes.

SGD	Initiatives	SGD	Initiatives
	<ul style="list-style-type: none"> • Noble Gift • The Local Grants Program 		<ul style="list-style-type: none"> • Social projects Within the Local Grants Programme and the competition for volunteer projects, • Support for Food Banks
	<ul style="list-style-type: none"> • Non-financing of the tobacco sector – CSR Policy • Financing strategic solutions and Customers within the field of health protection and promotion • Sanitary measures for the safety of the Bank's Customers and employees during the COVID-19 pandemic • BEneFIT • "Okay" programme • "Good Kilometres" programme 		<ul style="list-style-type: none"> • "Class" scholarship program • BAKCYL programme (Bankers for Financial Education of Youth) • Mission: Education • The Local Bank's Ambassadors programme • Partnership programme of the BNP Paribas Foundation with the Salvation Foundation – "Knowledge to the Power"

SGD	Initiatives	SGD	Initiatives
	<ul style="list-style-type: none"> • “Women Changing BNP Paribas” programme • Partnership with the “Share The Care” Foundation • Women in 64.4% of managerial positions at the Bank • The Bank’s commitment (reflected in our diversity policy) is that by 2025 women will constitute at least 30% of both the Management and Supervisory Boards 		<ul style="list-style-type: none"> • “Water? Yes! Plastic? No!” programme • Promoting eco-attitudes (e.g. through support of the annual Green Film Festival – an international festival of eco-films; its aim is to educate and inspire eco-attitudes through films as well as through discussions, panels and other events)
	<ul style="list-style-type: none"> • Financing of renewable energy sources (RES) • 100% of the energy purchased by the Bank is obtained from renewable energy sources • The Bank’s participation in the “Clean Air” Programme 		<ul style="list-style-type: none"> • Financing the development of the Polish economy • Active participation in industry events and partnerships to support economic development (including partnerships with the Lewiatan Confederation and the Polish Bank Association) • The ratio of the lowest remuneration at the Bank to the minimum wage is 131% for women and 132% for men • Signing the CSR Declaration constitutes 5% of the overall supplier assessment. From 2022, we plan to increase this factor to 10% of the assessment.
	<ul style="list-style-type: none"> • Supporting the development of strategic Customers, e.g. through the Foreign Trade Program • Office Hours - meetings of the Bank’s experts with representatives of start-ups in search of innovative ideas and solutions • Technological loans 		<ul style="list-style-type: none"> • Availability of products and services • Diversity – management of this area is regulated by, i.a., the <i>Diversity Management Policy at BNP Paribas Bank Polska S.A.</i> • In 2021, we were the 4th bank in the “Cashless for equality” ranking of Polish financial institutions as regards their implementation of D&I towards the LGBT + community
	<ul style="list-style-type: none"> • Financing thermo-modernisation • “Eco-City” Project - in 2021, the initiative focused on Green Reconstruction. We promote energy efficiency for multi-family residential buildings, popularise environmental best practices and support sustainable cities and communities 		<ul style="list-style-type: none"> • Support for sustainability in the Food and Agro sector • Long-term lease of phones • 100% of the energy purchased by the Bank is obtained from renewable energy sources • Responsible Business League – a free educational programme organised in partnership with the Civil Development Forum (CDF). The programme is addressed to university students and focuses on CSR issues. In 2021, during the 17th edition of the League, we introduced students to the global Sustainable Development Goals (SDG’s) • The Bank’s experts share their experience and good practices in the field of CSR and sustainability during industry events and conferences. For more information, see the <i>Social Responsibility</i> chapter

SGD	Initiatives	SGD	Initiatives
	<ul style="list-style-type: none"> • CSR sectoral policy – departure from coal • The Bank of Green Changes programme • "The World Needs You" campaign involving stakeholders in the implementation of the UN Sustainable Development Goals • Eco-products, services, and financing programmes • Eco-fleet and electro-mobility initiatives 		<ul style="list-style-type: none"> • CSR policies • Agro Academy • Campaign for optimal nitrogen fertilisation • The issue of "Good investment III" structured certificates supports the construction of the International Polar Station in the Arctic Ocean, carried out by the Tara Ocean Foundation. It will provide research teams from around the world with research opportunities related to ocean protection
	<ul style="list-style-type: none"> • CSR policies - forest sector • The Bank's apiaries • Planting trees • Paperless programme 		<ul style="list-style-type: none"> • CSR policy – defence and security sector • The Bank was a partner of the "Ethics in finance" competition • Declaration of Responsible Sales
	<ul style="list-style-type: none"> • Responsible Business Forum • Diversity Charter • 2030 Agenda – Partnership for the implementation of the sustainable development goals in Poland • CEO call to action • Coalition for Polish Innovation • United Nations Global Compact • UNEP / GRID-Warsaw • Climate Leadership • Chapter Zero Poland 		

More information on the Bank's efforts to achieve the Sustainable Development Goals can be found at: <https://www.bnpparibas.pl/razemzmieniamy/>.

2.5 Growth perspectives for the Bank's Group

Factors that may affect the results and operations of the Bank's Capital Group

GRI 102-15, GPW E-P3

The most important external factors, which in the Bank's opinion may affect the Group's results in the subsequent periods, include the following:

- War in Ukraine.** Russia's invasion of Ukraine on 24th February 2022 is the most important factor that will shape the domestic and global economic situation. It is currently impossible to estimate the impact of the war in Ukraine on prices and economic growth and the behavior of domestic and foreign financial markets. The impact will depend on how long the war will last, what the political solution to the conflict will be, what additional sanctions will be imposed on Russia and what Russia's response to them will be. However, it can be expected that the war in Ukraine will weaken the rate of economic growth and increase inflation compared to scenarios assumed before the outbreak of the war. We should also assume an increase in state expenditure on defence and humanitarian aid for refugees from Ukraine, and consequently an increase in the deficit of the public finance sector. What remains unknown is the reaction of the central bank and monetary policy this year and next year, which will depend on the combination of economic growth, inflation and the PLN exchange rate.
- Coronavirus pandemic and recovery from recession.** The outlook for the global economy has improved, but the ongoing recovery will be significantly different from what we know. It is likely to remain uneven and will depend on the effectiveness of vaccination programmes and public health policies. Recovery continues to be much slower in some countries than in others. The economic recovery has not been interrupted even despite the emergence of new variants of the COVID-19 virus. The International Monetary Fund (IMF) forecasts that the global economy grew by 5.9% in 2021, with GDP growth slowing to 4.9% in the current year. The forecast for 2021 has been revised down by 0.1 p.p. compared to the July projection. According to the IMF, the revision reflects lower projections for advanced economies - partly due to supply disruptions - and for low-income developing countries, mainly due to deteriorating pandemic dynamics. This was partly offset by a better short-term outlook for commodity-exporting developing economies. The European Commission (EC), in contrast, in its February projection, revised its forecasts upwards for 2021 and downwards for 2023-20223. According to the EC, GDP in the eurozone is expected to grow by 5.3% y/y in 2021, 0.3 p.p. higher than the autumn forecast. According to the winter update, GDP growth in 2022 is expected at 4.0% vs. 4.5% previously. In the case of Poland, the GDP growth forecast for the current year has been raised. In 2022, the dynamics is likely to reach 5.5% (previously 5.2% y/y), and in the following year it should exceed 4.2% y/y. A similar growth of the Polish economy is estimated by the OECD. In 2022, GDP will grow by 5.0% and in the following year it will slow down to 3.4% y/y. Both the OECD and the EC stress that the level of uncertainty is still high, however. The recent rise in COVID-19 cases across Europe has served as a reminder that COVID-19 continues to be a serious problem and that further increases in vaccination rates - within and outside the EU - are crucial to a sustained improvement in the situation.
- Monetary policy by major central banks.** In addition to the coronavirus pandemic situation, central bank policy will be an important factor shaping the pace of the global recovery this year and next. By the end of 2021, there has been a clear shift in the positions of the world's major central banks. Policymakers at the US Federal Reserve (Fed) announced the start of a cycle of interest rate hikes. Market expectations are for four increases in 2022, with the first as early as March. Moreover, since November the Fed has significantly reduced its asset purchase programme. First by 15 billion USD, and in December it increased the scale of reductions to 30 billion USD per month. The entire QE programme is expected to end in the first quarter of this year. The European Central Bank (ECB) has also recently tighten its position. After the January meeting, the head of the ECB indicated that the inflation risk had increased and did not rule out an increase in interest rates in the euro area later this year. As a result, the market started to price in the likelihood of such a move in the coming months. At present, a 10 bps increase in the deposit rate is expected as early as the middle of this year.
- Monetary authority actions in Poland.** From October 2021. The Monetary Policy Council (hereinafter: MPC) has continued the cycle of monetary policy tightening in Poland. In February, the MPC decided on another, fifth interest rate increase, to 2.75%. According to the President of the NBP, Adam Glapiński, the cycle will continue at least until the reference rate reaches 4.0%. In his opinion, this is a level which would not have a negative impact on economic activity in Poland. As a result, we expect the Council to continue raising interest rates at a pace of +50 bps at least until March. In the

following months, the scale of tightening may be reduced to 25 bps. However, this is highly dependent on incoming data on both the economy and the pandemic situation. The path of the 3-month Wlibor, implied by FRA contracts, is currently in the vicinity of 4.0% at the end of 2022.

The Bank expects a positive impact of interest rate increases on net interest income in 2022. The estimation and sensitivity of the net interest income to interest rate changes are presented in section 9.2. in the risk part.

- **The behaviour of the PLN against the key currencies.** In the middle of the fourth quarter of last year, the zloty was clearly gaining against the major currencies. The EUR/PLN exchange rate decreased at the end of November from 4.72 to 4.52 at the end of 2021. The situation was similar for the USD/PLN pair, where still in mid-November the exchange rate was around 4.20 and at the end of the year it fluctuated around 3.95. The beginning of 2022 will see the continuation of the appreciation trend of the zloty. To a large extent this is an effect of the increase in interest rates in Poland and the announcement of the continuation of the cycle of increases at least until the reference rate reaches 4.0%. The zloty is also supported by external factors, such as very good sentiment on the markets, which supports the currencies of emerging markets. A risk factor for the zloty, however, remains the issue of EU funds. The ongoing impasse between the government and the European Commission postpones the disbursement of funds earmarked for the National Recovery Plan (Krajowy Plan Odbudowy), which is part of the Next Generation budget aimed at supporting post-crisis economies in 2020.
- **Shaping the economic situation in Poland.** Last year ended with GDP growth of 7.3% in the fourth quarter. As a result, the Polish economy grew by 5.7% in 2021. Growth was mainly driven by private consumption, which added 3.4 p.p., and investment, responsible for around 1.3 p.p. of the total dynamics. This year, GDP dynamics will slow down to around 4.5% per annum in our view. GDP growth should be driven primarily by domestic demand, including mainly private consumption, which despite high inflation and rising interest rates should be supported by fiscal policy and savings accumulated during the pandemic by households. According to the Inflation Report published in November, this year the NBP expects GDP growth to remain high, at around 4.9% y/y. The first two quarters in particular, according to the NBP, will be characterised by a high annual growth rate of over 5.0%. The slowdown in economic growth may be affected by, inter alia, further increases in interest rates or the emergence of another much more serious mutation of the COVID-19 virus.
- **Situation on the domestic labour market.** The Polish labour market has recovered very quickly from the shock of the coronavirus pandemic. Since the onset of the pandemic, the unemployment rate has increased by 1.2 p.p. to 6.6% in February 2021 and has been falling again since then. In December it reached 5.4%, only 0.2 p.p. above the pre-pandemic level. This was due, among other things, to the reinstatement of posts eliminated during the pandemic and the appearance of new vacant posts. In December, the number of vacancies was the highest since the middle of the second quarter of 2019. Another positive development is the increase in the labour force participation rate in the 25-64 age group, which approached 80% in early 2022. Following the recovering labour market, wages in the business sector grew dynamically. In the fourth quarter of last year, salary growth averaged 9.9% y/y. In 2022 the salary dynamics will probably accelerate even more. The Inflation Report published in November shows that in the current year wage growth will reach 8.4% y/y.
- **Dynamic inflation changes.** In 2021, the price level in Poland increased by 5.1% on an annual basis. While in the first half of the year, the dynamics of CPI inflation remained at or just above the inflation target set by the National Bank of Poland (i.e. 2.5% +/-1 p.p.), it has clearly accelerated since June. In the third quarter, the average price level increased by 5.4% y/y, and in the fourth quarter the increase was already 7.7% y/y. The dynamic acceleration of inflation in Poland was largely due to the situation on global commodity markets. The increase in gas and oil prices translated into higher fuel and energy prices. In addition, disruptions in supply chains combined with the aforementioned increases in raw material prices translated into higher production costs, which also accelerated the CPI in Poland. In addition to external factors, the acceleration of inflation was strongly influenced by the increase in core inflation, which excludes energy and food prices. In the third quarter, it rose by 3.9% y/y, and in the fourth quarter growth remained around 4.8% y/y. CPI inflation has continued to rise since the beginning of 2022. CPI inflation accelerated to 9.2% y/y in January, rising by 0.6 p.p. on the previous month. A significant influence on the overall price level in Poland is the increase in energy costs (+54% gas, +24% electricity), which is, however, mitigated by measures under the Anti-Inflation Shield (reductions in VAT and excise tax rates on electricity and gas and zero VAT on a large part of food products). In 2022, we also expect core inflation to remain high, among others due to the very good situation in the labour market. In addition, core inflation will be strengthened by the increase in excise duty on alcohol and tobacco, which from January will increase its dynamics by about 0.2 p.p. and high consumer demand for durable goods.

High inflation and the improving labour market situation may translate into an increase in the Bank's costs, in particular in the area of staff costs. The level of administrative costs in 2022 will be affected by the level of fees to the Bank Guarantee Fund (BFG) - according to the BFG's announcements, the contribution in 2022 is expected to be higher not only compared to the 2021 level, but also compared to 2020.

- **Potential increase in public finance imbalances.** In 2020, the general government deficit clearly deteriorated to 7.0% of GDP. In 2021, the deficit is likely to narrow to 3.3% according to European Commission forecasts. In subsequent years, the deficit is forecast to improve gradually to 1.8% in 2022 and 2.1% in 2023. At the same time, public debt will fall from 57.4% of GDP recorded in 2020 to 49.5% in 2023. This forecast is, however, subject to high risk due to uncertainty regarding the disbursement of funds from the Next Generation budget and the financial perspective for 2021-2027. In addition, the situation of public finances may be worsened by the government's announcement at the end of 2021. Anti-Inflation Shield and its continuations. As a result, VAT on gas and food has been reduced to zero and on fuel reduced to 8%. The estimated cost of the Shield is around PLN 15-20 billion.
- **Potential increase in risk aversion in financial markets.** The main factor that will influence market sentiment in 2022 will be the monetary policy of the major central banks. The interest rate hikes already announced by the US Federal Reserve, among others, may significantly dampen risk appetite in the equity market. In addition, the emergence of a more contagious or more hospitalizing variant of COVID-19 may again worsen the mood on financial markets.
- **Quality of the loan portfolio.** The risk of a deterioration in the quality of the loan portfolio due to the pandemic did not materialise. Shield programmes on the part of the government and banks proved sufficient to dampen the increase in the non-performing loans ratio of the non-financial sector to just +0.4 p.p. at the end of 2020, which translated into a level of 7.0%. Analysing the situation in individual segments, the situation was slightly worse among small and medium-sized enterprises and consumer loans. In these areas, increases of just over +1 p.p. were recorded at peak times. According to NBP data, after December 2021, the non-performing loans ratio of the non-financial sector was already only 5.8%. On a segmented basis, each group was on a favourable trajectory, achieving readings more favourable than before the pandemic. Risks to this trend could be rising interest rates, or further waves of the pandemic and consequently worse growth prospects.
- **Foreign currency mortgage loans.** Information on the impact and current situation with respect to CHF loans is described in Section 11.3 "Legal cases".
- **Banking sector balance sheet structure.** According to the PFSA's data for November 2021, the loan-to-deposit ratio stood at 75%, thus remaining at a very low level, although its slight rebound from the record-low data of September 2021 should be noted. (+0.9 p.p.). Starting from July 2021, a return to moderate growth in loan volumes is visible, offset, however, by still strongly growing deposits. The driver of credit growth is no longer only mortgage products (+8% y/y, PLN 40 billion). Other categories are also growing, including consumer loans (+2% y/y, PLN 4 billion), which allowed us to return to the pre-pandemic volume of PLN 199 billion. Corporate loans also saw a slight increase (+1% y/y, PLN 4 billion), although its structure is not fully satisfactory. The growth is generated by the category of current loans (+6% y/y, PLN 8 billion), while investment loans are still stagnating and falling in annual terms (-2% y/y, PLN 3 billion). On the deposit side, households grew 8% year on year (PLN 73 billion), while corporate deposits grew as much as 11% (PLN 42 billion). Note the strong nominal monthly growth in both segments, by PLN 13 billion and PLN 14 billion, respectively, compared to October 2021. The high and persistent excess liquidity of the sector may cause the cost of funding to rise more slowly than will be implied by changes in the NBP reference rates.

The Bank emphasises that the volatility of the environment may give rise to other significant factors not mentioned in this Report, which may affect the Bank's and the Group's results and operations in future periods.

Growth perspectives for the Bank's Group

GRI 102-15, GPW E-P3

The operating environment of the banking sector is changing dynamically. Forecasts predicting the continuation of zero interest rates proved to be wrong. The currently observed cycle of their dynamic growth will translate favourably into interest margins. However, this is not a risk-free scenario. Higher interest rates mean growing loan instalments. This may be particularly difficult for PLN mortgage loans. The uncertainty concerns not only a potential deterioration of the portfolio quality, which is historically unlikely, but also the social reaction. On the wave of settlements for franking credits, an attempt to use this mechanism in an analogous way seems possible, however legally questionable. It should also be noted that rising interest rates are a result of

exceptionally high inflation. This translates into wage pressure, which the industry and the economy as a whole will feel.

The Bank enters 2022 well prepared to benefit from market opportunities as well as to absorb any risks that may materialise. After a period of mergers and transformation, the time has come for clear organic growth, as already demonstrated by the 2021 results. The Bank expects this path to continue and even strengthen this year and beyond. Despite the global pandemic and the write-downs related to franking credits, the capital and liquidity position remains strong and allows us to look to the future with optimism, focusing on business development.

In line with the long-term vision, responsible volume growth and high-quality customer acquisition will be key to success. Sales must continue to be made to the highest ethical standards so that the customer is fully informed and chooses a tailored product. In terms of acquisition, the Bank will focus on acquiring active customers who treat BNP Paribas as their main bank. At the same time, a number of actions will be taken to activate existing customers and deepen the relationship with the Bank.

Relations with customers are increasingly handled via remote channels. Responding to this trend, the Bank continuously strengthens the capabilities of digital tools, which is appreciated by customers and visible in the statistics of their use. At the same time, the Bank notes a still significant base of customers preferring to be served in branches, for whom it wants to continue to provide services according to their preferences. Those interested in using remote channels will be supported by the Bank's employees in learning how to use new technologies safely.

The Bank will focus on building an attractive image as an environmentally friendly and socially responsible institution. In doing so, it will use its important position in the economic ecosystem to fully engage in the implementation of the European "green new deal" initiatives. The Bank will strive to become the first choice in financing sustainable development, including in particular the energy transition. These actions will also support the building of a stronger, better recognised brand with corporate social responsibility embedded in its values.

Dynamic and above all efficient growth will not be achieved without improving internal processes and systems. There is still much to be optimised in this area, which is visible above all through a cost-to-income ratio below the Bank's ambitions. To remedy this, the Bank is planning extensive changes that will involve significant investments. The main tool for change, will be the agile working methodology (Agile@Scale) introduced from 1 January 2022. 1,300 people will work in the new way.

In the same time, much attention will be paid to further improving customer satisfaction, which will facilitate the strengthening of loyalty and, in the long term, translate into further improvements in profitability. The Bank is convinced that engaged employees translate into satisfied customers. Hence, it will be crucial to provide an environment that supports activity and creativity, but also accepts mistakes resulting from testing bold, non-standard solutions. It will remain important to ensure work-life balance and care for the mental health of employees. A high level of activity will be maintained in supporting the development of women within the Bank's structures and in promoting diversity at all levels of the organisation.

Overview of ESG regulations

ESG aspects as a tool for sustainable finance

Environmental, Social, and Governance (ESG) criteria are business-related standards used by investors in decision-making processes. Environmental criteria (E) concern a company's approach and performance in terms of environmental protection and climate change. These criteria can also be used to assess the environmental risks faced by a company and to manage these risks. Social Criteria (S) concern a company's approach and performance regarding employees, suppliers, Customers and local communities. They also include human rights issues. Management criteria (G) are related to an entity's management structure, including the approach to diversity and transparency, as well as ensuring compliance with appropriate regulations.

Corporate Sustainability Reporting Directive (CSRD)

The directive will replace the current Non-Financial Reporting Directive (NFRD). It will take effect from 2023. Therefore, the first sustainability reports following CSRD requirements will be published in 2024 and will be devoted to companies' 2023 operations. The descriptions will be prepared according to a unified standard and published in Management Board reports. The information and data provided in the report will need to be audited by an independent external body. Work is currently underway to develop a uniform standard. Maria Krawczyńska, Director of the CSR and Sustainable Finance Department, is a member of the expert working group at the European Financial Reporting Advisory Group (EFRAG) which is preparing the European Sustainable Development Reporting Standard.

European Commission guidelines on the disclosure of climate-related information

The document, issued by the European Commission, contains practical recommendations for companies on reporting how their activities affect the climate, as well as on the impact of climate change on their activities. The EC guidelines incorporate the international recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and were created to improve the reporting of climate-related financial information. They are designed to obtain consistent, valuable, future-oriented information on the significant financial implications of climate-related risks and opportunities, including those regarding the global transition to a low-carbon economy.

Sustainable Finance Disclosure Regulation (SFDR)

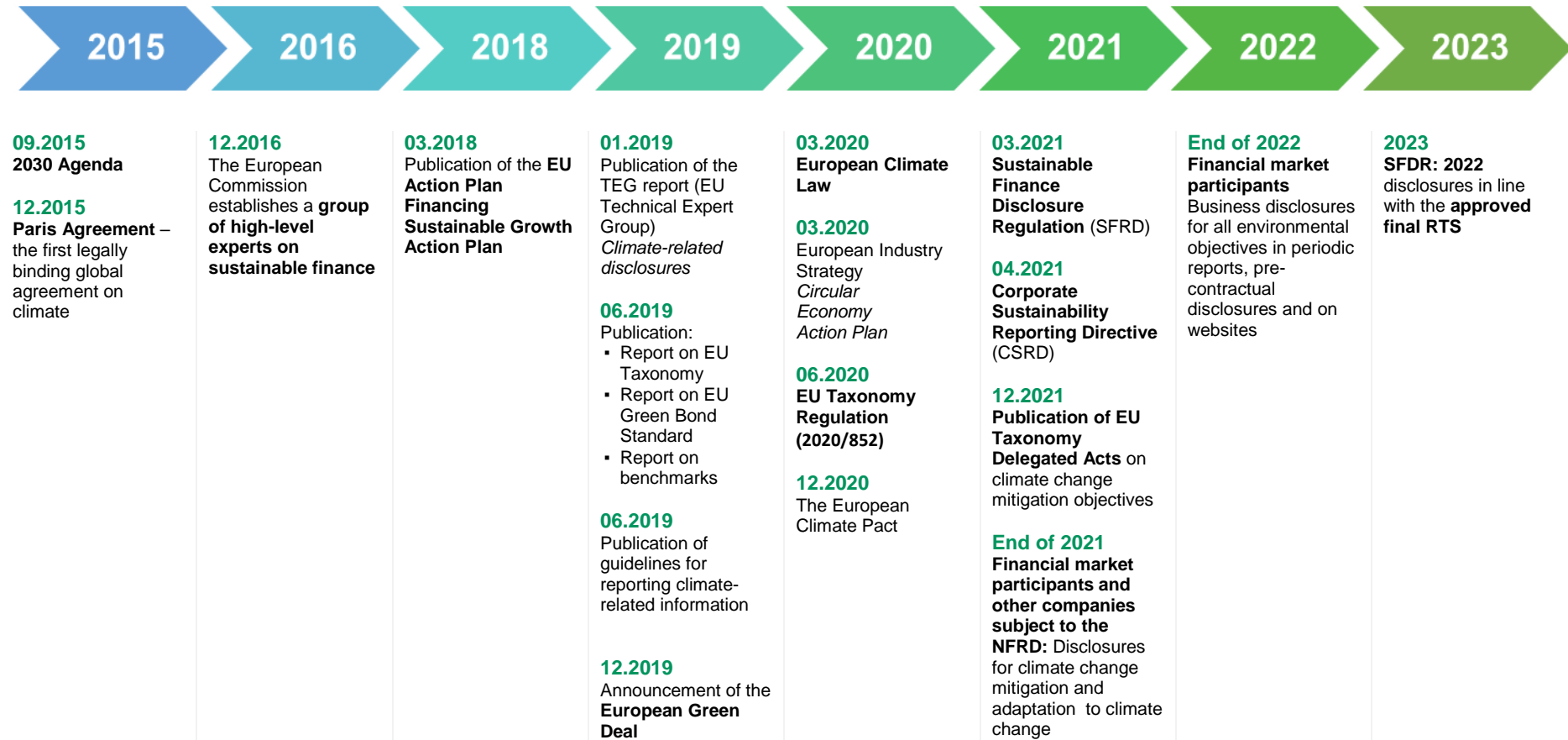
Under the SFDR, financial market entities and financial advisors, including banks, are subject to new obligations regarding transparency and disclosure of their sustainability risk management in investment processes and decisions. According to the Regulation, new disclosures should include:

- Information on the adopted strategy for mitigating sustainable development risks in investment decision-making (in accordance with Regulation guidelines in terms of scope).
- Disclosures regarding the negative impact of investment decisions on sustainable development factors.
- Information on the remuneration policy, including information on the consistency of the policy with the introduction of sustainability risks into the business.

UE Taxonomy ordinance

The EU Taxonomy is a unified classification system – a list of environmentally sustainable economic activities. The regulation consists of six objectives and detailed criteria that help to determine whether a given investment is environmentally sustainable.

Chronological overview of ESG regulations



2.6 Management of ESG issues

GRI 102-26

Supervision over ESG issues, including the implementation of strategic CSR and sustainability goals, is performed by the Management Board, headed by the President of the Management Board.

In October 2020, the Bank appointed a **Chief Sustainability Officer, who heads the Sustainability Council. The Chief Sustainability Officer reports directly to the President of the Management Board, who supervises the strategic inclusion of ESG aspects in the organisation's activities.**

The primary responsibilities of the Sustainability Council include:

- Defining and monitoring **strategic ESG commitments**, which will be a crucial aspect of the Bank's Strategy for the years 2022-2025,
- Supervision over the development of sustainable banking products and services,
- Combining various ESG initiatives.

Until the end of 2021, the units responsible for sustainability and ESG aspects were the **CSR and Sustainability Office and the Sustainability Programmes Office.**

From January 2022, sustainability tasks, thus far divided between various units of the Bank, are to be supervised by a single competence center - the Sustainability Area, established in December 2021. Jarosław Rot, the former Chief Sustainability Officer, is the Executive Director of the new Area.

The Sustainability Area consists of three units:

- The Energy Transition Support Department managed by Adam Hirny. Its main goal is to cooperate with international and national financial institutions and organisations to support the energy transformation of the market.
- The CSR and Sustainable Finance Department managed by Maria Krawczyńska. Its responsibility is to coordinate the implementation of the Bank's strategy in terms of sustainability and ESG factors. It also cooperates with internal and external stakeholders and rating agencies, monitors the ESG risks of Customers and the Bank's transactions and coordinates CSR policies (especially in sensitive sectors).
- The Sustainability Initiative and Reporting Team managed by Andrzej Budasz - Agile Expert Center. The unit cooperates with all Tribes on sustainability tasks. It is also responsible for budgetary and reporting processes and supervision over strategic sustainability initiatives.

Climate-Related Financial Disclosures (TCFD recommendations)

We have provided a brief summary below. Full disclosure of climate-related information in relation to the TCFD recommendations is attached to the *ESG Report* as a separate table in the *About the Report* chapter.

1. Management

- Supervision of the Bank's Management Board over the approach to climate issues.
 - Quarterly system for discussing ESG issues (including climate issues) by the Management Board and the Supervisory Board.
 - Periodic ESG status reports prepared by the Sustainability Council for the Bank's Management Board.
 - Annual review of the climate-related risk appetite and discussion of the results at a joint meeting of the Management and Supervisory Boards, as well as at the Risk Management Committee.
 - Climate issue reports prepared by the Chief Sustainability Officer directly for the Bank's President.
- Responsibility of managers for the implementation of goals and initiatives aimed at climate protection in their areas.

2. Strategy	<ul style="list-style-type: none"> • The main climate-related risks and opportunities identified at the global level of the BNP Paribas Group. • Climate risks and climate-related opportunities identified at the level of BNP Paribas Bank Polska S.A. • Climate issues were a part of the Fast Forward Strategy and are even more pronounced in the Bank's new business strategy prepared at the turn of 2021/2022. <p>An analysis of the resilience of the Group's strategy to climate risks at the level of the entire BNP Paribas Group.</p>
3. Risks	<ul style="list-style-type: none"> • Risks related to climate change are analysed in line with the Bank's risk identification process. • After a review of the risk identification process, in 2021 the Bank introduced changes to the taxonomy of risk factors. ESG-related factors (including climate factors) became a separate category. • In climate risk analyses, the Bank considers environmental factors that may have a positive or negative impact on financial results, Customer solvency and company value, as well as the impact of our Customers' operations on environmental factors.
4. Goals and results	<ul style="list-style-type: none"> • Alignment of the Bank's goals with the Paris Agreement and involvement within the Net Zero Banking Alliance. • Limiting the financing of high-emission sectors. • The bank assesses its contribution to the energy transformation of its Customers. • Measuring and reducing greenhouse gas emissions in the Bank's operations. • Building partnerships and promoting climate justice.

A detailed description of the Bank's approach to managing opportunities and risks can be found in the *Environmental perspective* chapter.

More information about the global approach of the BNP Paribas Group to managing climate opportunities and risks and about the global climate strategy (consistent with the Bank's goals and activities) can be found in the *TCFD 2020 Report of the BNP Paribas Group*.

2.7 Risk management

Risk management system

GRI 102-11, 102-15, 102-30, GPW E-P3

The risk management system is an integrated set of principles, mechanisms and tools (including but not limited to policies and procedures) relating to risk processes. Risk management is part of the overall management system of the Bank. In addition to regulatory requirements, the Bank takes into account the specific nature, scale and complexity of its business activities and the associated risks. The main objectives of the risk management system are:

- ensuring that all material risks associated with its activities are identified early and managed appropriately,
- support the implementation of the business strategy by effectively controlling the level of risk and maintaining it within the accepted risk appetite,
- a reflection of the Bank's risk attitude and risk culture,

- the measurement or estimation and monitoring of risks, including the prevention of potential losses through appropriate control mechanisms,
 - reducing risks by defining a system of limits and the rules to be followed if those limits are exceeded,
- defining an organisational structure appropriate to the size and profile of the risks incurred.

The Bank's risk management system is organised on the basis of a scheme of three independent lines of defence, used to define roles and responsibilities in order to achieve effective supervision and organisation of risk management in the Bank:

- **the first line of defence** includes the business units responsible for risk management in the Bank's operations, including compliance with control mechanisms
- **the second line of defence** consists of the organisational units of the Risk Area, Security and Business Continuity Management Division and Compliance Monitoring Division, which are responsible for managing individual risks, including measuring, monitoring, controlling and reporting risks, independently of the first line,
- **the third line of defence** is the activity of the Internal Audit Division, which performs independent assessments of the risk management activities conducted by both the first and second lines of defence.

The Bank's Management Board plays the leading role in the Bank's risk management system, determining the risk management strategy, risk appetite and adopting risk management policies, as well as setting limits for significant risks and risk control procedures. The risk management principles have their source in the document *Risk Management Strategy at BNP Paribas Bank Polska S.A.* defined by the Bank's Management Board and approved by the Supervisory Board.

The organisation of the risk management system at the Bank includes primarily the role of the Supervisory Board, the Bank Management Board, dedicated committees (Audit Committee and Risk Committee at the Supervisory Board level, Assets and Liabilities Management Committee (ALCO), Risk Management Committee, Retail Banking Risk Committee, Personal Finance Risk Committee, Credit Committee, Problem Loans Committee, Products, Services, Transactions and Activities Acceptance Committee and Internal Control Coordination Committee), Risk Area, Compliance Monitoring Division and Security and Business Continuity Management Division.

Risk identification processes

TCFD

The identification of risks is performed at least once a year. Risks are characterised and assessed quantitatively, based on three parameters:

- Risk type,
- Risk factors that directly contribute to the risks, and
- Type of impact (financial impact or qualitative assessment),

using a unified risk identification tool for all risk types. Our taxonomy of risks includes all types of risks that may affect the Bank's operations. The purpose of developing a risk taxonomy is to address all typical risks that the Bank is or may be exposed to, given its business model, activities and environment. The identification process involves recognising, defining and describing the types of risk that may threaten the Bank's objectives. The Bank identifies risk events that correspond to scenarios of particular risk types. The internal risk taxonomy covers all potential risks and is not limited to significant types. The taxonomy is not static and may evolve along with methodological developments and the emergence of new threats or regulatory requirements.

The Bank has also developed a taxonomy of risk factors to detail the causes/factors underlying the materialisation of risk events. Risk factors are understood as the direct causes of risk. **After reviewing the risk identification process, in 2021, the Bank introduced changes to the taxonomy of risk factors. ESG-related factors became a separate category.** The taxonomy divides risk factors into the following categories, according to the area of their origin:

- Financial markets,
- Macroeconomic environment,
- Concentration,

- Business environment,
- Environmental, social and governance factors,
- Internal processes.

ESG risk management

GRI 102-11, 102-15, 102-30, 103-1, 103-2, 103-3 reporting topics: *Monitoring and management of ESG risks – environmental, social and governance – in the activities of the Bank and its Customers, GPW E-P3, TCFD*

The types of risk identified as potentially important are analysed in terms of their materiality – the result is a list of key risks. To assess the importance of risks, the Bank:

- Defines the concept of risk materiality,
- Defines the factors determining risk materiality,
- Assesses risk materiality,
- Prepares a report on the assessment of risk materiality.

The materiality assessment process is the same for all risks.

In 2020, the Bank recognised ESG risks as significant. Therefore, it became necessary to include the impact of environmental protection, social policy and corporate governance factors in the traditional risk management model. Based on the aforementioned factors, ESG risk was included in the Risk Management Strategy and Risk Appetite. To reduce and control the risk, the Bank developed principles for measuring ESG risk in the process of assessment of the Bank's internal capital (ICAAP). The capital plan of BNP Paribas Bank Polska S.A. for 2022-2025 was supplemented with limits for ESG risk determined based on the risk measurement performed.

In 2021, in response to the EBA/GL/2020/06 Guidelines of May 29, 2020 on the granting and monitoring of loans, the Bank developed ESG assessment questionnaires for the credit process. The purpose of the assessment is to identify any ESG-related risks affecting the financial situation of Customers, as well as the impact of Customers' business activities on ESG factors (principle of double materiality). *ESG risk management rules at BNP Paribas Bank Polska S.A.* were also developed.

The Bank's ESG risk analyses consider ESG factors that may have a positive or negative impact on financial results, Customer solvency or company value, as well as the impact of our Customer's business activity on ESG factors.

Environmental factors

- Greenhouse gas emissions,
- Energy consumption and efficiency,
- Water, air and soil pollution,
- Effective management of water consumption (risk of freshwater shortage),
- Soil degradation,
- Deforestation,
- Consumption of natural resources,
- Waste management,
- Biodiversity and ecosystem protection,
- Risk of no energy transformation,
- Development of low-carbon technologies and other environmental Technologies (transition risk),
- Regulatory restrictions, including additional taxes and fees, e.g. carbon tax (transition risk),
- Physical risks associated with climate change (extreme weather events and gradually worsening climate conditions), including the effects of

	<p>natural disasters that may cause, i.a., a decline of asset value,</p> <ul style="list-style-type: none"> • Changes in consumer moods and preferences related to growing awareness of environmental risk, • Risk of financial liability for the negative impact of conducted activity (damages, penalties),
Social factors	<ul style="list-style-type: none"> • Integration of various social groups, • Supporting social cohesion, • Respect for diversity, • Whistleblower protection, • Investing in human capital and communities, • Counteracting discrimination on any grounds, • Combating inequalities and promoting equal opportunities, • A safe and healthy work environment, • Health and safety of Customers, local communities and the environment, • Protection of Customers' privacy, • Training and development, • Failure to respect human rights (forced labor, child labor, modern slavery), • Non-observance of workers' rights: right to association, right to protest, right to collective bargaining, ethical standards for employment, • The risk of failure to prevent terrorism and cybercrime threats, • Infectious diseases (affecting humans or animals), • Risk of financial liability for the negative impact of conducted activity (damages, penalties),
Governance factors	<ul style="list-style-type: none"> • Unethical and unfair business practices, • Non-compliance with corporate governance standards (code of ethics, mechanisms for reporting complaints and irregularities, information transparency), • Gender diversity in corporate bodies, • Internal audit, • Independence of the board, • Management salaries, • Abuses and corrupt practices, • Shareholders' rights, • Stakeholder involvement, • Defective ESG risk control systems, • Supply chain requirements, • Compliance with the regulations of the non-financial sector, • Risk of financial liability for the negative impact of conducted activity (damages, penalties).

A detailed description of the Bank's approach to managing climate-related opportunities and risks can be found in the *Environmental perspective* chapter.

In addition, the Bank exercises caution regarding the financing of sectors considered sensitive in terms of ESG risk and limits its share in industries widely recognised as harmful and inconsistent with sustainability principles.

In each sector considered particularly harmful, we implement **CSR Policies and Principles**. To become a Customer of the Bank or obtain financing, an entity must meet several requirements listed by the Policy for a

given sector. The Bank makes strategic decisions to cease servicing Customers representing sectors that are particularly harmful in terms of sustainability.

CSR sector policies are described in the *Business Perspective* chapter.

Regulatory risk resulting from changes in the legal environment related to ESG strategy is also an essential aspect for the Bank. We monitor the activity of supervisory authorities and legislative proposals in the financial sector to ensure adequate risk management and control. The Bank recognises changes in the ESG area and assumes that they will significantly impact its operations.

The Bank analyses the possible impact of climate change trends by identifying opportunities and threats to its business and development prospects. To this end, it has distinguished climate-related risks and opportunities in the short, medium and long term.

A detailed description of the Bank's approach to managing climate-related opportunities and risks can be found in the *Environmental perspective* chapter.

The Bank has implemented effective systems of operational control, risk management, compliance supervision, as well as audit and internal control. The simultaneous functioning of all the above-mentioned elements enables the Bank to exercise constant and effective supervision in the area of corruption prevention.

2.8 Compliance with laws and regulations

GRI 206-1, 307-1, 417-3, 418-1, 419-1, GPW G-S1, UNGC 1 i 2

In 2021:

- There were no pending court or administrative proceedings against BNP Paribas Bank Polska S.A. or BNP Paribas Bank Polska S.A. Capital Group concerning conduct violating the freedom of competition or anti-monopoly regulations.
- Two substantiated complaints regarding breaches of Customer privacy and data loss were recorded.
- There have been no reports of non-compliance with regulations and/or voluntary codes concerning marketing communications.
- The total value of significant penalties imposed on the Bank for non-compliance with laws and regulations in the social and economic area in 2021 amounted to PLN 200 thousand. All the violations occurred when Raiffeisen Bank Polska SA was the depositary of the funds. On October 31, 2018, the core business of Raiffeisen Bank Polska SA was transferred to BNP Paribas Bank Polska SA. Thus, the Bank became, i.a., the depositary for investment funds. Due to legal continuity, the penalties were transferred to BNP Paribas Bank Polska SA.
- The Bank did not record judicial or administrative proceedings concerning conduct that violates the freedom of competition or anti-monopoly regulations, and there were no complaints, penalties, or sanctions in the area of environmental impact within the organisation's administrative activities.

2.9 Ethics

GRI 102-16, 102-25, 103-1, 103-2, 103-3 reporting topic *Ethics in internal and external relations*, GPW G-P2

Code of ethics

The norms of behaviour and ethical standards accepted in the BNP Paribas Group are set out in the [BNP Paribas Code of Conduct](#). The document expresses our goal to be a respected European bank with a global reach and contains guidelines for all BNP Paribas Group employees.

In accordance with the Code, employees must comply with the laws and regulation regarding, in particular

- Protection of Customers' interests,
- Counteracting money laundering and terrorist financing,
- Counteracting corruption,
- Avoiding and managing conflicts of interest,
- Preventing market abuse,
- Counteracting all forms of discrimination,
- Environmental protection and counteracting climate change,
- Responsible conduct in public life.

Every employee receives mandatory *Code of Conduct* training. Thus, employees can familiarise themselves with the document and understand its priorities. The employees' awareness of the expected attitudes is also increased through ongoing internal communication.

The Bank is actively involved in industry initiatives for ethics in business. For more information, please refer to the *Business perspective* chapter.

In 2021, in accordance with the requirements stated in the Recommendation of the Polish Financial Supervision Authority, the Bank's Supervisory Board officially approved the Code of Conduct of the BNP Paribas Group, which has been in force at the Bank since 2016 and was previously adopted by the Management Board.

Other documents regulating ethical issues at the Group and Bank levels are listed in the *Due diligence policies and procedures* section of the current chapter.

Mechanisms for reporting irregularities

GRI 102-17, GPW G-P4

The Bank has adopted a zero-tolerance policy for any type of fraud or attempted fraud by employees, Customers, counterparties and third parties. The Anti-Fraud Policy provides details on the division and principles of responsibility in this sphere.

The Bank has established units that provide advice on ethical and legal issues, as well as matters relating to the integrity of the organisation to all employees. These units include, in particular, the Compliance Monitoring Division and the Legal Division.

All employees are expected to familiarise themselves with international standards and comply with relevant laws, rules and regulations in all areas, as well as with professional standards that apply to their activities.

An important aspect of implementing the policy related to complaints and requests is the Whistleblowing process. The system launched at the Bank is an expression of concern for our employees' well-being and abidance with the law. It defines communication channels through which potential violations can be reported to members of the Management Board and other employees.

The Bank places particular emphasis on the anonymity of reports. Therefore, it provides:

- Absolute protection of the identity of the reporting and reported parties; their details may not be disclosed to third parties unless there is a legal obligation to do so,
- Treatment of reports with the utmost seriousness, fairness and discretion,
- Verification of reports by authorised personnel to resolve concerns fairly and impartially.

In addition to the standard communication channels, direct communication with the dedicated Compliance unit (Group Financial Security US) can be used for incident reports regarding sanctions and embargoes.

Initiatives for industry responsibility

GRI 102-12, GRI 103-1, 103-2, 103-3 reporting topic *Responsible selling of products and services and self-regulation in this respect*

We actively promote good practices in the Polish financial industry. In addition to internal initiatives and the implementation of adequate policies, we raise issues of responsibility, which are essential to our Customers and to us, on the industry forum.

Declaration of Responsible Sales

In Customer relations, we focus on ethics, empathy and an improved understanding of our Customers' needs. The Declaration of Responsible Sales is devoted precisely to these issues. The document changes the approach to the daily relationship between the Customer and the financial institution.

Our Bank was among the initiators of this self-regulatory project for the financial sector. It aims to raise and disseminate ethical standards in Customer relations, educate businesses and consumers, increase trust in the financial industry and counteract unfair practices.

As a signatory of the Declaration of Responsible Sales, we are obliged to improve our processes and service models constantly. We undertake new initiatives aimed at enhancing the customer experience.

Key assumptions and initiatives within the project

Simplicity	<ul style="list-style-type: none"> • Simple and transparent products. • Customer education.
Honesty	<ul style="list-style-type: none"> • Fair prices. • Partner relationship with the Customer. • Transparent product description.
Sensitivity	<ul style="list-style-type: none"> • Products tailored to Customers' needs. • Equal treatment and support.
Customer's voice	<ul style="list-style-type: none"> • Simple complaint process. • The Customer's voice is the driving force for new initiatives.

Cooperation with the Banking Ethics Committee of the Polish Bank Association

The Bank's experts are involved in industry initiatives to raise ethical standards within the sector. They also actively participate in the Banking Ethics Committee of the Polish Bank Association.

"Ethics in finance" competition

As in previous years, in 2021, the Bank became one of the six sponsors of the Polish edition of the Ethics in Finance Competition. The competition is organised by the Banking Ethics Committee in cooperation with the Financial Observatory in Geneva and is part of the global Ethics & Trust in Finance Prize project. Its goal is to promote ethical attitudes in the world of finance and to raise awareness of the importance of ethics in the financial sector by involving youth.

"Not-irresponsible" conference

For many years, we have been supporting subsequent editions of the "Not-irresponsible" conference, devoted to responsibility within the financial industry and in the business world. The topic of the 9th conference, held in hybrid form in October 2021, was: "Impurity. Behind the veil of business. In the heart of man." Małgorzata Kamińska, Director of the Transformation and Development of Customer Experience Department, took part in a debate on responsible selling.

2.10 Human rights

Anti-discrimination and respect for human rights

GRI 103-1 103-2 103-3 reporting topic *Respect for human rights in business*, 406-1, 412-1, 412-2, GPW S-P5 I S-P6, UNGC 1, 2 I 6

Promoting diversity and counteracting discrimination is a key aspect of the Bank's management model and the management principles of the BNP Paribas group.

Our priority is to treat all employees and external partners fairly, with due respect regardless of age, gender, ethnicity, religion, nationality, political beliefs, sexual orientation, disability and other factors.

In 2012, the BNP Paribas Group signed the *BNP Paribas Declaration on Human Rights*, thus ensuring respect for human rights within its areas of influence, including employees, suppliers, Customers and local communities. The *BNP Paribas Group Code of Conduct* stresses the importance of treating all employees with respect. The Code describes employees' expected behaviours and attitudes inside and outside the organisation.

In addition, the BNP Paribas Group signed the *BNP Paribas Agreement on Fundamental Rights and Global Social Solutions* as well as the *ILO Global Business and Disability Network Charter* (International Labor Organisation). Thus, the Group confirmed its compliance with international standards on human rights and committed to their promotion, as well as expressed its support for the UN Guidelines on Business and Human Rights.

The BNP Paribas Group observes a number of principles and standards that underlie its business activities, including:

- *UN Sustainable Development Agenda*
- *The 10 UN Global Compact Principles*
- *UN Guidelines on Business and Human Rights*
- *OECD Guidelines for Internationally recognised Business Enterprises*
- *Internationally recognised human rights standards as defined by the International Bill of Human Rights*
- *Core labour standards defined by the International Labor Organisation*
- *BNP Paribas Group Code of Conduct*
- *BNP Paribas Human Rights Declaration*
- *CSR Declaration for BNP Paribas Suppliers*

Since 2016, the Bank has also been a signatory of the Diversity Charter, an international initiative supported by the European Commission. It is devoted, among other things, to non-discrimination in the workplace, as well as involving all employees, as well as business and social partners in anti-discrimination initiatives.

In 2020, the BNP Paribas Group developed an e-learning module entitled "Understanding and implementing human rights in the company." It is mandatory for employees who are involved in identifying potential risks regarding human rights violations, including those connected with areas such as CSR, risk, purchases and sales management. The assignment and completion of this training by employees from the aforementioned areas is monitored at a global level. **The training is also available to all interested employees. By the end of December 2021, the training was assigned to 137 people, and 104 completed it.**

In addition, the Bank's Human Resources Management Department regularly provides training on discrimination and mobbing. In 2020, two webinars were organised and were attended by nearly 900 employees. The webinars were conducted by a legal adviser, the president of the Polish Society of Anti-discrimination, Karolina Kędziora. In 2021, the initiative was continued and we organised a webinar addressed to the managerial staff. Almost 300 people took part in the event.

The Bank's human rights management includes, among other things, monitoring the reports on mobbing, discrimination, harassment and violations of employee rights.

The Bank has a zero-tolerance mobbing policy. Mobbing prevention is regulated by the *Anti-Mobbing Policy* implemented at the Bank. It enables the employer to prevent mobbing and to react immediately if it occurs.

Employee reports on mobbing are investigated by the Anti-Mobbing Commission.

The Bank has implemented *Principles for dealing with reports of harassment and sexual harassment in professional relations*. These enable the safe reporting of reasonable suspicions without fear of retaliation against the reporting party. This document also regulates issues related to the protection of human rights. It implements solutions adopted in the BNP Paribas Group Policy *Treatment of harassment notifications*.

The *Diversity Management Policy* contains regulations for managing the risk of discrimination. It aims to create and promote a diverse work environment that uses the potential of all employees. The policy obliges all employees to comply with the adopted principles in all HR management processes.

The main policies, procedures and other documents regulating due diligence issues, including those related to human rights protection at the level of the BNP Paribas Bank Polska S.A. Capital Group and BNP Paribas Bank Polska S.A. are listed in the *Due diligence policies and procedures* section of the current chapter.

2.11 Corruption prevention

GRI 102-25, 205-1, 205-2, 205-3, GPW G-P3, UNGC 10

There is an *Anti-Corruption Policy* in place at the Bank. It regulates how corruption is identified and limits the risk of corruption. It also defines the principles of conduct and scope of responsibility in this area. Due to the adoption of the aforementioned regulation, all events of a potentially corrupt nature are monitored.

We have a zero-tolerance rule for all forms of corruption, including accepting, offering, requesting, giving or agreeing to additional benefits, items or advantages.

The Bank's anti-corruption system is based on

- Internal regulations specifying the method of operation and of reporting corruption incidents to the appropriate organisational units of the Bank,
- Training employees to increase their awareness and show paths of action in specific situations,
- Operational control as part of the implemented internal control system.

The Bank continuously evaluates the management and control system (procedures, reporting, audits, training) implemented to counteract corruption. Appropriate internal regulations in this respect are implemented and updated on an ongoing basis. Risk mapping and the analysis of corruption-related information are centrally supervised. The Managing Director of the Compliance Division appoints a Corruption Prevention Correspondent, whose tasks include coordinating anti-corruption activities.

To counteract corruption, the Bank monitors, i.a., indicators concerning reported cases of fraud, identified conflicts of interest, accepted/given gifts and invitations, due diligence in establishing relations with Customers/contractors/intermediaries, the level of employee awareness. In 2021, the Internal and External Corruption Risk Assessment was integrated into the Operational Risk and Control Self-Assessment (RCSA) process.

We expect our business partners (suppliers, contractors, subcontractors cooperating with the Bank and its Customers on behalf of the Bank) to act in accordance with the principles set out in the *Anti-Corruption Policy*. An anti-corruption clause is a key part of each agreement concluded by the Bank with its business partners.

The current policies in the area of counteracting corruption are listed in the *Due diligence policies and procedures* section of the present chapter.

No cases of corruption were identified at BNP Paribas Bank Polska S.A. in 2021.

GRI 205-2, GPW G-P3, UNGC 10

Anti-corruption processes must be familiar and clear to all employees of the Bank. Therefore, we conduct relevant training, available to all employees, and we provide additional information through internal communication channels. A separate training course is addressed to employees particularly exposed to the risk of corruption. It provides i.a., practical solutions which help to counteract the risks. The Corruption Prevention Correspondent organises additional training for individual units of the Bank.

In 2021, the Bank implemented an updated training programme devoted to the Code of Conduct. One of its modules was devoted to counteracting corruption. Additionally, we designed a dedicated intranet site, which describes the anti-corruption system. IT solutions that will allow for more effective monitoring of key corruption indicators are also being developed.

99.75%

of the employees who were assigned anti-corruption training completed the programme

1,144

suppliers are familiar with anti-corruption policies and procedures, which is 65% of active suppliers and c. 93% of key suppliers

89%

of Management Board members received anti-corruption training

2.12 Sustainable supply chain

GRI 102-9, 204-1, 308-1, 412-3, 414-1, GPW S-P6, UNGC 1, 2, 4, 5 | 6

CSR Declaration

To implement a responsible procurement policy, the Bank developed a *CSR Declaration*. The document describes the rules of cooperation with suppliers.

The Bank commits to choosing suppliers responsibly, treating them equally in financial matters, and promoting suppliers who support CSR initiatives.

By signing the *CSR Declaration*, suppliers confirm compliance with ethical principles, working and safety conditions, regulations regarding the employment of young people, combating forced labour, discrimination and environmental issues. Each new supplier is assessed according to these criteria.

To participate in procurement procedures, bidders and suppliers must accept the Code of Conduct for Suppliers. The CSR declaration for suppliers aims to promote social responsibility among stakeholders and encourage responsible practices among suppliers.

In 2021, the Bank adjusted the CSR Declaration to the requirements of the BNP Paribas Group. It is now 100% compliant with the Sustainable Sourcing Charter.

43

new suppliers signed the CSR Declaration in 2021, which constitutes 95% of all new suppliers.

5%

of the overall supplier assessment was the signing of the CSR Declaration (from 2022 this ratio increased to 10%)

85%

of the Bank's expenses on products and services in 2021 were purchases from local suppliers

Our purchasing policy is to continually reduce the consumption of resources (such as paper and plastic) and to implement eco-friendly initiatives, such as the purchase of green energy from renewable sources or the purchase of certified, recycled paper.

In 2021, there were no significant changes in this area, and no complaints related to the environmental impact of the Bank's purchasing policy were reported.

2.13 Due diligence policies and procedures

GRI 102-25

The main policies, procedures and other due diligence regulations at the level of the Capital Group and the Bank.

Employee issues

- At the level of BNP Paribas Bank Polska S.A. Capital Group:
- Code of Conduct of the BNP Paribas Group
 - The principles of responsible business of the BNP Paribas Group
 - Whistleblowing Policy
- At the level of BNP Paribas Bank Polska S.A.:
- CSR Policy
 - Diversity Management Policy
 - Remuneration Policy
 - Anti-mobbing Policy
 - Principles for dealing with reports of harassment and sexual harassment in professional relations
 - Policy on reporting violations of law as well as procedures and ethical standards applicable at BNP Paribas Bank Polska S.A., including anonymous reporting (Whistleblowing),
 - Labour Relations Management Policy
 - Workplace rules and regulations
 - Principles of Recruitment
 - The Collective Labour Agreement
 - Principles of granting premiums
 - Remuneration policy for employees who have a significant impact on the Bank's risk profile
 - Regulations for granting components of variable remuneration to persons having a significant impact on the risk profile, other than members of the Management Board
 - Regulations of the Disciplinary Committee of BNP Paribas Bank Polska S.A.
 - Succession planning policy
 - Policy for identifying key positions as well as appointing and dismissing persons in these positions at BNP Paribas Bank Polska S.A.
 - Rules of conduct as regards organisational changes, applying for additional posts and exceeding costs at BNP Paribas Bank Polska S.A.
 - Rules of conduct in the processes of employment, reclassification and termination of contracts with employees of BNP Paribas Bank Polska S.A.
 - Policy of assessing members of the Supervisory Board and Management Board, as well as persons in key positions at BNP Paribas Bank Polska S.A.

Social issues

- At the level of BNP Paribas Bank Polska S.A. Capital Group:
- Code of Conduct of the BNP Paribas Group
 - The principles of responsible business of the BNP Paribas Group
 - Statute of the BNP Paribas Foundation
- At the level of BNP Paribas Bank Polska S.A.:
- CSR policy
 - Employee volunteering regulations
 - Local Grants Programme regulations
 - Donation Budget of BNP Paribas Bank Polska S.A. regulations

Environmental issues

- At the level of BNP Paribas Bank Polska S.A. Capital Group:
- Code of Conduct of the BNP Paribas Group
 - The principles of responsible business of the BNP Paribas Group
 - Sectoral policies of the BNP Paribas Group
- At the level of BNP Paribas Bank Polska S.A.:
- CSR policy
 - Sectoral policies and the principles of CSR financing

Human rights issues

- At the level of BNP Paribas Bank Polska S.A. Capital Group:
 - Code of Conduct of the BNP Paribas Group
 - The principles of responsible business of the BNP Paribas Group
 - Statute of the BNP Paribas Foundation
 - Whistleblowing policy
- At the level of BNP Paribas Bank Polska S.A.:
 - CSR policy
 - Diversity management policy
 - Anti-mobbing policy
 - Principles for dealing with reports of harassment and sexual harassment in professional relations

Corruption prevention

- At the level of BNP Paribas Bank Polska S.A. Capital Group:
 - Code of Conduct of the BNP Paribas Group
 - The principles of responsible business of the BNP Paribas Group
 - Whistleblowing policy
 - Corruption prevention policy
- At the level of BNP Paribas Bank Polska S.A.:
 - CSR policy
 - Policy on notifying about non-compliance incidents
 - Rules regarding the giving and receiving of gifts by employees of the Bank
 - Regulations on conflict of interest management at the Bank
 - Regulations for the protection of the flow of confidential information
 - Regulations for investing by related persons and executing transactions by managers
 - Remuneration policy for employees who have a significant impact on the Bank's risk profile

Management

- At the level of BNP Paribas Bank Polska S.A.:
 - Credit policy
 - Concentration risk management policy
 - Interest rate risk management policy
 - Interest rate of the trading portfolio risk management policy
 - Operational risk management policy
 - Internal control policy
 - Accounting policy, including the principles of assets and liabilities measurement
 - Policy for assessing members of the Supervisory Board and Management Board, as well as persons in key positions
 - CSR Policy
 - Information policy on capital adequacy
 - Information policy
 - Audit firm selection policy
 - CSR Declaration for suppliers of BNP Paribas
 - Policy on the provision of permitted non-audit services by the audit firm, by affiliates of the audit firm and by members of the audit firm's network

Customers

- At the level of BNP Paribas Bank Polska S.A. Capital Group:
 - Code of Conduct of the BNP Paribas Group
 - The principles of responsible business of the BNP Paribas Group
- At the level of BNP Paribas Bank Polska S.A.:
 - Complaint handling policy

III. Business perspective

3.1 Sustainable finance and responsible market practices

GRI 103-1, 103-2, 103-3 reporting topics *Responsible sales of products and services and self-regulation in this area, Offering products and services that respond to social and/or environmental challenges.*

Long-term support for the sustainable development of the economy and building lasting relationships with the Bank’s Customers and other stakeholders is a key dimension of our responsibility. We offer products and services tailored to the changing needs of our Customers while responding to global challenges and local market conditions.

Commitments of the Bank with regard to economic responsibility – one of the four major areas of our CSR and Sustainability Strategy

- Investment and financing with a positive impact
- Ethics of the highest standard
- Systematic integration and management of ESG (environmental, social and governance) risks

As part of our economic responsibility, we support the United Nations’ Sustainable Development Goals. We are actively involved in initiatives and partnerships for the responsibility of the financial industry and business in general.

UN Sustainable Development Goals supported by the Bank under economic responsibility

Goal 8. Decent work and economic growth	Goal 9. Industry, innovation and infrastructure	Goal 11. Sustainable cities and communities	Goal 16. Peace, justice and strong institutions	Goal 17. Partnerships for the goals

In 2021, we continued the implementation of the Fast Forward Strategy for 2018-2021 and its key part – the CSR and Sustainability Strategy. The process was supervised by the Management Board. Simultaneously, in 2021, we were developing a strategy for 2022-2025, with sustainability at its heart. The strategy will be published in the first quarter of 2022. The market liability commitments that the Bank implements and that will be reflected in the new strategy include:

- An increased share of sustainable financing,
- The development of sustainable products and services for Customers (including Sustainability Linked Loans and Bonds, Green Bonds, Social Loans),
- The development of best practices in ESG risk management, responsible management, availability and transparency in relations with Customers and partners,
- Strengthened partnerships with financial, industry and social institutions to develop standards and solutions in the field of sustainable finance.

We adhere to the highest ethical standards. Therefore, we constantly monitor CSR/ESG risks in the companies we finance. We precede each financing decision with an ESG analysis. We verify how a given company affects the environment, society and governance before reaching financing decisions. We pay particular attention to financing sectors that are considered sensitive in terms of ESG factors.

Further details regarding ESG issues can be found in the Management Foundations chapter and within the present chapter.

ESG criteria in Customer assessments

GRI 102-11

TCFD

In line with the Policies of the BNP Paribas Group, the Bank has identified nine sensitive sectors based on environmental, social or corporate governance risks:

- coal-based energy
- mining
- defence and security
- forests - wood pulp
- forests - palm oil
- nuclear energy
- agri-food
- tobacco
- fuel - unconventional oil and gas

In each of these sectors, the Bank implements CSR Policies and Guidelines concerning the relevant Customers. All current and potential Customers of the Bank who operate in the above-mentioned industries are informed about our CSR Policies. To become our Customer or obtain financing, an entity needs to meet several requirements set out in the Policy for a given sector.

Regarding the most harmful sectors, the Bank makes strategic withdrawal decisions to cease serving Customers.

In 2018, the Bank began the process of exiting the tobacco sector. This is in line with the 2017 global decision of the BNP Paribas Group to discontinue financial and investment activities with regard to tobacco manufacturers, planters and wholesalers.

In 2020, the Bank stopped financing the fur farming sector, which was the final stage of implementing restrictions that had gradually been introduced since 2017.

Also in 2020, the Group tightened its policy towards Customers whose businesses rely on coal-based energy. This was a continuation and extension of restrictions introduced in 2015.

In addition to the regular analysis of risks in particularly sensitive sectors, an ESG risk assessment is carried out as part of the lending process to corporate clients from 2019. All participants in the credit process assess ESG risks, including the CIB and Corporate Clients Risk Division as the second line of ESG risk control. The process has been systematised and made more detailed through the implementation of the EBA/GL/2020/06 guidelines for lending and monitoring.

From June 30, 2021, financing decisions are reached with the aid of an ESG risk assessment, which has become a part of the credit risk assessment process for corporate and SME Customers. From September 1, 2021, an ESG risk assessment is also required for Micro Customers. The ESG assessment (based on information provided by Customers) is included in the credit analysis. If a high level of ESG risk is identified, it is possible to lower the Customer's rating.

The BNP Paribas Group has in place the Equator Principles (EP) to identify, assess and manage the risks associated with the financing of a project and its environmental and social impact. The principles provide minimum standards for conducting project due diligence.

In 2021, the Bank conducted **174 CSR analyses in sustainability-sensitive sectors.**

Coal energy sector

Restrictions on cooperation with Customers operating in the coal sector have been in place since 2015 due to BNP Paribas Group's commitment to cease financing the industry by 2030 (in OECD countries, by 2040 in other countries). **In 2020, the Group decided to introduce further restrictions on cooperation with companies producing coal-based energy.**

- BNP Paribas has committed not to commence cooperation with new Customers if coal-related activity generates over 25% of their revenues.
- The Bank will only cooperate with companies involved in coal-electricity production if they aim to reduce the share of coal in their energy production processes and possess a strict schedule to eliminate (entirely) the company's ownership or operation of coal plants/capacity by 2030.
- The Bank will not provide products or financial services for new projects based on coal energy, irrespective of their location. The same principle applies to the modernisation of degraded projects aimed at extending the operations of coal-based power plants or increasing production capacity.
- The policy applies to Customers of all segments and to all products and services.

Mining sector

The mining sector provides essential resources for most sectors of the economy. However, it is associated with specific environmental, social and governance risks. These include water use and quality, waste generation, air pollution and greenhouse gas emissions, soil degradation and biodiversity impacts, human rights impacts, as well as governance and wealth-sharing issues. Our *Policy* contains criteria that must be met by mining enterprises and projects.

Additionally, in 2020, the Group introduced further restrictions applicable to Customers who rely on coal-based energy:

- The Bank will not provide any financial products or services to infrastructure companies significantly involved in the coal industry, including:
 - ports or terminals in existing ports;
 - companies involved in the rail and road transport of coal; companies operating in the field of coal storage.
 - The Bank will not offer any financial products or services to entities trading in coal fuel.
- The Bank will not provide any financial products or services to entities belonging to mining groups that:
 - produce more than 10 million tonnes of coal fuel per year, or
 - obtain over 20% of their revenues from coal fuel.

Defence and security sector

The defence and security provisions listed in our *Policy* apply to weapons (including controversial weapons), military equipment, dual-use goods for internal repression, internal security and police. The *Policy* defines a set of principles and guidelines regarding the defence and security sector that must be followed by all organisational units of the Bank.

Forest sector - wood pulp

The demand for paper products will increase in the coming decade, which will affect global development. In connection with the wood pulp production process, the Bank has noted that heavy industry has a significant impact on the environment (including water, soil and air pollution), but also on the health and safety of those employed by the industry and surrounding communities. Based on the paper production chain, shareholders believe that the greatest impact can be exerted at the level of forest management and wood pulp production. The Bank's CSR Policy focuses on these two stages.

Forest sector - palm oil

The development of palm oil plantations may adversely affect local communities, climate change and the ecosystem. As a financial institution, the Bank wants to support responsible producers who apply sustainability practices in the palm oil production sector. Therefore, we refrain from financing or investing in enterprises that contribute to deforestation or enterprises that violate local communities' rights.

Nuclear energy sector

As a financial institution, the Bank offers its products and services to government units that support the development of non-military nuclear energy. The Bank believes that the international community and countries

that plan to develop nuclear power or build new power plants need to act according to the requirements of safety and population protection as well as environmental protection. The Bank's *CSR Policies* aim to ensure that the projects financed by the Bank in the nuclear energy sector are adequately monitored in terms of mitigating social and environmental risk.

Agri-food sector

The Bank is committed to supporting real economy and therefore provides a wide range of financial products and services to the agri-food sector, including all links of the value chain. The Bank's partners are highly responsible and committed to producing healthy and safe products that do not endanger the food supply for future generations. The sector policy reflects the Bank's commitment to supporting sustainability.

In February 2021, the BNP Paribas Group defined a **new, strict policy to combat deforestation in the Amazon and Cerrado regions**. For more information on the BNP Paribas Group's Sector Policies, visit <https://www.bnpparibas.com/banking-investment-policies>

In 2021, the Group introduced new criteria for soy and beef production companies in the Brazilian Amazon and Cerrado regions. The Bank will only offer financial products and services to companies that have adopted a zero-deforestation strategy for their production and supply chains that will become fully effective by 2025 at the latest. Specifically:

- The Bank will not finance customers producing or purchasing beef and soybeans from areas cleared or converted after **2008** in the Amazon region. In the case of the Cerrado region, the Bank will not finance customers producing or purchasing beef and soybeans from areas cleared or converted after **January 1, 2020**, in line with global standards;
- The Bank will require full traceability of beef and soybean supply chains (direct and indirect) from all customers by **2025**.

The Group expects its Customers to:

- start assessing the risk of deforestation,
- transform their beef and soybean supply chains,
- implement monitoring systems for their direct and indirect beef and soybean supply chains from Amazon and Cerrado,
- implement supplier involvement programmes to promote a zero-deforestation strategy,
- exclude suppliers that violate a zero-deforestation strategy,
- regularly inform the Bank of the progress in transforming their beef and soybean supply chains,
- periodically report to the Bank on progress in deforestation-free beef and soybean production,
- prepare requirements for their suppliers and procedures to be followed in the event that suppliers fail to meet those requirements. The Bank expects Customers to make the requirements and procedures available upon request.

In addition, the Group encourages Customers to transition to cage-free infrastructure for broilers and laying hens by 2025. We also promote the implementation of the Responsible Minimum Standards of the FARMS Initiative. The document encourages all companies involved in breeding chickens (broilers and laying hens) to comply with the maximum stocking density of 30 kg/m².

Fuel sector - unconventional oil and gas

The Bank is highly involved in the energy transformation. Our goal is to contribute to the reduction of carbon dioxide emissions. This aim is reflected in the Bank's loan portfolio and steps taken to reduce the environmental impact of its operations. Therefore, the Bank has developed a coherent policy on financial products and services for the oil and gas industry in the field of unconventional oil and gas.

- The Bank will not offer financial products and services to enterprises that use unconventional oil and gas resources.
- The Bank will not finance unconventional oil and gas exploration and production projects.
- The Bank will not finance entities that engage in activities related to unconventional oil and gas resources, including entities involved in trading, transport and transmission.

In addition, the Bank adheres to the following Policies of the BNP Paribas Group:

- **The Ocean protection policy** defines criteria for the funding of enterprises that might affect the environment and ocean biodiversity. The BNP Paribas Group actively supports initiatives based on a sustainable economy that respects marine ecosystems and human beings.
- **The Human Rights policy** sets the ethical standards of the BNP Paribas Group. The BNP Paribas Group protects human rights. It ensures that they are respected globally in all the Bank's activities.

3.2 Products and services with a positive impact

GRI 103-1, 103-2, 103-3 reporting topic *Offering innovative banking services and products. Offering products and services responding to (social and/or) environmental challenges*

The Bank offers responsible and sustainable products that have a positive effect on the environment. We make sure that our products are available to groups at risk of exclusion. We support the development of entrepreneurship and social innovation with our range of products and services. We also wish to contribute to the energy transformation and popularisation of solutions that protect the natural environment.

SEGMENT	Products with a positive social impact	Products with a positive environmental impact	Products connected with the entity's ESG assessment/performance
Retail Customers	<ul style="list-style-type: none"> • Little Mr/Ms Independent Account and "Mission: Independence" • Offer for Ukrainian citizens 	<ul style="list-style-type: none"> • Instalment loan for financing ecological energy sources • Loan for green changes • Green Mortgage • Loan with a subsidy from the "Clean Air" programme • Long-term rental of equipment financed with an instalment loan 	<ul style="list-style-type: none"> • Sustainable investment products (based on ESG criteria)
Food & Agro Customers		<ul style="list-style-type: none"> • Loans for financing photovoltaic installations and other renewable energy sources for farmers' individual needs • Loans for financing profit-oriented renewable energy projects for farmers and other F&A entities • Green Energy Investment Loan / UNION+ Investment Loan • Renewable energy insurance (as part of the Generali Farm product) 	
Small enterprises and associations / housing communities	<ul style="list-style-type: none"> • Non-Profit Business Account • Offer for social economy enterprises 	<ul style="list-style-type: none"> • Investment loan with a BGK renovation premium • The ECO-COMMUNITY programme with a profit • Leasing of photovoltaic installations 	

Corporate Customers

- Financing of social goals (social loans)
- Social bonds
- Green Energy Investment Loan / UNION+ Investment Loan
- Technological credit
- Loan with a free BiznesMax guarantee
- The ECO-FIRM programme with a profit
- Leasing of photovoltaic installations
- Sustainability Linked Loan
- Financing of "green" projects (green loans)
- Green bonds
- Sustainability Linked Loans
- Sustainability Linked Bonds
- Sustainability / ESG Linked Factoring

The list of products and services that support green solutions can be found in *the Environmental perspective* chapter.

The development of the sustainable product offering and the ambition to sell them are embedded in the objectives of the entire senior management team and, in the case of individual business lines, cascaded successively to the sales teams.

In order to be able to offer clients favourable financial conditions within the framework of the sustainable products offered, in 2020 we introduced a formal catalogue of products and investment types with positive impact entitling them to apply preferential internal transfer pricing, which allows us to significantly strengthen the competitiveness of our offer.

Individual Customers

Little Mr/Ms Independent Account and "Mission: Independence"

In 2020, we launched an offer addressed to parents and children: the "Little Mr/Ms Independence Account". The launch was accompanied by an educational campaign entitled "Mission: Independence", which supported parents in building their children's financial awareness.

In 2021, we added the Parent Zone to the misjasamodzielosc.pl platform. The new content is addressed to those who wish to teach their children about finance and are looking for helpful tools.

Both the Parent's Zone and the "Little Independents get the budget" event are part of the Bank's original project, "Mission: Education". More information about the "Mission: Education" programme can be found in the *Social Responsibility* chapter.

1 800

people took part in the "Little Independents get the budget" online workshop for parents and children carried out in May 2021

over 30 tys.

"Little Mr/Ms Independent Accounts" were opened in 2021 alone (from the launch of the offer until the end of 2021, more than 33 thousand Accounts were created)

Information about the "Little Mr/Ms Independence Account" can be found at: <https://www.bnpparibas.pl/klienci-indywidualni/konta/konto-karty-samodzielniaka>.

Information about "Mission: Independence" can be found at: <https://www.bnpparibas.pl/misjasamodzielosc/>.

Offer for citizens of Ukraine

We provide Ukrainian citizens living in Poland with amenities that facilitate the use of banking products.

At our Bank, citizens of Ukraine can easily open the "Account Open to You". It was created for Customers who value transparent and straightforward solutions in banking. The Bank has also prepared a website and advertising materials in Ukrainian. Customers can choose Ukrainian on our hotline.

In 2021, we created a banking guide in Ukrainian. It includes information such as:

- how to use GOonline and GOMobile,
- how to unblock GOonline and GOMobile,
- how to activate a debit card,
- how to assign or change a PIN,
- how to check the balance on your account.

The Bank maintains nearly 250,000 accounts for people of Ukrainian citizenship.

Wealth Management Customers

Investments based on ESG criteria

Wealth Management Customers can decide to rely on ESG criteria in their mutual funds investments, which are available in the BNP Paribas Wealth Management product offer. In 2021, we created two new responsible investment funds for our Customers. We currently offer twelve funds that meet ESG criteria. They are managed by: BNP Paribas Asset Management, Blackrock, Franklin Templeton, Fidelity, Generali and NN.

Our Wealth Management Customers can also choose structured products offered by the Brokerage House. We allocate part of the income to implementing pro-climate projects, e.g., the construction of a polar research station in cooperation with the TaraOcean Foundation. We are also preparing to introduce more responsible investment products in 2022.

In 2021, we aimed to increase the awareness of Wealth Management advisors about the UN Sustainable Development Goals. We explained the potential of investments to have a positive impact on the environment and organised training courses for employees to discuss ESG risks in investments.

Food & Agro Customers

Loan for financing new and used agricultural equipment

In March 2021, we introduced the possibility of financing new and used agricultural equipment without the borrower's contribution. The changes concerned both the Agro Progress Loan and the Union+ Loan.

Preferential loans

In February 2021, the Agency for Restructuring and Modernisation of Agriculture (ARMA) relaunched the line of investment loans with partial repayment of capital for the purchase of agricultural land by young farmers. The applicants must be under 40 years old on submitting the loan application. They need to possess agricultural qualifications or commit to obtaining them within three years of signing the loan agreement. The product is dedicated to farmers starting a farm or running one for fewer than 24 months.

Small enterprises and associations

Non-Profit Business Account

The Bank offers an account for NGOs, which is addressed to social organisations and micro non-profit institutions) with essential services included free of charge.

The Bank offers an account for non-profit institutions, i.e. social or professional organisations whose core services are free. It is addressed primarily to:

- Housing communities,
- Cooperatives,
- Foundations,
- Associations.

A single agreement with the Bank ensures:

- A current account in PLN,
- A savings account,
- Term deposit accounts,
- Access to mobile and internet banking systems,
- Comprehensive services of a bank advisor, and
- Preferential terms of additional services.

Offer for social economy enterprises

The Bank is also open to cooperation with social economy enterprises. We support entities that generate profit, but also possess clear social and environmental goals and reinvest the profit to support their mission.

Corporate and SME Customers

New products and services for Corporate and SME Customers

Special offer for new SME Customers

- The Bank supports companies economically, electronically and ecologically.
- The Bank has created a special package of offers for SMEs and provides them with modern digital tools.
- Entrepreneurs receive access to electronic signatures and GOconnect Business. Thus, data exchange between online banking and the company's accounting system will become faster and safer.
- The Bank plants five trees each time it opens a new account within this offer. This way, we compensate for the carbon footprint resulting from the Bank's cooperation with the Customer's company.

Loan secured against changes to the base interest rate

- An overdraft facility with a maximum base rate (MBR). The loan reduces the Customer's risk related to the variability of the base rate.
- Owing to this mechanism, the total interest rate on the loan will never exceed the MBR value increased by the Bank's margin. This is a true value for the entrepreneur.

On September 12, 2021, BiznesPI@net banking was replaced by GOonline Business. Customers received access to a new login page and a new version of the Accounts module, which allows for more intuitive and comfortable navigation. Additionally, corporate and SME Customers can open a new account online, without the need to leave their offices or provide the Bank with any additional documents. They can complete the process on their own, using the automatic account application within the GOonline Business platform.

The Bank strengthens its efforts to exert a positive social impact. Therefore, in 2021, we granted financing to the Social and Economic Investment Company (TISE), which finances and refinances loans of social economy entities.

TISE is a loan fund for micro, small and medium-sized enterprises, NGOs and social enterprises. It was founded by BISE Bank in 1991. The current owner is the French Crédit Coopératif Bank. Initially, TISE was a venture capital fund. Since 2008, it has been granting loans using its own and EU funds (made available, among others, by Bank Gospodarstwa Krajowego and the EIF). TISE is a founding member and the only Polish representative in the European Federation of Ethical and Alternative Banks. It is made up of institutions that finance social and ethical projects. For more information on the European Federation of Ethical and Alternative Banks, please visit: www.febea.org. TISE has already granted over 9,000 loans for a total of PLN 1.3 billion.

Sustainability Linked Loan (SLL)

In July 2021, Raben Group – a European logistics company – signed an agreement for a five-year loan related to sustainable development, i.e. the Sustainability Linked Loan (hereinafter: SLL). The total value of the loan was EUR 225 million. It is one of the first SLL syndicated loans in the European logistics industry. Our Bank is the Sustainable Development Coordinator in this transaction.

The SLL loan margin depends on the extent to which a company meets the conditions of the agreement. The requirements are defined by five key performance indicators (KPIs). Among these are ESG risks for the road transport and logistics sector, which are essential in the operations of Raben Group.

Raben Group monitors and limits greenhouse gas emissions resulting from its activities. The company strives to create gender-diverse work teams. It also implements good corporate governance practices. The SLL loan is an important step for the European road transport and logistics sector, as well as for the Polish financial market.

We support the development of the Scanmed Group

The Bank signed a syndicated loan agreement worth PLN 155 million for the Scanmed Group, a leader in the Polish medical services market. The Bank acts as the collateral agent, original lender and loan organiser in the transaction. We provide 50% of the funding.

The loans are intended for the refinancing of Scanmed Group's existing debt and financing current needs. The debt was refinanced in connection with the acquisition of Scanmed Group by the subsidiary of an Abris Capital Partners fund. Abris provides Scanmed Group with strategic support in expanding the range of services and geographic coverage, as well as continuing the development of medical facilities specialising in key therapeutic areas.

We support the development of Polpharma

The Bank is the loan agent and one of the main financing organisers within a consortium of four institutions. It has the largest share – PLN 350 million. The transaction will contribute to the long-term development of Polpharma. It will enable the company to implement research and development projects and investments in the field of environmental protection. The total value of financing amounts to PLN 800 million.

3.3 Partnership initiatives supporting the development of our Customers

We support our Customers’ development and wish to be a partner for them. Therefore, we participate in support programmes and launch our own initiatives that inspire our Customers to undertake further ambitious goals.

In 2021, our slogan for communication with the SME and Corpo Area was "We think change". To effectively support companies in the transforming business reality, we learn to respond to changes with an innovative product offer.

Polish Development Fund (PFR) Shield for SMEs

In 2021, the Bank provided access to applications that enable the settlement and cancellation of PFR subsidies for SMEs in its online banking system. PFR experts conducted free webinars for entrepreneurs. They explained how to settle and cancel Shield 1.0 and 2.0 subsidies. The Bank’s advisors and Customer Service experts took part in PFR Shield training organised by the Bank to support Customers in applying for and settling subsidies.

Free conferences and webinars for entrepreneurs

TOPIC	
Energy transformation of companies	The Bank’s experts talked to companies about the benefits and opportunities that result from the energy transformation. They explained how to use EU funds in the process of planning and financing investments.
Broadened perspective on cybersecurity	The Bank’s experts talked to entrepreneurs about safety online. They explained how to secure computers and web browsers, as well as how to avoid cyber attacks.
Broadened financial perspective	During the conference, addressed to SMEs, we discussed ways of protecting companies from market risk. We shared our experiences as the leader of export factoring in Poland. We support our Customers - not only by financing their receivables, but also by taking over the risk of contractor insolvency.
Expansion to foreign markets through e-commerce	The series of conferences was held as part of the Bank’s Foreign Trade Programme which was launched in 2018. During the lectures and discussion panels, participants talked about key exports-related topics. In 2021, we focused particularly on e-commerce and online export, which has become a key challenge and development opportunity during the pandemic. Three meetings were devoted to the British, German and Chinese markets. We invited experts from PwC, PAIH and the Chamber of Electronic Economy as well as entrepreneurs from AB, X-press Couriers, Motos, Domator24 and Diablo Chairs to participate in the programme.

Cooperation with international Customers

The Bank is a member of commerce chambers and supports the organisation of events for international companies. It actively participates in the life of the French, Belgian, German, Italian and British communities.

Family Business Initiative

The Bank is a strategic partner of the Family Business Initiative Association (hereinafter: FBI). As part of the cooperation, the Bank promotes Polish family businesses. It supports the education of the employees of such businesses and the development of the Polish economy. Thus, the Bank emphasises how highly it values Polish family companies.

3.4 Initiatives supporting the development of the Food & Agro sector

GRI 203-1, UNGC 8 i 9

The BNP Paribas Group has extensive international experience in providing services within this sector and is the European leader in financing the leasing of agricultural machinery. We are also a leader in financing the Polish Agri-food sector. We offer responsible products and services. We support the sustainable development of our Customers. We popularise a responsible approach to food production and help to implement appropriate tools.

Agronomist

Agronomist.pl, is the Bank's proprietary initiative and is now two years old. It gathers sector knowledge and provides access to a wide set of professional IT tools supporting agricultural entrepreneurs and processing companies. It contains information on the agri-food sector, both locally and globally.

In 2021, we focused on the need for a green transformation of the sector. As the Bank of Green Changes and a member of the Cool Farm Alliance international business and science consortium, we support all initiatives aimed at mitigating climate change and striving for environmental neutrality. Hence, we introduced the following changes to the platform:

- We were the first bank to launch the **AgroEmission greenhouse gas emissions calculator**. Entrepreneurs can now calculate their environmental impact. They receive the result in the form of a carbon dioxide equivalent. Currently, calculations for field crops and dairy production are possible. Soon it will be possible to estimate the water footprint and emissivity of livestock.
- We have launched a **search engine for banking products – Kredytomat**. With its help, Customers can easily find banking and insurance offers on their own. To use the search engine, one must answer two questions that narrow the offer to three products.
- We post grain price reports and analytical reports for individual agricultural markets daily. We have expanded the functionality of the price module to include the **dairy market**. Data for the entire module is provided by the Ministry of Agriculture and Rural Development.
- We have launched the **Lawyer's Tips** section, where we use simple language to explain the intricacies of legal regulations. We discuss issues that affect primary production and processing.
- We have launched **two video podcasts**:
 - **Food & Agro Sonar** – the Bank's analysts and other experts comment on current and important issues for the agri-food sector,
 - **Food Cabinet** – interviews with the heads of the largest processing companies in Poland.

Shortly, we plan to post materials and launch tools that will support regenerative farming. Our goal is to shorten the supply chain. We will encourage farmers to build relationships and support each other, as we believe it leads to greater resource efficiency. Agronomist.pl is known globally. Entities from all over the world wish to learn from its creators and implement similar solutions in their markets.

"Local flavours" campaign

In October 2021, the Bank launched a pilot promotional campaign entitled "Local flavours" in cooperation with the Allegro Lokalnie sales platform. Our Customers had the opportunity to sell groceries online, without commission.

Thus, we promoted the idea of online food sales; we wanted to provide farmers with new distribution channels. We also wished to provide Allegro Customers with good-quality natural food, produced in accordance with the idea of sustainability.

Educational and information initiatives

We are a leader of agro banking, and we are well acquainted with the nature of this business. We know what an agribusiness should focus on when seeking external financing. We want this process to be as safe as possible and to serve the development of our Customers' businesses. Therefore, in 2021, we continued our information and education initiatives. In addition, we adapted our product offer accordingly.

Series of educational video podcasts about the European Green Deal

Farmers are gradually implementing the European Green Deal. This requires significant changes – the technology must be adapted to the new reality. Education is critical at this time. The European Green Deal is, above all, an opportunity for development in new areas. Farmers have a chance to improve their products' quality and become competitive on world markets. The farm-to-fork strategy assumes that by 2030 organic farming will have a 25% share in the sector, the use of fertilisers will decrease by 20%, of pesticides by 50%, and the sale of antibiotics used in livestock farming by 50%.

We want to help Polish farmers prepare for these challenges so they can take full advantage of the new opportunities. Therefore, we commissioned a baseline study on Polish farms. In June 2021, we published a series of video podcasts discussing the results of this analysis and issues related to the EU strategy.

The podcasts can be found on the Spotify platform and on our website: <https://talks-bnpparibas.pl/>.

E-learning about financial stability

In November 2021, we launched an e-learning programme in cooperation with the ASAP Sustainable Agriculture Association. We discussed the topic of financial stability on a farm. The training was free and consisted of four parts. The participants learned how to make good decisions in cooperation with a financial institution. They also learned to manage farm finances sustainably – maintaining financial stability and reacting to possible risks adequately.

We provide free training on a dedicated website: www.asapakademia.pl.

Food & Agro Conference

The Food & Agro Conference develops the formula of the previous Agroconferences, organised by the Bank since 2006. It is an international meeting of representatives of the agri-food ecosystem. The participants discuss key issues that affect their companies.

In 2021, the conference was held in hybrid form. Its title was "Ready for the European Green Deal". The meeting was entirely devoted to the green transformation in the food production sector.

Competition for the best BA/MA thesis on the Agro sector

In 2021, the Bank organised the third edition of a contest for the best BA or MA thesis on modern agriculture and agri-food processing. This edition was entitled "The World Needs Agro-Graduates". The Polish Association of Sustainable Agriculture (ASAP) was a competition partner.

Fifty-one excellent theses were submitted, and as many as five authors ended up on the podium – the jury awarded three 3rd prizes, ex aequo. Additionally, five ideas received special awards.

The competition aims to promote innovation, sustainable rural development, and ecology. We popularise initiatives that support agrarian societies and farms, the natural environment, the agri-food industry and sustainable food production.

More information about the competition is available at: <https://www.bnpparibas.pl/agroabsolwent/>.

Partnerships for sustainability in the agri-food sector

The Bank has been supporting the development of Polish agriculture for many years. We offer products tailored to the needs of our Customers. In addition, we undertake both internal and external initiatives. We are a member of the Cool Farm Alliance industry consortium, a partner of the Polish Association of Sustainable Agriculture (ASAP) and the Coalition for the Development of the Bio Food Market.

Partnerships for the sustainable development of the agri-food sector are described in the *Environmental perspective* chapter.

3.5 Supporting innovation

We have established the New Business Models and Innovations Department. It supports the development of products, innovation and technological advancement. The main tasks of the department include:

- Identifying new business models,
- Assessment of their potential and possibility of implementation,
- Initiating projects related to new products.

The New Business Models and Innovations Department cooperates with the Transformation and Integration Area and the Bank's central units. Together, they develop new products and promote innovation. The department searches for interesting solutions, monitors market trends, and proposes interesting new processes and products to the Bank.

To ensure that new products and services respond to sustainability challenges, both environmental and social, the New Business Models and Innovations Department closely cooperates with the Sustainability Council.

There is also a "Code of Cooperation with Startups" in place at the Bank. It simplifies internal procedures and increases the Bank's chances to acquire modern technological solutions. Each startup receives a supervisor at the Bank. We have also streamlined the purchasing processes for new technical solutions and we have prepared document templates for the testing stages. The Bank is constantly striving to develop and establish business relationships with innovative, young companies.

To learn more, visit <https://www.bnpparibas.pl/startupy/kodeks-wspolpracy>.

Office Hours - meetings with startups

The Office Hours are an element of the "Code of Cooperation with Startups". It is a series of meetings with startup representatives. During the meetings, the Bank's employees and the representatives of new, innovative companies discuss ideas and solutions that may enrich the Bank's offer. Thus, the Bank cooperates with an increasing number of startups, builds a strong network of contacts and implements innovative customer solutions.

In 2021, two editions of Office Hours were organised. During the 19th edition, the Bank was looking for an unconventional communications channel with BNP Paribas Wealth Management Customers. The 20th edition of the initiative was devoted to searching for startups and experienced companies that specialise in remote identity identification.

Startups with a positive impact in 2021

Cooperation with the nuDelta startup

In cooperation with nuDelta, we have implemented a solution that allows one to read and edit text obtained from photos and document scans. The software significantly facilitates verifying key data in leasing contracts sent by intermediaries. The manual process has been replaced by OCR technology and machine learning: the user indicates an agreement containing the correct data and the system checks all accompanying documents, confirming the compliance or non-compliance of data.

This automation saved seven minutes on each contract during the pilot stage. It is a perfect example of automation helping to carry out repetitive tasks in everyday work. The results indicate that the tool can also successfully be implemented in other areas.

Initiatives promoting innovation

The Positive Impact Ecosystem

The Bank has been co-organising the "Positive Impact Ecosystem" conferences in cooperation with Kozminski Business Hub for many years. In 2021, Kozminski Business Hub published the third report for the "Startups of Positive Impact. Radical Social Innovation" project, which the Bank is a partner of.

In the course of the project, 21 of the most innovative startups that work towards implementing the UN's Sustainable Development Goals were selected. These companies and organisations respond to social and environmental challenges and display a high level of reliability and efficiency.

Warsaw Booster 2021

In 2021, we became a corporate partner of Warsaw Booster, i.e. the city's acceleration programme for innovative projects and startups.

The programme supports teams that develop ambitious technological solutions and improve their business competencies. It helps entrepreneurs obtain financing, expand their business and build unique relationships with other programme participants.

We provide substantive support to young companies that participate in the programme – the Bank offers assistance in financing, business model development and the practical application of technology. Warsaw Booster is also an opportunity for us to find new partners who can help us develop new products and services related to open banking and sustainability.

FinTech postgraduate studies

We are a business partner of FinTech postgraduate studies at the Faculty of Management of the University of Warsaw. The one-year course is intended for people who wish to broaden their knowledge about modern technologies and their impact on the financial sector. It is also valuable for those who want to develop their own FinTech projects. The fourth edition began in 2021.

The expert partner of the initiative is the PwC Legal law office, and the technological partner is IBM Polska. We are one of the initiative's business partners, others include Alior Bank and Raiffeisen Bank International.

3.6 Customer support during the COVID-19 pandemic

GRI 103-1, 103-2, 103-3 reporting topic *The impact of the Covid-19 pandemic on the functioning and results of the Bank*, 403-6

We constantly ensure our employees' safety during the pandemic by providing sanitary conditions. In 2021, we continued to improve the Bank's operations by providing remote access to as many processes as possible. Therefore, we developed our online and mobile banking systems.

In 2021, with the recovery of the economy, the Bank recorded increasing customer interest in banking products, both credit, savings and investment products, as reflected in rising sales volumes of investment accounts, cash loans and mortgages. The second half of 2021 reflected an increase in the activity of Corporate Banking and SME clients, which resulted in an increase in the balance of corporate loans by 11.9% y/y.

Work organisation activities (protecting employees and customers)

- Remote working - remains the recommended form of work organisation in the Bank; in organisational units where such a form of operation is not possible for entire teams, the organisation of work is based on a split-team system, consisting of dividing the team in order to separate people performing the same duties.
- New models of work in the Bank's Head Office - as of 16 August 2021, by decision of the Bank's Management Board, 4 models of remote work were introduced - taking into account the specificity of tasks performed by individual areas and the need to ensure safe working conditions. The models provided for remote work of several to over a dozen days per month. In connection with the worsening of the epidemic situation at the end of 2021, employees returned to remote work in a larger proportion than assumed by the above-mentioned work models. In December 2021, more than 85% of Head Office employees were working remotely.
- Remote work in the sales network - enabling remote performance of duties by sales network employees is based on separate rules developed directly by the Retail and Business Banking Sales Division together with branch representatives so that this form of work does not affect relations with customers.

Remote work in branches depends, among other things, on the business situation, staffing and the scope of tasks to be performed.

- Customer service standards - a service model adapted to epidemic conditions is still in i.e. only current customer service may take place in the branch - one advisor serves one customer at a safe distance (also at the cash desk), while the rest of the customers wait for service outside the branch; the outlets are equipped with protective Plexiglas windows, masks, gloves, disinfectants for employees and customers;
- Employee-tailored educational and pro-employee initiatives - are continued through online platforms, and a dedicated employee section on the internal Echonet network dedicated to the epidemic is kept up-to-date. As part of the "WELL" programme, employees can take care of their health in a broad sense. Through webinars, podcasts, articles, one-to-one video and telephone support, they can benefit from the knowledge and services of nutritionists, parenting psychologists, mental development coaches and physiotherapists. In addition, webinars on the prevention of chronic diseases and the "2 hours for Health" action were held in November.
- Support for social initiatives - funds from the „Wspieram Cały Rok” programme for 2021 were donated, among others, to maintain the hotline of the „Stowarzyszenia Aktywnie Przeciwko Depresji”, which supports people in mental crisis caused by the COVID-19 pandemic. As part of the fight against the effects of the pandemic, in December 2021 we donated meals for the employees of the Hospital - Nowodworski Medical Centre in Nowy Dwór Mazowiecki worth PLN 100 thousand.
- Free COVID 19 tests – the possibility for employees to perform COVID-19 tests in ALAB diagnostic laboratories at the Bank's expense, if there is a justified suspicion that they have been infected with the virus while performing their duties.
- Discounts on COVID-19 tests – under the agreement with ALAB, Bank employees can take advantage of a 25% discount on serological tests. Under the agreement with LUX MED, each employee who has an active medical care package (minimum Silver) is entitled to a 20% discount on serological test for IgG antibodies from blood and antigen test. The offer applies to tests performed in LUX MED's own medical facilities.
- Uniqa psychological helpline – employees and their spouses/partners and children who subscribed to Uniqa insurance could benefit from a consultation with a psychologist or psychiatrist until 31 August 2021. People with all issues that are related to the COVID-19 outbreak and have mental health implications could make an appointment for a consultation.
- Remote working allowance – was paid to the Bank's employees to support the effective and safe performance of their work duties remotely.
- Vaccination programme against SARS-COV-2 – in April 2021, the Bank joined the government's initiative to engage employers in a vaccination programme; in June and July vaccinations were carried out in several cities (Gdańsk, Kraków, Poznań, Katowice, Warsaw) for willing employees of the Bank and BNP Paribas Group companies in Poland and their family members. Additionally, in November, willing employees could receive the flu vaccine free of charge in the largest locations of the bank's branches (Warsaw, Krakow, Ruda Śląska) or in any of the own or partner branches of the medical operator LUX MED.

The vast majority of employees (over 80%) believe that the Bank provides a comfortable and safe working environment during a pandemic, based on the results of the Pulse Check survey.

Measures supporting customers and digitalisation

- Customer assistance programs - from mid-January 2021 to the end of March 2021. The Group focused on making the fullest possible use of available customer assistance programs, including granting temporary deferment of installment repayments on loans.
- As at the end of December 2021, the number of customers to whom loans and advances subject to moratoria were granted amounted to PLN 37.2 thousand, with total gross balance sheet exposure of the Group of PLN 5,709,313 thousand, of which: PLN 2,960,346 thousand related to individual customers, PLN 2,213,339 thousand to business entities, and PLN 535,628 thousand to leasing and other receivables. Moreover, the total gross value of loans and advances covered by statutory moratoria at the end of December 2021 amounted to PLN 255 747 thousand. The balance of expired moratoria amounted to PLN 5,696,483 thousand and the balance of active moratoria - PLN 12,830 thousand.

Detailed information on loans and advances subject to moratoria and the impact of the pandemic on risk management is presented in Note 56 Financial Risk Management in the Consolidated Financial Statements of the BNP Paribas Bank Polska Group.

- The Bank remained a partner in the government program to support the Polski Fundusz Rozwoju S.A. (hereinafter: PFR). Under the program, in January 2021 the Bank purchased PFR0827 bonds for PLN 540 million. In total, the Bank's exposure in PFR bonds at the end of December 2021 amounted to PLN 2.5 billion. In addition, the Bank in the first half of 2021 subscribed for PLN 387 million of bonds issued by Bank Gospodarstwa Krajowego ("BGK") for the COVID-19 Fund.
- Tarcza Finansowa PFR 2.0 (PFR Financial Shield 2.0) - the Bank's clients doing business from 15 January 2021 to the end of February 2021 could apply for support under the PFR 2.0 Financial Shield. The Bank's share in the distribution of funds to customers is 4 thousand of positive decisions for an amount of PLN 0.7 billion. The total amount disbursed by PFR under the Shield 2.0 through the banks for micro, small and medium-sized enterprises was, as of 15.08.2021 - PLN 7,133 million.
- Promote digital solutions that allow customers to make even greater use of mobile devices and electronic banking in their dealings with the Bank, through their further development and modification. For example, the submission of applications regarding the PFR financial shields was made available to businesses in the GOonline and BiznesPI@net (now: GOonline Biznes) e-banking systems. In addition, a fully digital and automated process for the redemption of PFR Shield Subsidies 1.0 and 2.0 was implemented. The Bank also expanded the range of services related to convenient currency exchange by offering 24/7 availability of the FX PI@net platform. Individual customers were provided with the myID service - free creation of an Electronic Identity allowing remote identification for the needs of official and commercial matters. In 2021, the Bank's customers made 400 thousand of authorisations with the trusted profile.

3.7 Transparency and dialogue with Customers

GRI 103-1, 103-2, 103-3 reporting topic *Simple and transparent communication*, 102-12, 205-1, 205-2

Plain language

We strive to simplify the language used to communicate with our Customers. Since 2019, we have been gradually rewriting our documents, letters and promotional materials in line with the plain language standard.

In March 2021, we signed an agreement with an expert – a linguist and experienced plain language coach. As a result, over 1,100 standard pages (approx. 330,000 words) of documents in simple language were created. We simplified external communication documents of all types, ranging from personalised to mass communication.

over **150**

Bank employees have undergone simple communication training

52

Bank employees received "simple language consultant" certificates

We have also begun simplifying legal documents, such as contracts and regulations for the most popular products, i.e. loans and credits.

From 2021, messages sent by the Bank to corporate and SME Customers are verified in terms of simple language. This applies to both the Bank's official correspondence Customer Service communication. We modified our forms and certificates to make them as clear and user-friendly as possible. Employees of the Corporate and SME Banking Area regularly increase their competencies. We provide them with training materials on practical simple language usage.

Customer relations

GRI 102-42, 102-43, 102-44

We build lasting relations with our internal and external Customers. We are sensitive to their needs. Our motto is: "We listen, we understand, we act".

Listening to our Customers

We constantly gather Customer feedback, analyse opinions expressed in internal and external research, as well as observe market trends (not limited to the field of banking).

How do we listen to our Customers?

- We conduct Net Promoter Score (hereinafter: NPS) and Mystery Shopper research.
- We obtain feedback directly from Customers who contact us via the hotline, chat and e-mails.
- We verify conversations topics in our Contact Center with our speech analysis system.
- We value the opinions of our employees and we are eager to use their knowledge.
- We verify the reasons for giving up our services.

Our approach to research is multi-dimensional. We evolve along with the needs of Customers and changes at the Bank. We periodically collect Customer opinions and analyse them daily. The Bank's employees have access to research results through the **#KLIENT platform**, which is currently used by over 10 thousand of our employees and representatives of partner companies. The data is updated automatically when Customers complete surveys. The platform is not only a source of knowledge about the results of research and Customer feedback – results and reports are shared on an ongoing basis within the Bank. We combine them with operational and complaint data. We join perspectives. Thus, we were able to create detailed recommendations for specific business lines.

In 2021, we achieved the highest NPS level since the beginning of the study. We have also introduced **Customer Journey research**, which allows us to respond to the needs of Customers on an ongoing basis. Furthermore, we tested new qualitative research methods, such as VoiceBot and online surveys. We intend to implement some of the solutions within the following year.

In March 2021, **the Bank received awards in six categories** in the 6th edition of the "Institution of the Year" competition. We won in the "Best service in remote channels" and "Best bank for companies" categories, as well as in the most important one – "Best bank in Poland". The remaining trophies were awarded for "Best service in a branch", "Best online banking", and "Best remote account opening process". Currently, competition organisers are carrying out research for another edition. After three waves of research, we are among the leaders, both as regards service in branches and remote channels.

In 2021, the Bank's Contact Center received the ISO 18295 certificate once again. It is an international standard for the quality management of CCC services. The audit passed by our Contact Center and the certification of compliance with the ISO 18295 standard confirm the high quality of our services.

Understanding our Customers

In 2021, we implemented a strategy adopted the year before – we put the Customer first. A key element of this strategy is the **Customer Excellence Board (CEB)**. We organised a series of monthly meetings, where we talked about the needs and problems of our Customers. We analysed all aspects of the Customers' contacts with the Bank. Participants represented multiple departments, including sales channels, products, communication, compliance monitoring, risk, operations and IT. In 2021, nine meetings were held. We drafted over 100 recommendations, which we are now implementing.

We also organise **Customer Room** workshops. Meetings are held regularly and are in line with the Lean Management methodology. The workshops are devoted to the most complex issues. To improve our understanding of Customer needs, we analyse their stories. The workshops are attended by representatives of units that participate in a given process. It allows specialists in particular areas to look at certain issues from a different perspective. Gradually, long- and short-term solutions are developed.

In 2021, the workshops were devoted to two processes that are crucial from the Customer's point of view. We defined the problems and identified solutions.

Challenge	Solution
Cancelling an individual Customer's credit card	<ul style="list-style-type: none"> Customers receive access to a new communication channels. They can place and cancel orders via the GOonline platform or by e-mail.
The process of confirming and updating personal data	<ul style="list-style-type: none"> Description on the Bank's website that explains the steps required to unblock an account. Remote customer certification process via electronic forms. Individual customers can obtain certification via the GOonline platform. Training for hotline employees on: <ul style="list-style-type: none"> conducting an <i>end-to-end</i> interview, documents that the Customer is required to provide in order to confirm or update data.

We constantly train our employees. We have introduced **Customer Experience training on the My Development platform**. We also conduct training for new employees and managers. Additionally, we have selected and trained **Customer Journey ambassadors** who effectively improve the customer experience.

Our efforts to build a Customer-oriented organisation are supported by the **Advocacy Programme**, implemented within the BNP Paribas Group. We regularly organise communication campaigns about our pro-Customer initiatives.

The "**What have you done for your Customer**" campaign tells the inspiring stories of employees who change our Bank. We chose eight representatives of various areas, but far more employees create great experiences for our Customers.

Another campaign was entitled "**He who listens does not err**". It summarised the changes introduced based on Customer feedback in the last quarter. We invited representatives of various areas to participate because we cooperate on initiatives submitted by internal and external Customers and the initiative provides a platform for discussing results.

The annual highlight of our Customer-oriented activities are the **Customer Days**. In 2021, we focused on our new values of organisational culture:

- Transparency,
- Courage,
- Empowerment,
- Simplicity,
- Cooperation.

These values allow us to build a better Bank – for us, our employees and our Customers. During the 3-day event, we gave the floor to internal and external experts. The conclusions from this year's edition can be summarised in one statement: In our Bank, a Customer is always a **Customer** – capitalised and always put first.

Responding to Customer needs

We improve our processes and implement new solutions. In 2021, we identified the TOP10 key initiatives based on Customer feedback. We involved all the Bank's employees in their implementation, which included the following steps:

- We are changing the credit card statement to improve transparency and enable our Customers to service their debts themselves.
- We have indicated separate accounts in electronic banking for the repayment of current instalments and for the total repayment of cash loans. This information is provided in the standard documentation on cash loans.
- We confirm the closure of credit cards by an automatic text message about the termination of the card agreement and about the settlement of funds (the information is also provided in the "SOF" – Statement of Fees).

- We automatically generate cash loan repayment certificates, which are stored in DocuWare.
- We have implemented the automatic generation of full mortgage repayment certificates stored in DocuWare. We have additionally simplified the content of certificates issued to Customers.
- We confirm the closing of personal accounts. The relevant information will appear in the "SOF" – Statement of Fees).
- We have completed the Friends & Family testing stage of a new application for handling customer complaints (GObetter).
- We have provided information about the current total amount of Customers' debts for cash and car loans in electronic banking to facilitate the early repayment of loans.

Regardless of whether Customers visit the Bank's branches or contact us via remote channels, we ensure an equally high level of service. We constantly implement new solutions, e.g. a chatbot handling product inquiries with a continuously updated knowledge database. There are also noticeable changes on our hotline. The IVR (Interactive Voice Response) for Customers (a system enabling interactive handling of the caller) has been simplified. Customers can also check the traffic flow on the hotline online, choose the best time to connect or opt for remote channels such as GOonline, GOMobile.

We promote self-service on the hotline, and we encourage our Customers to use electronic banking. We also ask our Customers to contact us through verified channels and strive to ensure "first call resolution" (FCR).

The changes were positively assessed not only by our Customers, but also by the auditors of this year's Friendly Bank survey conducted by Newsweek. They appreciated our procedures, especially the simplicity and legibility of contracts. Our hotline also received high ratings.

In 2021, our motto was: "Through the employee to the Customer". We believe that making sure Customers are at the centre of our attention requires taking care of our employees first. We have created the Inspiration Zone on our intranet – a space where employees can share inspiring activities and ideas. We also organised workshops for multiple branches.

- **Panels with operations team experts** – the participants talked about solving the Customers' problems easily, quickly and effectively.
- **Relationships and communication with senior citizens** – the participants talked about the respectful treatment of senior Customers. They learned how to speak to the elderly, what aspects to pay attention to, how to avoid the exclusion of seniors from digitisation and how to encourage them to use remote banking.
- **The costs are not so terrible...** – the participants discussed the fees to be borne by Customers. They learned what the fees are and how to talk to Customers about them.
- **Let's just say it. Not just plain speaking** – the participants discussed writing and speaking to Customers in simple language.

We do not forget about **corporate Customers**. Employees of the Business Service Center and the Business Service Zone can submit orders on behalf of the Customer, based on a previous telephone conversation. They are able to commence processes that cannot be resolved at first contact with the Bank. In such situations, Customers receive standard information about the beginning of a procedure.

We have also introduced individual, personalised service in the Business Service Zone for Customers from the Top Active SME portfolio. This group of Customers can resolve their cases even faster and is entitled to professional help.

Customer Ombudsman

In addition to standard complaint structures, the Bank has appointed a Customer Ombudsman. This creates an internal possibility of appeal for Customers who have doubts about the decision regarding their complaint. The Customer Ombudsman also considers matters reported to him directly by the Bank's Management Board, the Supervisory Board, the Bank's Spokesperson, as well as important matters raised in social media.

- The Customer Ombudsman supports Customers in the process of appealing against the Bank's decisions regarding complaints.
- The Customer Ombudsman represents Customers' interests in contacts with the Bank and acts as an intermediary in the re-examination and final consideration of cases.
- The Customer Ombudsman provides the relevant units of the Bank with information about significant problems reported by Customers.

3,300

cases were submitted to the Ombudsman in 2021 (including 440 addressed directly to Members of the Bank's Management Board)

28%

fewer cases than in 2020

80%

of those who asked for the Ombudsman's assistance in 2021 were individual Customers (20% were companies)

13%

(the highest percentage) of the cases settled by the Ombudsman in 2021 was related to personal accounts, primarily data updates resulting from the Act on counteracting money laundering and financing of terrorism

Complaint management

The process of handling and considering complaints is one of the primary sources of Customer feedback. Our Bank uses a clear set of instructions that clearly defines the roles, tasks and obligations of units involved in a given case. It specifies the distribution of responsibility at each stage of the process and sets a timeframe for each activity. The instructions comply with the requirements of relevant legislature. Our standards for considering complaints and providing answers are additionally specified in the Bank's "Complaints Policy".

The Complaints Office consists of three specialised teams. Each deals with a different type of complaints. As a result, the Office responds to complaints faster. The answering process is based on two pillars – qualitative and operational. The process is supervised by the director of the Transformation and Development of Customer Experience Department.

We aim to tighten cooperation between our front channel units and the business owners of products and services. Therefore, we regularly organise meetings that serve as a platform for planning joint initiatives and discussing progress.

We have carefully analysed the complaint process to introduce improvements. As a result, we have authorised employees on the first line of contact with Customers to resolve simple matters. They are able to consider cases that relate to fees and commissions and can decide to use the Trade Gesture, which allows for a quick reimbursement of fees. Thus, we build lasting relationships with our Customers and strengthen the Bank's positive image. In 2021, the changes resulted in a year-by-year decrease in the number of complaints by almost 15%.

Handling and processing complaints

The standards for handling complaints are set out in the Complaints Policy. Customers can submit complaints in a way that is most convenient to them:

Filing complaints:

- via the online banking system (chat)
- via a form on the website
- via telephone
- in writing
- in person – at any Bank branch

Listening to the Customer's voice, we have developed **GObetter – the first cloud-based tool for handling complaints.**

<p>GObetter benefits:</p>	<ul style="list-style-type: none"> • Omnichannel – all customer complaints, regardless of the contact channel, are registered within a single system. • Trade Gesture – using the Trade Gesture is even simpler. The Customer receives a quick refund of erroneously collected funds. • User friendly – the application is easy and intuitive. Filing a complaint takes less time. The application provides suggestions about the next steps. • Complaint status – GObetter provides information about the current status of the complaint. It is convenient not only for the Customer but also for the employee. • Plain Language – all messages to Customers and complaint responses have been prepared in accordance with plain language principles. • Functionality – much easier reporting. A single database contains all the information needed to analyse and introduce changes.
----------------------------------	--

In 2021, the number of Customers who benefited from the Trade Gesture was 26% higher than in 2020. We have fully automated the process. In the first half of 2021, we introduced organisational changes in the Complaints Office. We have selected specialised teams for handling specific product areas and business lines. We have also chosen employees who handle complaints from financial institutions, we centralised the complaint team in Ruda Śląska, and we changed the complaint handling processes of the Brokerage House. We have enabled Customers to submit complaints through online or mobile banking without contacting a Bank advisor.

<p>12</p> <p>12 days – the period to which we have shortened the complaint handling time</p>	<p>15%</p> <p>fewer complaints in 2021</p>
---	---

Customer privacy protection

We ensure the security of the Bank's systems and of applications used by our Customers. We spread knowledge about the safe use of banking services daily. We regularly commission external audits of electronic banking because we want the security of our internet banking to maintain the highest level.

<p>Safe online banking</p>	<ul style="list-style-type: none"> • We ensure the highest standard of security measures. • We regularly test our security features. • We inform users about the risks and educate them on the conscious use of online banking.
<p>Safe user</p>	<ul style="list-style-type: none"> • We educate our Customers on how to stay safe online and how to protect their identity.
<p>Safe card</p>	<ul style="list-style-type: none"> • We secure our Customers' payment cards and protect their operations. • We educate our Customers on how to minimise the risk of unauthorised card transactions.
<p>Safe phone</p>	<ul style="list-style-type: none"> • We educate Customers on how to ensure the security of mobile devices.

More information on Customers privacy protection is available at <https://www.bnpparibas.pl/bezpieczenstwo>.

3.8 Availability of products and services

GRI 103-1, 103-2, 103-3 reporting topics *Increasing the availability of products, services and Bank branches. Digitalisation of banking services and products*

Distribution channels

We strive to ensure that every Customer has equal access to banking services and products. We are constantly improving our procedures to facilitate the work of our employees with disabilities. These goals result from our commitments set out in the Bank's CSR and Sustainability Strategy. We improve our products and introduce amenities in our branches. Thus, we provide access to banking for people with disabilities, the elderly and people from groups at risk of exclusion.

Branches

As of 31 December 2021, the Bank had 427 retail and business banking branches (including 15 partner branches). The branch network was supported by 15 Wealth Management Centers.

As part of the network optimization project, 268 retail and business banking branches were closed between 31 October 2018 and 31 December 2021 (including 32 branches closed in 2021).

In 2021, the transformation of the branch network, which began in 2017, was continued with a new design and a new customer service model based on moving the handling of basic, everyday transactions to self-service channels. In total, as of 31 December 2021 the Bank had 171 branches in the new format (including 163 branches after transformation and 8 branches without rearrangement).

In 152 branches (including 3 partner branches) cash services were provided exclusively through self-service devices.

As of 31 December 2021 the Bank had 77 branches with the "Barrier Free Facility" Certificate, issued by the Integration Foundation for good service practices for people with disabilities.

All the Bank's branches have been awarded the **OK SENIOR**® Certificate, which confirms that senior customers (60+) are served in a safe, understandable and accessible manner.

In 2021, the sales network for Corporate Banking consisted of 6 Regional Corporate Banking Centers located in Warsaw, Gdańsk, Poznań, Katowice, Cracow and Lublin.

The SME Banking Area sales network includes 6 SME Banking Regions with 45 SME Business Centers located on 34 local markets with the greatest potential.

ATM and cash deposit network

As at 31 December 2021, the Bank's branches had:

- 514 dual-function devices processing contactless deposits and withdrawals with Bank cards and BLIK, as well as cash withdrawals using Google Pay and Apple Pay, and
- 58 ATMs supporting only standard withdrawals and transactions made available by the VISA and Mastercard systems.

In addition, two dual-function devices and two ATMs operated outside the Bank's branches.

E-banking and mobile banking

In 2021, the Bank continued its intensive development of remote channels, implementing a number of functionalities aimed at strengthening its competitive position, reducing the cost of providing services and improving the quality of customer service while ensuring the highest security standards.

Moreover, in view of the ongoing coronavirus pandemic, the Bank's activities in the area of Internet and mobile banking also focused on maximum support for customers in remote access to bank services and products. The Bank has been consistently introducing new self-service processes to its e-banking offers, allowing customers to meet their most important daily needs without the need to visit a branch - starting with applying for additional products, through after-sales service - from any device and at any convenient time

KEY CHANGES IN SYSTEMS AND OFFERS FOR RETAIL CUSTOMERS IN 2021

Płatności

- Providing e-PIT service - possibility to pay taxes with PaybyNet. Settlement is made online, directly from the level of the tax portal Your e-PIT.
- Introduction of a TARGET foreign exchange transfer in EUR, where the counterparty's bank must be a TARGET2 participant. TARGET2 is a pan-European real-time interbank settlement system in EUR - the counterparty should receive the transfer to its account within several minutes.

Usługa mojeID

- Completely free, the possibility of confirming one's identity via internet,
- allows you to arrange matters via the Internet - both in offices and at service points of suppliers (including: energy, medical, insurance or telecommunications),
- allows you to create a Trusted Profile and obtain online access to your data - tax, health, registration and social security.

Kredyty i karty

- Making credit card agreement termination process as well as cancellation of submitted termination process available.
- Possibility of an application for an increase of credit card or Allegro credit limits in GOmobile
- Customers who have a virtual/mobile card, a card that does not have a physical/plastic form, can conveniently manage it in the mobile app. Possibility to uncover/hide card data (full number, CVC code) was added in the app functionalities. Moreover, customers can use functions that are available for standard cards.
- Allowing clients to pay off a credit card also from an account in another bank in GOmobile. Similarly to online purchases, customers can use the Paybynet/PayLane option.
- Change in presentation of Internet and Correspondence/Telephone limits.

Inwestycje

- Provide access to Brokerage Analytics in the Investment and Offers sections.
- Making available transfers in foreign currencies.
- Conversion of open-ended investment funds (regular and PSO registers) - the possibility of transferring assets between (sub)funds of individual investment fund companies, serviced by ProService Transfer Agent.

Financial Shield of the Polish Development Fund

- For Micro Clients in GOonline - possibility of submitting a subsidy application under Shield 2.0.
- Presentation of historical applications and possibility to download documents for corporate customers applying for PFR 1.0 and 2.0 subsidies.
- Presentation

Client's data / Client

- The ability to update address information.
- GOMobile - introduction of generic signature allowing to sign documents in the application.
- Provide the ability to connect with a consultant via video chat before logging into GOonline (not applicable to Wealth Management domain and GOoptima). The chat is available on working days between 9 am and 5 pm.
- Increase of safety in changing password in GOonline process – necessity of entering a current password.
- Unlocking GOMobile in GOonline - after completing the process of unlocking the mobile app in GOonline, an additional message about a necessity of the PIN in GOMobile removal is displayed.
- Password reset does not change the authorization method to SMS codes for customers who have previously used mobile authorization.

Accounts & Savings

- GOonline - new tab: Services / Authorizations - account holder and co-account holder can view the general and special authorizations granted by them to their card and detailed information about each of the granted authorizations. This tab is not available in company profiles, GOoptima and in the context of proxies. Authorizations for one-time actions are not displayed.
- Applications for new products in GOMobile - the ability to open foreign currency and savings accounts within minutes. If a customer needs additional funds, they can apply for a revolving account limit.

The voice of the customer is the basis for building development plans in the area of internet and mobile banking. Regular feedback, e.g. via customer satisfaction survey, makes it possible to identify the advantages and disadvantages of the services offered and to better understand individual customer needs.

Customer safety is a fundamental element of the Bank's e-banking development strategy and because of that the GOonline system has been enhanced with additional mechanisms to prevent the potential consequences of unauthorised access and campaigns promoting modern authorisation methods and responsible use of remote channels.

Data on retail customers

Specification	system name	31.12.2021	31.12.2020
Number of customers/users using internet banking	GOonline	790,012	742,724
Average monthly number of transactions in the Internet channel	GOonline	3,378,491	3,416,891
Number of customers / users using mobile application (GOMobile)	GOMobile	911,142	669,043
Number of customers / users using mobile banking (mobile device)	GOMobile + GOonline	1,078,048	838,632
Number of customers / users using only the mobile application (GOMobile)	GOMobile	591,801	415,430
Number of customers / users using only mobile banking (mobile device)	GOMobile + GOonline	708,876	498,786

Further development of GOonline Business modules:

- changes in the Order Processing module - sending/receiving notifications, generating reports, group authorization of orders, downloading reports from the list of orders, attaching appendices,
- changes in the Credits module - printing out the schedule of credits, making the "Financial Subsidy TF 1.0 PFR" product available, presenting the launch and the repayment schedule,
- changes in Self Service module: adding new types of dispositions, e.g. adding a new transfer cancellation request and automation of processes performed on the Bank's side,
- implementation of new modules: Import Collections and Export Collections. Main functionalities: generating reports from the list of collections and from the list of fees and commissions, presenting information on fees and commissions, quick redirection to payments for import collections, notifications on registering a new import collection and payment for export collections, downloading collection details to a .pdf file, access to scans of documents for import collections,
- implementation of a new log-in page for the GOonline Business system with a new graphic design,
- making new Accounts module available in scope of the accounts list, accounts history (including managing the list view), accounts management (naming, sorting, etc.),
- changes in the ADK (Customer Advisor Application) - adding an automatic mechanism of breaking a session of a logged in user to GOMobile Biznes when blocking a user's WWW channel, adding information on the user's establishment channel in GOMobile Biznes,
- PROGRAM PFR 2.0 - implementation of the application process for a financial subsidy under the PFR 2.0 Financial Shield Program for Micro, Small and Medium Enterprises, and implementation of changes in subsequent project phases,
- Channel names unification for the GO Business ecosystem for corporate customers: GOonline Business, GOconnect Business - H2H solutions, GOMobile Business - mobile banking.

Implemented changes are another stage in the process of modernising and improving the functionality of the GOonline Biznes system.

Data on corporate and SME clients

Specification	System name	31.12.2021	31.12.2020
Number of clients actively logging on	BiznesPI@net	145,194	143,758
Monthly average number of transactions	BiznesPI@net	5,999,966	5,753,859
Number of mobile application customers/users	GOMobile Biznes	17,034	8,357

Bank cards

As regards issuance and servicing of payment cards, BNP Paribas Bank Polska SA cooperates with MasterCard and Visa organisations. The card portfolio includes debit, credit and deferred payment cards.

As at 31 December 2021, the number of cards issued amounted to 2,547.6 thousand and was 113.8 thousand higher than in the corresponding period of the previous year. The recorded growth in debit cards results mainly from the Bank's highly popular offers:

- My Premium Account is opened with a dedicated card – My Premium Card (Moja Karta Premium) or Multicurrency Card (Karta Multiwalutowa)
- Open Account for You (Konto Otwarte na Ciebie) with possibility to issue 4 cards (Open for Today card (Karta Otwarta na Dzisiaj), eWorld Open card (Karta Otwarta na eŚwiat), Open to the World card (Karta Otwarta na Świat) and Multicurrency card (Karta Multiwalutowa)),
- Family Banking offer - Adulthood Card (Karta do Dorosłości) issued to persons aged 13-18, Samodzielniak's Card (Karta Samodzielniaka) and Samodzielniak's Microcard (Mikrokarta Samodzielniaka) issued to children aged 7-13.

Number of banking cards issued by the Bank

in PLN'000	31.12.2021	31.12.2020	change y/y PLN'000	%
Debit cards for retail customers	1,538.2	1,429.1	109.1	7.6%
Credit cards for retail customers	800.2	802.4	(2.2)	(0.3%)
Business debit cards	196.0	188.5	7.5	4.0%
Deferred payment business cards	7.7	7.8	(0.1)	(1.3%)
Business credit cards	5.5	6.0	(0.5)	(8.3%)
Number of cards issued - total	2,547.6	2,433.8	136.8	4.7%

Cooperation with intermediaries

At the end of December 2021, in the Retail and Business Banking, in the area of acquisition of banking products, the Bank was actively working with:

- based on outsourcing agreements - 13 external outsourcing intermediaries, 8 outsourcing intermediaries acting exclusively for the Bank and 14 franchise partners
- based on marketing agreements – 321 counterparties

In the area of Personal Finance Banking, 13 nationwide intermediaries and 1 online intermediary were engaged under outsourcing agreements for the sale of a cash loan product.

Amenities for people with special needs

GRI 102-12, 203-1

Amenities

For the deaf and hard of hearing

- They can take advantage of the Bank's services in all branches thanks to an online connection with a sign language interpreter.
- A sign language appointment can be booked via the Booksy app or a form on the Bank's website.
- Sign language interpreters are also available on our Hotline and visual recordings of document content in Polish sign language are provided.
- People who use hearing aids with an induction loop receiver (T mode) can use the technology in 50 Bank branches.

For the blind and visually impaired

- We have provided access to document templates in the form of audio recordings, enlarged printouts and translations of documents into the Braille alphabet.
- Each branch is equipped with a magnifying glass and a frame that facilitates the signing of documents.
- We have adapted our ATMs to be accessible to the visually impaired.
- We have covered the glass elements of branch architecture with information and decorative patterns to ensure the high visibility of transparent elements.

For people with reduced mobility

- 77 branches the Bank have received Integration Foundation's "Facility without barriers" certificates. More branches are undergoing the process of certification. We are a leader among Polish banks in this regard.

For the elderly

- We were the first financial institution in Poland to receive (twice) the OK SENIOR® quality certificate for the Bank's branch network.
- We are a partner of the National Institute of Silver Economy and cooperate for the education and security of Senior Customers.

We meet the requirements of the July 19, 2019, Act on providing access to people with special needs. In January 2021, we introduced the Bank's "Guidelines for providing Customers with banking documents in a form accessible to persons with special needs".

Amenities for the deaf and hard of hearing

Customers with hearing impairments are provided with access to document templates in the form of Polish sign language videos.

The deaf and hard of hearing can be served in all branches of the Bank thanks to an online connection with a "Migam" sign language interpreter. The Customer can connect to the translator on the Bank advisor's tablet or on his/her phone – through a browser or by scanning the QR code on the branch door.

A sign language appointment at one of the Bank's branches can be booked by phone, in the Booksy application or via the Bank's website.

Customers can also use the services of a sign language interpreter on our Helpline and can order sign language videos with the content of our documents. To connect to a "Migam" interpreter on our Helpline, visit <https://tlumacz.migam.org/bnpparibas>.

To extend the availability of our banking services for the hearing impaired – we installed 50 induction loops in Bank branches in 2021. The installation of another 45 units is planned for the beginning of 2022.

Amenities for the blind and visually impaired

Persons with eyesight disabilities can familiarise themselves with document templates in the form of audio recordings, enlarged printouts and Braille translations.

Each branch is equipped with a magnifying glass for the visually impaired and a frame that facilitates the signing of documents. We also provide access to ATMs adapted to the needs of the visually impaired. They are equipped with headphone sockets and a numeric keypad with Braille markings. At branches, transparent glass elements are covered with information and decorative patterns, which ensure high visibility.

Branches available to customers with reduced mobility

We adapt the architectural design of our branches to the needs of people with reduced mobility. Our efforts have been acknowledged by the Integration Foundation, which issues the "Facility without barriers" certificate to institutions that respect the needs of people in wheelchairs, with mobility impairments, the blind, the visually impaired or deaf, the elderly and young children.

At the end of 2021, 77 branches of the Bank possessed the "Facility without barriers" certificate. In 2022, we will continue the process of certification by auditing the Bank's branches and adjusting them to the requirements of the certificate.

Senior-friendly branches

Our Bank has successfully undergone the process of recertification, and we can use the OK SENIOR® mark of quality for the next two years. The certificate is awarded by OK SENIOR Polska sp. z o.o. in partnership with the National Institute of Silver Economy. The main areas of the audit include infrastructure, branch interior, customer service, queue management and the Bank's internal quality standards.

The certificate attests that senior Customers (60+) are served with the following principles in mind:

- Safe - facilities meet the highest safety standards,
- Intelligible - advisers verify whether the Customer can hear them well, use simple language, offer pen and paper for note-taking, offer materials printed in a large font,
- Accessible - facilities are easily accessible,
- Reliable - we respond to the real needs of senior citizens and protect them from abuse.

Partnerships for availability

GRI 102-12

To effectively implement our goals and make banking more accessible, we cooperate with many partner organisations

<p>Accessibility Plus</p>	<p>The Bank is a signatory of the “Partnership for Accessibility” programme developed by the Ministry of Investment and Economic Development, as part of the Accessibility Plus initiative. Our goal is to adapt our products and services to the needs of people with disabilities, as well as to the needs of the elderly and those at risk of exclusion.</p>
<p>Integration Foundation</p>	<p>The Bank is a long-term partner of the Integration Foundation. The Foundation supports us with regard to increasing the availability and user-friendliness of our services. As part of the cooperation, the Bank transforms, audits and certifies branches to ensure their accessibility for people with disabilities. Digital channels are adapted to the current standards. Furthermore, we promote accessibility and inclusiveness in business.</p>
<p>Accessible ATM</p>	<p>We are a partner of the Accessible ATM project, whose aim is to counteract social and digital exclusion by eliminating restrictions and increasing access to financial services. The Accessible ATM project includes a freely accessible online platform with a database of ATMs adapted to the needs of the disabled. The project is being implemented by the Polish Bank Association in cooperation with Polish banks and the “Widzialni” Foundation, with the support and under the patronage of the National Bank of Poland and the Ministry of Entrepreneurship and Technology.</p>
<p>The National Institute of Silver Economy</p>	<p>As part of the cooperation, representatives of the Institute conduct mentoring workshops for the Bank’s employees on how to effectively support seniors. We have also received a certificate of quality – OK SENIOR® – for adapting the Bank’s branches to the needs of people over 60.</p>
<p>Migam „RKPK” Sp z o.o. S.K.A.</p>	<p>As part of the cooperation, the Migam company supports the Bank in increasing the availability and user-friendliness of services for people with hearing disabilities. Customers can take advantage of the services of a sign language interpreter, for example, when setting up an account.</p>
<p>Deaf Respect Foundation</p>	<p>The Deaf Respect Foundation supported the launch of sign language interpreting services at the Bank and carried out a service quality audit of the “Migam” technology.</p>

3.9 Best Practices of BNP Paribas Group Companies in Poland

GRI 102-45

It is very important for all companies of the BNP Paribas Group in Poland to operate in line with the principles of responsible business. The companies observe ethical standards and guidelines of the BNP Paribas Group, included, inter alia, in the Code of Conduct of the BNP Paribas Group. Moreover, employees of these companies show strong commitment to pro-social and pro-environmental initiatives.

BNP Paribas Lease Group sp. z o.o.

BNP Paribas Lease Group sp. z o.o. provides operational services to BNP Paribas Leasing Services Sp. z o.o. under service agreements concluded in this respect. In 2021, it carried out activities related to corporate social responsibility and sustainable development together with BNP Paribas Leasing Services Sp. z o. o.

Commitment in the business area

- In the Technology Solutions line: working with a photovoltaic solutions provider that focuses on ecological solutions;
- In the Equipment Leasing Solutions line: financing equipment from the Low Emission Transports category;
- In the Bank Leasing Services line: actions to improve the quality of reporting (changes in systems), allowing to measure the commitment to financing socially and environmentally friendly entities (according to "EKD", as well as initiatives related to business in correlation with the Sustainable Development Goals);
- Key business campaigns: financing photovoltaics, "green assets" (e.g. electric forklifts, green lighting, air purification in greenhouses).

Commitment in the employee area

- Internal campaign on Code of Conduct: reminder of professional ethics and code of conduct, dilemma sessions for employees, webinars and articles on anti-bullying within D&I;
- Collaboration with Blue Tree One employment agency on the employment of people with physical and mental disabilities;
- Subsidising a hearing aid for an employee;
- Employee Wellbeing Programme: events to support employee wellbeing (webinars on health, planning and relaxation techniques, office massages, chi-kung exercises, lectures and individual consultations with a personal trainer, nutritionist and physiotherapist, open day in the new office for employees and their relatives);
- Let's Celebrate initiatives: related to Christmas, charity events, joint decorating of the Christmas tree and team zones on campus, online cooking workshops for employees;
- Establishing October as Diversity and Inclusion Month - Employee Programme divided into four themes: Fitness (disability at work), Equality, Dignity and Responsibility - webinars, workshops, lectures, articles;
- As an initiator, in collaboration with Arval, RE, Cardiff, Factoring and TFI entities, the Company set up a mentoring programme for employees (team workshops using Gallup methodology).

Commitment in the social area

- Funding of starter kits for employees taking part in charity runs in Warsaw and Wrocław;
- Action in cooperation with Biebrzański National Park employees (removal of clumps of invasive lupine species to make room for other protected and rare plants);
- Noble Gift - 65 employees involved in the action;
- Support for pupils of one of Warsaw's orphanages;
- Gifts for oncology patients;
- Cooperation with the social organisation Change4Good (purchase of Christmas cards).

Commitment in the environmental area

- Quarterly controls of paper consumption and CO2 emissions by car fleet and during business trips;
- Promotion of alternative drives in the area of car fleet management (videoconferencing);
- Paper and plastic reduction policy in the organisation (elimination of plastic packaging);
- Promotional and advertising materials as well as office materials come from ecological, recycled and sustainably produced materials;
- Obsolete materials are given a second life;
- Promotion of eco-attitudes among employees;
- Digitisation of correspondence;
- CSR assessment is one of the criteria for selecting suppliers.

BNP Paribas Securities Services sp. k. Branch in Poland

BNP Paribas Securities Services Poland is a part of the BNP Paribas Group specialising in securities and investment funds operations for institutional investors and financial institutions. In 2021, despite consecutive waves of the COVID-19 pandemic, BNP Paribas Securities Services employees' commitment to volunteering increased. Last year, this translated into 2,363 hours worked, reported to BNP Paribas Group's global 1 Million Hours to Help #1MH2H programme.

Commitment in the employee area

- Wellbeing Campaign - the aim of the initiative, conducted twice in 2021, was to improve the mental and physical state of employees. In total, more than 750 people took part in webinars, lectures and online workshops. Employees were able to take part in yoga, pilates, healthy spine or stretching classes. In addition, there were sessions on healthy eating, diet and nutritional values, mindfulness classes, relaxation techniques and stress management. Due to the huge interest in the programme, the next edition is being prepared for spring 2022.

Commitment in the social area

- Anonymous toll-free psychological support hotline - launched in 2021 for the benefit of employees and their loved ones struggling to function during the COVID-19 pandemic. Therapists and psychologists were available to discuss any issues related to conflicts, addictions, the process of change, family problems or illnesses.
- Noble Gift - thanks to the personal involvement and support of nearly 350 employees, all the needs of the recipients were met, and the total value of the packages exceeded PLN 47,000.
- Donating laptops to pupils of orphanages in Morąg, run by the Morąg Association for Family Support. The aim of the project was to make it easier for school-age children to participate in remote lessons during the COVID-19 pandemic. The laptops donated were previously used by employees and were properly prepared (specialist disk cleaning, uploading new operating system, physical cleaning of the equipment). The BNP Paribas Foundation granted additionally financing for the purchase of backpacks and sets of headphones to provide fully operational equipment for remote education. 27 sets were donated to 56 children from two orphanages in Morąg.
- Action of handing over sleeping bags to the homeless from the Central Station - implemented in autumn 2021 as a grant project financed in the competition of the BNP Paribas Foundation. The partner of the action was the "Daj Herbatę" foundation, which directly helps homeless people in Warsaw. Employees used the grant funds to purchase 77 sleeping bags, which they personally handed over to the homeless.

Commitment in the environmental area

- Participation in the 28th final of the Clean Up the World campaign - in September 2021, in cooperation with the Nasza Ziemia (Our Earth) Foundation, 132 employees cleaned up the Bródnowski Forest in Warsaw for several hours. The action was preceded by a webinar on the principles of waste sorting and instructing volunteers on safety. Over 1,000 kg of rubbish was collected and sorted into separate fractions and sent for recycling.
- The environmental project "Dbaj o klimat. Redukuj CO2" (Fight Your Carbon Footprint) – the campaign in collaboration with Little Greenfinity, planned over two years. The first step was a series of webinars for employees on the carbon footprint, its impact on the environment and how it can be reduced in everyday life. A total of 68 employees took part. This was followed by a series aimed at external audiences - teachers and secondary school students. A series of online workshops were attended by 255 educators who will be able to spread the knowledge to their pupils. A competition for students to design a project that will help the local community reduce greenhouse gas emissions is planned for 2022. The prize is substantive or financial assistance in implementing the idea (depending on the needs of the project).
- Cooperation with the Shelter for Homeless Animals in Celestynów - as part of the partnership inaugurated in 2021, over 50 volunteers took part in weekend dog walking actions. In addition, a collection of funds and necessary equipment is held each time before the walking weekend.

BNP Real Estate Poland sp. z o. o.

Commitment in the employee area

- Continuation of the #Wellbe programme, which aims to increase well-being and promote a healthy lifestyle among employees.
- Promoting pro-environmental attitudes among employees.

Commitment in the social area

- Noble Gift;
- Supporting care facilities and non-governmental organisations;
- Actions for employees and customers, e.g. Blood Donation Campaign, Bicycle Rallies, Electro-waste Collection, Fresh Herbs Day.
- Support for the Synapsis Foundation - campaign "Na Niebiesko dla autyzmu" (On blue for autism).

Commitment in the environmental area

- Property management in line with sustainable construction principles, taking into account all aspects of respect for the environment. As a result, buildings in the Company's portfolio maintain BREEAM and LEED certificates with the highest ratings;
- Promoting among building owners the implementation of modern, ecological solutions in real estate and electric and public transport.

BNP Paribas Faktoring sp. z o. o.

Commitment in the employee area

- Ensuring safe and friendly working conditions for employees during the COVID-19 pandemic by:
 - access to professional psychological care,
 - equipping those working remotely with appropriate equipment, i.e. additional monitors;
- Benefits supporting wellbeing:
 - foreign language learning - individual lessons with an online teacher,
 - flexible working time and form (hybrid system with the possibility of derogation in justified cases),
 - medical care and broad insurance offer.

Commitment in the social area

- Noble Gift;
- Participation in the nationwide campaign against breast cancer under the slogan #PomacajSie;
- Continuation of the tradition of presenting newborn children to employees with teddy bears from the TVN Foundation - You Are Not Alone;
- Joining the health prevention campaign;
- Grassroots employee initiatives:
 - participation in the campaign "ODKREĆAMY DLA MYSZY" - collecting plastic caps as a financial aid for rehabilitation after stroke,
 - collection of money for the auction for Arianka of the Siepomaga Foundation,
 - participation in the Veritas Foundation's #ChceMI_SIEpomagać campaign,
 - local neighbourhood initiatives.

Commitment in the environmental area

- Paper and plastic reduction policy in the organisation;
- Successive audits to reduce paper consumption and CO2 emissions by the car fleet and during business trips;
- The Company does not order any printed or plastic advertising gadgets;
- Abandoning the purchase of water in plastic bottles (filtered water served in glass carafes).

BNP Paribas Cardif in Poland

BNP Paribas Cardif in Poland is represented by two insurance companies: Towarzystwo Ubezpieczeń na Życie Cardif Polska S.A. and Cardif Assurances Risques Divers S.A. Branch in Poland.

Commitment in the employee area

- A package of sanitary-epidemiological safety measures and rules:
 - possibility to work remotely,
 - access to disposable masks and gloves and disinfectant fluid in the office,
 - possibility to rent IT equipment and to buy office furniture when moving to a new office,
 - webinars and lectures to support employees during the pandemic,
 - the opportunity to take part in a series of online exercises with a trainer.

Commitment in the social area

- Partner and founder of packages during the 25th Christmas Food Collection, organised by the SOS Food Bank in Warsaw;
- Supporting Partner of the "One To Maja" Programme of the Vital Voices Foundation, which promotes the leadership potential of women;
- As part of the Pink October initiative, collection of clothes for the Flower of Womanhood organisation on the "Ubrania do Oddania" (Clothes to Donate) platform.

Commitment in the environmental area

- Zero Waste Challenge project, launched on World Earth Day - its aim was to spread awareness among employees about Zero Waste living and help them introduce ecological habits;
- Webinar on not wasting food, organised for employees in cooperation with the SOS Food Bank in Warsaw.

Arval Service Lease Polska sp. z o. o.

In 2021 Arval Service Lease Polska sp. z o. o. won the title Company of the Year in the Road Safety Partner competition. The award was granted for activities improving road traffic safety and raising drivers' awareness and skills.

Commitment in the business area

- Signing a contract with Bank Ochrony Środowiska for rental of electric cars with subsidies within the framework of NFOŚiGW "Mój elektryk" (My electric) programme. Arval was one of the first four companies to start subsidies from NFOŚiGW;
- Cooperation with the French-Polish Chamber of Commerce (webinars on electromobility);
- Events dedicated to electromobility and CSR issues, including road safety (a series of Arval #MeetUp meetings, participation in external initiatives);
- Introduction of new products in the field of electromobility: "try&love it", Holiday replacement car, Car bundled with charger;
- Continuation of analyses e.g. Fleet Barometer;
- Continuation of initiatives: Arval Driving Academy and Safe Driving Ambassador.

Commitment in the employee area

- Mobility hub for Arval employees at head office;
- Re-leasing offer for employees;
- Changing fleet policy to include promoting the choice of electrics + financing of charging stations;
- Continuation of the talent development programme „Rozwiń skrzydła" (Spread your wings);
- New Motivizer platform for Company employees;
- Continuation of the remote working system and support for employees through the possibility of purchasing equipment e.g. monitors and chairs;
- CSR report on the Metabolic project with employees and suppliers as we as customers.

Commitment in the social area

- Internship programme for talented students;
- Continuation of the programme to support medical units in the fight against COVID-19 by providing them with cars (cars are used to transport staff and patients, as well as medical supplies in the Warmińsko-Mazurskie voivodeship).

Commitment in the environmental area

- Reforest Action;
- Continuation of the Arval Beyond Policy for 2022-2025, one element of which is to reduce CO₂ emissions;
- Continuation of a responsible climate change policy;
- Continued use of SMaRT methodology as a tool for fleet energy transition.

IV. Environmental perspective

4.1 Managing environmental responsibility

GRI 102-29, 103-1, 103-2 i 103-3 reporting topics *Offering products and services which respond to social and environmental challenges. Limiting the negative impact of operations on the environment. Limiting loan portfolio emissions. The Bank's strategic commitments and their fulfilment in terms of counteracting climate change.*

Care for the natural environment is one of the key commitments of BNP Paribas Bank Polska S.A. Therefore, since 2019, we have been implementing the "Bank of Green Changes" programme, which aggregates the Bank's initiatives with regard to the UN's environmental Sustainable Development Goals (SDGs).

Commitments of the Bank with regard to environmental responsibility – one of the four major areas of our CSR and Sustainability Strategy

- Enabling our Customers to transition to a low-carbon economy respectful of the environment
- Reducing the environmental impact of our operations
- Advancing awareness and sharing of best environmental practices

To achieve the above, the Bank:

- Limits financing high-emission sectors,
- Supports the energy transition by offering "green" products and services,
- Limits the negative impact of its operations on the environment,
- Promotes environmentally friendly attitudes among its employees and Customers,
- Establishes partnerships and promotes climate justice.

The units responsible for sustainability and ESG initiatives (environmental, social, governance) until the end of 2021 were: the CSR and Sustainability Office and the Office for Sustainability Programmes. On January 1, 2022, the **Sustainability Area** began operations. The creation of this new unit emphasises the role and commitment of the Bank with regard to building a sustainable economy. Jarek Rot, the Chief Sustainability Officer, became the Executive Director of the new Area.

For more information, see the *Management Foundations* chapter, *ESG Risk Management* section.

Our commitments lead to the implementation of the UN's global Sustainable Development Goals.

UN Sustainable Development Goals supported by the Bank under environmental responsibility

			
Goal 6. Clean water and sanitation	Goal 7. Affordable and Clean energy	Goal 12. Responsible consumption and production	Goal 13. Climate action



In 2021, we continued the implementation of the **Fast Forward Strategy for 2018-2021** and its key component, the **CSR and Sustainability Strategy**. The Management Board supervised the associated initiatives. Simultaneously, in 2021, we developed a strategy for 2022-2024, which will place great emphasis on sustainability. The strategy will be published in the first quarter of 2022. The Bank's environmental commitments reflected in the new strategy include:

- Further development of sustainable financing (including green financing, Sustainability Linked Loan products, green bonds – sustainable investment products),
- Strengthening ESG risk management practices,
- Reduction of CO₂ emissions,
- Reduction of energy, water and gas consumption,
- Development of an eco-fleet,
- Reduction of resource consumption (including paper),
- Strengthening climate education.

Climate risk management

GRI 102-11, 102-29, 102-15, 102-30, GPW E-P3

TCFD

The Bank analyses the possible impact of trends related to climate change – we identify opportunities and threats to our operations and development prospects. **To this end, the Bank distinguished climate-related risks and opportunities in the short, medium and long term.**

Key climate-related risks which affect the development of products and services faced by Customers

- The high energy consumption of the Polish coal-based industry (over 70% of energy production is dependant on coal) reduces its competitiveness on the world market.
- Construction in Poland is obsolete and characterised by high energy consumption, which generates a large demand for energy.
- Rising energy prices lead to a decline in the competitiveness of the economy and a deterioration of living standards.
- Climate change (particularly droughts) disrupts business operations.
- The Bank's Customer portfolio contains a significant number of entities that are sensitive to climate change, e.g. to rising energy prices (energy-intensive companies) or droughts (agri-food sector).
- The Bank's Customers may be affected by the economically unfavourable effects of climate-protection regulations (especially in the short and medium term).
- Regulatory uncertainty as to possible future mechanisms which may affect the activity of enterprises (e.g. emission charges, waste management, additional taxes).

Risks for the Bank

Short and medium-term perspective

- New global/EU/local regulations which necessitate the implementation of assessment and reporting systems for climate-related operations of the Bank and its Customers.
- New risk of market-share loss if the Bank implements more stringent requirements than its competition.
- Operational risk related to investment projects focused on innovative, environmentally beneficial solutions due to the relatively early development stage of the new technologies.

Long-term perspective

- The Agro Customer segment is among the industries most exposed to climate risks, which increases the Bank's credit risk.
- The disruption of Customers' activities and liquidity in the corporate segment due to climate change and high temperatures as well as the need to limit exposure to all high-emission industries affects the financial stability of enterprises.

Key climate-related opportunities which affect the development of products and services faced by Customers

- Moderate increase in demand (companies, individuals) for energy transition investments. In the medium and long term, this demand is likely to increase in the wake of rising energy prices and the need to switch to cheaper energy sources and improve energy efficiency. Commercial banks will substantially contribute to financing these investments.
- Increased role of financial institutions in the transfer of national and EU funds for energy transition. The Bank's experts estimate that c. 30% of national and EU funds will pass through financial institutions.
- Implementation of the European Union's "Farm to Fork" policy which supports sustainable food production.

Opportunities for the Bank

Short-term perspective:

- Strengthening the Bank's reputation and brand.
- Using the Bank's unique engagement in climate-related issues as a distinguishing factor on the market.

Medium-term perspective:

- Introduction of new green products due to a strong position as both a beneficiary and intermediary of EU funds for energy transition and climate change.

Long-term perspective:

- Development of the business and assumption of a leadership role when it comes to a positive transformation of the economy, while maintaining profitability.

Method of presenting indicators:

- *For the purposes of the present analysis, BNP Paribas Bank Polska S.A. has assumed that the short-term perspective is 1 year, the medium-term perspective is 1 – 5 years, while the long-term perspective is over 5 years.*

The BNP Paribas Group is committed to aligning its loan portfolio with global climate objectives by supporting the objective described in Article 21(c) of the Paris Agreement: "Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development."

The Bank monitors the level of ESG (environmental, social and governance) **risks among its Corporate Customers**. Additionally, as a member of the BNP Paribas Group, the Bank focuses particularly on financing sectors that are considered sensitive in terms of ESG risk.

As a responsible financial institution, the Bank consciously limits its involvement in industries deemed harmful and inconsistent with the principles of sustainable development. Simultaneously, it supports eco-investments and finances renewable energy sources.

Sectors related to environmental, social and governance risks are described in the *Management Foundations* chapter, *ESG Risk Management* section.

The Bank implements CSR policies and principles with regard to Customers operating in sectors deemed particularly harmful. To become a Customer or obtain financing, an entity must meet the requirements set out in the policy for a given sector. The bank is gradually withdrawing from cooperation with Customers representing sectors that are particularly harmful to sustainability.

The **coal energy sector** is a good example. Since 2015, the Bank has not provided new financing to coal-based energy groups. In 2017, we ceased financing the construction of new coal power plants and coal mines. Since then, the Bank has only supported enterprises from the coal-based energy sector that are transitioning to other energy sources. In 2019, the Group adopted deadlines (2030 for the European Union and OECD; 2040 for the rest of the world) for the Bank's cooperation with Customers involved in coal-based energy, mining and coal infrastructure. They will no longer be able to maintain a relationship with the Bank if they continue to use coal.

The Bank has pledged that it will not commence cooperation with Customers if coal-related activities generate over 25% of their revenues. In addition, the BNP Paribas Group maintains its commitment to terminate cooperation with any Customer who chooses to depend on coal for their new production activities. Moreover, all current and potential Customers of the Bank operating in the harmful industries are informed about our CSR policies and receive an explanation of the analysis process.

4.2 Green products, services and funding programmes

GRI 102-29, 103-1, 103-2 i 103-3 reporting topics Offering products and services that respond to (social and/or) environmental challenges, Reducing the carbon footprint of the loan portfolio

Our key commitment as regards environmental responsibility is to support the energy transition of our Customers. The Bank continues to develop its offer of products and services that help Customers transition to a low-carbon economy and develop sustainable and green investments.

SUSTAINABLE FINANCING IN 2021 BY MAIN CATEGORIES (VALUE OF LOANS GRANTED)

Value of financing that supported the Sustainable Development Goals (social and environmental goals)	PLN 3.9 billion
Value of green financing, including:	PLN 3.8 billion (+ 284% YoY)
<ul style="list-style-type: none"> ● production of energy from renewable sources 	PLN 662 million
<ul style="list-style-type: none"> ● ecological construction (BREEAM, LEED, thermal insulation of buildings) 	PLN 1,492 million
<ul style="list-style-type: none"> ● ecological transport 	PLN 57 million

SUSTAINABLE FINANCING PROVIDED BY THE BANK IN 2019-2021

- Value of financing that supported the Sustainable Development Goals (social and environmental goals)
- PLN 6.1 billion

Our experience and knowledge in the field of RES

Since 2008, we have been financing small and medium-sized renewable energy sources (RES) projects: wind farms, agricultural biogas plants, small hydro plants and photovoltaic installations. One of the first major initiatives in this area was an agreement with the EBRD for a Sustainable Energy Financing Programme in Poland, concluded in 2011. In 2018, the Bank significantly expanded its own know-how, i.a. by hiring engineers to support the bank's Customers in their energy transition.

over 16 thousand

photovoltaic installations for individual customers in 2021 (+61% YoY)

EU 25 million

value of the first Sustainability Linked Loan (SLL) on the market for the Raben Group

over 5,000

employees took part in three editions of the Bank of Green Changes educational campaign

PLN 242 million

of financing for R.Power solar power plants

86,000 tonnes of CO₂

by this much CO₂ emissions will be reduced annually thanks to the operation of prosumer photovoltaic installations financed by the Bank in 2021. This is as much as 17 thousand hectares of forest (a forest the size of Bydgoszcz or Wigry National Park) or 8 million trees consumed annually

188,000 tonnes of CO₂

by this much CO₂ will be reduced annually thanks to the operation of prosumer photovoltaic installations of our 34,000 customers. This is as much as 37,500 hectares of forest/ (a forest the size of Kraków or the Kampinos National Park) or 17.5 million trees consumed annually

We offer products addressed to enterprises of various sizes, individual Customers and farmers. We support our Customers by providing financing – traditional loans and operating leases – for photovoltaic installations and improving the energy efficiency of buildings. We also support processes of obtaining EU funding for the aforementioned purposes.

The offer to our largest Customers, those particularly involved in ESG issues, includes the Sustainability Linked Loan (SLL). It is a general-purpose working capital loan, and its interest rate depends on the fulfilment of KPIs related to the field of ESG.

SEGMENT	PRODUCT OFFER
Individual Customers	<ul style="list-style-type: none"> • Instalment loan for green energy sources • Green changes loan • Green Mortgage • Subsidised loan within the Clean Air programme • Long-term lease of devices financed by instalment loan
Food & Agro sector Customers	<ul style="list-style-type: none"> • Loans financing photovoltaic installations and other renewable energy sources for farmers (for individual needs) • Loans financing profit-oriented renewable energy projects for farmers and other F&A entities • Green Energy Investment Loan / UNIA + Investment Loan • Renewable energy insurance (as part of the Generali Farm product)
Housing communities	<ul style="list-style-type: none"> • Investment loan with a BGK renovation premium • The ECO-COMMUNITY programme
Corporate Customers	<ul style="list-style-type: none"> • Green Energy Investment Loan / UNIA + Investment Loan • Technological loan • Loan with a free BiznesMax guarantee • The ECO-COMPANY programme • Leasing of photovoltaic installations • Sustainability Linked Loan

The following sections describe key eco-friendly products from the perspective of 2021 reporting. Other products, including those for customers from the Food & Agro sector, are presented in the *Business Perspective* chapter. The full range of our environmentally friendly products can be found at: <https://www.bnpparibas.pl/strefa-zielonych-produktow/produkty>.

Corporate Customers

Sustainability Linked Loan (SLL)

In July 2021, a European logistics operator – Raben Group – signed an agreement for a five-year loan related to sustainable development: Sustainability Linked Loan. The loan amounted to EUR 225 million. Our **Bank served as the Sustainability Coordinator during the transaction. It is one of the first SLL syndicated loans in the European logistics industry.**

The Bank supports Raben Group with its capabilities and expertise in the first ESG-related financing transaction within the Polish transport and logistics sector. Decarbonisation, social impact and responsible management are becoming a strategic necessity. Therefore, companies will increasingly need sustainable finance as a lever for climate neutrality.

The SLL loan margin depends on the extent to which the company meets the conditions defined by five key performance indicators (KPIs). They include the environment, society and corporate governance (ESG) within the road transport and logistics sector. The set of five indicators focuses on ESG issues relevant to Raben Group's operations, including greenhouse gas emissions, gender diversity and corporate governance practices. The loan is a milestone for the European road transport and logistics sector, as well as for the Polish financial market.

Renewable energy investments

Qair

In 2021, we financed the green investments of Qair Polska for the second time. As a member of a bank syndicate, we support the development of a renewable energy assets portfolio with a joint capacity of 106 MW. The total value of financing amounts to PLN 460 million, and the Bank's share is PLN 184 million. The investment will result in the construction of 29 MW photovoltaic farms and 77 MW wind farms in Poland.

We signed the first loan agreements with Qair Polska's subsidiaries and partners, worth PLN 630 million, in May 2020. The Bank participated in the agreement as part of a consortium with the European Bank for Reconstruction and Development (EBRD).

R.Power

In 2021, BNP Paribas Bank Polska and Santander Bank Polska signed an agreement worth PLN 242 million to finance the portfolio of solar power plants constructed by R. Power, the largest Polish developer of photovoltaic projects. The funds will be allocated to the construction of 7 solar power plants with a total capacity of 91 MW.

The agreement requires the signing of 15-year contracts for difference, ensuring a guaranteed level of electricity sales prices. Each bank has a 50% share in the transaction. Both BNP Paribas Bank Polska and Santander Bank Polska act as the Lead Arranger, Party to the Hedging Transaction and the Original Lender.

My Electric programme

In October 2021, we implemented a solution addressed to corporate Customers. It facilitates leasing applications for the purchase of electric cars as part of the My Electric government programme.

The Polish electromobility support programme provides co-financing for new electric cars intended for both passenger transport and deliveries. The offer is available at car dealerships.

Since November 2021, the My Electric programme has become open to both corporate and individual Customers who choose to rent in cooperation with Arval.

Lease financing

On 30 June 2021, the European Investment Bank (EIB) and BNP Paribas Leasing Services, a subsidiary of BNP Paribas Bank Polska S.A., have signed a loan agreement of EUR 200 million to support small and medium-sized enterprises (SMEs and midCaps) in Poland.

The first tranches of funding were released in September 2021.

The vast majority of BNP Paribas Leasing Services financing will go to regions covered by the cohesion policy, contributing to the reduction of disparities between various European areas. Moreover, around 20% of the EIB's funds are to be allocated to projects supporting the fight against climate change. Financing for green investments may include photovoltaic installations, heat pumps and charging stations as well as the purchase of electric and hybrid vehicles. They will contribute to the goal of reducing greenhouse gas emissions in Poland and help achieve the target set in Poland's Energy Policy until 2040.

Individual Customers

Subsidised loan within the Clean Air programme

Since September 2021, the Bank has been granting loans within the governmental **Clean Air priority programme**. The programme will be active until 2029.

It is the largest and most important project in Poland aimed at improving air quality and reducing greenhouse gas emissions. It offers co-financing for the replacement of heat sources and for thermal modernisation to owners and co-owners of single-family buildings as well as apartments within single-family buildings that are listed separately in the land and mortgage register. The total value of support to be provided between 2021 and 2022 is PLN 1.5 billion. The loan subsidy limit is PLN 37 thousand.

The Bank was a strong supporter of involving the banking sector in the Clean Air programme. The launch of the programme's distribution in banking branches was possible, i.a. owing to our efforts within working groups of the Polish Bank Association and during talks with the National Fund for Environmental Protection and Water Management, Bank Gospodarstwa Krajowego and the World Bank.

Green Mortgage

The Bank's Customers can obtain attractive loans for the purchase of real estate with Green House certificates, awarded by the Polish Green Building Council (PLGBC). The certificate has been included as one of the Bank's criteria for granting loans with a reduced margin. Both institutions have also concluded an agreement that strengthens their cooperation. It defines the scope of initiatives for developing and promoting sustainable housing in Poland as part of the Green House and Green Mortgage programme.

Long-term lease of devices financed instalment loan

This new service was introduced by the Bank in mid-2021 and relies on circular economy principles. It was created in cooperation with the BNP Paribas Group Service Center and offers long-term lease of durable goods. At the beginning, the offer included Apple-branded smartphones, but the list of products offered for rental is gradually expanding.

The Bank's Customers can obtain a long-term lease of the latest electronic devices models. The Customer pays monthly instalments only as long as the telephone is leased. For an additional fee, insurance and servicing are provided for the device.

When the contract ends, the Customer can return the device or buy it. A portion of the devices returned by Customers is renewed and donated to the Bank's social partners or the BNP Paribas Foundation. Thus, we contribute to limiting digital exclusion. The remaining ones go to our partners to bring the devices back into circulation (on the secondary market) and give them a second life. **We also develop consumers awareness as regards circular economy and support responsible consumption.**

PolREFF programme

In December 2021, the Bank signed an agreement for green financing with the European Bank for Reconstruction and Development (EBRD). Its total worth is PLN 675 million, and it is intended to support energy-saving investments and the development of new technological solutions.

- PLN 450 million – green loan from EBRD for BNP Paribas Bank
- PLN 225 million – contribution of Bank BNP Paribas
- Funds allocated to supporting the energy efficiency of residential buildings in Poland.

Individual Customers will be able to borrow funds to financing such projects as modernisation of heat sources, thermo-modernisation of the building shell, installation of photovoltaic systems and make a number of other improvements increasing the energy efficiency of their homes. The initiative aims to help combat the problem of high energy consumption and carbon dioxide emissions in the Polish housing sector.

Housing communities

ELENA (European Local Energy Assistance)

In 2021, we continued our cooperation with the European Investment Bank (EIB) on the ELENA 1 and 2 project. These initiatives support the improvement of energy efficiency in the buildings within:

- housing communities,
- SMEs (small and medium enterprises) and
- MidCAPs (companies employing over 250 people)

Programme beneficiaries receive a grant covering **90% of technical documentation costs**, including:

- an initial, simplified technical assessment report, which we offer as the only Bank on the Polish market,
- an energy audit, basic and extended, as well as a range of technical expertise:
 - Basic energy expertise

- Energy expertise for renewable energy sources integrated in the building
- Expertise on heat pumps
- Refrigeration expertise
- Expert opinion on micro-cogeneration
- and an analysis of the roof's load-bearing capacity for PV installations..

In 2021, **186 housing communities** benefited from ELENA 1 financing, and 169 completed their investments. The applied solutions reduced CO₂ emissions by over **3,300 tons** and energy consumption by over 16,450 MWh per year. About **50 companies** benefited from ELENA 2 financing, and the total value of funding is almost **PLN 80 million**.

PF4EE (Private Finance for Energy Efficiency)

Bank BNP Paribas and the European Investment Bank (EIB) have signed a guarantee agreement within the PF4EE framework. Consequently, EIB reinsures the Bank's portfolio of loans for energy efficiency improvements. The beneficiaries include individual Customers, housing communities and farmers who can obtain higher loans and extended financing periods for thermomodernisation projects and renewable energy micro-installations.

In 2021, the total value of loans amounted to **PLN 470,629,000 million**.

4.3 Organization's environmental impact

GRI 103-1, 103-2, 103-3 reporting topic *Reducing the negative impact of operating activities on the environment*

As the Bank of Green Changes, we strive to minimise the negative environmental impact of our operations. Our priorities:

- Reduction of resource consumption and CO₂ emissions
- Implementation of new eco-efficiency measures in the workplace
- Developing the Bank's eco-fleet
- The use of energy from renewable sources

Energy efficiency and emissions management

GRI 302-4, UNGC 8 i 9

Furthermore, in 2021:

- Photovoltaic installations were installed at 3 locations:
 - Radom, 29 Traugutta Street,
 - Gizycko, 9 Grunwaldzki Square,
 - Warsaw, 54 Popularna Street.
- Two more installations were being installed and prepared for usage,
- We analysed the possibility of mounting photovoltaic installations at 16 branches of the Bank. Thus, we will obtain detailed installation plans for 3-5 locations in 2022.
- At 3 locations, oil heating was replaced by a gas installation,
- We have doubled the number of hybrid cars in our fleet. Currently, it consists of **373 hybrid vehicles and three fully electric vehicles**.

The number of electric cars and plug-in hybrids is expected to grow, also among our Customers. Therefore, since 2020, our headquarters in Warsaw (Prime and Petrus buildings) have been equipped with six electric chargers for 16 cars. Charging stations are also planned in our Kraków and Ruda Śląska headquarters.

100%

of electricity purchased directly by the Bank in 2021 originates from renewable sources

27%

of the company fleet are hybrid and electric cars

GRI 302-1, 302-4, GPW E-P2, UNGC 8 i 9

Energy consumption (own production or purchased) at BNP Paribas Bank Polska S.A. in 2021

Energy Type	2020		2021	
	MWh	GJ	MWh	GJ
Purchased thermal energy, including:	-	37,170	-	52,982
Heat from RES (geothermal)	-	62	-	2,005
Purchased electricity, including:	22,651	81,543	21,385	76,985
Electricity from RES with guarantees of origin	22,651	81,543	21,385	76,985
Total	-	118,713	-	129,967

Energy consumption (own production or purchased) in the BNP Paribas Bank Polska S.A. Capital Group in 2021

Energy Type	2020		2021	
	MWh	GJ	MWh	GJ
Purchased thermal energy, including:	-	37,509	-	53,594
Heat from RES	-	62	-	2,108
Purchased electricity, including:	22,878	82,362	21,672	78,020
Electricity from RES with guarantees of origin	22,878	82,362	21,672	78,020
Total	-	119,871	-	131,614

Fuel consumption in BNP Paribas Bank Polska S.A. Capital Group in 2021

Fuel type	2020		2021	
	consumption	[GJ]	consumption	[GJ]
Petrol	1,257,185 litrów	42,048	1,278,866 litrów	42,774
Gas	482,130 m ³	17,656	556,619 m ³	20,339
Diesel	468,399 litrów	16,919	372,711 litrów	13,462
Heating oil	20,761 litrów	673	12,934 litrów	446
Total	-	77,296	-	77,021

Method of presenting indicators:

- Fuel consumption by the Bank and BNP Paribas Bank Polska SA Capital Group is identical because the subsidiaries' business activity is conducted in premises owned by BNP Paribas Bank Polska SA. (with the exception of Campus Leszno Sp. z o.o.).
- Consumption data are obtained from invoices from suppliers of individual utilities. Where source data are not available, they are estimated based on analogous locations where source data are available.
- The Bank has adopted reporting deadlines consistent with those applied by the BNP Paribas Group. Data showing energy consumption and emissions cover the period from 1 November to 31 October of a given year.
- Conversion of fuel consumption into energy expressed in GJ was conducted with the employment of heating values published in the KOBIZE document "Heating Values and CO2 Emission Factors in 2016" for reporting under the Emissions Trading Scheme for 2020 and the analogous document for reporting emissions for 2021.

GRI 305-1, 305-2, 305-3, 305-5, GPW E-P1, E-S2, UNGC 8 i 9, TCFD

Greenhouse gas emissions at BNP Paribas Bank Polska S.A. in 2021

GHG emission source	emissions [TONNES CO2E]	GHG emission source	2021 VS 2020 [%]
Scope 1			
Petrol	2,914	2,964	1,72%
Gas	979	1,126	15,02%
Diesel	1,254	998	-20,41%
Heating oil	52	35	-32,69%

Refrigerants	50	166	232 %
Scope 2			
Thermal energy	3,581	5,113	42,78%
Electricity	0	0	-
Scope 3			
Business trips			
Train	90	14	-84,44%
Car	245	279	13,88%
Aircraft	151	36	-76,16%
Scopes 1 + 2 + 3			
Market-based	9,316	10,731	15,19%

The carbon footprint of paper consumed in 2021 by the Bank at its headquarters and branches was 101.3 tonnes of CO₂.

Greenhouse gas emissions in the BNP Paribas Bank Polska S.A. Capital Group in 2021

GHG emission source	emissions [TONNES CO2E]	GHG emission source	2021 VS 2020 [%]
Scope 1			
Petrol	2,914	2,964	1,72%
Gas	979	1,126	15,02%
Diesel	1,254	998	-20,41%
Heating oil	52	35	-32,69%
Refrigerants	50	166	232 %
Scope 2			
Thermal energy	3,614	5,172	43,11%
Electricity	0	0	-
Scope 3			
Business trips			
Train	90	14	-84,44%
Car	245	279	13,88%
Aircraft	151	38	-74,83%
Scopes 1 + 2 + 3			
Market-based	9,349	10,792	15,43%

Method of presenting indicators::

- The Bank has adopted reporting periods consistent with those applied by the BNP Paribas Group. Data showing energy consumption, emissions and business trips cover the period from 1 November to 31 October of a given year.
- Conversion of fuel consumption into energy expressed in GJ was conducted with the employment of heating values published in the KOBIZE document "Heating Values and CO₂ Emission Factors in 2016" for reporting under the Emission Trading Scheme for 2020 and the analogous document for reporting emissions for 2021.
- Data regarding business trips are obtained from the internal records of the Bank.
- Emissions calculations were prepared in accordance with the following standards: The Greenhouse Gas Protocol A Corporate Accounting and Reporting Standard Revised Edition, GHG Protocol Scope 2 Guidance, and Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
- The greenhouse gases identified and included in the calculations were CO₂, CH₄ and N₂O, which were expressed as CO₂ equivalents. No biogenic CO₂ emissions were identified.
- The reference point for reduction targets is the 2019 emissions, which was the first year when the new approach to calculating GHG emissions was used.
- The sources of emission factors were publications of KOBIZE (National Balancing and Emission Management Centre), the Energy Regulatory Office and the DEFRA (Department for Environment, Food and Rural Affairs, UK Government) database.
- The 'refrigerants' category includes R410A and R32 in 2020 and R410A and R422D in 2021 as reported to the CRO (Central Register of Operators) and converted according to GWP (Global Warming Potential).
- As a criterion for the consolidation of emission volumes for the Capital Group, a financial control criterion was adopted, which means that 100% of the company's emissions were attributed to the Group (excluding emissions from the combustion of fuels by the fleet and business trips in subsidiaries).
- Emissions caused by electricity production were calculated using the market-based method. For the energy mix, an average indicator for Poland was used due to the lack of information about individual energy suppliers at particular locations; for energy from renewable sources with guarantees of origin, an indicator of 0 kg CO₂E/kWh was used.
- Emissions from fleet fuel combustion and business travel in subsidiaries are included for the first time in 2021, Inclusion does not materially affect the result.

Responsible resource consumption

GRI 303-3, GPW E-S3

At our offices, **we implement solutions that reduce water consumption**. The taps and other elements of the water installation are equipped with mechanisms that significantly reduce water consumption, e.g. aerators, motion sensors, ecological dish-washing programmes.

47,260

m³ of water used by the Bank in 2021

9%

decrease in water consumption in 2021. Lower water consumption is also the result of remote work during the pandemic

Method of presenting indicators:

The Bank has adopted reporting periods consistent with those applied by the BNP Paribas Group. Data showing water consumption covers the period from 1 November to 31 October of a given year.

The Bank's initiatives to reduce the consumption of energy and natural resources (water, gas)

- We only use LED bulbs for outdoor signs.
- By the end of 2022, we will have replaced all lightbulbs at our branches with LEDs (approx. 50% of bulbs were replaced in 2021).
- At branches lacking running hot water, we install instantaneous water heaters.
- We mount photovoltaic installations to reduce external and grid energy usage.
- We base the quarterly analysis of consumption at branches on KPI (FTE & m2) and take remedial actions whenever necessary.
- Start of work on two pilot eco-districts (EKO-BRANCH initiative) with implementation of a number of eco-initiatives, including HVAC and lighting management systems to be further analysed for wider implementation in network locations
- We have analysed the BMS settings at our headquarters and changed the central heating at our 78 Grzybowska Street and 2 Kasprzaka Street locations in Warsaw.

GRI 301-1

The Bank's initiatives to reduce plastic consumption

- We do not order disposable plastic accessories or plastic water bottles.
- We have equipped our headquarter buildings, business centres and branches with water dispensers, carafes and glasses.
- We use biodegradable cutlery and packaging in canteens. During the pandemic, we have temporarily suspended the possibility of placing meals directly into the customer's containers, for safety reasons.
- We minimise plastic packaging in vending machines.
- We are improving the process of archiving documents at the Bank - we have introduced new regulations regarding the use of foil sleeves for documents.
- We produce ecological marketing gadgets: reusable food containers, water bottles and bags.
- We reuse old promotional materials – e.g. roll-ups are recycled into bags, placards and other accessories.
- We order organic and vegetarian meals for our meetings and events.
- We use ecological foil for advertisements in the windows of our branches – it is PVC-free and does not contain chemicals harmful to the environment. Old foil is recycled

60 tonnes of furniture, worth PLN 450 thousand gained a second life owing to the Bank's partnership with the Habitat for Humanity Poland.

For several years, we have been donating furniture and equipment left after closures and renovations of our branches to social organisations. One of the beneficiaries is the Habitat for Humanity Foundation, which runs the ReStore charity shop at 12 Łojewska Street in Warsaw. The Foundation allocates sales profits to the

statutory purposes of its Polish branch. ReStore is a unique project that promotes charitable, ecological and creative attitudes, connects generations and integrates the local community.

The Bank's initiatives to reduce paper consumption

- From 2021, all mass correspondence to our Customers and marketing leaflets are printed on certified, recycled paper. The certificates include: FSC, EcoLabel and Blue Angel.
- At the Bank's headquarters, we use eco-friendly paper with a reduced grammage.
- We limit the printing of electronic correspondence by extending network resources.
- There is a Follow Me Printing system at the Bank's headquarters.
- Leaflets and other printed materials are no longer displayed at transformed branches.
- Due to the E-delegations programme, we have eliminated paper-based delegation requests.
- We are constantly developing initiatives that reduce paper consumption: we digitise further banking processes, we use the Autenti platform for electronic contract signing and digital document circulation

161

of the Bank's branches do not use printed marketing materials – the information is available to Customers on tablets

83%

the percentage of certified and recycled printing paper used by the Bank (significant increase compared to 69% in 2020)

613 thousand

documents signed electronically (more than twice the number reported for 2020), thus saving 2,935 reams of paper

over 2.8 million

sheets of paper saved since the implementation of Autenti in 2018

4.4 Promoting eco-attitudes

Promoting eco-attitudes among employees

The Bank of Green Changes educational campaign addressed to employees and their loved ones

We believe that change starts with ourselves. Therefore, we devote much attention to educating our employees and their loved ones about climate change. Their knowledge and involvement translate into responsible everyday choices, initiating eco-improvements within the organisation and its environment and dynamic development of green products and services.

This conviction led us to continue the Bank of Green Changes programme in 2021. Its key aspect is an educational campaign addressed to employees and their loved ones. The motto of the third edition was **"Inspire yourself to act for our planet"**.

During this year's campaign, our employees met environmental activists online. Our guests were:

- Mateusz Waligóra, traveller and author of the book "Vistula Trail",

- Karolina Gurgul from Planet Heroes startup and
- Zofia Zochniak, founder of the Giveaway Clothes startup.

Furthermore, a subpage on our intranet serves as a repository of ecological knowledge for our employees. It contains practical information, tips on waste segregation, eco-themed colouring pages for kids, and – in cooperation with the Cracow Green Film Festival – we have included a database of films about humanity's impact on the environment, climate change and ways to counteract the phenomena. Inspirational meetings, workshops and webinars are also a part of the programme.

Electromobility initiatives

We encourage responsible business-trip planning to save resources and promote respect for the natural environment. The Bank provides access to teleconferences and videoconferences; we also limit training trips by offering e-learning.

During the pandemic, we focus on organising remote events. We regularly implement projects that raise awareness of our personal impact on the environment, including:

- **Car Free Day** – an excellent opportunity to promote eco-transport,
- the **car-sharing** service, the equivalent of a company car for many employees,
- **Bike to Work** campaign – we provide employees at the Bank's headquarters with guarded bicycle parking spaces and showers. We have also provided bicycle stands at most of our branches,
- in Cracow, we joined the campaign "**Cycling to work: home, bike, work... and repeat**", which encourages people to change their transport habits..

Promoting eco-attitudes among external stakeholders

As the Bank of Green Changes, we strive to make a positive impact on climate by combining our product offer with the promotion of eco-attitudes and initiatives for the natural environment.

External initiatives implemented by the Bank in 2021:

- "The World Needs You" campaign
- BNP Paribas Talks
- Eco-tips for Customers
- BNP Paribas Green Film Festival
- Promoting environmental responsibility during conferences and industry events
- Special offer for certified farms (ECO and sustainable agriculture certificates) in sales campaigns

"The World Needs You" campaign

On Earth Day, we launched a climate campaign which shows that our actions have a significant impact on our planet and its inhabitants. It also stresses that the responsible choice of sustainable products and services brings us closer to implementing the UN's Sustainable Development Goals. The campaign was accompanied by a 45-second clip showing how small actions affect our environment.

On the same day, the organisers and guests of the 4th BNP Paribas Green Film Festival launched the Climate Clock – a project indicating the time remaining until the so-called "day zero", when the Earth's temperature will have increased 1.5°C compared to the pre-industrial era. The clock was started on the largest LED display in Poland, the façade of Cracow's Tauron Arena, on April 22, 2021, precisely at noon.

Additionally, at the request of the Bank and CSR Consulting, the Research Collective conducted a survey of consumer familiarity with the 2030 Agenda and the Sustainable Development Goals. The study assessed the consumers' current level of knowledge regarding ecological topics.

Additionally, at the end of September, CSR Consulting organised the "Target tomorrow. Today! #dobrecele" conference, which the Bank supported. The event was attended by representatives of local governments who talked about their climate initiatives. Partner NGOs and partners of the 17 Goals Campaign (representing business) discussed their activities. The Bank was represented by Maria Krawczyńska, director of the CSR and Sustainable Development Office, who talked about running a consumer campaign.

BNP Paribas Talks

The BNP Paribas Talks is a series of meetings with exceptional guests – writers, directors, travellers, eco-trendsetters. Stories about their life paths and experiences inspire, give an impulse for change and taking on new challenges. The guests of our eco talks included Marek Kamiński, traveller, polar explorer, philosopher; Urszula Sołtysik, co-founder of the organic farming movement in Poland (called EKOLAND since 1989); and Sylwester Lipski, agronomist, plant production advisor, researcher. Recordings are available on the Spotify platform.

Eco-tips for Customers

Our eco-tips take a variety of forms, including:

- films that prepare farmers for the implementation of the European Green Deal strategy,
- the AgroEmissions calculator for estimating greenhouse gas emissions from crops and dairy production,
- workshops at the Copernicus Science Center, where experts talk to children about important aspects of caring for the environment.

BNP Paribas Green Film Festival

The event promotes eco-friendly attitudes through screenings of the world's best productions on environmental protection. In 2021, the Bank became the Festival's leading partner for the first time. The event does not focus solely on films; there are also ecological workshops, educational meetings, lectures and other artistic activities promoting a lifestyle favourable to our planet. In 2021, in addition to the week-long festival in Cracow, screenings were organised in other Polish cities, including Warsaw, Tricity, Wrocław, Katowice and Częstochowa.

Additionally, during BNP Paribas Summer Cinema Sopot-Zakopane, held between July and August, the festival's repertoire was divided by topic. Each day, screenings were devoted to a different aspect of the Sustainable Development Goals.

Promoting environmental responsibility at conferences and industry events

We have commenced cooperation with media outlets to promote responsible attitudes, provide eco-education, and present green solutions. We became a partner of the Green Economy section in "Puls Biznesu" weekly – a series of articles on, i.a., the "Fit for 55" policy and RES. Our experts' comments on the energy transformation and reducing paper consumption appeared in the magazine, online and on social media. Throughout the year, we supported the green-news.pl portal as part of a strategic partnership.

4.5 Partnerships for climate

GRI 102-12, 102-13

As a responsible financial institution, the Bank advocates for climate justice and environmental protection. The Bank's experts share their knowledge at conferences and industry events and promote a sustainable approach to investment financing.

The financial sector plays a significant part in transitioning to a low-carbon economy – i.e., by financing new investments and limiting involvement in high emission sectors. Therefore, **the BNP Paribas Group joined the Net-zero Banking Alliance**. The aim of the initiative, under the aegis of the UNEP Finance Initiative, is to reduce the level of greenhouse gas emissions stemming from lending and investment activities to levels that will ensure climate neutrality by 2050. One of the steps taken by the Bank is to terminate cooperation with Customers connected to coal mining and coal-based electricity production in the EU and OECD countries by 2030.

The following paragraphs describe the key environmental partnerships and initiatives implemented by the Bank in 2021.

Chapter Zero Poland

Chapter Zero Poland, a part of the Climate Governance Initiative, is a programme for developing supervisory and management bodies' competencies. It was created by the World Economic Forum. The Polish edition aims to raise awareness about the impact of climate change on companies and the influence of business on climate. Chapter Zero Poland was launched in May 2021 by the Responsible Business Forum in partnership with Deloitte Poland. The Bank joined the initiative **as a guardian**. Since December 2021, UNEP/GRID Warsaw has been an expert partner, while the media partner of Chapter Zero Poland is the "Rzeczpospolita" daily newspaper.

A programme council was established to develop the initiative, chaired by Lucyna Stańczak-Wuczyńska – chairman of the Bank's Supervisory Board. A steering committee was also established. One of its members is Jarosław Rot, Chief Sustainability Officer.

UN Global Compact Network Poland

The Bank is a partner of UN Global Compact Network Poland. As part of the partnership, it has joined the **Climate Positive programme**. The programme supports UN Global Compact actions, which promote green attitudes. The Chairman of the Bank, Przemysław Gdański, is a member of the UNGC Programme Council. He also participates in the annual Yearbook publication presenting the Bank's activities and urging consumers, companies, and institutions to become involved in initiatives focused on the 13th Sustainable Development Goal – Climate Action.

UNEP/GRID-Warsaw

As part of the **Together for the Environment** partnership, the UNEP/GRID Warsaw Center supports the Bank's environmental initiatives. The Center and the Bank implement the Sustainable Development Goals and actively support the **Green Ribbon #ForThePlanet campaign**. Its central theme for 2021 was the protection of biodiversity.

The Bank also participated in another edition of the **Climate Leadership** programme. Experts developed plans to counteract the deepening climate crisis.

Eco-City

The Bank was a strategic partner in the 8th edition of the Eco-City project, organised by the French Embassy in Poland, UNEP/GRID Warsaw, and the "Teraz Środowisko" ("Environment Now") daily. The initiative aims to exchange experiences between cities and promote the best solutions. In 2021, the initiative focused on Green Reconstruction. The project promotes energy efficiency in multi-family residential buildings, popularises the best environmental practices and supports sustainable cities and communities. In November 2021, together with the Poznań City Hall, we conducted a workshop entitled "Thermo-modernisation in the European Wave of Renovation".

Cool Farm Alliance (CFA)

In 2020, BNP Paribas Bank Polska joined the **Cool Farm Alliance (CFA)**, an international industry consortium bringing together entities working toward sustainable agriculture. Our bank is the first financial institution to have joined the group of 60 companies within CFA. Thanks to our membership in CFA, **since 2021, the Bank's Food & Agro sector Customers can use the innovative Cool Farm Tool via our portal, Agronomist.pl**. This online calculator can be utilised to calculate greenhouse gas emissions related to agricultural production. It can also assess the biodiversity of farms and irrigation requirements for crops.

Partnerships continued in 2021

Since 2020, we have been a member of the **Coalition for the Development of the Bio Food Market**. It supports the organic food industry i.a. by raising consumer awareness. Our involvement in this initiative as a leader of agro financing will enable us to help farmers and thus develop the entire market. In 2019, the Bank also joined the **Partnership for Climate** in Warsaw. Przemysław Gdański, the President of the Bank, was the first Polish CEO to support the **CEO Call to Action** initiative for climate justice, established in May 2019 during the SDG Summit in Brussels.

We are also a partner of organisations and initiatives that support environmental protection and counteract climate change. Since 2017, we have supported the **Polish Association of Sustainable Agriculture (ASAP)**.

With the help of beekeeping experts, we maintain small "Apiaries under the stars" at three locations that have been identified as potentially "bee-lacking". At the two locations in Warsaw (on the terraces of buildings at 2 Kasprzaka Street and 31 Wronia Street), there are a total of seven hives. An apiary which consists of several hives is located in Ruda Śląska. Since 2021, some bee families have been living in an apiinhalation house, where employees can inhale "beehive air."

More information about the Bank's partnerships can be found at: <https://www.bnpparibas.pl/csr/partnerstwa>

V. Responsibility in the workplace

GRI 102-29, 103-1, 103-2 i 103-3 reporting topics *Welcoming workplace, responsible employment management and diversity, Education and professional development, Ethics in internal and external relations*

At BNP Paribas Bank Polska S.A. we understand the responsibility in the workplace as creating an environment that supports professional development and involvement of employees. We are convinced that responsible management of the employee area is a key to business success.

Responsibility in the workplace commitments of the Bank – one of the four pillars of a CSR and Sustainability Strategy

- Promotion of diversity in the workplace.
- Creating a welcoming workplace.
- Responsible employment management.
- Dynamic support for employees in their career development
- Constantly learning and developing.

Meeting these commitments also means meeting global UN Sustainable Development Goals.



Our ambition is to build an innovative workplace that will attract the best candidates from the labour market. Our employees are committed and their actions – effective. Teams are managed by experienced leaders acting in the spirit of Agile and in accordance with values of organisational culture. All these factors contribute to our market success. We ensure that our leaders continuously develop their leadership competences, in the same way as we champion development of all employees. Such stance is indispensable in these digital, ever-changing times.

In 2021, we continued the **Fast Forward Strategy 2018-2021 and its integral part: the CSR and Sustainability Strategy**. The implementation of the strategy was overseen by the Management Board headed by the CFO. Simultaneously, the Bank was devising a new Strategy for 2022-2024, which will be officially released in the first quarter of 2022. Sustainable development is going to be one of the key aspects of the new strategy. It is also going to include commitments regarding responsibility towards our current and future employees, which we are already striving to implement. Thus, we are committed to:

- Enhancing the engagement of our employees and developing their talents
- Creating diverse teams of exceptional potential
- Hiring more people with disabilities
- Systemic action towards closing gender pay gap
- Responding to employee's needs in the area of benefits and trainings
- Strengthening the organisation image as an attractive workplace.

Organisational culture

GRI 102-16, 103-1, 103-2 i 103-3 Welcoming workplace, responsible employment management and diversity, GPW G-P2

Our company's culture is based on values which allow us to develop as organisation and as employees. These values are the foundation of our actions and allow us to achieve goals that we set forth as well as fulfil commitments to our Customers.

In 2021, we updated the values that co-create the organisational culture of the Bank. They are consistent within the BNP Paribas Group, as described in The BNP Paribas Way, which is a document defining both our strengths and issues that need constant work in order to face challenges and ensure a bright future of the BNP Paribas Group.

Bank's values reflected in everyday work

- **Transparence**
We deliver what was agreed on. We never embellish reality.
- **Courage**
We question the *status quo*. We pursue our goals.
- **Empowerment**
We share agency. We have the power.
- **Simplicity**
We believe that simpler is better.
- **Cooperation**
We know that together is better.

Before the official release of these new values, we worked intensely for months with priority axes leaders and key stakeholders. We analysed advice both from our employees and Customers and examined best market practices. By the end of 2021 we had completed a number of events which aimed at building up awareness, internalising and operationalising values among the top management. We have begun talks in this regard with all employees of the Bank.

The motto of our campaign I CAN DO IT

The phrase *I CAN DO IT* entails both agency and freedom. There is barely a stronger, more positive word. The potential it expresses comes from within: within us, employees; and the entirety of the organisation. I CAN DO IT because I have the ability, power and skills. And foremost: I CAN DO IT because the organisation provides appropriate conditions.

I know I CAN act boldly, I CAN fail and learn from my mistakes in order to avoid them in the future. I CAN suggest simple solutions. I CAN act transparently and voice my intentions and goals openly. I CAN depend on cooperation because together we can achieve more.

In 2022, we are planning further activities directed at promotion of our values and fostering dialogue. We are going to organise workshops, information campaigns and contests. We are going to run inspirational talks and podcasts. We are also going to run the Ambassadors of Culture program. We strive to make the core values a fixture of every aspect of our activity.

We want to adapt to changing expectations and needs of our Customers. We also want to efficiently implement new technologies and regulations into our work, which requires an appropriate attitude to management. This is why an essential part of working at the Bank is **Agile@Scale transformation**. It is not only a collection of practices and methods but first and foremost a mindset common to employees at all levels, which creates a new organisational culture.

Impact of the pandemic on the employment management

GRI 103-1, 103-2 i 103-3 reporting topic *Impact of Covid-19 pandemic on functioning and results of the Bank*

In 2021, the Covid-19 pandemic remained one of the biggest challenges in the employment management area. The pandemic accelerated the transformation of work models and pushed us to change attitudes to many elements of responsible employment management at the Bank.

That is why our main goal is still to provide safe working conditions to our employees. We facilitate remote work and implement virtual solutions wherever possible.

We provide psychological support to our employees on a permanent basis and take great care about their welfare. We have switched to a work model based on the Agile approach, which puts flexibility of our leaders in the forefront. We centre our attention on our Customers and their needs, which means experimenting, interdisciplinary cooperation and adapting to the new reality.

Rules for submitting complaints and applications

GRI 103-1, 103-2, 103-3 reporting topic *Ethics in internal and external relations*, GRI 402-1

In their activities, The Bank and the Capital Group are guided by high ethical standards, resulting in particular from the law, recommendations of supervisory authorities, standards provided for in the *Code of Conduct of the BNP Paribas Group* and internal regulations, and in line with the newly adopted values.

All employees are required to comply with applicable standards. They are therefore required to react in situations where they witness unethical or unlawful conduct by other employees of the Bank which raises doubts and indicates a likelihood of infringement.

The Bank ensures that employees have the opportunity to report any such unethical incidents in a discreet and safe manner.

The rules for receiving and examining complaints and applications in employee cases submitted by current and former employees or bank-based organisations representing employees are **set out in *The Instruction on the Procedure for Dealing with Complaints and Applications in Employee Matters***.

All complaints and employee applications are handled by the **Department of Employee Relations, Compliance and HR Risk**. Additionally, the **Executive Director of the Human Resources Management Area** is responsible for the process of considering employee complaints and requests. After each calendar quarter, the Executive Director receives a register of complaints and motions in employee matters.

Employee relations

In its activity, the Bank and its subsidiaries are guided by high ethical standards, our values and utmost respect for human rights. We take part in initiatives towards fostering an ethical and safe workspace. Employee relations management of the Bank is based on:

- provisions of the Labour Law
- values of the BNP Paribas Group
- generally accepted principles of social interaction.

All Bank employees must comply with:

- The BNP Paribas Group Code of Conduct and
- internal Bank's regulations.

We have a zero-tolerance policy for any instances of personal dignity violations. In order for employer to prevent mobbing, or to react, if it occurs, we have implemented the **Anti-mobbing Policy**.

We also have a zero-tolerance policy for bullying and sexual harassment in the workplace. To counteract, we have implemented the **Code of Conduct for Reports on Bullying and Sexual Harassment in Work Relations**.

With these regulations in place, employees can report inappropriate behaviours and infringements without fear of persecution of any kind. Employees are regularly advised on where and how they can report distressing situations. Such reports are handled by the **Anti-Mobbing Commission**.

More information on our Human Rights Policy is available in the Chapter *Management Foundations*. Procedures regulating employment are described in the Chapter *Management Foundations*, subchapter *Due Dilligence Policies and Procedures*.

In order to effectively manage compliance in the area of employment, we verify i.a. whether all employees comply with the Anti-Mobbing Policy and respect human rights.

We examine regularly the compliance of processes, procedures and activities pertaining to workplace management with the law, international requirements and EU supervisory bodies, as well as BNP Paribas Group standards.

We scrutinise each process in order to avert litigation with employees, reputation damage, abuse and corruption incidents. We also scrutinise labour market trends which influence recruitment process, motivation models and career paths within the Bank. Once a hazard is identified, the process owner takes actions to minimise the risk and keep it at an acceptably low or moderate level. These actions are monitored and reported within the operational risk management system. Thanks to effective risk management in the employment area, the Bank can attain its strategic business goals.

Employment management in the BNP Paribas Bank Polska S.A. Capital Group

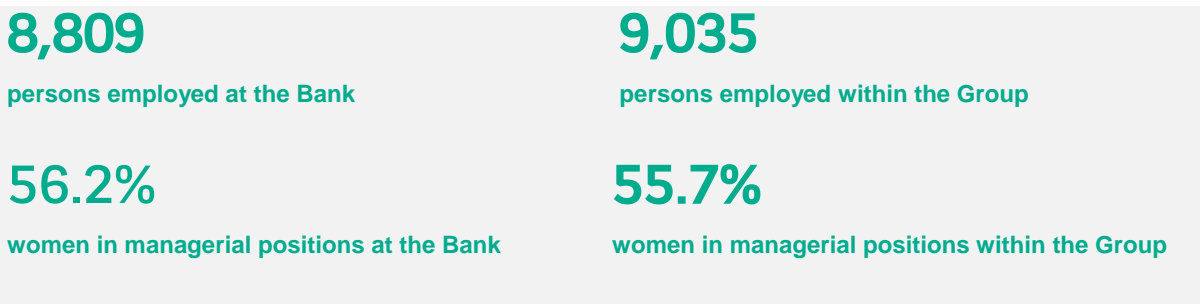
All companies of the BNP Paribas Bank Polska S.A. Capital Group (hereinafter: the Group) manage the employment area with utmost diligence. The key employer in the Group is the parent company, i.e. the Bank.

The companies apply provisions of the labour law applicable in Poland and the European Union. They also adopted global policies of the BNP Paribas Group. **The BNP Paribas Group Code of Conduct**, the primary regulatory document, is binding for all companies of the Group.

BNP Paribas Group policies are implemented by corresponding departments of the Bank. The departments are responsible for the content and execution of a given area, each of which is regulated by a group procedure. The BNP Paribas Group policies are binding in their original form and may be amended, in cases justified, with internal provisions adapted to the local market. Depending on the specific character of activity, each company of the Group adopts detailed regulations pertaining to employment management.

5.1 Employment structure

GRI 102-8



Method of presenting indicators:

- Category Managerial Positions comprises Management Board of the Bank, key managers, i.e. MRT (Material Risk Taker): persons with material influence on the risk profile of the Bank, and all other supervisors.

Employment record

GRI 102-8, 102-41

Employment structure in the Group as of 31.12.2021

Employment record	Number of posts	Number of active pos	Number of employees	Number of active employees
Capital Group BNP Paribas Bank Polska S.A. – total	8,667	7,983	9,035	8,088
BNP Paribas Bank Polska S.A.total, including:	8,504	7,833	8,809	7,880
Head Office	4,669	4,397	4,884	4,429
Branches	3,704	3,309	3,793	3,324
Mobile advisors	80	77	80	77
Brokerage Office	46	45	47	45
Trade Unions	5	5	5	5
Actus Sp. z o.o. Real Estate Fund	0	0	0	0
BNP Paribas Mutual Fund Society S.A.	36	35	37	36
BNP Paribas Leasing Services Sp z o.o.	7	7	24	24
BNP Paribas Group Service Center S.A.	76	69	117	105
Campus Leszno Sp. z o.o.	8	7	8	7
BNP Paribas Solutions Sp. z o.o.	36	32	40	36
BGZ POLAND ABS1 DAC	0	0	0	0

Employment in the Group as of 31.12.2021 as compared to 31.12.2020 in terms of full-time contracts

Employment record (2020 vs. 2021)	31.12.2020	31.12.2021
Capital Group BNP Paribas Bank Polska S.A. – total	9,019	8,667
BNP Paribas Bank Polska S.A.total, including:	8,845	8,504
Head Office	4,662	4,669
Branches	4,048	3,704
Mobile advisors	84	80
Brokerage Office	44	46
Trade Unions	7	5
Actus Sp. z o.o. Real Estate Fund	0	0
BNP Paribas Mutual Fund Society S.A.	38	36
BNP Paribas Leasing Services Sp z o.o.	6	7
BNP Paribas Group Service Center S.A.	72	76
Campus Leszno Sp. z o.o.	10	8
BNP Paribas Solutions Sp. z o.o.	48	36
BGZ POLAND ABS1 DAC	0	0

Method of presenting indicators:

- All data on full-time contracts rounded to full units.

Job restructuring

Due to the need to adapt the Bank's business model to the changing business environment, a new collective redundancy program for the period 2021-2023 was announced in agreement with the Labour Unions. The agreement was officially signed on 18.12.2020.

In order to mitigate the social impact of collective redundancies, the Bank agreed with Labour Union organisations to pay additional compensation and other elements of social protection to the redundant employees, regardless of statutory redundancy payments. Additionally, a Voluntary Departure Scheme is possible to introduce.

Full-time employment contracts (total of positions) by period of employment and gender as of 31.12.2021

Full-time employment contracts	Capital Group BNP Paribas Bank Polska S.A.			BNP Paribas Bank Polska S.A.		
	Women	Men	Total	Women	Men	Total
Fixed-time contracts	846	467	1,313	836	460	1,296
Permanent contracts	4,954	2,401	7,355	4,880	2,329	7,208
Total	5,800	2,868	8,667	5,716	2,789	8,504
Percentage of total full-time contracts	67%	33%	100%	67%	33%	100%

Full-time employment contracts (total of persons employed) by period of employment and gender as of 31.12.2021.

Employment contracts (persons)	Women	Men	Total
Fixed-time contracts	874	496	1,370
Permanent contracts	5,011	2,428	7,439
Total	5,885	2,924	8,809
Percentage of total full-time contracts	67%	33%	100%

Full-time employment contracts (total of positions) by gender and age as of 31.12.2021

Age (no. of positions)	Capital Group BNP Paribas Bank Polska S.A.			BNP Paribas Bank Polska S.A.		
	Women	Men	Total	Women	Men	Total
<30	740	431	1,171	728	415	1,144
30-50	4,429	2,134	6,563	4,364	2,079	6,444
>50	631	303	934	623	294	917
Total	5,800	2,868	8,667	5,716	2,789	8,504

Full-time employment contracts (total of persons) by gender and age as of 31.12.2021

Age (persons)	Women	Men	Total
<30	756	442	1,198
30-50	4,489	2,173	6,662
>50	640	309	949
Total	5,885	2,924	8,809

Forms of employment other than employment contract, including contracts of cooperation (total of persons) as of 31.12.2021

Other forms of employment	Capital Group BNP Paribas Bank Polska S.A.			BNP Paribas Bank Polska S.A.		
	Women	Men	Total	Women	Men	Total
Contracts of mandate	102	66	168	89	55	144
Contracts of commission	2	0	2	2	0	2
Contracts of internship	1	0	1	1	0	1
Self-employed	72	140	212	65	102	167
Supervised employees and/or seasonal employees	0	0	0	0	0	0
Total	177	206	383	157	157	314

Employment by geographical distribution in Polish districts (total of positions) as of 31.12.2021

Employment by district (positions)	Capital Group BNP Paribas Bank Polska S.A.			BNP Paribas Bank Polska S.A.		
	Women	Men	Total	Women	Men	Total
Dolnośląskie	234	90	324	234	89	323
Kujawsko-pomorskie	177	50	227	177	50	227
Lubelskie	186	64	250	186	64	250
Lubuskie	88	19	107	88	19	107
Łódzkie	175	61	236	175	61	236
Małopolskie	496	443	939	495	443	938
Mazowieckie	2,318	1,433	3,751	2,240	1,357	3,597
Opolskie	67	16	83	65	16	81
Podlaskie	97	23	120	97	23	120
Podkarpackie	146	36	182	146	36	182
Pomorskie	208	122	331	208	122	331
Śląskie	879	278	1,157	878	278	1,156
Świętokrzyskie	71	18	89	70	18	88
Warmińsko-mazurskie	169	36	205	169	36	205
Wielkopolskie	332	149	481	332	148	480
Zachodniopomorskie	157	28	185	156	28	184
Total	5,800	2,868	8,667	5,716	2,789	8,504

Employment by geographical distribution in Polish districts (total of persons) as of 31.12.2021

Employment by district (persons)	Women	Men	Total
Dolnośląskie	258	104	362
Kujawsko-pomorskie	177	51	228
Lubelskie	192	66	258
Lubuskie	88	22	110
Łódzkie	178	63	241
Małopolskie	508	448	956
Mazowieckie	2,342	1,436	3,778
Opolskie	65	17	82
Podlaskie	97	24	121
Podkarpackie	146	37	183
Pomorskie	212	126	338
Śląskie	881	284	1,165
Świętokrzyskie	70	18	88
Warmińsko-mazurskie	169	36	205
Wielkopolskie	345	164	509
Zachodniopomorskie	157	28	185
Total	5,885	2,924	8,809

Method of presenting indicators:

- All data on full-time contracts rounded to full units.
- Head Offices comprise all employees of support departments, Labour Unions and Brokerage Office
- Branches comprise all employees of sales network, including Retail and Business Banking Regions, Corporate & SME Banking Sales Network Unit, Consumer Finance Unit and Mobile Advisors

GRI 401-1, GPW S-P3
Employment turnover in the Group and Bank in 2021 (total of persons):
1,283
New hires in the Group (employment contract)
1,236
New hires in the Bank (employment contract)

1,703

Leavers in the Group (employment contract)

20%

Turnover in the Group in 2021

1,637

Leavers in the Bank (employment contract)

19%

Turnover in the Bank in 2021

Turnover indicator in the Bank in 2021

Turnover	Women	Men	Total
Branches	26.2%	26.7%	26.3%
Head Offices	12.6%	13.5%	13.0%
Total	19.5%	18.1%	19.0%

Method of presenting indicators:

- Leavers in the Bank in 2021 comprises both persons who chose to leave and who were made redundant.
- To calculate the turnover indicator in the Bank, following data was used:
 - Numerator: all person who left the Bank between 31.12.2020 and 30.12.2021, excluding technical positions
 - Denominator: all persons employed in the Bank as of 31.12.2021, excluding technical positions and inactive persons.

5.2 Diversity in the workplace

GRI 102-12, 103-1, 103-2, 103-3 of reporting topic *Welcoming workplace, responsible employment management and diversity*

Promotion of diversity is an integral part of the Bank management and of management principles of the BNP Paribas Group. Management of this area is regulated by *The Policy of Adequacy Assessment of the Supervisory Board Members, Management Board Members and Other Key Persons of the BNP Paribas Bank Polska S.A.* and *The Diversity Management Policy of the BNP Paribas Bank Polska S.A.* The Bank has committed to foster diversity and counteract exclusion within its CSR & Sustainable Development Strategy, which is one of the foundations of the organisational culture and an element of the business strategy of the Bank.

Diversity management policy

We strive to create and promote a diverse workplace, which makes full use of employees' potential. The Policy sets forth rules of conduct regarding discrimination risk management and respect for diversity. It includes rules binding for the BNP Paribas Group. The Policy concerns all employees in all possible aspects of employment management, especially recruitment processes, career planning and development, and training schemes. The Bank has a zero-tolerance policy towards discriminatory employment practices, be it direct or indirect. This includes discrimination against gender, age, disability, ethnicity, nationality, denomination, religion, sexual identification and orientation, political beliefs, labour union affiliation. Similarly unacceptable is discrimination against form of employment: fixed or permanent, full or part-time.

The Bank has signed two important documents regulating diversity management:

- **Diversity Charter**, which concerns i.a. non-discrimination policy in the workplace. The initiative engages all employees, business and social partners, and is supported by the European Commission.
- **BNP Paribas Agreement on Basic Rights and Global Social Solutions and the ILO Global Business and Disability Network Charter**, which obliges its signatories to respect human rights while striving for best business results, which is why we promote diversity and tolerance. We ensure gender equality, protection of health and quality of life in the workplace. Thus, managing employment and changes, we take into account employment regulations and workplace requirements of people with disabilities.

Our initiatives towards diversity are reviewed by independent external bodies. In 2021, we were assessed by the Central Institute for Labor Protection and Responsible Business Forum. As a result, the Bank once again came out as one of the leaders of Diversity in Check rating.

We encourage our employees to take action. We actively support grassroots initiatives of employee resource groups.. We also engage in projects of the non-governmental sector, which foster diversity and prevent exclusion of sensitive social groups.

Selected initiatives of the Bank promoting diversity

- **Diversity Days 2021** took place as a hybrid event, spearheaded by employee resource groups and project groups working towards Diversity & Inclusion (hereinafter D&I). Each day was devoted to a different topic: women, 50+ employees and cross-generational cooperation, LGBT+, parental competences and disability.
- We encourage the creation of and participation in employee resource groups. New initiatives invented in 2021 include **Daddy, you can bank on it** and **BNP Paribas Pride Poland**.
- We continue the program **Bank Close to Close Ones**, took part in **Two Hours for Family** again, organised by Institute Humanities. We organised the **Parental Week**, a round of online meetings with experts who advise on parenting and cross-generational support.
- We take extra care of health issues and employees' welfare. In November 2021, we advertised regular health check-ups as part of the **Health Week**, a cycle of webinars on female and male health. We also organised **Two Hours for Health** campaign.
- We continue to support the LGBT+ community. We created a handbook for employees, a webinar for parents and friends/relatives of LGBT+ youth. We also join international initiatives of the Group, and support creation and development of LGBT+ employee resource group. To examine the situation of LGBT+ employees at the Bank, we launched a company-wide survey. In 2021, we placed **fourth (and first among banks)** in **Cashless for equalities** ranking – a ranking of financial institutions in Poland, which foster the idea of D&I among the LGBT+ people.
- We created the **Ten Commandments of Equal Treatment**, which is the result of the survey and workshops on equal treatment conducted by women's resource group. The Commandments is an active way of communicating rules shaping appropriate relations in the workplace – free of discrimination and micro-discrimination. Our motto is **See the difference, do not discriminate**.
- We are implementing development and talent programs, e.g. **Development Festival, Mam to, Dam to** – a program of knowledge sharing. The first edition of **Women Up** took place, organised by Women Changing BNP Paribas.
- We foster gender equality. As women and men have equal rights to career development, we watch out over equal rights and duties in care over dependents. We are partnered with the foundation **Share the Care**, co-authors of the handbook for employers **50/50 – a win-win for everyone. The role of the employer in encouraging men to take parental leave**; we are also partnered with the parenting portal teamrodzina.pl.

- We act under the motto **Zero tolerance for discrimination and mobbing**. We regularly prevent unwanted incidents in the workplace. In March 2021, we created a webinar for managers, which hosted Karolina Kędziora, a legal counsel, President of the Polish Society of Antidiscrimination Law.
- We continue to act towards disability awareness and openness. We conduct workshops and webinars on this topic. We cooperate with the Foundation Intergralia and Foundation Integracja. We created new and special work stations, at which employees raise social awareness and support colleagues with disabilities.

Policies and procedures regulating diversity management at the Bank can be found in the Chapter Management Foundations, subchapter Due Dilligence Policies and Procedures.

Diversity policy and supervisory, managing and administrative organs

Diversity policy is employed by Members of the Management Board, Supervisory Board and other key persons in the Bank while appointing new members of the Management Board and the Supervisory Board. Different points of view and independent opinions are extremely important for the Management Board and the Supervisory Board. Members of these bodies are appointed so that managing and supervisory organs can make sensible decisions and fulfil their tasks to the best of their abilities.

Thanks to the diversity strategy, persons are appointed according to diverse knowledge, skills and experience corresponding to function and duties. These criteria are verified within the adequacy assessment process, which is described in the *The Policy of Adequacy Assessment of the Supervisory Board Members, Management Board Members and Other Key Persons of the BNP Paribas Bank Polska S.A.* Furthermore, in accordance with the diversity policy, the Bank appreciates differences resulting from gender, age and origin. The diversity policy guides how to make use of these difference to achieve best results.

The Bank is invested in implementing ideals of diversity on a real scale, so it strives to guarantee proportionate share of women and men in the Bank's bodies. To this end, the Bank has made a strategic commitment, expressed in the diversity policy, to guarantee to women at least 30% of seats in each: the Management Board and the Supervisory Board.

GRI 405-1, GPW S-P1, UNGC 1 i 6

Diversity in the Bank

80

the age of the eldest employee

19

the age of the youngest employee

39

average age in the Bank

40

longest employment period in the Bank

Employment structure in the Group and the Bank in 2021 by gender (total of active employees).

Employment Structure	Capital Group BNP Paribas Bank Polska S.A.			BNP Paribas Bank Polska S.A.		
	Women	Men	Total	Women	Men	Total
Management Board	5	14	19	2	7	9
Key Managers	39	75	114	39	75	114
Managers	640	455	1,095	615	431	1,046
Other positions	4,527	2,333	6,860	4,442	2,269	6,711

Total	5,211	2,877	8,088	5,098	2,782	7,880
--------------	--------------	--------------	--------------	--------------	--------------	--------------

Employment structure in the Group and the Bank in 2021 by gender (percentage of active employees)

Employment Structure	Capital Group BNP Paribas Bank Polska S.A.			BNP Paribas Bank Polska S.A.		
	Women	Men	Total	Women	Men	Total
Management Board	26%	74%	100%	22%	78%	100%
Key Managers	34%	66%	100%	34%	66%	100%
Managers	58%	42%	100%	59%	41%	100%
Other positions	66%	34%	100%	66%	34%	100%

Employment structure in the Group and the Bank in 2021 by age (total of active employees)

Employment Structure	Capital Group BNP Paribas Bank Polska S.A.				BNP Paribas Bank Polska S.A.			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Management Board	0	10	9	19	0	3	6	9
Key Managers	0	94	20	114	0	94	20	114
Managers	19	966	110	1,095	17	922	107	1,046
Other positions	1,066	5,168	626	6,860	1,036	5,060	615	6,711
Total	1,085	6,238	765	8,088	1,053	6,079	748	7,880

Employment structure in the Group and the Bank in 2021 by age (percentage of active employees)

Employment Structure	Capital Group BNP Paribas Bank Polska S.A.				BNP Paribas Bank Polska S.A.			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Management Board	0%	53%	47%	100%	0%	33%	67%	100%
Key Managers	0%	82%	18%	100%	0%	82%	18%	100%
Managers	2%	88%	10%	100%	2%	88%	10%	100%
Other positions	16%	75%	9%	100%	15%	75%	9%	100%

Method of presenting indicators:

- Key Managers comprises MRT (Material Risk Taker): persons with material influence on the risk profile of the Bank excluding the Management Board.
- Managers includes all other supervisors.
- The percentage relates to the number of active employees of the Bank or the Group.

Supervisory Board Structure in the Group and the Bank by gender in 2021

Capital Group BNP Paribas Bank Polska S.A.			BNP Paribas Bank Polska S.A.		
Women	Men	Total	Women	Men	Total
14	21	35	5	7	12
40%	60%	100%	42%	58%	100%

Supervisory Board Structure in the Group and the Bank by age

Capital Group BNP Paribas Bank Polska S.A.				BNP Paribas Bank Polska S.A.			
<30	30-50	>50	Total	<30	30-50	>50	Total

0	17	18	35	0	3	9	12
0%	49%	51%	100%	0%	25%	75%	100%

Composition of supervisory bodies of the Bank in 2021 by seniority

Seniority (in years)	<5	5-10	10-15	15-20	20-25	>25	Total
Management Boards	6	2	1	0	0	0	9
Key Managers	26	15	27	23	20	4	115
Total	32	17	28	23	20	4	124

Inclusion strategy for persons with disabilities

At the beginning of 2021, we established cooperation with external entities that support us in better adapting the organization and in increasing employment of people with disabilities. In cooperation with these entities, we conducted training and planned internal communication so as to promote open, inclusive behaviours.

We initiated a series of webinars on how to increase awareness of our managers regarding employment of people with disabilities. The webinars were conducted by a coach responsible for training managers solely in this area.

Another series of webinars, *Different Abilities, Common Goal*, was created for all employees, as well as a series of testimonials *People with Experience*. We also organised a webinar for all employees led by a motivational speaker, Tomasz Manikowski, who is a person with disability active in business. Privately, we work towards overcoming obstacles that limit people with disabilities.

An expert on employment of people with disabilities joined the Recruitment Team. Whereas the Communication and Marketing Department welcomed another expert on breaking stereotypes and disability inclusion in the Bank and public space.

The Disabled Community has been included in the Ten Commandments of Equal Treatment. The Diversity Week devoted one full day to the area of disability. We created a web page in Echonet which contains educational materials addressed at all employees. The symbol of people with disabilities was placed on a mural at the Kasprzaka Head Office in Warsaw, which represents our values.

We word our recruitment listings so it is clear for all candidates how important it is for the Bank to actively include people with disabilities. New-hires can now enjoy a newly created handbook *Nice to see you*.

We promote inclusivity outside the organisation, too. To this end, the campaign *The World Needs You* was launched. Our social media also openly inform about our attitude towards people with disabilities.

Number of employees with disabilities (legally certified) in 2021 in the Group and the Bank by gender as of 31.12.2021

Capital Group BNP Paribas Polska S.A.			BNP Paribas Bank Polska S.A.		
Women	Men	Total	Women	Men	Total
53	24	77	53	22	75
			Branches	5	35
			Head Offices	17	40

Initiatives to strengthen the role of women

Women changing BNP Paribas

Diversity is the highest value of our organization, so it is very important for us to make all employees feel appreciated and have equal possibilities of personal growth. In 2021, a dedicated *Women Up* development program was created, which is described in detail in subchapter *Training and Development*.

We also continued the grassroots initiative by female colleagues *Women Changing BNP Paribas*, inaugurated in December 2020. This project focuses on female employees who reinforce the role of women in the organization and promote the ideals of diversity and inclusivity. They also support involvement of men towards gender equality.

As part of this project, we conducted a survey on equal gender treatment and asked employees for their opinions on employee relations in this area.

In 2021, as in previous years, we promoted external initiatives which support and develop women's potential in Poland. This is why we partnered with the 13th edition of Businesswoman of the Year Contest, organized by Fundacja Sukces Pisany Szminką (Foundation Success Written in Lipstick), whose aim is to publicise women's achievements in business, science and culture. More information is available at <https://bizneswomanroku.pl/>.

Parenting support

We support parents, advocate for equal parenting models and participate in initiatives aiming at realizing this ideal.

In 2021, a grassroots initiative of Bank employees was created, called *Daddy, you can bank on it*, which promotes a partner family model. The main idea is to present the man not only as the breadwinner of the family. This is why the creators show that fatherhood is a challenge and an adventure to become a rightful engaged caregiver of the child.

GRI 401-3

Parental leaves in the Bank in 2021

	Women	Men	Total
Number of employees entitled to parental leave	5,885	2,924	8,809
Number of employees who took parental leave	850	158	1,008

Method of presenting indicators:

- The data comprises maternity, paternity and parental leaves.

5.3 Communication with employees

GRI 103-1, 103-2, 103-3 reporting topic *Simple & transparent communication*, 102-42, 102-43, 102-44

Communication with our employees is rooted in honesty, respect and ethical behaviour. It also entails promoting and strengthening our core values, which guide us in daily work.

Information flow within the Bank is an element we take great care of. Communication guidelines are available on the Echonet – the internal intranet. The standards for communication with employees at the Bank are set out among others in the *Code of Conduct of the BNP Paribas Group*, *Fast Forward Bank Strategy* and *Internal Communication Strategy*.

Priorities in communicating with employees

- Create simple and understandable messages
- Transparent communication of particularly difficult topics
- Applying the principle that employees are the first to get informed about anything
- Dialogue-oriented communication
- A responsible approach to employee development and engagement

Main channels of internal communication:

- Echonet – our Intranet
- Mailing
- Newsletter Hello (every Thursday)
- Wallpapers
- Screensavers
- Pop-ups
- Video materials
- Podcasts
- Surveys
- Webinars
- Town halls (also on-line)
- Head Office screens
- Bonjour magazine (a monthly in form of a responsive website)
- Lunches with Przemek Gdański, the CEO
- Meetings with Members of the Board for all employees
- Off-line activities (e.g. dedicated content in head offices and branches, mural in the Kasprzaka Head Office)
- Contests

Employee satisfaction survey

We care about creating an environment which supports professional development and employee engagement. Their opinions are crucial for us, which is why we conduct a quarterly survey Pulse Check. Thanks to this survey, we receive feedback from our employees and track changes in the Bank. The results are analysed by managers, HR Business Partners and the Management Board. Since the research takes place several times a year, we can react to changes swiftly and introduce new activities.

Last year we carried out four surveys of the kind, the last of which saw the participation of 68% of all employees. The best notes were awarded to satisfaction with management: 91% respondents are pleased to be granted autonomy by the employer, which translates into better work results. 87% were happy to have received support from their employer. An aspect that needs improvement is the perception of changes in the Bank, here only 53% expressed satisfaction, the lowest proportion in the survey.

5.4 Remuneration and benefits

Our remuneration policy is based on transparent principles and centres employees. It refers to good market practices in the area of remuneration. It stands in compliance with relevant laws and regulations.

The remuneration regulations for the Bank employees are set out in the applicable *Corporate Collective Labour Agreement* and *BNP Paribas Bank Polska S.A. Remuneration Regulations*. The regulations of the bonus systems are defined in the bonus regulations for employees of particular business areas and lines. The bank also has a remuneration policy for people who have a significant impact on the risk profile of the Bank.

The Bank has specialized units: Committee for Remunerations and Committee for Appointments, both of which support the Supervisory Board in human resources management. These units monitor and oversee the most important processes: succession plans, professional development of employees, remuneration policies. The Committees produce opinions and recommendations for the Supervisory Board, regarding among others assessment of candidates for seats in the Management Board and the Supervisory Board, employment conditions of members of the Management Board, including their fixed and allocated variable remuneration.

GRI 202-1

Basic salary of the lowest-level employees in the Bank in relation to the minimum wage

Minimum wage in Poland	Ratio of the lowest-level wage to minimum wage:	
in 2021 r.	For women	For men
PLN 2 800	131%	132%

Minimum wage in Poland	Average lowest-level wage	
in 2021 r.	For women	For men

PLN 2800

PLN 3,681

PLN 3,706

The Bank implements the Compensation Review Process every year – one of the most important criteria taken into account in this process is to close the gender pay gap, to which dedicated funds are allocated.

Gender Pay Gap

GRI 405-2, GPW S-P2, UNGC 1 i 6

The Gender Pay Gap Indicator as of end of 2021 amounted to 7.32%, which means that salaries of men were higher than salaries of women in comparable positions by 7.32%. The indicator is the weighted arithmetic mean of the total of segregated employee groups.

We calculated this indicator for homogenous employee groups to ensure transparency and data cohesion. This is why we divided employees into groups by their employment area and position classification. This is how we were able to compare salaries of women and men who do similar jobs.

The calculations comprise all active employees who have worked at the Bank for more than a year and who were still employed as of 31.12.2021. We took into account full salaries in comparable positions. We also registered differences resulting from variable remuneration and other processes.

In 2021, we lowered the Gender Pay Gap by 0.94 p.p. in comparison to 2020.

Benefit offer

GRI 401-2, 403-6

The benefit strategy of the Bank aims at creating a welcoming work environment. This is how we want to take care of our employees, their physical and mental health and provide security for them and their close ones. Employees are given access to a wide range of benefits, initiatives and solutions, both stationary and mobile. We teach how to care for your health, we advocate for physical activity and open doors to pursuing passions. A part

over **7,400**

covered by private medical health care

3,160

employees have used the Multisport card

4,705

employees have taken part in *Two Hours for Family* campaign

1,200

employees have benefited from the wellness program *WELL* at least once

of the benefit system is offered also to the close ones of our employees.

3,500

employees have used the Worksmile app

PLN 3,998

allocated to holiday co-financing and 735 subsidies for the holiday of employees' children

343

times Bank retirees received financial help

761

times the Bank offered financial aid to its employees

250

humming bears to newborn children of employees

14,715

gifts for children on the occasion of Children's Day and St. Nicholas' Day

Benefit offer for Bank employees

Pillar: security

- Employee Capital Plans
- Life and Accident insurance for employees and their close ones
- Additional insurance for school children
- Transportation & commuting insurance
- Travel insurance

Pillar: health

- Comprehensive Health Care Program for Employees and their loved ones
- MultiSportPlus, MultiSportKids and MultiSportSenior card
- Worksmile app, which brings employees together around their passions and sports activities. The app supports the WELL program and keeps us in touch while working remotely
- Health Days for Bank employees, promoting health education and prevention of chronic diseases, mainly oncological ones
- Covid-19 and flu vaccines

Pillar: work-life balance

- Two Hours for Family campaign
- Two Hours for Health campaign
- MyBenefit Cafeteria System
- Co-financing of holidays for employees and their children
- Benefits from the Company Social Fund
- Actions and activities under the Bank Close to Close Ones program, e.g. parental week co-organised with Development Program and Organisational Culture Team

work environment

- Corporate wellness program *WELL*
- Flexible working hours
- Extra days of leave
- Gifts for employees' children
- Promotion of parental leaves
- Financial assistance for disadvantaged employees
- Gifts for new-borns of our employees
- Housing loans

5.5 Training and development

GRI 103-1, 103-2 i 103-3 reporting topic *Education and development of employees*, 404-1, 404-2, 404-3, UNGC 6

The development program offered by BNP Paribas Bank Polska S.A. supports the implementation of the business strategy. Activities include programs dedicated to all employees, including specialized programs aimed at the management. In addition, projects are carried out to support the development needs of individual units of the bank.

over **170,000**

employees have taken part in all trainings in total

over **145,000**

employees have taken part in e-learning sessions

727

employees have taken part in external trainings

18,154

employees have taken part in internal online trainings via Skype or Webex

24.32

hours of training on average per employee of the Bank

7,518

persons with an employment contract got reviewed. This is 85% of all persons with employment contracts, out of which 4,858 are women and 2,660 – men.

We want our employees to develop first and foremost through practice. We plan and devise our training programs to complement each other and function as a cohesive entity deeply rooted in facts and knowledge. We encourage our employees to build up their competences following the principles of 70-20-10 model, especially when it comes to competences such as Customer relations, flexibility, networking, digital knowledge and culture.

E-learning trainings provide knowledge, raise awareness and build up active attitudes in employees. They comprise: compliance, financial security, insurance, Agile approach, risk in information technology and cybersecurity, domestic Customer groups, sustainable development and social responsibility, risk management, capital markets, provisions of law, risk factors and risk awareness, quality and security of data and operational risk.

Trainings at the Bank in 2021

Onboarding

Introductory training for new-hires: it consists mainly of new product offer and operating system support, e.g. *Nice to see you* and introductory trainings profiled in the process of business lines onboarding.

Training and development aimed at specific organisational units:

- Trainings for Retail and Business Banking: product, process and system knowledge; development of sales, personal and specialized skills – EFPA EFA Financial Advisor Certificate.
- Retail Banking Trainings – Premium Academy, Business Academy, Leadership Academy, Mortgage Academy.
- Personal Finance Banking trainings – sales competences, product and process changes
- SME and Corporate Banking trainings – strengthen teamwork and enhance sales skills
- Trainings for each organisational unit as per order – soft skills: teamwork, communication, remote work, specialised, interpersonal and managerial skills
- Agile, i.a. Agile on Demand, Scrum Master Academy – trainings for Agile@Scale transformation, providing knowledge and shaping skills necessary for agile work.

E-learning

- Digital Data Agile Academy and other development programs provided by the BNP Paribas Group, concerning digital culture, new technologies and methodology.
- Data Governance Academy
- Simple language
- Personal branding
- Foreign languages with eTutor platform, free of charge for all Bank employees

Trainings available to all employees or participants of development programs

- Zoom on development – key competences of the future: flexibility, networking, digital knowledge and culture, Customer relations. It takes form of online trainings, webinars and other development activities.
- Development Fridays – a program dedicated to those who struggle with tiredness, stress and lack of motivation due to another Covid-19 wave. The program takes form of online trainings and webinars.
- New Ways of Working – program comprises work in remote and hybrid teams, familiarises with remote tools. It takes form of podcasts, webinars and online trainings.
- #MamToDamTo – subjects include MS Office tools, SQL and financial knowledge. The program realizes the concept of learning organisation as it provides opportunity to share knowledge and give and receive support. It takes form of online trainings and webinars. In 2021, we launched two extra formats:
 - #MamToDamTo: My passion – employees share their extracurricular skills
 - #MamToDamTo: To the Point – highly specialized trainings.
- Leadership Development Academy – Well Leading: a program for managers in which they shape their leader personality and develop managerial skills. The program builds up Agile approach, i.e. direct communication, transparency, responsibility and engagement. It takes form of online trainings, webinars and other development activities.
- Leaders for Tomorrow – talent development program, in which almost 200 employees are involved. It follows the 70-20-10 principle. We engage leaders in project of business and strategic level and strengthen interdisciplinary cooperation, taking into account different experiences and perspectives. Participants achieve above the average results and foremost – have the potential to develop further and climb up in the structure of the Group.
- Mentoring Program – supports employees and the organisation in achieving business goals. The program uses the potential of the mentee on the one hand, and knowledge and experience of the mentor on the other. Participants learn to base their work off trust, partnership, presence and responsibility. The program has a general framework, whereas details are worked out by and adapted for each group. It takes form of online trainings and webinars.
- Women Up – an original program developed by women for women. The goal is to act boldly and free your own potential. The program takes 12 months and includes workshops, webinars, action learning, diverse initiatives and project work.
- Programs accompanying the life cycle of each employee: annual review webinars, mid-year review, quarterly feedback, Profiles and PDP in About Me.

GRI 404-1, UNGC 6

Average number of training hours per employee at the Bank in 2021 by gender and structure of employment

Bank BNP Paribas Bank Polska S.A.			
Employment Structure	Women	Men	Total
Board	22.49	26.51	25.71
Managers	39.13	33.25	36.53
Others	22.82	21.89	22.52
Total	24.57	23.82	24.32

Method of presenting indicators:

- The calculation includes e-learning, module trainings, external and internal trainings.
- The number of trainings hours in this calculation is rounded to two decimal places.
- The "Managers" category includes key managers - MRT (Material Risk Taker) - people who have a significant influence on the Bank's risk profile, excluding the Bank's Management Board and all other managers.

Traineeship programs

- Summer Traineeship Program – dedicated to students of Year 2 or higher. The aim is to promote the image of the Bank and break stereotypes of working in the banking area. Participants gain knowledge on banking: they take active part in tasks and projects of the department of their choice. The traineeship may take an online, stationary or hybrid form. As an integral part of the traineeship program a series of webinars and workshops was created, which includes i.a. Personal branding in social media, Introduction to Agile, Financial markets, derivatives and other curiosities, Design Thinking. Last edition saw the participation of 33 persons.
- Internship programs – available to students of Years 3&4. The aim is to prepare students to join the organisation. The participation in projects allows them to gain business experience and helps them understand the structure, principles and interdependencies of a large organisation. In July 2021, we launched 24 programs in the entire organisation, with students joining us for 6 months. Together with their mentors, they worked on their business projects and broadened their professional competences.

5.6 Occupational Health and Safety

GRI: 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, GPW S-S1

Employee safety is a very important area of management in our organization. This is why we pay a lot of attention to health and safety regulations and their adherence to applicable provisions in this area. Additionally, we devised and implemented our own internal guidelines.

The Occupational Health and Safety Team is responsible for all OHS issues at the Bank. In order to reinforce prevention, we discontinued cooperation with external companies in this area in 2021. Instead, we hired more OHS inspectors to support us internally.

The Bank also has the OHS Commission as an advisory and consultative entity. The members of the Commission are equal parts representatives of the employees and employer, here the OHS Team and a doctor, whose job is to take preventative care of the employees. The Head of the Commission is the Director of Real Estate and Administration Department, whereas the Deputy Head – the Social Labour Inspector.

We take a register of workplace accidents. After each one, an accident report is compiled, which includes conclusions and recommendations for future prevention. This is how we strive to minimise the number of accidents. Additionally, once a year, the accident rate is analysed comprehensively. The analysis is transferred to the OHS Commission for further discussion. Information on accidents is also logged in the RiskCare system.

In order to protect health and safety of all employees:

- We organise and conduct obligatory OHS trainings, both introductory for new-hires, and periodic for all employees. These trainings include first aid sessions. The trainings take place in a new, friendly form – the process has been automatized,
- We reimburse glasses for all employees who require them,
- We pay close attention to ergonomic work stations, which are fitted with orthopedic chairs, vertical computer mouses, sensorimotor cushions for persons with RSI.

To enhance safety culture in the workplace, we strive to raise awareness of our employees in this area. During obligatory, systematic OHS trainings (introductory or periodic) following topics are covered:

- Selected OHS regulations and provisions of Labour Law and working conditions,
- Circumstances and causes of common accidents in the workplace and occupational diseases,
- Methods of prevention and counteracting accidents in the workplace and occupational diseases,
- Procedures in the event of an accidents or hazardous situations, e.g. fire or emergency.

In 2021, we completed two campaigns aiming at raising awareness in the area of safety, hygiene and ergonomomy in the workplace.

GRI 403-9, GPW S-S1

We monitor the number of accidents at work and explain their causes. We analyse employee absences and calculate the average length of absenteeism. In 2021, we registered accidents, most of which took place on the premises of the Bank. These included slips, trips and falls as a result of these two. There were also a few road incidents.

Number of workplace accidents at the Bank in 2021

Accidents by gender			
	Women	Men	Total
Total	19	2	21
Branches	18	2	20
Head Offices	1	0	1

Method of presenting indicators::

- The accident frequency indicator is calculated as ratio of accidents to the number of employees. It is calculated following the formula: $w = (\text{number of accidents} / \text{total of employees}) * 1000$

VI. Social responsibility

GRI 102-29, 103-1,103-2 i 103-3 reporting topic *Charity & Philanthropy*, 413-1, UNGC 8

BNP Paribas Bank Polska S.A. is a socially responsible company, strongly based on CSR Strategy and Sustainable Development. We strive to increase the availability of our products and services. We are open to our customers' needs. We promote initiatives which benefit local communities and ensure social equality.

Our commitments within the area of social responsibility - one of the four cornerstones of our CSR and Sustainability Strategy

- Wider access to products and services
- Counteracting social exclusion and supporting human rights
- Philanthropy focused on the arts, social solidarity and the natural environment

Our initiatives are developed in order to bring about real positive change. We counteract social exclusion, foster education and culture, especially in small communities. Three key branches coordinate these actions:

- CSR & Sustainable Finance Department,
- BNP Paribas Foundation,
- Sales Support Team and Local Availability Ambassadors within the team.

Activities aimed at products and services availability have been described in the chapter Business Perspective.

Together with non-governmental organisations, we run numerous educational programmes and our employees are involved in social activities. This is how we increase social capital and contribute to reaching the UN Sustainable Development Goals.

UN Sustainable Development Goals supported by the Bank within social responsibility

Goal 1. No poverty	Goal 2. Zero hunger	Goal 4. Quality education	Goal 10. Reduced inequalities	Goal 17. Partnerships for the goals

The implementation of the Fast Forward Strategy 2018-2021 was continued in 2021 and its integral part: the CSR and Sustainable Development Strategy. The Strategy was overseen by the Management Board headed by the President of the Board. Simultaneously, the Bank was devising a new Strategy for 2022-2025, spearheaded by sustainable development as its key element. The Strategy will be officially released in the first quarter of 2022. Here are the new commitments included in the new Strategy, which the Bank will implement in cooperation with the BNP Paribas Foundation:

- Developing a range of products and services with positive impact,
- Wide availability of products and services, as well as communication channels with the Bank to benefit all Customers, and especially Customers threatened by social exclusion (e.g. people with disabilities, senior citizens),

- Building up the institution of the Bank as an agent of positive social change, a good neighbour, close to its local communities through combating social exclusion, fostering diversity and financial literacy,
- Fortifying the Bank's social impact by striving for social goals of the BNP Paribas Foundation in education, social solidarity and culture,
- Increased social engagement and volunteer work withing the Bank by inspiring employees and providing appropriate tools.

KEY FIGURES
3,797

times employees got involved in social responsibility projects

24,767

 hours devoted to social responsibility initiatives
 This marks the total of 100,000 hours since 2011, the inception of the program

2,610

 volunteers within the Bank and subsidiaries involved in the *Noble Gift* campaign in 2021

4,000

hours 100 Local Bank Ambassadors worked for the benefit of local communities in 2021

33

litres of blood were donated by 74 employees on the Blood Donation Day

 over **1,157**

kilograms of disused textiles collected by our employees and the partner company Ubrania do Oddania

71,952

 kilometres covered in the *Good Kilometres* campaign supporting social organisations

260

 employees donated within the individual philanthropy project *I support all year long*

 over **PLN 1.2 million**

is how much the BNP Paribas Foundation granted towards 250 projects in nine editions of the Bank's Competition for Social Projects

PLN 250,000

 is the total of monthly salary deductions towards the campaign *I support all year long* in the last four years

32,809

persons we supported in all nine editions of Competition for Social Projects

20

volunteers were awarded by our employees in 2021, 15th anniversary of the BNP Paribas Foundation

6.1 Volunteering and Social Commitment

GRI 103-1, 103-2 i 103-3 reporting topic *Charity & philanthropy*, 413-1

You can count on me is the motto of the social involvement initiative at the Bank. True to its name, the project, launched in 2011, encourages employees to engage in social initiatives and support local communities. They cooperate with social organisations and launch their own initiatives. Each employee is entitled to **2 additional days-off per year** for volunteering activity. The project participants can choose between individual volunteer initiatives and team projects, they can carry out their own initiatives or take part in social initiatives coordinated by the BNP Paribas Foundation together with other NGOs. Each employee is entitled to **two additional days of paid leave** per year for voluntary activities. Our efforts are part of an international initiative of the BNP Paribas Group **#1MillionHours2Help**. In Poland, this initiative is coordinated by the BNP Paribas Foundation.

2021 marks the year when BNP Paribas Foundation was one of the first organisations in Poland to be awarded the certificate High Quality Employee Volunteer Program, which was granted by the Academy for the Development of Philanthropy after a thorough financial audit. The ceremony took place at the 9th Conference for Pro Bono Leaders.

HOW OUR EMPLOYEES VOLUNTEER

Team volunteering	<ul style="list-style-type: none"> ▪ Competition for Social Projects ▪ Noble Gift
Competences volunteering	<ul style="list-style-type: none"> ▪ Bankers for the Financial Education of Youth BAKCYL ▪ Mission: Education
Individual volunteering	<ul style="list-style-type: none"> ▪ Supporting a social organization of your own choice
Social campaigns	<ul style="list-style-type: none"> ▪ Blood Donation Day ▪ Good Kilometres ▪ "Ubrania do Oddania" (clothes to donate)
Individual philanthropy acts	<ul style="list-style-type: none"> ▪ I support all year long

Find out more about our volunteering projects: <https://www.bnpparibas.pl/fundacja/dzialalnosc-fundacji>

Competition for Social Projects

The annual Competition for Social Projects has become a fixture of our volunteer scheme. The BNP Paribas Foundation encourages employees from all over Poland to submit initiatives which respond to the immediate needs of their local communities. The winning entries are granted up to PLN 4,000. The projects are carried out in collaboration with local social organisations and the employees involved receive additional subject-matter support of the BNP Paribas Foundation.

9

editions of the Competition for Social Projects have already concluded

55

projects were completed in 2021 all over Poland

223

employees took part in the Competition for Social Projects in 2021

5,500

received support as the result of the Competition in 2021

> PLN 200,000

have been allocated by the BNP Paribas Foundation to carry out projects in 2021

1,784

hours of work logged for the Competition for Social Projects in 2021

Noble Gift

It is since 2018 that we have been a proud strategic partner of the Noble Gift campaign. Two factors allow our amazing volunteers to display their full potential: the official partnership itself and the nationwide scope of the project. The volunteers send out gifts, which respond to immediate needs of the beneficiaries, hence, the idea of smart support. Other volunteers also joined in: from other companies of the Group, as well as from the Association of Class Program Alumni – a scholarship scheme developed by the BNP Paribas Foundation. **It is the largest employee volunteer program among all companies which take part in the Noble Gift in Poland.**

It was possible also for the Customers to contribute and donate. Our website launched quick money transfer option to the campaign organiser: WIOSNA Association. Additionally, from 1.12.2021 to 25.12.2021 to the first 100 transfers to WIOSNA, the Bank poured another PLN 200. Together: the Bank and the Customers made a total of donations amounting to PLN 516,458.

133

employees of the Bank and of other companies of the Group were Noble Gift leaders

145

needy families received gifts by our employees in 2021

2,610

volunteers were involved in 2021

> PLN 4.1 m

The BNP Paribas Foundation has donated to Noble Gift in total since 2018, the beginning of our cooperation

PLN 1.000

is how much each the BNP Paribas Foundation donated to each gift by our employees

PLN 1 m

Is how much the BNP Paribas Foundation donated to Noble Gift in 2021

BAKCYL – Bankers for the Financial Education of Youth

BAKCYL is a sectoral educational programme managed by the Warsaw Banking Institute. The Bank has participated in the BAKCYL program since 2013. The aim is to provide the young generation with practical knowledge in the field of finance. Bank employees volunteer to conduct lessons and share their financial knowledge and experience.

In 2021 our employees carried out classes in primary schools, grades 6-8: Your money and Save money to invest money; grades 5-8: Security in the cyberspace. In high school the classes focused on Financial market – trust in business, My finances: think like an entrepreneur and Smart investments. The classes were conducted mainly online. The meetings were intended to lay foundations on finances and prepare pupils and students for adult life and active civic participation. The program is coordinated by the BNP Paribas Foundation.

123

trained volunteers took part in BAKCYL in 2021

155

lessons carried out in 2021 by our employees

almost 1,500

lessons have been carried out by our employees since 2013

over 33,000

students have taken part in the meetings with our staff since 2013

Mission Education

In 2020, we started the implementation of our new interdisciplinary project, Mission: Education. Its aim is to improve public knowledge with regard to finance, ecology, security, entrepreneurship and psychology. Beneficiaries of the program gain new skills, discover their own potential, and broaden their horizons. In 2021 we continued activities within the project.

Mission Education 2021

- **Financial education classes** for senior citizens, primary school pupils and high school students, conducted by our employees based on their original ideas and materials.
- **Ecology for Families** – a round of four workshops developed in cooperation with the Copernicus Science Centre.
- **Projects patronage:** Children's University at Home and Children's University in Class. We carried out lessons in eight educational institutions on financial education, both stationary and online.
- **Parental Zone for the website Mission: Independence.** We created a knowledge digest for parents who want to teach their children how to be financially independent.
- **Educational workshop for families: „Samodzielniaki ogarniają budżet”** (*Mr. and Mrs. Independent go about their budget*), conducted by experts invited by the Bank.
- **Cooperation with Kosmos dla Dziewczynek Foundation.** Here we conducted a cycle of workshops online for families *SUPERSHEROES: family choices* and *SUPERSHEROES in the classroom*.
- **Parenting debate** on the presence of women in the history of Poland and how girls need strong female figures to follow. We presented the *SUPERSHEROES* projects and their she-patrons and talked about the novel *A Little Princess*
- A new podcast category BNP Paribas Talks EDUCATION, available at www.talks-bnpparibas.pl

Our initiatives within the project Mission Education were recognized and distinguished by the juries of two competitions: Złote Spinacze and Kreatura. The online workshops with cooperation with Kosmos dla Dziewczynek Foundation received two awards in Złote Spinacze: a Bronze Medal for Sustainability and CSR Communications and another Bronze Medal for Finance. The jury of Kreatura distinguished the website for Mission: Independence in the category Digital: Mobile Apps & Games. As part of this initiative, we have created a website with the same title, to promote financial literacy. The website includes the Parental Zone – a tab for parents with indispensable information, tips and ideas for fun creative games with children.

160

classes carried out in primary and high schools since 2020

4,200

students took part in meetings with our employees

1,600

SUPERSHEROES in the classroom workshops conducted in primary schools

32,000

students took part in the *SUPERSHEROES in the classroom* workshops

Good Kilometres

Employees of BNP Paribas Bank Polska S.A. are also involved in social initiatives by being physically active. The Good Kilometres campaign is organized annually by the BNP Paribas Foundation. For one month, employees try to cover as many kilometres as they can while cycling, running or practicing other long-distance sports. They track their activities on the Bank's social and gamification platform. Each kilometre is converted into funds transferred to an NGO selected by vote.

71,952

kilometres covered in 2021 for Good Kilometres

444

employees took part in the action in 2021

PLN 25,000

donated to Active Against Depression Association selected by our employees by vote

7,574

sport activities done by our employees, i.a. jogging, roller-skating, walking, plogging

Individual Philanthropy Program - *I support all year long*

Our individual philanthropy program I support all year long is based on a payroll mechanism and has been active since September 2017. All bank employees can participate in the program and it is them who decide which organisation to support. Employees can decide to make monthly deductions from their salary and donate them to a selected cause. In 2021 the employees chose to support SYNAPSIS Foundation and Active Against Depression Association. Not only were these organisations supported financially, we also asked them to co-prepare webinars for our employees for the Autism Awareness Month and Depression Awareness Week. In 2022 we will be supporting "Dajemy Dzieciom Siłę" (Giving children strength) Foundation and Mudita Association.

6.2 Initiatives for local communities

GRI 203-1, 413-1

The Bank's Local Ambassadors

The #BLA program is a platform for interesting initiatives which benefit local communities. We support these initiatives with subject-matter knowledge and organisational experience.

In 2021, the #BLA enjoyed cooperation with two partners: Krajowy Instytut Gospodarki Senioralnej (hereinafter KIGS; National Institute for Silver Economy,) and Fundacja Zwolnieni z Teorii (Exempt from Theory Foundation). Cooperating with KIGS, we became the strategic partner for the 5th Congress for Silver Economy. We are also the only financial institution in Poland to be awarded the OK Senior certificate in two consecutive years.

The Bank's Local Ambassadors once again headed social projects, conducted by the youth within the Exempt from Theory Contest, whose 7th edition was organised with our cooperation with the Foundation Exempt from Theory. The Contest teaches participants to head their own social projects. The winners receive an international certificate of project management.

100

Bank's Local Ambassadors: advisors, branch and regional managers, were active in Poland by the end of 2021

4,000

hours devoted to local communities by BLA's in 2021

50

social projects mentored by #BLA and implemented by youth as part of the Exempt from Theory Contest

134

hours of online and offline mentoring

13,000

hours devoted to local communities since the beginning of the #LAB program in 2018

134,000

beneficiaries of the social projects developed in the Exempt from Theory Games

The Local Grants Program

The Local Grants Program is one of our most important annual initiatives, in which we support local communities and non-governmental organisations. Each year our branch managers with their teams and the Bank's Local Ambassadors submit NGO's. We particularly support those activities which:

- Minimise social exclusion, especially among children, the elderly and people with disabilities,
- Help protect the environment and promote of eco-attitudes,
- Promote entrepreneurship and strengthen the role of women,
- Promote health and combating COVID-19 aftereffects.

60

local social organisations received financial support in 2021

PLN 300,000

granted to local social organisations in 2021

> PLN 2 million

of support to local NGO's since the beginning of the program

820

grants to local social organisation in all 11 editions of the program

6.3 The BNP Paribas Foundation

103-1,103-2 i 103-3 reporting topic *Charity & philanthropy*

The BNP Foundation has been active for 15 years now to carry out tasks related to social responsibility of the Bank. The Foundation counteracts social exclusion, levels educational opportunities and supports culture in small communities. Since its inception, the Foundation runs original scholarship schemes, manages social involvement of our employees and cooperates with social organisations both content and money-wise. The chairperson of the Foundation's Council is the President of the Management Board of BNP Paribas Bank Polska S.A., and members represent key areas of the Bank's operations from the perspective of the Foundation's goals.

The Mission of the BNP Paribas Foundation

Our mission is to boldly transform the world into one with less inequality, into one where we are confident about the future of the planet.

15 YEARS OF THE BNP PARIBAS FOUNDATION: KEY FIGURES

839

students in townships and villages take part in the Class Scholarship Program

113

young refugees in Poland received scholarships and support in Knowledge to the Power Program – a partnership with the Ocalenie Foundation – „Knowledge to the Power”

5,000

hours of education through art organised by the BNP Paribas Foundation for social institutions for children in the Dream Up Program

PLN 1 million

donated by the BNP Paribas Foundation to 250 bank volunteer projects

100,000

hours devoted within the employee volunteer program

> 1,300

persons received support from one of the scholarship schemes

313,000

kilometres covered by our employees to support social organisations in the Good Kilometres campaign

269

litres of blood donated by 611 Bank employees

PLN 250,000

donated to social organisation in the *I support all year long* campaign

> 2,000

persons make Noble Gifts for the needy each year

20

volunteers awarded by our employees for the 15th anniversary of the BNP Paribas Foundation

33,000

young people take part in BAKCYL Bankers for the Financial Education of Youth

BNP PARIBAS FOUNDATION KEYSTONES

EDUCATION

- Supporting the development of pupils and students from smaller townships and villages, as well as families in straited circumstances.
- Teaching children and teenagers about finance and entrepreneurship.

SOCIAL SOLIDARITY

- Helping people threatened by exclusion, especially children and teenagers.
- Supporting and coordinating social involvement of our employees.

CULTURE

- Making culture available to children and teenagers from smaller townships and villages.
- Promoting classical music among the youth.

INITIATIVES COORDINATED BY THE BNP PARIBAS FOUNDATION IN 2021

External Initiatives

- Class Scholarship Program
- Agro-talents Scholarship Scheme
- Dream Up Program
 - 2nd edition in cooperation with Praga Poludnie – Centre for Promotion of Culture, concluded in June 2021
 - 3rd edition in cooperation with Stara 4 – Creative Educators Association.
- Knowledge to the Power Program in cooperation with the Ocalenie Foundation
- A partnership with the Ocalenie Foundation – Good Without Borders
- Meetings with Music Program in cooperation with the Warsaw Philharmonic
 - BAKCYL Bankers for the Financial Education of Youth

Initiatives involving Bank's employees

- Employees Volunteer Program
- Individual Philanthropy Program *I support all year long*
- Competition for Social Projects
- Noble Gift campaign
- Blood Donation Day
 - Good Kilometres campaign

The Foundation's educational initiatives

Class Scholarship Program

Class is an innovative scholarship program of the BNP Paribas Bank initiated in 2003 and functioning under the auspices of the BNP Paribas Foundation since 2006. As such, it is one of the longest running scholarship schemes in Poland. Its goal is to help primary school graduates from poor families who live in rural areas and small towns. Scholarship holders can attend top high schools in five Polish college towns. They receive full financial support for the duration of high school and a scholarship in Year 1 of university. The holders can also receive financial support for their volunteering involvement, scholarship awards, holiday and team-building trips.

Learn more how to apply and benefit from the program at <https://www.bnpparibas.pl/fundacja/dzialalnosc-fundacji/program-stypendialny-klasa>

> PLN 25.5 million

allocated to the Class Scholarship Program since 2003

839

graduates from 489 towns and villages received support since 2003

83

scholarship holders in the 2021/2022 school year

19

years of the Class Scholarship Program

Agro-talents

Agro-talents is a comprehensive program for the development of young talents – a system of scholarships for ambitious youth who see their future in agriculture. Established in 2012, it is the result of cooperation between BNP Paribas Foundation and educational institutions and experts in agriculture. The system supports local communities and enhances what agricultural schools have to offer.

What is Agro-talents:

- a scholarship program for the winners of the Agricultural Knowledge and Skills Competition organised by the top 8 agricultural universities. The program's partner is the Warsaw University of Life Sciences. The BNP Paribas Foundation funds 40 scholarships a year. In 2021, 18 students and 22 pupils won the Competition. So far, a total of 430 winners have received the scholarship,
- the Bridge Scholarship Program of the Educational Enterprise Foundation for the most talented students of agriculture after their 3rd and 4th year of studies. In 2021, the BNP Paribas Foundation provided 13 scholarships worth a total of PLN 63,000. So far, 103 students have participated in the program,
- cooperation with the Warsaw University of Life Sciences in the field of education, exchange of knowledge and experience.

The Foundation's social solidarity initiatives

Knowledge to the power

The BNP Paribas Foundation has been active in supporting diversity and counteracting social exclusion for many years. That is why, since 2016, we have been cooperating with the Ocalenie Foundation and helping refugees from Syria, Iraq, Ukraine and Chechnya. We have jointly launched the Knowledge to the Power scholarship and tutoring program to help young refugees find their place in the Polish education system.

Participants of the program benefit from the help of volunteer-tutors and take part in workshops as well as educational and cultural outings and summer camps. The organisers are in close contact with the families of scholarship holders, offering them support whenever it is needed.

In 2021, the BNP Paribas Foundation became the strategic partner of the Ocalenie Foundation, having donated PLN 50,000 as support to refugees in the Polish-Belarus border crisis.

113

scholarships granted to refugees from 15 countries: Chechnya, Tajikistan, Ukraine, Syria, Georgia, Russia, Iraq, Dagestan, Armenia,

92

scholarship holders in December 2021

Ingushetia, Afghanistan, Cameroon, Kazakhstan, Kenya, Kyrgyztan

Good without borders

In this campaign supported by the Bank, a limited number of fine china plates was available for purchase, each decorated with the motif of barbed wire – a tragic symbol of the Polish-Belarus border crisis. The plate was also available in digital form. All profits were transferred to the Ocalenie Foundation and Warsaw Club of Catholic Intelligentsia, both of which actively support refugees at the Polish-Belarussian border.

Dream Up

Dream Up is an international program of the BNP Paribas Group currently active in 29 countries, originally created and financed by the BNP Paribas Foundation in Paris. In Poland, the BNP Paribas Foundation organises music classes with professionals and supports the personal and social development of children and youth.

June 2021 saw the conclusion of the 2nd edition of Dream Up, co-organised with the Praga Południe Centre for Promotion of Culture in Warsaw. Already in September 2021, the 3rd edition was launched, this time co-organised with Stara 4 – Creative Educators Association and Fablab Pobite Gary! The program is available to children from Warsaw community centres.

57

children participated in the 3rd edition of Dream Up

5,000

hours of music classes since 2018

Initiatives towards access to culture and art

Cooperation with the Warsaw Philharmonic

BNP Paribas Foundation and the National Philharmonic have been partners since 2003. We consider music a vital part of high culture. As such, since 2011 the BNP Paribas Foundation has been a proud partner of Meetings with Music – a cycle of concerts directed at pupils from towns and villages in Poland. This way we hope to widen the access to culture to these children.

1,212

Meetings with Music in 2021

208,147

pupils took part in Meetings with Music in 2021

6.4 Donations and sponsorship initiatives

Financial donations

The main goal of financial donations is to support and develop civic activities, to enhance the life quality of local communities, to support social involvement of Bank's employees (e.g. in the Local Grants Program), to strengthen the role of Bank's Local Ambassadors and finally, to promote healthy lifestyle and environment

protection. All financial donations to non-governmental organisations or institutions serve to boost their activity in a way that is beneficial to local communities.

FINANCIAL DONATIONS TO NGO'S IN 2021

BNP Paribas Foundation	PLN 2,738 thousand
Noble Gift strategic partnership	PLN 1,600 thousand
Local Grants Program Beneficiaries	PLN 300 thousand
Organisations supporting education	PLN 410 thousand
Organisations supporting social integration and culture	PLN 350 thousand
Organisations supporting health and environment protection	PLN 374 thousand
Trade unions	PLN 77 thousand

Sponsorship initiatives

The sponsorship policy's primary goal is to create and enhance the brand and its recognition, thus sponsorship initiatives establish a positive image of the Bank. Our sponsorship goals are a part of the global sponsorship strategy of the BNP Paribas Group. Its pillars are to support the development of tennis and culture (especially cinema). You can spot the Bank's logo at numerous tennis events in Poland, film festivals, cultural and economic events.

over PLN 9.7 million	6
allocated to sponsorship initiatives in 2021	cinema events sponsored
3	5
title sponsorships of tennis tournaments, one of which awarded the BNP Paribas Bank Trophy	international economic events in Poland partnered with BNP Paribas

SPONSORSHIP INITIATIVES IN 2021

Film events	PLN 2,273 thousand
Tennis events	PLN 2,979 thousand
Other	PLN 4,485 thousand

We are the strategic partner of **Warsaw Garden of the Righteous**. The Italian GARIWO Foundation inspired the creation of this garden during the first European Day of the Righteous. On 6.03.2013 the Committee of the Garden passed the proposal of the Warsaw Wola District and established the Garden in Jan Jura-Gorzechowski Square. Each year, we plant new trees in memory of those who saved lives of others or protected human dignity. This way we commemorate those who stood up to Nazi and communist regimes of the 19th and 20th century, genocide, mass murders and crimes against humanity.

Film events

Cinematography is one of the key pillars of the sponsorship strategy of the BNP Paribas Group. This strategy is developed with the motto **#WeLoveCinema**. In 2021, we were involved in a number of initiatives:

- **BNP Paribas Summer Cinema Sopot to Zakopane** – the longest summer film festival in Poland. Showings took place every day after sunset with free admission. Each day of the week was headlined by a different leitmotiv. Tuesdays, Thursdays and Sundays were sponsored by BNP Paribas, thus presented films linked to UN Sustainable Development Goals:
 - Tuesday: *Open to the world*. Films presented focused on Goal 10: Reduced inequality.
 - Thursday: *The world needs you*. The films called for engagement in Goal 13: Climate action.
 - Sunday: *Woman & camera*. Sunday films zoomed in on female film creators to achieve Goal 5: Gender Equality.
- **BNP Paribas Green Film Festival** – an exceptional and unique international festival of ecological films with BNP Paribas as the title sponsor of the 4th edition of the event. The organisers assembled the best productions from all over the world, teaching about ecology and fostering ecological lifestyle. Showings were accompanied by debates and fringe events.
- **Festival of Films-Meetings of UnUsual Nature** – we became the main sponsor of the event.
- **BNP Paribas Two Riversides – Film and Art Festival** – we became the title sponsor of the event.
- **International Festival of Independent Cinema Mastercard OFF CAMERA** – the largest independent cinema festival in Central Europe. For the third time we were the strategic partner of the event. Tens of thousands of people flocked to Cracow to enjoy hundreds of showings in small cinemas, floating cinemas, drive-ins and three unique outdoor locations. The showings were accompanied by various contests and events with special guests from all over the world. The prizes amounted to over PLN 300,000.
- **Wajda Afresh** – a film festival in Suwałki, with us as a partner. Apart from the films themselves, moviegoers were also offered an exhibition by Andrzej Pągowski, who, for this occasion, created new posters for all 60 films by Andrzej Wajda. The exhibition later moved to Gdynia, Łódź and Inowrocław. In 2022 the exhibition will continue to tour Poland and Europe.
- Cooperation with **Cinema City** – the largest cinema complex chain in Poland. The cooperation has been ongoing since 2019. As of now, we are the partner to all IMAX cinemas in Poland and to eight cinema screens in complexes in the biggest Polish cities. We are also the partner to *Ladies Night* – a cycle of showings dedicated to women. *Ladies Night* takes place in 19 Cinema City locations in Poland

Tennis events

As part of the BNP Paribas Group, the leading tennis sponsor around the world, we sponsored important tennis events in Poland:

- **BNP Paribas Poland Open** – the biggest tennis event in Poland, of which we were the title sponsor. Arka Tennis Club in Gdynia hosted the first edition of a WTA 250 event. The best players of Women's Tennis Association Ranking graced the clay courts.
- **BNP Paribas Polish Cup** – ATP Challenger tennis event with BNP Paribas yet again as title sponsor. The tournament took place at Legia Tennis & Golf.
- **BNP Paribas Business Cup 2021** – a round of tournaments for managers and business owners, who played at locations in Warsaw, Poznań, Katowice and Gdynia. BNP Paribas sponsored the event for the third time.
- **15th Beskid Cup** – Tennis Tournament of Polish Artists for the BNP Paribas Bank Cup. The event took place in Jawor near Bielsko-Biała, hosted by the SPA & Hotel Jawor.

Cultural and economic events

In 2021 we partnered with a number of international business and cultural events. Our representatives took stage at conferences to share their knowledge, good practices in management, finance, agribusiness, energy transition and sustainable development. Here are the most important events:

- **13th European Economic Congress** in Katowice. The Congress encompassed 100 debates with 500 experts and speakers. As the main sponsor we organised the panels: *Renewable energy in Poland and worldwide, Digitalization and Digitization, The European Green Deal, Global economic cooperation – far-off markets and their potential, The job market, Cybersecurity versus technology dependency, Financial market and economy, Leadership 5.0 – key competences of future female leaders, Food export, the pandemic and the eco-challenge.*
- **European Forum for New Ideas** in Sopot – one of the largest conferences in East-Central Europe. The participants debated on global trends, new ideas and the future of Europe. As the main partner of the event, we sponsored the panels: *Green Finances and investments – A financial system for sustainable development* and *Doughnut economics – how to think about economics in the 21st century.*
- **11th European Financial Congress** in Sopot. The focal point of the discussions was how to make the future of finance and economy stable, modern and just. Partnering with this event granted us one debate.
- **Open Eyes Economy Summit** – International Congress on Value Economics in Cracow. The event focuses on economics based on social values, which makes it a pleasure to sponsor.
- **Not Irresponsible Conference** – the event, whose strategic sponsor we had the pleasure to be, concentrates on responsibility and accountability on the financial sector.

VII. Reporting standards

7.1 Scope of reporting

GRI 102-10, 102-45, 102-48, 102-49, 102-50, 102-51, 102-52, 102-54, 102-56

BNP Paribas Bank Polska S.A. has been publishing annual reports containing non-financial data on the management of ESG (E-environment, S-social, G-governance), i.e. environmental, social and responsible business practices and corporate governance since 2011.

The report takes into account best market practice and refers to national and international guidelines relevant to business and the financial sector in particular:

- Amendment of the Accounting Act of 29 September 1994 (Journal of Laws of 2021, item 217) implementing the EU Directive 2014/95 on non-financial reporting directive (NFRD) into Polish legislation,
- Global Reporting Initiative (GRI) - international non-financial reporting GRI Standards at the core compliance level (Core),
- ESG Reporting Guidelines prepared by the Warsaw Stock Exchange (WSE) in cooperation with the European Bank for Reconstruction and Development (EBRD),
- The International Integrated Reporting Council (IIRC) Guidelines,
- Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) on climate risk reporting,
- Disclosure requirements for listed companies as required by the Sustainable Finance Disclosure Regulation (SFDR),
- Rozporządzenia w sprawie Taksonomii UE,
- EU Taxonomy Regulation,
- Draft Corporate Sustainability Reporting Directive (CSRD),
- The 2030 Agenda including the UN Sustainable Development Goals,
- The 10 principles of the United Nations Global Compact.

Data presented in this Report refer to the period **from 1 January to 31 December 2021**, unless otherwise stated in the Report. The Report includes data on **BNP Paribas Bank Polska S.A.** and key data on the companies comprising **the Capital Group of BNP Paribas Bank Polska S.A.** (referred to in the publication as the Bank's Capital Group) as at 31 December 2021. These are:

- BNP Paribas Towarzystwo Funduszy Inwestycyjnych S.A.
- BNP Paribas Leasing Services Sp. z o.o.
- BNP Paribas Group Service Center S.A.
- BNP Paribas Solutions Sp. z o.o.
- Bankowy Fundusz Nieruchomościowy Actus Sp. z o.o.
- Campus Leszno Sp. z o.o.
- BGZ Poland ABS1 Designated Activity Company

There were no significant changes in the Bank's size, structure, form of ownership or supply chain during the reported period. The data reported in previous years do not need to be corrected. Significant reporting topics have changed in the current Report.

Following the application of the latest available version of the GRI Standard 403: "Occupational Health and Safety 2018" in 2021, which, compared to previous versions, does not include the employee absence ratio, and as a result of the analysis of the BNP Paribas Group's reporting practices, the Bank has abandoned reporting on the above ratio this year. In addition, the calculation of greenhouse gas emissions was extended to include refrigerants. For comparability of data, data for 2020 have also been updated. At the same time, we assure that this change does not affect the comprehensiveness of disclosure of material reporting topics. In other respects, there were no changes in scope, coverage or measurement methods used compared to the previous Report.

We report on an annual basis. The previous report “The CSR & sustainability report presenting non-financial information of BNP Paribas Bank Polska S.A. and BNP Paribas Bank Polska S.A. Capital Group for the year 2020” was published on 1 March 2021 and sequentially on 15 April 2021 in a digital version, available at: <https://raportroczny.bnpparibas.pl/>.

Previous reports are available on the Bank’s website at: <https://www.bnpparibas.pl/csr/raporty-csr>

The publication is part of a reporting package which includes:

- Management Board report on the activities of the BNP Paribas Bank Polska S.A. Capital Group in 2021 (including Report on activities of BNP Paribas Bank Polska S.A. in 2021),
- Separate financial statements of the BNP Paribas Bank Polska S.A. for the year ended 31 December 2021,
- Consolidated financial statements of BNP Paribas Bank Polska S.A. Capital Group for the year ended 31 December 2021,
- The ESG report presenting non-financial information of BNP Paribas Bank Polska S.A. and BNP Paribas Bank Polska S.A. Capital Group in 2021 (official name change from “The CSR & sustainability report presenting non-financial information of BNP Paribas Bank Polska S.A. and BNP Paribas Bank Polska S.A. Capital Group for the year 2020”).

In the process of preparation of the Report we were supported by an independent educational and advisory company CSRinfo. The publication was subject to additional external verification carried out by Bureau Veritas.

7.2 The reporting process

GRI: 102-43, 102-44, 102-46

We have included in the Report the relevant information on the Bank's strategy, management, performance and prospects. This information was presented taking into account the economic, social and environmental context. In accordance with the guidelines of the NFRD Directive and the ESG Reporting Guidelines of the Stock Exchange and the European Bank for Reconstruction and Development, we have applied a two-fold materiality perspective both in the process of identifying material reporting topics and in the way they are presented in the Report. In doing so, we have taken into account actual and potential ESG risks and opportunities that could have a material impact on the Bank's operations and financial performance, as well as the Bank's impact on sustainability issues. In accordance with the GRI Standards the process of identifying material reporting topics was carried out in three stages: identification, prioritisation and validation.

Identification

At the identification stage, we identified key issues in the Bank's economic, environmental and social responsibility. To this end, we analysed the Fast Forward Strategy together with the CSR and Sustainability Strategy. We also analysed opinions of the Bank's stakeholders, guidelines for the financial sector, as well as trends in our industry.

Prioritisation

In order to prioritise key issues, we conducted a survey among the Bank's internal and external stakeholders. The survey was completed by employees of the companies and organisational units covered by the reporting and representatives of key groups of the Bank's external stakeholders, including business partners and suppliers, members of local communities, individual customers, capital market representatives, representatives of the market environment and institutional partners.

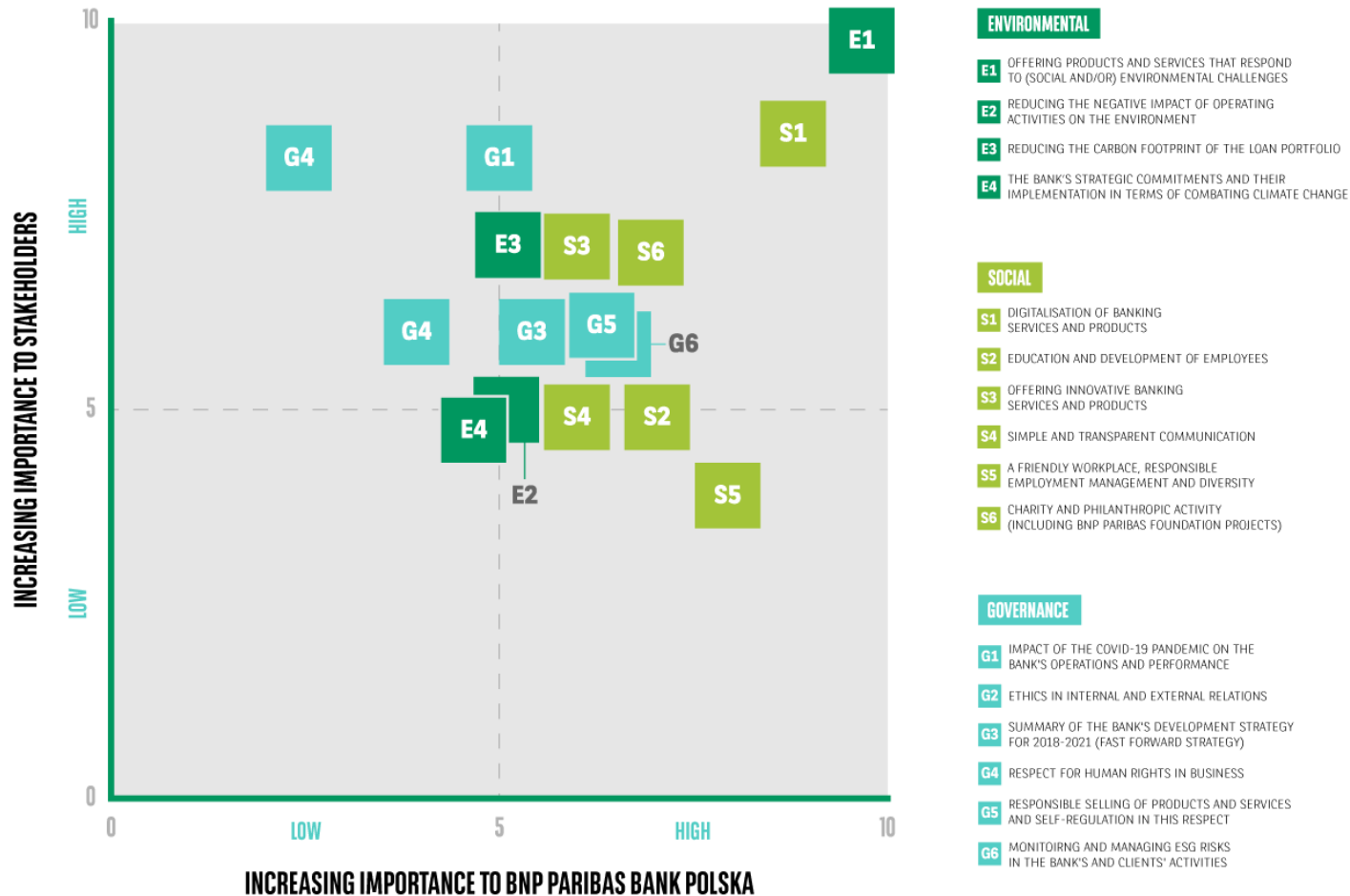
Validation

The issues identified by the Bank and indicated in the survey were verified and clarified by representatives of the Bank's management, including members of the Sustainability Council. The validation of the reporting topics took place during a strategy workshop as part of the work on the Report. In the course of the review of the materiality of non-financial reporting topics, thirteen most significant issues were identified, which we have indicated below.

Material topics for the Bank's non-financial reporting for 2021

GRI 102-44, 102-47

All reporting topics that have been identified as significant in the process of determining the content of the Report affect both our organisation and its objectives, as well as our environment (according to the principle of two-fold materiality). In describing the Bank's most material non-financial reporting topics, we present the approach to managing these topics as well as the corresponding indicators. The key topics are also included in a materiality matrix, which shows their importance for the Bank and external stakeholders.



ENVIRONMENTAL

- E1** OFFERING PRODUCTS AND SERVICES THAT RESPOND TO (SOCIAL AND/OR) ENVIRONMENTAL CHALLENGES
- E2** REDUCING THE NEGATIVE IMPACT OF OPERATING ACTIVITIES ON THE ENVIRONMENT
- E3** REDUCING THE CARBON FOOTPRINT OF THE LOAN PORTFOLIO
- E4** THE BANK'S STRATEGIC COMMITMENTS AND THEIR IMPLEMENTATION IN TERMS OF COMBATING CLIMATE CHANGE

SOCIAL

- S1** DIGITALISATION OF BANKING SERVICES AND PRODUCTS
- S2** EDUCATION AND DEVELOPMENT OF EMPLOYEES
- S3** OFFERING INNOVATIVE BANKING SERVICES AND PRODUCTS
- S4** SIMPLE AND TRANSPARENT COMMUNICATION
- S5** A FRIENDLY WORKPLACE, RESPONSIBLE EMPLOYMENT MANAGEMENT AND DIVERSITY
- S6** CHARITY AND PHILANTHROPIC ACTIVITY (INCLUDING BNP PARIBAS FOUNDATION PROJECTS)

GOVERNANCE

- G1** IMPACT OF THE COVID-19 PANDEMIC ON THE BANK'S OPERATIONS AND PERFORMANCE
- G2** ETHICS IN INTERNAL AND EXTERNAL RELATIONS
- G3** SUMMARY OF THE BANK'S DEVELOPMENT STRATEGY FOR 2018-2021 (FAST FORWARD STRATEGY)
- G4** RESPECT FOR HUMAN RIGHTS IN BUSINESS
- G5** RESPONSIBLE SELLING OF PRODUCTS AND SERVICES AND SELF-REGULATION IN THIS RESPECT
- G6** MONITORING AND MANAGING ESG RISKS IN THE BANK'S AND CLIENTS' ACTIVITIES

In addition, we provide a list of the Bank's most relevant non-financial reporting topics for 2021, compared with the UN Sustainable Development Goals, with which they correspond and whose implementation we support under each topic.

Topic	UN Sustainable Development Goals	Page numbers
1 Offering products and services that respond to (social and/or) environmental challenges	    	55, 88
2 Digitisation of banking services and products	 	72
3 A friendly workplace, responsible employment management and diversity	    	105-115
4 Education and development of employees	  	118
5 Charity and philanthropic activity (including BNP Paribas Foundation projects))	    	121-133
6 Ethics in internal and external relations	  	43-49
7 Responsible selling of products and services and self-regulation in this respect	  	51-72
8 Offering innovative banking services and products	    	55, 63, 88
9 Simple and transparent communication	 	66
10 Summary of the Bank's development strategy for 2018-2021 (Fast Forward Strategy)	     	24

Topic	UN Sustainable Development Goals	Page numbers
11 Impact of the Covid-19 pandemic on the Bank's operations and performance	 	64
12 Reducing the negative impact of operating activities on the environment		93
13 Reducing the carbon footprint of the loan portfolio	     	85-93

7.3 Non-financial information table

In accordance with the requirements of the Accounting Act regarding non-financial reporting, the Report includes the following information:

Topic	Page numbers in the Report
1. Business model	11-13
2. Key Performance Indicators	10
3. Description of risks and risk management	40-44, 91-3
4. Main policies, procedures and other regulations at the level of the Bank and the BNP Paribas Bank S.A. Capital Group	50-51
5. The results of implementing policies related to issues listed in the Accounting Act:	
• employee issues	50, 102-120
• social issues	50, 121-135
• environmental issues	50, 136-101
• human rights issues	47-48, 50
• corruption prevention	48-49, 49

7.4 GRI Content Index

GRI 102-55

* Reference to SFDR RTS - disclosure requirements for listed companies required by the SFDR (Sustainable Finance Disclosure Regulation),

** Reference to WSE ESG - [Guidelines for ESG reporting](#) prepared by the Warsaw Stock Exchange (WSE) in cooperation with the European Bank for Reconstruction and Development (EBRD)

*** Reference to UN Global Compact - [The 10 principles of the United Nations Global Compact](#)

GRI indicator	Description	Comments	Reference to SFDR RTS *	Reference to WSE ESG **	Reference to UN Global Compact ***	Page number in the Report
GRI 101. Key Information						136
I. General Disclosures 2016						
GRI 102-1	Name					8
GRI 102-2	Description of the organization's activities, main brands, products and/or services					8
GRI 102-3	Location of headquarters					9
GRI 102-4	Number of countries in which the organisation operates and names of these countries					8
GRI 102-5	Ownership and legal form					8-10
GRI 102-6	Markets served					8
GRI 102-7	Scale of the organisation					8-11
GRI 102-8	Data on employees and other persons working for the organisation					106-110
GRI 102-9	Supply chain description					49
GRI 102-10	Significant changes during the reporting period regarding size, structure, ownership or value chain					138
GRI 102-11	Explanation of whether and how the organisation applies the precautionary principle of approach					39-43, 49, 52, 86-88
GRI 102-12	External economic, environmental and social statements, principles and other initiatives adopted or endorsed by the organisation					18, 45-46, 77, 79, 101-102, 110-111
GRI 102-13	Membership of associations and organisations					18, 100-101
GRI 102-14	Statement from senior decisionmakers					4, 6
GRI 102-15	Key impacts, risk and opportunities			E-P3		4, 5, 10, 32-35, 39-43, 86-88, Tabela TCFD
GRI 102-16	The organisation's values, code of ethics, principles and standards of behaviour		X	G-P2		12-13, 44-45, 104
GRI 102-17	Internal and external mechanisms for obtaining advice on ethics and legal issues as well as matters relating to the integrity of the organisation		X	G-P4		45
GRI 102-18	Supervisory structure of the organisation with committees reporting to the highest governance body					22-25
GRI 102-22	Composition of the highest governance body and its committees					22-25
GRI 102-24	Nominating and selecting the highest governance body					22
GRI 102-25	Conflicts of interest					44-45, 48, 50
GRI 102-26	Role of highest governance body in setting purpose, values, and strategy					25, 39, Tabela TCFD
GRI 102-29	Identifying and managing economic, environmental, and social impacts					30-32, 86-89, 89, 103-106, 123-124, Tabela TCFD
GRI 102-30	Effectiveness of risk management processes					40-44, 87-89, Tabela TCFD

GRI indicator	Description	Comments	Reference to SFDR RTS *	Reference to WSE ESG **	Reference to UN Global Compact ***	Page number in the Report
GRI 102-40	List of stakeholder groups engaged by the reporting organisation			S-P4	UNGC 1,3	16-18
GRI 102-41	Collective bargaining agreements					106
GRI 102-42	Identifying and selecting stakeholders					16-18, 68-69, 115-116
GRI 102-43	Approach to stakeholder engagement, including frequency of engagement by type of stakeholder and stakeholder group					16-18, 68-72, 115-116, 139
GRI 102-44	Key topics and issues raised by stakeholders and the response from the organisation, including through their reporting					68-72, 115-116, 139-140
GRI 102-45	Entities included in the consolidated financial statements					9, 80-85, 138
GRI 102-46	Defining report content					137
GRI 102-47	List of material topics					137
GRI 102-48	Explanation of the effect of any corrections to the information contained in previous reports, indicating the reasons for them and their impact (e.g. mergers, acquisitions, change of base year/period, nature of business, measurement methods)					136
GRI 102-49	Significant changes in relation to the previous report regarding the scope, coverage or measurement methods applied in the report					136
GRI 102-50	Reporting period					136
GRI 102-51	Date of publication of the last report					136
GRI 102-52	Reporting cycle					136
GRI 102-53	Contact data					157
GRI 102-54	Claims of reporting in accordance with the GRI Standards (Core or Comprehensive option)					138
GRI 102-55	Gri index					141
GRI 102-56	Policy and current practice with regard to external verification of the report					139, 157
II. Ujawnienia szczegółowe dotyczące istotnych tematów						
Economic aspects						
GRI 103-1	Explanation of the material topic and its Boundary					
GRI 103-2	The management approach and its components					
GRI 103-3	Evaluation of the management approach					
Economic performance						
GRI 201-1	Direct economic value generated (revenues) and distributed (operating costs, wages, payments to investors and the state, social investment)					14
Market presence						
GRI 202-1	Ratio of entry-level wage by gender to the minimum wage in the relevant market in the main business locations					115
Indirect economic impact						
GRI 203-1	Development and impact of investments in infrastructure and services				UNGC 8, 9	62, 77, 127
Purchasing Practices						
GRI 204-1	Percentage of spending on local suppliers in the main business locations					49

GRI indicator	Description	Comments	Reference to SFDR RTS *	Reference to WSE ESG **	Reference to UN Global Compact ***	Page number in the Report
Preventing corruption						
GRI 205-1	Total number and percentage of establishments assessed in terms of corruption risk and significant risks identified		X	G-P3	UNGC 10	48-49
GRI 205-2	Communication and training about anti-corruption policies		X	G-P3	UNGC 10	48-49
GRI 205-3	Confirmed incidents of corruption and actions taken		X	G-P3	UNGC 10	48
Anti-competitive Behavior						
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices					44
Environmental aspects						
GRI 103-1	Explanation of the material topic and its Boundary					
GRI 103-2	The management approach and its components					
GRI 103-3	Evaluation of the management approach					
Materials						
GRI 301-1	Materials used for production and packaging by weight or volume					97-98
Energy						
GRI 302-1	Energy consumption (electricity, heat, cooling, steam) within the organisation - from renewable and non-renewable sources		X	E-P2		95
GRI 302-4	Reduction of energy consumption				UNGC 8, 9	94-95
Water						
GRI 303-3	Total water withdrawal by source			E-S3		96
Emissions						
GRI 305-1	Direct GHG emissions (from sources owned or controlled by the reporting organisation)		X	E-P1		94-97
GRI 305-2	Indirect GHG emissions (resulting from the generation of purchased or acquired electricity, heat, cooling and steam consumed by the organisation)		X	E-P1		94-97
GRI 305-3	Other indirect GHG emissions (indirect emissions (not covered under Scope 2) that occur outside the organisation, including emissions at the production (upstream) and consumption (downstream) level)		X	E-P1		94-97
GRI 305-5	Reduction of GHG emissions			E-S2	UNGC 8, 9	94-97
Environmental compliance						
GRI 307-1	Amount of significant fines and total number of non-financial sanctions for non-compliance with environmental laws and regulations					44
Supplier environmental assessment						
GRI 308-1	New suppliers screened using environmental criteria					49
Social and labour aspects						
GRI 103-1	Explanation of the material topic and its boundaries					
GRI 103-2	Approach to managing material topics					
GRI 103-3	Evaluation of the approach to management within the topics identified as material					
Employment						
GRI 401-1	Total number and rates of new hires and staff turnover by age group, gender and region			S-P3		108
GRI 401-2	Benefits provided to full-time employees which are not intended for temporary or part-time employees, by main location of business (e.g. Insurance, healthcare, etc.)					116-118
GRI 401-3	Return to work and job retention rates after maternity/paternity leave by gender					114

GRI indicator	Description	Comments	Reference to SFDR RTS *	Reference to WSE ESG **	Reference to UN Global Compact ***	Page number in the Report
Labour relations management						
GRI 402-1	Minimum notice periods in relation to operational changes, including whether these are set out in collective agreements					104
Occupational health and safety						
GRI 403-1	Occupational health and safety management system			S-S1		120-121
GRI 403-2	Identification of hazards, risk assessment and accident investigation			S-S1		120-121
GRI 403-3	Occupational health and safety services					120-121
GRI 403-4	Employee participation, consultation and communication in the field of occupational health and safety					120-121
GRI 403-5	Employee training in occupational health and safety					120-121
GRI 403-6	Health promotion programs					65, 117-118, 120-121
GRI 403-7	Prevention and mitigation of impacts on health and safety in the workplace			S-S1		120-121
GRI 403-9	Work-related injuries			S-S1		121
Training and education						
GRI 404-1	Average number of training hours per year per employee by gender and by employee category					119, 121
GRI 404-2	Management skills development and lifelong learning programmes that support continuity of employment and facilitate end-of-career management				UNGC 6	119-120
GRI 404-3	Percentage of employees receiving regular performance and career development reviews, by gender and employee category					119
Diversity and equal opportunities						
GRI 405-1	Composition of governing bodies and staff by gender, age, minority membership and other diversity indicators		X	S-P1	UNGC 1, 6	112-115
GRI 405-2	Relation of basic salary of men to women by occupation position		X	S-P2	UNGC 1, 6	117
Aspects related to human rights						
GRI 103-1	Explanation of the material topic and its boundaries					
GRI 103-2	Approach to managing material topics					
GRI 103-3	Evaluation of the approach to management within the topics identified as material					
Non-discrimination						
GRI 406-1	Total number of cases of discrimination (discriminatory incidents) and corrective actions taken		X		UNGC 1, 2, 6	46-48
GRI 412-1	Total number and percentage of establishments undergoing human rights screening or human rights impact assessment		X	S-P5, S-P6	UNGC 1, 2, 6	46-48
Human rights						
GRI 412-2	Total number of hours of employee training on human rights policies or procedures with human rights aspects that are relevant to the organisation's operations, including the percentage of employees trained				UNGC 1, 2, 6	46-48
GRI 412-3	Percentage and total number of valid investment agreements and contracts containing human rights clauses or that have been subject to human rights screening				UNGC 1, 2, 6	49
Impact on the social environment						
GRI 103-1	Explanation of the material topic and its boundaries					
GRI 103-2	Approach to managing material topics					
GRI 103-3	Evaluation of the approach to management within the topics identified as material					
Local communities						
GRI 413-1	The nature, scale and effectiveness of programmes and practices for assessing				UNGC 8	123-130

GRI indicator	Description	Comments	Reference to SFDR RTS *	Reference to WSE ESG **	Reference to UN Global Compact ***	Page number in the Report
	and managing the impact of organisations' activities on the local community					
Assessment of social Impact of suppliers						
GRI 414-1	Percentage of new suppliers who were selected taking into account meeting the criteria of hiring practices		X	S-P6	UNGC 1, 4, 5, 6	49
Marketing and labelling of products and services						
GRI 417-3	Total number of cases of non-compliance with regulations and voluntary codes on marketing communications, including advertising, promotion and sponsorship, by type of impact					44
Customer privacy						
GRI 418-1	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data			G-S1	UNGC 1, 2	44
Prevention of non-conformity in respect of products and services						
GRI 419-1	Amount of significant fines and total number of non-financial sanctions for non-compliance with laws and regulations					44

7.5 Reporting according to EU Taxonomy

Recent climate change and the international response to the related challenges, i.e. the Paris Agreement, Agenda 2030 or the European Green Deal, have assigned a higher priority to actions for sustainability. However, implementation of these documents is beyond the financial capacity of the public sector, so it is necessary to engage private capital and redirect it towards a sustainable economy. The EU Taxonomy is supposed to be a tool that supports taking right investment decisions and, at the same time, supports sustainability.

The taxonomy is a key instrument for assessing the sustainability of business activities. It provides a standard definition of environmentally sustainable activities, in order to ensure better monitoring, reporting and make better decisions about commitments.

In line with the general trend towards more extensive disclosures concerning climate-related financial risks, BNP Paribas Bank Polska SA supports efforts to increase transparency in disclosures towards a more sustainable financial institutions framework and standards.

Based on the requirements of Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 ("Taxonomy"), the Bank is required to publish information on how and to what extent its activities are related to business activities that qualify as environmentally sustainable under Articles 3 and 9 of the mentioned Regulation.

Article 10 of Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of the information on environmentally sustainable business activities to be disclosed by undertakings subject to Article 19a or 29a of Directive 2013/34/EU1 and specifying the methodology to comply with that disclosure obligation ("Delegated Regulation 2021/2178") creates a special provision introducing simplified disclosure rules during a transitional period. For financial undertakings, the special reporting rules are set for the period from 1 January 2022 to 31 December 2023. The transitional period is intended to prepare for future reporting of key performance indicators.

In accordance with Article 10(2) of Commission Delegated Regulation (EU) 2021/2178, the Bank discloses the following quantitative indicators:

Disclosures according to EU Taxonomy (31.12.2021)	%
the proportion in their total assets of exposures to economic activities:	2.85
• Taxonomy non-eligible	2.14
• Taxonomy-eligible	0.71
the proportion in their total assets of the exposures referred to in Article 7, paragraphs 1 and 2:	20.09
• the exposures to central governments, central banks and supranational issuers	18.60
• derivatives	1.49
the proportion in their total assets of the exposures referred to in Article 7(3) - exposures to undertakings that are not obliged to publish non-financial information	33.93
the proportion of trading portfolios and interbank loans on demand in total assets	2.11

With reference to the scope of information disclosed during the transitional period, in addition to quantitative indicators, the Bank is required to publish the following qualitative information as referred to in Annex XI of Delegated Regulation 2021/2178.

Contextual information in support of the quantitative indicators including the scope of assets and activities covered by the KPIs, information on data sources and limitation

As a first step, for the purpose of fulfilling the obligation under Article 8 of the Taxonomy, the Bank identified the Clients that are subject to the obligation to publish non-financial information under Article 19a or 29a of Directive 2013/34/EU. The proper identification of these entities determined how the scope of assets taken into account in

the calculation of the quantitative indicators was determined. In accordance with Article 7(3) of Delegated Regulation 2021/2178, exposures to companies not covered by the obligation to make non-financial statements are excluded from the numerator of the key performance indicators calculated in the future. In view of the above, the Bank applied an analogous approach in 2022 for the calculation of the quantitative indicators, i.e. based on exposures to companies subject to the non-financial reporting obligation. At the same time, it should be noted that no uniform list of entities obliged to prepare non-financial statements (by an authorised public authority) was developed, which significantly hindered the fulfilment of the reporting obligations under the Taxonomy. As a result, the Bank was obliged to independently, based on expert knowledge and available market data, determine the group of customers who are subject to the obligation to prepare non-financial statements.

The actions taken by the Bank were carried out in accordance with the principle of due diligence

In the next step, the data concerning assets were reconciled to the data presented in the FINREP consolidated report. The exposures included all customer receivables, including those arising from leasing and factoring, as well as from derivatives and securities. The calculation of ratios was performed on a net basis.

Subsequently, for the purpose of assessing the eligibility of economic activities as environmentally sustainable (in line with the Taxonomy), the Bank analysed the activities identified in Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives. In the analysis of eligibility with the Taxonomy, the Bank used information on business activities linked to PKD codes (according to the statistical classification of economic activities), using information it already has in its resources. The analysis of business activity was based on information on leading customer activity.

In terms of restrictions, it should be pointed out that the obligation to publish statements on non-financial information comes into force on the same date for financial institutions and non-financial institutions. The timeframe, therefore, prevents the use of the data contained in the reports of non-financial entities that are customers of the Bank. At the same time, Delegated Regulation 2021/2178 does not indicate how financial companies should use the Customer data they hold, or how they should source it for the required disclosures. Therefore, in the current legal and factual state, there is no clear basis for applying a universal formula regarding the source of data that the Bank should use for the purposes of calculating the quantitative indicators referred to in Article 10 of the Delegated Regulation.

Explanations of the nature and objectives of Taxonomy-aligned economic activities and the evolution of the Taxonomy-aligned economic activities over time, starting from the second year of implementation, distinguishing between business-related and methodological and data-related elements

The key dimension of the Bank's responsibility is to **support sustainable development of the economy in the long term** and to build lasting relationships with clients and other stakeholders of the Bank. We offer products and services tailored to the changing needs of our clients, while responding to global challenges and local market conditions. In order to improve monitoring, reporting and to allow making better decisions on its sustainability commitments, the Bank uses the Taxonomy. It provides the Bank with a tool to support the systematisation of the Bank's environmentally sustainable business activities.

For more information on sustainable finance and products with a positive social and environmental impact, please refer to *Business perspective* and *Environmental perspective* chapters.

Description of the compliance with Regulation (EU) 2020/852 in the financial undertaking's business strategy, product design processes and engagement with clients and counterparties

We constantly monitor CSR/ESG risks in the companies we finance. Each financing decision is preceded by an ESG analysis. We check how the company we finance affects the environment, society and corporate governance. We pay particular attention to financing sectors that are recognised as sensitive in terms of ESG factors. In each sector recognised by the Bank to be particularly sensitive in terms of sustainability, *CSR Policies and Principles* are implemented, defining the requirements for clients operating in these sectors. In the

case of the most harmful sectors in terms of sustainability, the Bank makes strategic decisions to withdraw from serving clients belonging to these sectors.

In 2021, in response to the requirements of the EBA/GL/2020/06 Guideline of 29 May 2020 on loan origination and monitoring, the Bank developed ESG assessment questionnaires, which were implemented in the credit process. The purpose of the assessment is to identify any risks related to ESG factors affecting the financial situation of clients, as well as the impact of clients' economic activities on ESG factors (dual materiality principle). *The Principles of ESG Risk Management at BNP Paribas Bank Polska S.A.* have also been developed. Additionally, BNP Paribas Group applies Equator Principles (EP) in place to identify, assess and manage the risk related to financing a given project and its environmental and social impact. The principles provide minimum standards for conducting due diligence on projects.

For more information on ESG risk management, please refer to *Management foundations* chapter, while for more information on sensitive sectors and *CSR Policies*, please refer to *Business perspective* chapter.

Additional or complementary information in support of the financial undertaking's strategies and the weight of the financing of Taxonomy-aligned economic activities in their overall activity.

In 2021, we continued to implement the 2018-2021 Fast Forward Strategy and its integral part, i.e. the CSR and Sustainability Strategy. At the same time, in 2021 we developed the 2022-2025 strategy, in which sustainability is one of the key dimensions.

For more information the Bank's business strategy, including a description of the environmental responsibility commitments towards the market that the Bank is implementing and will reflect in the new strategy, please refer to *Management Foundations* chapter.

7.6 Sustainable Finance Disclosure Regulation (SFDR)

BNP Paribas Bank S.A. complies with the disclosure obligation under Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on disclosure of information relating to sustainable development in the financial services sector (OJ L 317, 9.12.2019, p. 1-16), abbreviated as SFDR (Sustainable Finance Disclosure Regulation). SFDR applies to two groups of entities: financial market participants offering financial products defined in SFDR and financial advisors providing insurance or investment advice.

BNP Paribas Brokerage House is obliged to implement the SFDR due to the fact that it provides discretionary management of financial instrument portfolios (portfolio management service) and in connection with investment advisory services. BNP Paribas Polska Brokerage House applies the strategy of taking into account risks for sustainable development referred to in the SFDR when providing portfolio management and investment advisory services by:

- Identification and prioritisation of risks to sustainable development;
- Monitoring the list of companies whose shares are admitted to trading on a regulated market, in particular in terms of financial and non-financial risks, social and environmental impact and corporate governance;
- Conducting a dialogue with producers and issuers of financial instruments included in the investment spectrum of portfolio management and investment advisory services;
- Consideration of the policy of engagement when investing in admitted shares of companies in the context of the provision of portfolio management services of financial instruments.

Information related to sustainable development in the sector of financial services provided by BNP Paribas Polska Brokerage House are made available via the website [of the Brokerage Office](#), as well as in the [MiFID information package](#) provided to customers prior to entering into relevant agreements.

BNP Paribas SA strives to ensure consistency of the remuneration policy binding at the Bank with the aforementioned strategy regarding integration of risks for sustainable development in the Bank's activity.

7.7 Disclosures concerning climate-related information (TCFD Recommendations)

Governance

Disclose the organization's governance around climate-related risks and opportunities.

a. Describe the board's oversight of climate-related risks and opportunities.

A number of analyses are carried out in the Bank to mitigate climate-related risks, **based on the analysis of portfolio data**. In addition to reports prepared for the day-to-day needs of the Bank's management, risk monitoring is carried out through a formal system of limits and reports, implemented **as part of the risk management system**. The "Principles of ESG risk management at BNP Paribas Bank Polska S.A." sets out the principles for monitoring and reporting risks, including climate risk.

Information on the level of ESG climate risk is submitted **on a quarterly basis to the Risk Management Committee, the Bank's Management Board and the Supervisory Board**. ESG climate risk reporting focuses on presenting the results of assessments assigned in the credit process, based on information from ESG questionnaires. In addition, the Bank presents information on the results of the measurement of internal capital to cover ESG risk as compared to the limits applied in the capital plan. **In quarterly cycles**, information on the level of risk appetite in the ESG area is also provided. **The Bank's Management Board determines, and the Supervisory Board approves, the level of appetite** for climate risk as well as the principles for measuring ESG risk, including climate risk, in the ICAAP process.

The level of determined appetite is subject to an annual review, the results of which are discussed at a meeting of the Management Board and Supervisory Board.

b. Describe management's role in assessing and managing climate-related risks and opportunities.

Chief Sustainability Officer, who heads the Sustainability Council, reports on climate issues **directly to the CEO**, who oversees the implementation of the strategic integration of climate considerations into the organisation's activities.

By the end of 2021, the units responsible for sustainability and ESG activities (including climate issues) were the **CSR and Sustainability Office and the Sustainability Programmes Office**.

To underline the Bank's role and commitment to building a sustainable economy, the Bank's Sustainability Area has been operational since 1 January 2022, with the former Chief Sustainability Officer as Executive Director. The Area includes the **Energy Transition Facilitation Department, the CSR (Corporate Social Responsibility) and Sustainable Finance Department and the Sustainability Strategy Implementation Support Team**.

One hundred new recruitments are planned at BNP Paribas Group level in the area of sustainable finance within a dedicated **global Low-Carbon Transition Group team** consisting of 250 people across the Group.

The top management makes every effort to broaden its range of competences in the area of sustainability, climate change and climate policy at advanced international training courses (e.g. Cambridge Institute for Sustainability Leadership) and meetings with recognised experts and researchers. CEO Przemyslaw Gdanski graduated in 2021 from IE Business School in Madrid in Sustainability.

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.

a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.

The Bank analyses the possible impact of climate change trends by identifying opportunities and risks to its business and growth perspective.

Climate change-related risks affecting the Bank's business model, strategy and financial plan can materialise through three main channels:

1) physical risks related to environmental degradation, such as air, water and land pollution, deforestation (these phenomena may lead, for example, to damage to infrastructure, destroyed crops, reduced yields or indirect consequences such as disrupted supply chains), and climate change, including the occurrence of:

	<p>a) extreme weather events, including storms, floods, fires, heat waves, that can damage production facilities and disrupt supply chains,</p> <p>b) long-term climate change which may lead, inter alia, to increased temperatures, changing precipitation patterns and types, rising sea levels, reduced water availability, loss of biodiversity, and changes in soil productivity,</p> <p>2) risk of transformation resulting from the need to adapt the economy to gradual climate change, in particular the use of low-carbon and more environmentally sustainable solutions; these risks may materialise, inter alia, through the need to adapt to new regulations and technological changes, but also market risks resulting from disruption of the current structure of demand and supply of electricity, natural resources, products and services provided, including the occurrence of:</p> <p>a) regulatory risks (changes in climate and environmental policies, such as energy efficiency requirements, carbon pricing mechanisms that increase the price of fossil fuels, or policies that encourage the sustainable use of environmental resources),</p> <p>b) technological risks (a technology with a less damaging effect on the climate or on the environment replaces a more damaging technology, rendering it obsolete) that may be associated with failed investments in new technologies,</p> <p>c) changes in market sentiment and social norms (changing consumer and investor choices, difficulties in maintaining relationships with customers, employees, business partners and investors, due to the reputation of the company having a negative impact on the climate and the environment),</p> <p>3) responsibility and reputational risks arising from the Bank's exposures to counterparties that could potentially be held liable for the negative impact of their activities on environmental, social and corporate governance factors (e.g. indemnification for losses).</p> <p>For more information, please refer to <i>Environmental perspective</i> chapter, in the section concerning <i>Climate risk management</i>.</p>
<p>b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.</p>	<p>In order to reduce the risk of customers, the Bank through its credit policy should support their activities related to reducing energy intensity, thermomodernisation of buildings, increasing efficiency in the use of other key resources (water). The Bank should also not finance projects that significantly increase the risk of climate change and/or are significantly exposed to the effects of climate change.</p> <p>The strategy should focus on opportunities and provide resilience against risks that may have a financial impact, including an impact on strategic planning and risk management, but also a non-financial impact. Proper management of climate risk presents strategic opportunities for the Bank. These opportunities primarily relate to reducing the exposure of the banks' assets to climate change risks, including taking a long-term view related to mitigating material risks before their adverse impact occurs. In addition, the Bank's activities can contribute to resource efficiency, including, inter alia, the use of more efficient modes of transport, production and distribution processes, the use of recycling, the use of more efficient buildings, or the reduction of water consumption. Skilful use of opportunities will allow for the redesign of business models and upgrading of technologies, including the use of low-carbon energy sources, the development of low-carbon goods and services, the development of climate change adaptation solutions, the development of new products or services through R&D and innovation.</p> <p>In the new strategy for 2022-2025, the Sustainability Area is an integral part of BNP Paribas Bank's strategy, with commitments to develop sustainable, including green products, their sales volumes, as well as to mitigate ESG risks within the financed portfolio and reduce greenhouse gas emissions.</p> <p>At the same time, we are perfectly aware that in order to fully implement a strategy that would be fully consistent with the assumptions of sustainability, it is necessary to set up dedicated teams in this area. At the level of BNP Paribas Bank Polska S.A., as of 1 January 2022, we have established a dedicated Sustainability Area managed from the level of the Executive Director. The Area includes the Energy Transition Facilitation Department, the CSR (Corporate Social Responsibility) and Sustainable Finance Department and the Sustainability Strategy Implementation Support Team.</p> <p>At the same time, recognising the bank's key role in financing the economy, BNP Paribas Bank is constantly working to fully identify the climate change impacts of the financed economic sectors.</p>
<p>c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or</p>	<p>In the short to medium term, the impact of climate protection support activities on financial performance will remain neutral. The scale of financing for new investments will help cover the gap associated with the discontinuation of support for certain industries. The interest rates on such agreements are often preferential and may have a negative impact on the interest margin. It should be noted, however, that we are often dealing with agreements with additional guarantees from external institutions. This has a positive effect on the risk level and RWA (Risk Weighted Assets) and thus translates into lower capital intensity. As a result, the return on</p>

lower scenario.

capital remains favourable and the shareholder will not experience a negative change.

In the long term, the benefits of sustainable financing should clearly prevail, due to the lower cost of risk when compared to the most exposed industries. The Bank's commitment to promoting climate transformation and associating the Bank's brand with this area should also have a positive impact on building long-term relationships with clients, who will increasingly appreciate the need for such changes.

Risk Management

Disclose how the organization identifies, assesses, and manages climate-related risks.

a. Describe the organization's processes for identifying and assessing climate-related risks.

In 2021, in response to the requirements of the EBA/GL/2020/06 Guideline of 29 May 2020 on loan origination and monitoring, the Bank developed ESG assessment questionnaires, which were implemented in the credit process. In this way, the Bank verifies that customers take climate-related risks and opportunities into account. The assessment is designed to identify the negative impact of physical and transition risks on customers' operations. In addition, the Bank includes in its analysis an assessment of climate change-related opportunities, including:

- 1) use of electricity from renewable energy sources,
- 2) implementation of a plan to reduce greenhouse gas emissions,
- 3) implementation of a plan to reduce electricity and water consumption or to diversify into renewable energy,
- 4) taking action to reduce the impact of climate change on its activities.

The Bank's approach to ESG risk analysis is focused on assessing two perspectives:

- 1) the impact of the economic activity on the environment,
- 2) the impact of the environment on the economic activity.

The two perspectives presenting the impact of economic activity on the environment and the environment on economic activity are referred to as "double materiality". They are considered to be interrelated, as reducing the negative impact of the business on the environment in the long term should result in reducing the negative impact of the environment on the economic activity.

In 2022, the Bank plans to further develop its ongoing analyses in order to identify more accurately which risks and opportunities could have a material financial impact on the Bank (based in particular on the sectoral and geographical location of its clients).

For more information on the management of ESG risks, please refer to the *Management foundations* chapter, in the section concerning *ESG risk management* and subsection on *Risk identification process*.

b. Describe the organization's processes for managing climate-related risks.

The climate risk management process is defined by the Bank in detail in the ***Principles of ESG Risk Management at BNP Paribas Bank Polska S.A.*** The Principles constitute a synthesis of actions undertaken by the Bank in the area of ESG management, in the context of impact on credit risk and internal capital of the Bank. By determining the risk appetite, the Bank limits exposures to customers with high ESG risk. The designated risk appetite aims to determine the level of risk that the Bank is prepared to accept in pursuit of its strategic objectives and financial plans. Additionally, as part of the ESG assessment, the Bank verifies whether the Borrowers have implemented/are planning to implement solutions to protect their business from the negative effects of climate change.

As set out in the Risk Management Strategy, ESG risk means the risk of loss arising from the current or future adverse impact of environmental, social or governance factors on the Bank's counterparties or invested assets, which includes, but is not limited to, environmental risk - the risk arising from the institution's exposures to counterparties potentially adversely affected by environmental factors, including factors arising from climate change and factors related to environmental degradation.

In order to manage climate change-related risk, the Bank has incorporated into its loan origination and monitoring process an assessment of the impact of long-term climate change and extreme weather events on the activities carried out by Borrowers, in accordance with a systematisation that introduces a division into:

- 1) long-term climate changes:
 - (a) impact of higher temperatures (air, fresh water, sea water),
 - (b) impact of thermal shocks,
 - (c) impact of changing wind patterns
 - (d) impact of changing precipitation patterns and types (rain, hail, snow),
 - (e) impact of sea level rise,

	<ul style="list-style-type: none"> (f) impact of water stress (limited access to fresh water), (g) impact of soil and coastal erosion (h) impact of soil degradation. <p>2) extreme weather conditions:</p> <ul style="list-style-type: none"> (a) impact of heat waves, (b) impact of cold waves, (c) impact of fires, (d) impact of storms, tornadoes, etc, (e) impact of drought (f) impact of heavy precipitation (rain, hail, snow/ice), (g) impact of floods, (h) impact of landslides. <p>The breakdown of the above risk types was implemented on 30 June 2021, with the entry into force of the EBA/GL/2020/06 Guideline of 29 May 2020 on loan origination and monitoring. In determining the risk types, the Bank followed the guidelines set out in the EBA Report on the Management and Supervision of ESG Risks for Credit Institutions and Investment Firms (EBA/REP/2021/18), as well as the risk types indicated in the Draft Implementing Standards on prudential disclosures on ESG risks in accordance with Article 449a of CRR (EBA/CP/2021/06 Draft Implementing Standards on prudential disclosures on ESG risks in accordance with Article 449a of CRR).</p> <p>In addition, the Bank pays particular attention to the financing of sectors considered sensitive in terms of ESG risks (including climate-related risks) and limits its participation in industries widely considered to be particularly damaging and incompatible with sustainability.</p> <p>The Bank, in line with the BNP Paribas Group Policies, distinguishes nine sectors that are particularly sensitive in terms of ESG risks: coal power, mining, defence and security, forestry (wood pulp, palm oil), nuclear, agri-food, fuel for unconventional oil and gas resources and tobacco.</p> <p>In each of these sectors, the Bank implements CSR Policies and principles towards the Customers operating in them. All current and potential Customers of the Bank operating in these sectors are informed about the CSR Policies. To become a client of the Bank or obtain financing, an entity must fulfil a number of requirements regulated in the Policy for a given sector. With regard to sectors that are particularly harmful from the point of view of sustainable development, the Bank makes strategic decisions to withdraw from serving clients belonging to these sectors.</p> <p>CSR sector policies are described in detail in the <i>Business Perspective</i> chapter.</p> <p>For more information, please refer to <i>Management foundations</i> chapter, in the section concerning <i>ESG risk management</i> and subsection <i>Risk management process</i>.</p>
<p>organization's overall risk management.</p>	<p>As a result of the recognition of ESG risk (which includes climate-related risks) as material to the Bank in 2020, it became necessary to include the impact of environmental factors, among others, in the traditional risk management model. Based on this, ESG risks have been included in the Risk Management Strategy and Risk Appetite. In order to mitigate and control the risks, the principles for measuring ESG risks (including climate-related risks) in the process of determining the Bank's internal capital (ICAAP) were also developed. The capital plan of BNP Paribas Bank Polska S.A. for 2022-2025 was supplemented with limits for ESG risk determined based on the risk measurement performed.</p> <p>The Bank seeks to explore interdependencies between risk categories, which includes ESG risk (which includes climate-related risks). In this context, ESG risks are analysed in relation to business, reputation and credit risks. In order to ensure the highest standards in the process of identifying, assessing and managing climate-related risks, the Bank takes into account all existing and emerging regulatory requirements in this area.</p>

Metrics and Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

a. Disclose the metrics used by the organization to assess climate-

The Department of Economic and Sectoral Analysis takes into account the ESG risks of individual industries (and the value chains of these industries) both in assessing their risks and the potential demand for green investments by actors in these

<p>related risks and opportunities in line with its strategy and risk management process.</p>	<p>industries.</p> <p>Entities in industries that are most affected by climate change and/or most vulnerable to climate change impacts should be most interested in investments that mitigate these risks in the short, medium and long term. These investments may to a large extent require financing from external sources such as a bank loan.</p> <p>The Bank identifies nine sectors that are particularly sensitive in terms of ESG risks. In each of these sectors, the Bank implements CSR Policies and principles with regard to clients operating in them. In order to become a client of the Bank or obtain financing, an entity must meet a number of requirements regulated by the Policy for a given sector.</p> <p>In addition to the regular analysis of risks in particularly sensitive sectors, an ESG risk assessment is carried out as part of the lending process to corporate clients from 2019. All participants in the credit process assess ESG risks, including the CIB and Corporate Clients Risk Division as the second line of ESG risk control. The process has been systematised and made more detailed through the implementation of the EBA/GL/2020/06 guidelines for lending and monitoring.</p> <p>Accordingly, since 30 June 2021, an ESG risk analysis is performed for each new financing or increase in financing</p>
<p>b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.</p>	<p>Described in the Environmental perspective chapter.</p>
<p>c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>	<p>As part of its strategy implementation, the Bank monitors a number of strategic KPIs, the performance of which is presented quarterly to the Management Board and the Supervisory Board. These include KPIs dedicated to climate risks, including targets for the reduction of the Bank's CO2 emissions and the level of sustainable assets.</p> <p>In the new strategy for 2022-2025, the Sustainability Area is an integral part of BNP Paribas Bank's strategy, with commitments to develop green products, their sales volumes as well as to reduce greenhouse gas emissions.</p> <p>\The pursuit of positive environmental impact is one of the BNP Paribas Group's objectives and sustainable finance is set to be a key driver of the Group's next strategic plan.</p> <p>Under the Net-Zero Banking Alliance (NZBA), as a Group we have committed to:</p> <ul style="list-style-type: none"> ▪ adaptation of the level of greenhouse gas emissions generated by own-account lending and investment activities to the pathway necessary to achieve climate neutrality in 2050 (temperature increase limited to 1.5° C) ▪ acting on credible transition scenarios published by recognised institutions (IPCC, IEA); ▪ focus on the sectors that emit the most greenhouse gases and play a key role in the transition to a carbon-neutral economy; ▪ setting interim targets no later than 2030 ▪ publish information on progress and action plans on an annual basis. <p>The Bank accelerates the financing of all activities that promote the decarbonisation of the economy, by setting ambitious - and regularly exceeded - renewable energy financing targets and actively investing in green technologies. In Poland alone, green financing provided by the Bank exceeded PLN 3.8 billion in 2021.</p> <p>The BNP Paribas Group is also one of the leading financial institutions when it comes to issuing green bonds and sustainability bonds on the global market, as well as working capital facilities with interest rates linked to the achievement of sustainability objectives (Sustainability Linked Loans).</p> <p>The Bank's results for 2021 are included in the table on the <i>Description of the Bank's activities carried out under the objectives of the Fast Forward Strategy and its integral part, the CSR and Sustainability Strategy</i>.</p>

Method of presenting indicators:

- The Bank assumes that the short-term perspective is up to 1 year, the medium-term perspective is 1-5 years and the long-term perspective is more than 5 years.

7.8 External verification

GRI 102-56



INDEPENDENT LIMITED ASSURANCE STATEMENT

To: The Stakeholders of BNP Paribas Bank Polska S.A.

Introduction and objectives of work

Bureau Veritas Polska Sp. z o. o. (Bureau Veritas) has been engaged by BNP Paribas Bank Polska S.A. to provide limited assurance of selected information included in its "ESG Report presenting non-financial information of BNP Paribas Bank Polska S.A. and BNP Paribas Bank Polska S.A. Capital Group for the year 2021" (the Report). This Assurance Statement applies to the related information included within the scope of work described below.

Selected information

The scope of our work was limited to assurance over GRI Standards 2016, Core option: 102-1-18, 102-40-56, 205-2, 302-1, 305-1, 2, 401-1, 2, 404-1, 2, 405-1, 2.

Excluded from the scope of our work is any assurance of other information included in the Report.

Reporting Criteria

The Selected Information needs to be read and understood together with the standards for sustainability reporting The GRI Standards 2016 as set out at <https://www.globalreporting.org>.

Limitations and Exclusions

Excluded from the scope of our work is any verification of information relating to:

- activities outside the defined verification period;
- positional statements expressions of opinion, belief, aim or future intention by BNP Paribas Bank Polska S.A (opinions, beliefs, expectations, goals).

This limited assurance engagement relies on a risk based selected sample of sustainability data and the associated limitations that this entails. The reliability of the reported data is dependent on the accuracy of metering and other production measurement arrangements employed at site level, not addressed as part of this assurance. This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

Responsibilities

This preparation and presentation of the Selected Information in the Report are the sole responsibility of the management of BNP Paribas Bank Polska S.A.

Bureau Veritas was not involved in the drafting of the Report or the Reporting Criteria. Our responsibilities were to:

- obtain limited assurance about whether the Selected Information has been prepared in accordance with the Reporting Criteria;
- form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- report our conclusions to the Directors of BNP Paribas Bank Polska S.A.

Assessment Standard

We performed our work in accordance with International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after December 15, 2015), issued by the International Auditing and Assurance Standards Board.

Summary of work performed

As part of our independent verification, our work included:

1. assessing the appropriateness of the Reporting Criteria for the Selected Information;
2. conducting interviews with relevant personnel of BNP Paribas Bank Polska S.A.;



3. reviewing the data collection and consolidation processes used to compile Selected Information, including assessing assumptions made, and the data scope and reporting boundaries;
4. reviewing documentary evidence provided by BNP Paribas Bank Polska S.A.;
5. agreeing a selection of the Selected Information to the corresponding source documentation;
6. reviewing BNP Paribas Bank Polska S.A. systems for quantitative data aggregation and analysis;
7. assessing the disclosure and presentation of the Selected Information to ensure consistency with assured information.

Conclusion

On the basis of our methodology and the activities described above:

- Nothing has come to our attention to indicate that the Selected Information is not fairly stated in all material respects.

Evaluation against GRI Standards

Bureau Veritas Polska Sp. z o. o. undertook an evaluation of "ESG Report presenting non-financial information of BNP Paribas Bank Polska S.A and BNP Paribas Bank Polska S.A. Capital Group for the year 2021" against the GRI Standards. This included cross checking the GRI index table against all the reference documents to provide an opinion on the self-declared GRI application level.

Based on our work, it is our opinion that:

- "ESG Report presenting non-financial information of BNP Paribas Bank Polska S.A and BNP Paribas Bank Polska S.A. Capital Group for the year 2021" has been prepared in accordance with standards for sustainability reporting The GRI Standards 2016 Core option.

Statement of Independence, Integrity and Competence

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety and social accountability with over 190 years history. Its assurance team has extensive experience in conducting verification over environmental, social, ethical and health and safety information, systems and processes.

Bureau Veritas operates a certified¹ Quality Management System which complies with the requirements of ISO 9001:2015, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the TIC Council², cross the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behaviour and high ethical standards in their day-to-day business activities.

BUREAU VERITAS POLSKA Sp. z o.o.

Warsaw, 28th February 2022

Witold Dżugan

Member of the Board

Tomasz Smorgowicz

Lead verifier

¹ Certificate of Registration No. 44 100 160145 issued by TÜV NORD CERT GmbH

² TIC Council Compliance Code EDITION 1 December 2018

7.9 Contact

GRI 102-53

Thank you for reading the report. Feel free to contact the CSR (Corporate Social Responsibility) and Sustainable Finance Department to share any comments you may have on the reported content.

- **Maria Krawczyńska**
director of the CSR (Corporate Social Responsibility) and Sustainable Finance Department
- **Agnieszka Michalik-Stankowska**
manager - CSR and sustainable finance
- **Magdalena Obłóza**
expert - CSR and sustainable finance

Contact:

CSR@bnpparibas.pl

More information:

<https://www.bnpparibas.pl/csr>

Registered office address:

BNP Paribas Bank Polska S.A.
Kasprzaka street no 2.
01-211 Warsaw