



# 2022 Non-Financial Statements



This document is not the official version of the Non-Financial Statements of Bank Handlowy w Warszawie S.A. and the Capital Group of Bank Handlowy w Warszawie S.A. for 2022. Official Non-Financial Statements of Bank Handlowy w Warszawie S.A. and the Capital Group of Bank Handlowy w Warszawie S.A. for 2022 was prepared in accordance with the requirements of the ESEF. This document is a translation from the original Polish version. In case of any discrepancies between the Polish and English versions, the Polish version shall prevail.

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## **Contents**

I. Letter of the President of the Management Board .....	3
II. About Citi Handlowy .....	4
III. How we do Business? .....	19
IV. Care for the Environment .....	34
V. Development of talents and respect for diversity .....	46
VI. Community development .....	62
VII. About the Report .....	72
VIII. GRI Standards Content Index .....	74

# I. Letter of the President of the Management Board

[GRI 2-22]

Dear Sir or Madam,

in 2022 we faced one of the greatest challenges. The outbreak of the war in Ukraine and millions of people seeking shelter in Poland urged us to undertake new actions in a short time. We continued to implement previously planned educational programs and social projects, while taking on additional initiatives for refugees.

Together with the Citi Handlowy Foundation and Citi volunteers, we organized many campaigns. We delivered necessities to reception points, organized in-kind collections among our employees and initiated a fundraising. By supporting the Oncology Foundation "Rakiety" and SOS Wioski Dziecięce, we helped to evacuate children with cancer and foster families from the war areas.

Over 1,000 Citi volunteers, 3,500 hours, hundreds of projects, over 5 million zloty to support people in crisis – such huge commitment was possible thanks to the effective cooperation of the Citi Handlowy Foundation, Citi Foundation in New York and our employees.

We also undertook actions to integrate people affected by the war, residing in Poland. Together with the Mamo Pracuj Foundation, we launched a training program for Polish and Ukrainian mothers to help them navigate the labor market. As part of the CyberStrong School program, we organized webinars for teachers and parents, such as the one on the integration of children from different cultures.

Together we covered thousands of kilometers to help those in need. IRONMAN Poland or Warsaw Independence Run and Citi in Europe Runs for Refugees are examples of such actions. Each of these projects had its social dimension of helping those affected by the war in Ukraine.

Humanitarian aid was a priority last year. However, we did not forget about other big challenges. We executed our ESG strategy. Citi Handlowy provided nearly 400 million zloty in green assets out of its strategic three-year goal of 1 billion zloty. We initiated further projects that will help us achieve the goal of reducing our own carbon footprint by 50% by 2024, compared to 2019.

We continued our long-standing efforts towards creating a more inclusive society. Together with the Polish Paralympic Committee, we supported athletes with disabilities. During the Winter Games in Beijing we cheered for the Polish representative Igor Sikorski, who joined the winter Team Citi. In Olsztyn we were once again the major sponsor of the Athlete of the Year Plebiscite. We presented the award in the main and special categories – Athlete without Barriers. Like each year, we took part in the Pride Parade. Our efforts to support diversity are recognized – for the second time we were included in the Diversity IN CHECK index, a list of leaders in diversity management.

For 23 years we have been granting the Professor Aleksander Gieysztor Award, a prestigious distinction that unites and recognizes those who care about heritage and future generations. In 2022, the Citi Handlowy Foundation granted the 2020 and 2021 awards to Professor Jerzy Hausner, former Deputy Prime Minister and Minister of Economy, Labor and Social Policy, and Vydas Dolinskas, PhD, director of the National Museum-Palace of the Grand Dukes of Lithuania in Vilnius.

I am proud to present to you the report on Citi Handlowy's activities for the common good, development and solidarity in this difficult time. Behind each of these actions, there are people - Citi Handlowy employees, who believe that through their everyday work and social activity they can change the world for the better. I am glad that I can work with such people.

Yours faithfully,

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



Elżbieta  
Czetwertyńska  
President of the  
Management Board

## II. About Citi Handlowy

### 1. History and the present

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

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

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

thus mapping the directions for development of the Polish banking.

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

Since 2001, the Bank has been a part of Citigroup – the financial institution and the most global bank in the world that has a physical foothold in 95 countries and territories and supports customers in over 160 countries and jurisdictions. Bank Handlowy w Warszawie S.A. has been operating in the banking sector in Poland under the Citi Handlowy brand, offering banking products and services to business entities, local government units and the public sector (the Institutional Banking segment) and to individual clients, micro enterprises and to natural persons conducting a business activity (the Consumer Banking segment). [GRI 2-6]

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

Citi Handlowy meets the utmost standards of corporate governance. Since 2003, namely since they were set by the Warsaw Stock Exchange (GPW), it has been delivering many social programs supporting, among other things, financial education and employee volunteering.

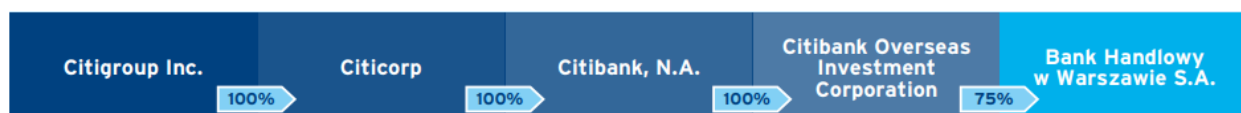
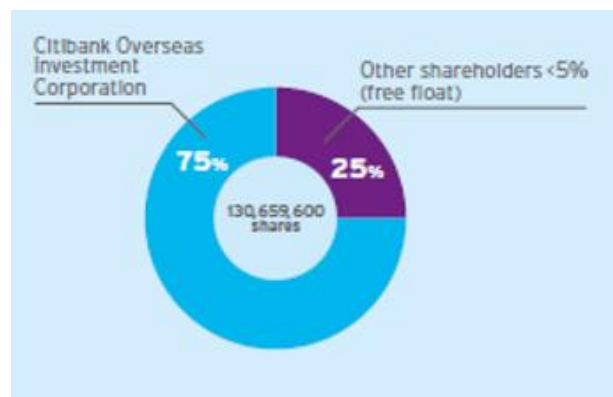
Citi Handlowy conducts its operations domestically and it does not have their subsidiaries abroad. The registered office of Citi Handlowy is located in Warsaw within the Republic of Poland. Some operations are also conducted in Olsztyn and Łódź. Private customers are serviced by the network of 18 branches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

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

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

Citi Handlowy is a joint stock company (spółka akcyjna) listed on the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie) since 1997. Citibank Overseas Investment Corporation (COIC) is the major and strategic shareholder of Citi Handlowy. COIC is the Bank's sole shareholder with at least 5% of shares in the Bank's share capital and at the Bank's General Shareholders Meeting. The remaining shares, which represent 25% of the share capital, are the Bank's freefloat with the lion's share of capital belonging to financial investors (Polish and foreign pension funds and investment funds).

No significant changes in the shareholding structure occurred in 2022.



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

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

Citi Handlowy is the ultimate parent company of the Group. Activities of other Group members are immaterial from the Group's perspective. The Bank's subsidiaries, whose activity is influenced by the Bank as their parent company, do not carry active operations nor employ any employees. Those subsidiaries will be successively sold or liquidated. As regards companies in which the Bank holds minority stakes, the Bank cannot influence their operations. In view of the foregoing, this Report presents solely data concerning Citi Handlowy.

#### The structure of the Citi Handlowy Capital Group at 31 December 2022 presented in the financial statement of the Bank

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

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

\* Including indirect participations

## 4. Value-building model [GRI 3-3]

As part of continuous improvement of strategic organization management, Citi Handlowy has developed a detailed value-building model that illustrates the value of the Bank for its key stakeholders, i.e. customers, investors, employees, society and the environment.



## 5. Business model [GRI 2-6]

Citi Handlowy is strategically focused on its defined target market.



### Product Offer and Scale of Operations

Citi Handlowy conducts its operations domestically and it does not have subsidiaries abroad. Products and services are offered to clients via the network of 18 branches located in nine largest cities in Poland, online and mobile banking systems, telephone banking and the ATM network, specifically 37 own ATMs (including 29 multi-currency ATMs), ca. 21,000 ATMs of other operations across Poland and over 3,000 cash deposit machines owned by Euronet Polska.

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

The Bank's offer for institutional clients includes:

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

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

The Bank's offer for private clients includes:

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

## Changes in the organization

During 2022, the brokerage business was integrated into the Bank's Group. Brokerage services used to be provided by the Bank's subsidiary, the Brokerage House (Dom Maklerski) of Bank Handlowy S.A. Once that company's business was transferred to the Bank, they have been provided since August 2022 within the Bank's organizational structures by the Brokerage Department of Bank Handlowy. In view of the foregoing, the Management Board of the Brokerage House of Bank Handlowy S.A. decided to cease the brokerage activity as of August 1, 2022. Following the regulatory procedures, the Polish Financial Supervision Authority (KNF) issued its decision on December 7, 2022 to revoke the authorization regarding the brokerage license of the Brokerage House of Bank Handlowy S.A.. The decision became final and binding after 14 days.

Apart from the foregoing, there were no other significant changes in its organization or supply chain during 2022.

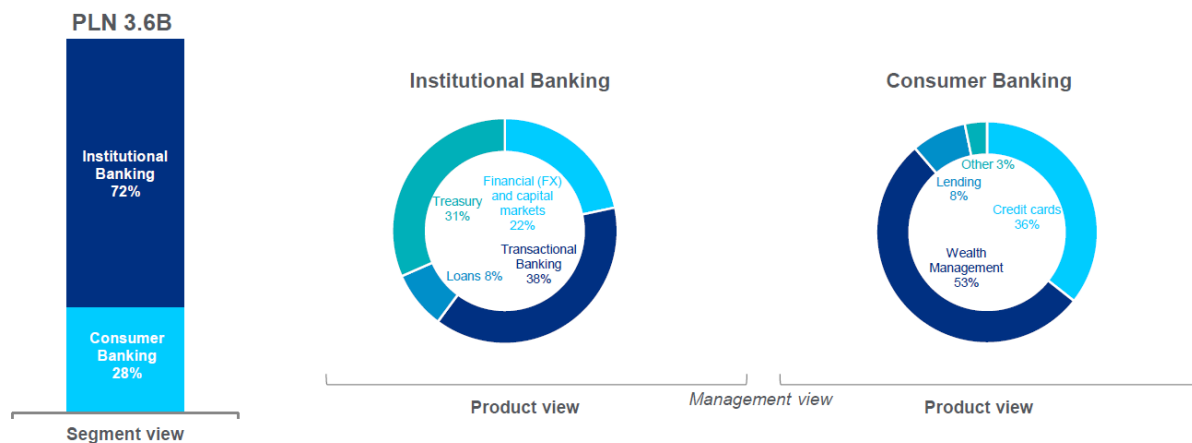




## 6. Financial results [GRI 201-1]

SELECTED FINANCIAL DATA (PLN '000)	GROUP		BANK	
	2022	2021	2022	2021
Interest and similar income	3,332,804	824,249	3,331,273	824,319
Fee and commission income	688,184	742,899	662,481	672,915
Total expenses	(1,337,859)	1,202,575	(1,318,488)	1,173,501
Cost/Income ratio	37%	51%	36%	51%
Cost of risk	(104,840)	(38,784)	(105,007)	(38,962)
Net profit	1,994,688	950,936	2,016,795	942,926
Profit before tax	1,545,680	717,468	1,569,310	715,972
Total comprehensive income	1,291,558	(40,781)	1,315,099	(42,374)
Increase/decrease of net cash	(5,907,780)	2,046,917	(5,907,766)	2,046,962
Total assets	69,801,402	61,862,771	69,892,966	61,681,601
Loans (clients)	21,620,507	21,327,600	21,620,507	21,187,157
Deposits (clients)	50,512,860	43,507,474	50,667,780	43,495,543
Credit/Deposit ratio	43%	50%	43%	49%
Equity	7,960,245	7,383,395	7,899,604	7,316,040
Share capital	522,638	522,638	522,638	522,638
Number of shares ( in pcs)	130,659,600	130,659,600	130,659,600	130,659,600
Book value per share (PLN/EUR)	60.92	56.51	60.46	55.99
Common Equity Tier 1 Capital ratio (in %)	17.6%	20.1%	17.3%	19.8
Earnings per share (PLN/EUR)	11.83	5.49	12.01	5.48

### Group's revenue structure in 2022



IN 2022, CITI HANDLOWY CONTRIBUTED TO THE POLISH BUDGET:

<b>PLN 106.7</b> million in corporate tax income	<b>PLN 33.1</b> million in personal tax income	<b>PLN 59.7</b> million in value added tax	<b>PLN 26.8</b> million in dividend tax	<b>PLN 210.8</b> million in banking tax
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## 7. Strategy and development prospects [GRI 2-23]

In April 2021, Citigroup, the main shareholder of the Bank ("Citi") decided to exit from its consumer segment in 13 countries, including Poland. Thus, Citi wants to focus on its priority institutional business where it enjoys competitive advantages. At the same time, Citi wants to develop its Wealth Management services focused across four centers in Singapore, Hong Kong, UAE and London. Until the final decision to exit consumer business, Citi Handlowy intends to continue its operations in this area without any changes, and will make every effort to maintain the satisfaction level of individual clients and top quality of the offered products and services, while striving to preserve the business value for the shareholders.

### Development prospects

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

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

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

	Goal	Implementation (2022)
Client revenue compound annual growth rate including:	+9%	+33% YoY
<i>institutional clients</i>	+8%	+14%
<i>Individual clients</i>	+12%	+63%
Return on equity (ROE in 2024)	>12%	24%
Maintaining cost discipline (C/I ratio)	<50%	37%
Customer assets compound annual growth rate (% in three years)	+6%	+1% YoY
Continuation of dividend payment, subject to regulatory approvals (% of net profit)	min. 75%	(of net profit for 2021)

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

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

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

The goals in the ESG area have been labeled as crucial in the Strategy for 2022–2024. The principal objective of efforts made by Citi Handlowy in the area of sustainable development is to provide clients with financial services that facilitate their economic development while taking into account the environmental and social factors in lending processes undertaken by the Bank. The bank supports its customers in transforming their business models towards sustainable development, and the incorporation of environmental and social factors in the decision-making processes. To that end, the Bank assesses the climate risk (including physical and transformation risks) and has already mapped the risks associated with environmental factors for different industries towards which the Bank has credit exposures. The industry risk map is reviewed on a regular basis (at least annually) to reflect changes in, for example, the regulatory environment,

**Non-Financial Statements of Bank Handlowy w Warszawie S.A. and the Capital Group of Bank Handlowy w Warszawie S.A. for 2022**

**TRANSLATION**

macroeconomic trends or social behaviors. The industry risk map includes physical risk and transformation risk ratings for the industry. On the other hand, the individual verification is performed with respect to social risk and risk regarding management/corporate governance. The assessment of Governance Risk covers the element of management practices, including the quality of governance structures, employee relations, employee compensation policies and tax compliance.

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

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

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

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

The risk of attaining the planned financial result is monitored by means of periodic analyses of the Bank's financial performance on the basis of management information system with reference to the plan, or by means of comparison to different reporting periods. Reports regarding the Bank's competitive position and financial performance are submitted to the Bank's Management and to heads of the Bank's organizational units and its subsidiaries.

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

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

Area	Goal	Implementation (2022)
Green financing	Allocation of PLN 1 billion for a green customer transformation (acquisition of PLN 1 billion in green assets)	38% of the goal achieved in 2022
Implementation of ESG factors in credit processes	Creating sustainable financing criteria	in progress
Reduction of own emission of greenhouse gases	<i>Reduction of emissions of own greenhouse gases (Scope 1 and Scope 2) by at least 50% vs. Base year 2019</i>	-64% vs 2019
Reduction of energy consumption	Reduction of energy consumption by at least 40% vs base year 2012	-42% vs 2012
Entrepreneurship support	Mentoring for 80 enterprises a year	91 enterprises
Education	Projects improving digital and financial competences for at least 1,700 people a year	(1,685 participants 29 projects)
Employee Volunteering	Engagement of at least 2,200 volunteers a year	3,000 volunteers in 2022
Cultural heritage	Prof. Gieysztor Award	prof. Jerzy Hausner and Dr. Vydas Dolinskas honored with the award in 2022
Grants	Supporting the implementation of interesting socio-educational initiatives	PLN 5 million for grants in 2022

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



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

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

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

Composition of the Supervisory Board (as at December 31, 2022)	
Stawomir S. Sikora	Chairman of the Supervisory Board
Kristine Braden	Vice -chairman of the Supervisory Board
Silvia Carpitella	Member of the Supervisory Board
Helen Hale	Member of the Supervisory Board
Marek Kapuściński (independent member)	Member of the Supervisory Board
Andras Reiniger	Member of the Supervisory Board
Anna Rulkiewicz (independent member)	Member of the Supervisory Board
Barbara Smalska (independent member)	Member of the Supervisory Board

At the end of 2022, the Supervisory Board was composed of 8 members (3 men and 5 women). Four members of the Supervisory Board, including its Chairperson, are Polish citizens. Three members of the Board are independent members in the meaning of § 14.4 of the Bank's Articles of Association (four members of the Board are not related to any shareholder holding at least 5% of the Bank's shares). The term of the Supervisory Board is joint and lasts 3 years.

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

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

Supervision Authority.

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

Composition of the Supervisory Board (as at December 31, 2022)	
Elżbieta Światopełk-Czetwertyńska	President of the Management Board
Natalia Bożek	Vice-President of the Management Board
Andrzej Wilk	Vice-President of the Management Board
Maciej Kropidłowski	Vice-President of the Management Board
Barbara Sobala	Vice-President of the Management Board
Katarzyna Majewska	Vice-President of the Management Board
Ivan Vrhel	Member of the Management Board

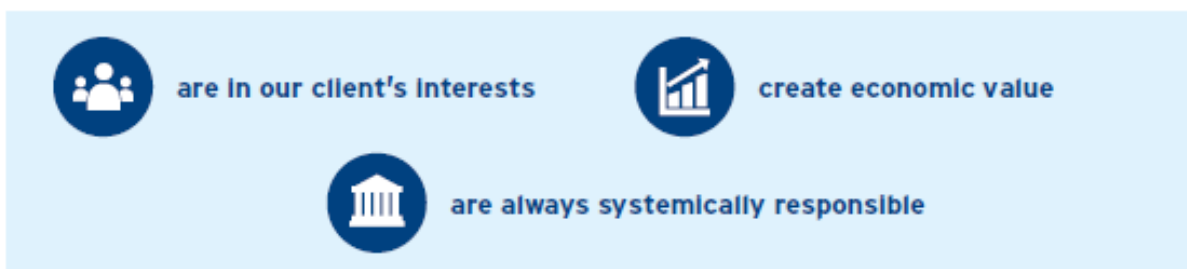
At the end of 2022, the Management Board of Citi Handlowy Bank consisted of 7 members (3 men and 4 women). Six members of the Management Board are Polish citizens. Members of the Management Board are appointed for an individual three-year term.

The present composition of the Management and Supervisory Boards of the Bank, with details of competencies and experience of their members, is available at:

<https://www.citibank.pl/poland/homepage/english/management-board.htm>

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

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



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

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

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

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

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

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

On 24 March 2022, the Supervisory Board of the Bank became familiar with the "2021 Report – Assessment of Application of the Principles of Corporate Governance for Supervised Institutions issued by the Polish Financial Supervision Authority at Bank Handlowy w Warszawie S.A." prepared by the Compliance Division and containing an independent assessment of the application of the "Principles of Corporate Governance for Supervised Institutions". On the basis of the above Report of the Compliance Division containing an independent assessment of the application of the "Principles of Corporate Governance for Supervised Institutions" and taking into consideration a positive recommendation issued by the Audit Committee of the Supervisory Board, the Supervisory Board assessed independently that in 2021 the Bank applied the rules resulting from the "Principles of Corporate Governance for Supervised Institutions", with the exception of those principles that the Bank decided not to apply. The result of the independent assessment of the application of the Principles was passed on to other corporate bodies of the Bank.

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

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

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

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

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

The Bank implemented the Recommendation Z in 2021; the Recommendation went into effect on January 1, 2022. For the full implementation of its provisions, Citi Handlowy reviewed and supplemented its corporate governance processes and principles, both at the level of the Bank and the Group.

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

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

## 10. Corporate Governance Risks related to the Bank's activity

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

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

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

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

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

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

engagement and satisfaction. Risks of any potential mobbing or discrimination are limited by implementing policies in counteracting discrimination and mobbing, conducting training in that regard for all employees and by activating an abuse notification procedure.

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

## 11. Stakeholders [GRI 2-29]

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

STAKEHOLDERS	HOW THE BANK IS INVOLVED?	2022 EXAMPLES
<b>Investors (strategic investor, institutional and individual investors, rating agencies and brokerage houses, WSE)</b>	Group meetings and teleconferences (quarterly publications of results, investor conferences)  Face-to-face meetings	Participation in 23 meetings with investors that were attended by the President of the Management Board, CFO and Chairman of the Supervisory Board – both one-to-one and group meetings organized in a face to face formula or by teleconference
<b>Employees (FTEs, students, trade unions, work inspection, former employees, subcontractors' employees incl. outsourcing)</b>	Intranet  Emails  Town Halls  Voice of the Employee (VoE) survey  People Board	13 Town-Hall meetings with the President of the Management Board  People Board  Diversity IN Check - Citi in Poland among employers with the most developed diversity policy  Citi Handlowy in the Poland's Best Employers 2022 – in Forbes magazine ranking  Citi Handlowy among dream employers by the WPROST weekly  Employee Networks - Women's Network Poland Citi Pride, CitiDiversity, Families Matter Network Poland
<b>Clients (clients, consumer organizations, UOKIK – Polish Office of Competition and Consumer Protection)</b>	Contact form on the Bank's website  Social media – Facebook, including the Messenger application  Citi Handlowy Magazine  YouTube  Meetings/Workshops with clients	383 Citi Handlowy posts in social media (viewed 50.5 million times)  1,800 customer comments on Bank's publications in social media  13 webinars for clients (attended by almost 5,000 clients)  264 cases received by the Client Spokesperson  Project "CyberM@cna Szkoła" - workshops for teachers attended by 600 people.



## Membership in Organizations [GRI 2-28]

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

In 2022, Citi Handlowy belonged to the following associations, chambers of commerce and foundations:

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

## 12. Awards and Accolades

In 2022, the Bank and the Kronenberg Foundation at Citi Handlowy were awarded prestigious titles and rewards:

### **Diversity IN Check: Citi Handlowy among the leaders in diversity management**

Citi Handlowy and the Citibank Europe shared services center have been listed in the group of 38 companies recognized as the most advanced in diversity management, caring about inclusion in the organization and striving to achieve social cohesion. The list was created on the basis of the Diversity IN Check survey conducted by the Responsible Business Forum, which coordinates the Diversity Charter in Poland. The purpose of the survey is to diagnose the extent to which a given organization is advanced in diversity management and the creation of an inclusive work environment.

### **Citi Handlowy makes the Forbes ranking “Poland's Best Employers 2022”**

In the second edition of its “Poland's Best Employers 2022”, Forbes has selected the winners – Poland's 300 most employee-friendly companies, by industry. Citi Handlowy is included in the category “The Best Employers. Banks and Financial Services”.

### **Citi Handlowy among dream employers**

Citi Handlowy has for the second time been ranked among the 50 dream employers in Poland by the WPROST weekly. It ranked highest among commercial banks. It was appreciated not only for its care for employees and attention to employment conditions, but also for the support of refugees from Ukraine.

### **Citi in Poland with the Mayor of Olsztyn's “St James Statuette” award**

Citi Handlowy and Citi Solutions Center, one of the largest employers in Olsztyn, has been awarded the St James Statuette in the Economy category for 2021 by the mayor of Olsztyn. The award was given in recognition of the company's commitment to the economic development of the city, stemming the significant rise in unemployment in the region during the pandemic, as well as for its work in the local community. The trust that Citi has placed in the City of Olsztyn was also appreciated. Award of the Mayor of Olsztyn, the “St James Statuette”, is the most important award given by the city and the Mayor. Awards are presented in the fields of culture, science, sport, economy, non-governmental activities and for special merits for Olsztyn.

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

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

**Citi Handlowy tops rankings of Cash Management in Poland for the ninth time**

For the ninth time in a row Citi Handlowy topped the Cash Management ranking of Euromoney in the Market Leader category. With over 21,500 votes cast, persons responsible for finance management in companies assessed solutions of transaction banking. Citi Handlowy offers its corporate clients a wide range of advanced solutions of finance management. The bank focuses on developing tools facilitating instant response and real-time digital settlements.

**Private banking of Citi Handlowy recognized again in an international survey by Euromoney**

Euromoney (prestigious UK magazine) recognized the achievements of Citi Handlowy in its annual Private Banking and Wealth Management Survey. For another year in a row, the bank was considered one of the top providers of the best financial services to Polish millionaires and their families. The private banking services offered by Citigold Private Client were ranked in Top 3 in as many as 14 of 17 categories covered by the survey, including areas such as customer service, investment advice, wealth management, global banking, wealth succession, and proposal for HNWI clients.

**Citi Handlowy with BondSpot award for cash market leader**

Citi Handlowy confirmed its leadership position in the challenging capital market and was once again awarded the prize for the highest turnover on the Treasury BondSpot Poland spot market (Treasury Bonds).

**Seventh “Golden Banker” for Citi Handlowy in the “Best Credit Card” category**

Once again, a credit card of Citi Handlowy – Citibank-BP Motokarta – has been selected as the best product on the market in its category in the Golden Banker ranking organized by Bankier.pl and Puls Biznesu. It is the only credit card submitted for the ranking with no issuance, maintenance and renewal fees. In addition, the Bank offers a possibility to convert the debt into installments without commission.

**Citi Handlowy on the podium in the “Efficiency Stars” category by Dziennik Gazeta Prawna**

In the eighth edition of the “Gwiazdy Bankowości” (Stars of Banking) ranking, organized by Dziennik Gazeta Prawna together with the consulting firm PwC, Citi Handlowy was ranked 2nd in the Efficiency category. The indicators evaluated in this category were the following: return on equity (ROE), level of interest and commission margin and risk costs. Citi Handlowy ranked second in the category. As justified by the jury, this is a derivative of the bank’s strategy – to focus on servicing companies, operating in financial markets and providing services to affluent customers.

## III. How we do Business?

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

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

### 1. Code of Conduct [GRI 2-23, GRI 2-24]

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

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

- „Code of Conduct for Employees of Bank Handlowy w Warszawie S.A.” (Code of Ethics),
- “Work Regulations”,
- “Procedure for dealing with violations of law, ethical standards and procedures in effect at Bank Handlowy w Warszawie S.A.”,
- "Principles of Escalation at Bank Handlowy w Warszawie"
- “Policy of managing conflicts of interest at Bank Handlowy w Warszawie S.A.”,
- “Procedure for dealing with complaints filed by employees of Bank Handlowy w Warszawie S.A. (Employee Complaints)”,
- “Product and service procurement policy and vendor management principles in Bank Handlowy w Warszawie S.A.”,
- “Code of Ethics in Advertising”,
- “Ethical Business Practices of Bank Handlowy w Warszawie S.A.”
- "Diversity policy for employees of Bank Handlowy w Warszawie S.A."

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

Citi Handlowy requires all its employees to abide by the standards and values set out in the Code of Conduct. This can be demonstrated by our commitment to maintaining the highest ethical standards and the professional fulfillment of duties. Guided by ethics in all their activities, Citi Handlowy's employees create a valuable organization. Hence the Bank can provide better services to clients, counterparties and communities with whom Bank has established business relations. This makes Citi Handlowy a better place to work for existing and potential employees. [GRI 102-16]

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

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

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

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

## Ethics Day 2022

In 2022, Citi Handlowy once again organized an Ethics Day for employees, covering the issues of employee conduct and values that the Bank should demonstrate in internal relations, on the market - among customers and suppliers, as well as in the communities in which it operates. The Ethics Day was also marked by the webinar organized for employees to present the fresh information about ethics, rules of escalation and the growing importance of whistle-blowing. [GRI 2-25, GRI 2-26]



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

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

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

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

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

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

In order to determine the Bank's strategy in the scope of managing diversity, the Management Board has adopted a separate, formal "Diversity Policy for employees of Bank Handlowy w Warszawie S.A." applicable to all employees. Each Employee is obliged to comply with and work toward implementation of the Diversity Strategy.

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

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

- making staff-related decisions, including remuneration, on the basis of performance assessment, professional knowledge and experience, skills and competences, ensuring employees with equal employment opportunities;
- respecting and promoting principles of equal treatment and prohibition of discrimination on grounds of sex, age, education, qualifications, professional experience, nationality, ethnic origin, religion, denomination, political beliefs, trade union membership, health, sexual orientation, family status, lifestyle, place of residence, form of employment;
- providing employees with equal treatment in terms of remuneration, including ensuring equal access to non-wage benefits;
- ensuring equal chances for employees in terms of access to development initiatives and trainings offered by the Bank;
- building diversified working teams;
- ensuring a friendly work environment and organizational culture based on mutual respect;

- familiarizing all employees with the Work Regulations of Bank Handlowy w Warszawie S.A. and with the Code of Conduct for Employees, which include information on principles of equal treatment in employment and prohibition of any practices which demonstrate elements of discrimination, molestation and mobbing, and oblige every employee of the Bank to respect the dignity of employees and colleagues, as well as information and educational activities in this regard;
- promoting and supporting employee initiatives, in particular the Citi Women Network, Disability Network, Citi Pride Network, charity activities and group sport activities;
- enabling employees to freely express their opinions, e.g. in the survey "Voice of Employee" or "Exit Interview"; and through "People Board";
- ensuring an internal early warning and ethical concerns reporting system;
- supporting employees in ensuring an appropriate balance between professional and private life;

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

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

Using any form of discrimination, regardless of whether it is committed by line managers, colleagues, customers or suppliers, is prohibited at Citi Handlowy. Such practices are not congruent with the organizational culture of Citi Handlowy, where employee relationships are based on mutual respect, professionalism and respect for others. The policy of Citi Handlowy prohibits the use of reprisal in relation to whistleblowers who have notified cases of undesirable incidents in the work environment or persons participating in explanatory proceedings conducted in accordance with the "Procedure for dealing with complaints filed by employees of Bank Handlowy w Warszawie S.A. (Employee Complaints)."

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

Examples of the Bank's anti-discrimination activities:

#### **Information policy:**

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

#### **Diagnostic actions**

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

#### **Educational campaigns**

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

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

2,784

employees completed the training

99%

of the target

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

2,765

employees completed the training

100%

of the target

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

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

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

## 1.2. Notification of breaches and unethical behavior [GRI 2-26]

Each employee of Citi Handlowy is obliged to report immediately any unethical behavior. The rules specifying methods of reporting violations of law, ethical standards and procedures applicable in the Bank, and also the procedure for their consideration are set out in the “Procedures in the event of violation of law, ethical standards and procedures in effect at Bank Handlowy w Warszawie S.A.”. While the rules specifying how cases involving discrimination, mobbing, (sexual) harassment or any unequal treatment during employment other than discrimination are to be reported by employees of Citi Handlowy, candidates for work and former employees and the procedure for their examination are set out in the “Procedure for dealing with complaints filed by employees of the Bank (Employee Complaints)”. [GRI 103-1, GRI 103-2]

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

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

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

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

- the direct superior or a higher-level superior,
- a Director of the Brokerage Department of Bank Handlowy or employees of the Supervision and Internal Control Unit - in the case of employees of the Brokerage Department of Bank Handlowy,
- an employee of the Compliance Division,
- a representative of the Human Resources Division,
- an employee of the Audit Department,
- an employee of the Legal Division if legal provisions have been infringed,

- a Member of the Management Board of the Bank supervising the Risk Management Sector or Financial Markets and Corporate Banking Sector of (in the case of employees of the Brokerage Department of the Bank).

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

- e-mail,
- mail.

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

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

In 2022, there were 6 cases of mobbing and discrimination reported by employees. Among the investigations carried out in compliance with the complaint procedure, no undesirable incidents were found. If the undesirable situations or any other irregularities would be confirmed, the Human Resources Division recommends adequate actions to be taken by the competent units, including HR actions, toward the employees who have engaged in unsound practices. [\[GRI 406-1\]](#)

### 1.3. Prevention of Conflicts of Interest

[\[GRI 2-15\]](#)

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

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

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

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

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

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

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

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

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

## 2. Responsible Customer Relations Management

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

### 2.1. Modern banking – responsible edition

#### Online banking

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

The clients of **Institutional Banking** use the CitiDirect BE system. In 2022, the Bank processed about 33.8 million transactions. The Bank has also enhanced its platforms to facilitate quick access to information for its clients, and to provide for real-time response, including ordering instantaneous deals. In 2022, the CitiConnect API infrastructure handled over 7 million API communications initiated by clients from Poland, that is one million more than in 2021. The additional route for communication with the HelpDesk was also launched via online chat – CitiDirect BE@ Chat.

The online platform dedicated to the clients of **Consumer Banking** is Citibank Online. The number of active users of Citibank Online was 363,200 at the end of 2022, and the proportion of active users of Citibank Online was 65.7%. At the end of 2022, digital users accounted for 84.4% of all transactionally active clients. Over the same period, the number of users of the mobile application called Citi Mobile was 287,600.

#### Secure banking

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

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

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

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

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

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

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

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

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



## Client Data Protection

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

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

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

## Buildings without barriers, the availability of architectural

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

- Location facility - we want to be there, where our customers are, that's why most Smart branches are located in shopping centers, and they are designed for people with disabilities - easy access to both the department and the toilet is provided for people with physical disabilities and for people in wheelchairs. Entrances to the branches are accessible directly from the main one communication route, no doors and glazing
- In branches - where possible, the service room and meeting rooms with the client are located on one floor and one level (there are no steps, thresholds or stairs). This applies, inter alia, to branches of Łódź Ogródowa, Q22, Galeria Katowicka, Poznań Citi Center
- Our current ATMs are equipped with Braille keyboards. Additionally, on FX ATMs (for transactions with withdrawals in PLN) an audio service is enabled, with the use of headsets (available at the branch), which supports the service of visually impaired/blind people.
- ATMs are placed at a low height, which allows them to be used by, for example, people on wheelchairs.
- All facilities are adapted to the needs of people with physical disabilities (e.g. flat floor without thresholds and steps, appropriately wide corridors).
- Guidelines for employees have been developed regarding the service of people with various types of disabilities.

## 2.2. Customer satisfaction surveys

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

In 2022, the improved performance was noted in the segment of affluent clients: the assessment of services provided by dedicated account managers grew from 43% to 53%, including helpline consultants (from 68% to 74%). Such increases can be attributed to the unwavering commitment of the employees to maintain close relationships with such clients, the stability of teams and the attractive deposit offer. Furthermore, the new payment method (Blik) introduced to meet the expectations of our clients, and the improvements of the mobile authorization process were translated into the improved results of the Bank's mobile application CitiMobile, from 40% in 2021 to 49% in 2022.

**76%NPS**

for the telephone service (CitiService) of Institutional Banking in 2022

**74%NPS**

for the telephone service (CitiPhone) for Citigold and Citi Private Client in 2022

Within the institutional part of the bank, the existing quality management system is based on ongoing measurements of expectations and opinions as well as client experience management at every stage of their cooperation with the bank. Work with such feedback resulted in, among other advantages, a better CitiPhone service quality and deeper client – account manager relations. Processes for opening an account in the bank were shortened and simplified, and processes related to submitting applications for products were streamlined. New solutions launched by Citi Handlowy are tested with clients at the implementation stage so as to ensure that they meet all their needs. Meetings and conferences with account managers are a natural platform for a dialog with clients and open conversations, as well as an opportunity to see challenges which a given business client faces from a broad perspective, and to specify in more detail the client's expectations with respect to products and services offered by the Bank.

### Citi Handlowy responds to customer needs

The Bank's sound position in providing customized solutions for clients was confirmed by many awards and recognitions won in 2022, for example the UK financial magazine Euromoney ranked, for the ninth time running, Citi Handlowy's transactional banking as the best one on the Polish market in the **"Market Leader" category**. The Bank also received the „Golden Banker” award for its Citibank-BP Motokarta card; the Bank received this award for the seventh time running in the 13th edition of the ranking made by Bankier.pl and Puls Biznesu in the following product category: “best credit card”. Other awards were include the recognition of Citi Handlowy in the annual quality survey “Private Banking and Wealth Management Survey” by Euromoney. Citi Handlowy was also listed among employers with the most advanced diversity policy under **Diversity IN Check**, the list of employers with the most advanced diversity management, prepared by the Responsible Business Forum.

The Bank promotes the idea of high level of customer satisfaction not only through NPS tests. In 2022, the Bank continued the systematized approach to searching, recording and changing customer experience in relations with the Bank. Selected units not only analyze the clients' complaints, but also search for the information on customer experience in the NPS forms, comments posted in the social media or among the employees of the Bank who are also its clients. Every employee at the Bank is involved in building a new organizational culture predominantly for the client's interest and in delivering more and more revamped solutions. The growth of customer satisfaction level is among the Bank's key goals for 2023.

### Communication with clients

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

## Citi Handlowy Webinars

www.citihandlowy.pl  
Bank Handlowy w Warszawie S.A.

CitiFXPULSE

citi handlowy

Świat u progu kryzysu gospodarczego?  
Sprawdźmy, czego spodziewać się możemy  
z końcem roku.

Wideokonferencja z udziałem Piotra Kalisza, Głównego Ekonomisty Citi Handlowy,  
i Kamila Krajewskiego, Spot Trader Citi Handlowy

During 2022, when so many changes took place, the Bank's clients particularly appreciated the analyses and information supplied by the Bank. Citi Handlowy regularly organized webinars, events, training sessions and meetings streamed online. Over the year, there were 13 such events for retail and corporate clients, for example:

- Poland 2022 – double-digit growth or inflation? Outlooks for the metal market in 2022 – with Commodities Strategist, Citi Research and the chief economist of Citi Handlowy
- Polish economy in the shade of geopolitical development – with the participation of Piotr Kalisz, Chief Economist at Citi Handlowy
- World on the threshold of an economic crisis? – with Piotr Kalisz, Chief Economist at Citi Handlowy, and Kamil Krajewski, Spot Trader at Citi Handlowy
- Market and economic outlooks in the time of growing inflation – organized by Investment Advisory and Mutual Funds Bureau
- Bonds market in light of growing interest rates – organized by the Investment Advisory and Mutual Funds Bureau
- How to secure children's financial future? Assets Succession Planning and Insurance Solutions – organized by the Investment Advisory and Mutual Funds Bureau and the LFT Law Firm
- How to take care of our safety and protect yourself against cybercriminals – organized by the Risk Department and the Trusted Third Party blogger.

The webinars organized by Citi Handlowy in 2022 were attended by a total of almost 5,000 clients.

In June 2022 Global Subsidiaries Group Department organized a seminar for institutional clients "An update on ESG and Green Economy". During the seminar we shared with clients update on regulations along with ESG trends & developments on country level. We discussed also Citi Handlowy approach and strategy in terms of ESG and together with our London team presented rating perspectives and sustainable finance solutions from global, regional and local perspective.

In response to the situation across Poland's eastern border, the immigration crisis and other social challenges, the Citi Handlowy Foundation organized a cycle of webinars, including:

- How to go along with children and young adults in present times? On fear and uncertainty. On boosting solidarity and self-efficacy
- Disinformation – how to be immune and make students immune to disinformation, and how to build dialogue?
- The meeting to initiate the third edition of the CyberStr@ngSchool "How to Be Together?" Project How to integrate children from different cultural backgrounds with small gestures?

## 2.3. Complaint management in Citi Handlowy

### Complaint management in the segment of institutional clients

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

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

- by e-mail to the address: [citSERVICE.polska@citi.com](mailto:citSERVICE.polska@citi.com)
- by phone – in CitiService and directly to the CitiService Consultant's phone number
- in person at any unit of Citi Handlowy that serves clients of the Financial Markets and Corporate Bank Sector
- in writing to the address indicated on: [www.citihandlowy.pl/strefaklienta](http://www.citihandlowy.pl/strefaklienta), in the section: Important addresses

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

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

#### Standard response time to corporate clients complaints (working days) in 2020-2022

Response time	2022	2021	2020
<5 working days	62%	72%	73%
6-15 days	30%	22%	20%
16-30 days	6%	5%	6%
>30 days	3%	1%	1%

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

	2022	2021	2020
Total number of complaints submitted	1,066	1,084	1,343
% of complaints resolved in favor of the client	95%	94%	94%
The number and % of complaints related to violation of privacy or loss of client's data	0 (0,00%)	0 (0,00%)	2 (0,15%)

### Complaint management in the segment of consumer clients

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

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

In 2022, the time of response to client queries was 1 working day. This enables clients and the bank to continue being engaged in a dialog and provide answers in the shortest possible time.

Citi Handlowy notifies of a possibility to resolve amicably disputes in relations with retail clients and this information is made public on the bank's website. An important quality-related element monitored in the complaint handling process is the time taken to respond. The standard time for consideration of the complaints filed by Citigold and Citigold Private Clients is one working day, and four working days for clients from other segments.

**Standard response time to consumer clients complaints (working days) in 2022**

1 working day Citigold and Citigold Private Clients	4 working days Other segments
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The time required to process a complaint was the same in 2021.

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

	2022	2021	2020
Total number of complaints submitted	35,075	46,866	59,572
% of complaints resolved in favor of the client	23%	24%	23%

The Bank logs every case of dissatisfaction and lack of consistency identified by clients as complaints. 77% of cases involved queries, explanations or complaints where the root of error was outside the bank. Analyses of complaints and client comments, manners of handling them and drawing conclusions for the needs of the bank's operations, are presented at meetings of the Consumer Bank's Customer Experience Council held on a monthly basis. Based on the prepared analyses, corrective action plans are specified to reduce errors on the part of the bank in consecutive months.

In 2022, Citi Handlowy continued digitalization of its processes in line with client expectations. The bank continued the development of the communication channel via social media (Messenger). During the year, customers submitted almost 5,000 inquiries using this channel. Customers also have a Chat available on the official Citi Handlowy website. A specialized group of advisers responds online to the inquiries of the Bank's clients.

## **2.4. Client Spokesperson**

### **Institutional Client Spokesperson**

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

Clients may also send their opinions and comments to the Corporate Client Spokesperson, which help us to improve the products and services offered by Citi Handlowy. In 2022, two such submission were made directly to the Corporate Client Spokesperson.

### **Consumer Bank Client Spokesperson**

The function of Client Spokesperson was created in 2009 to both strengthen cooperation between the bank and clients and increase client satisfaction as far as the products and services offered by Citi Handlowy are concerned. The bank invites its clients to engage in dialog through contact with the Client Spokesperson. Clients are able to share their opinions, comments and suggestions about the functioning of the bank, and are provided with another opportunity to have their unsuccessful complaint examined again. Clients can contact the Client Spokesperson by sending an enquiry to the Client Spokesperson. In 2022, the Client Spokesperson received 264 issues for consideration, i.e less by 33% comparing to 2021.

## Client education

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

The activities of the Foundation aimed at the enhancement of knowledge of personal finance are mainly focused on the regular monitoring Poles' attitudes in that respect, by means of opinion polling. Reports prepared on that basis are not only the source of information about the state of financial awareness at a given moment, but also allow for tracking changes taking place in that awareness over years. In 2022, the Foundation published, together with its social partners, four research reports addressing the issues involving the Poles' financial attitudes, knowledge of inflation and how to manage it, the attitudes and values of the young generation and also about combining the professional and private lives and the opinions of employers how to support people employed by them in combining those roles.

The Bank, through the Citi Handlowy L. Kronenberg Foundation, also pursues programs intended to enhance the knowledge of cybersecurity and safe use of technology in education understood as the awareness of mechanisms taking place in the Internet and the ability to spot potential threats. Hence, the Foundation initiated in 2022, for the third time, its CyberStr@ng School program. Details of educational projects arranged by the Foundation are set out in the chapter entitled "**Community Development**".

The Foundation also attaches great importance to supporting the economic potential of companies active in Poland. It supports businesses by means of participation in mentoring and incubation schemes addressed at such groups as women, STEM (Technology, Engineering, Mathematics) specialists, and migrants.

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

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

### The Procurement Policy

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

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

The principles of cooperation with vendors of the bank are regulated by the "Product and service procurement policy and vendor management principles in Bank Handlowy w Warszawie S.A." This Policy sets forth:

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

### Selection Criteria of Vendors

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

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

### Ethical and Environmental Standards

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

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

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

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

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

The bank attaches considerable importance to the agreements it concludes with suppliers containing provisions compliant with Ethical Business Practices. 74% of agreements with suppliers concluded in 2022 contain ethical clauses.

Each organizational unit being the vendor contract owner must provide for ongoing subject-matter monitoring of the proper fulfillment of contract deliverables. In addition, for contracts that are key to bank operations, the contract owner must carry out an Annual Review of Agreements and Cooperation with the Vendor.

## Communication with Business Partners

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

## Timely Payments

The Bank ensures timely payment of invoices, which eliminates hurdles in the supply network.

## Employment of Disabled Persons

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

### Employment of disabled persons at a sample vendor cooperating with Citi Handlowy in 2020-2022:

	2022	2021	2020
Total number of disabled persons employed by the vendor	188	150	129
Number of disabled persons working on contracts at Citi Handlowy	25	24	25

## 4. Compliance risk management

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

### Compliance Division

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

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

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

### Client Review

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

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

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

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

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

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

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

#### TRAINING: "COUNTERACTING MONEY LAUNDERING AND TERRORISM FINANCING"

2,778

employees of the Bank completed the training

99%

of the target



## Sanctions and Embargos

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

### TRAINING ON "ECONOMIC SANCTIONS"

2,777

employees of the Bank completed the training

99%

of the target

## Corruption prevention

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

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

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

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

In 2022, no case of corruption in the bank's activity was recorded. [\[GRI 205-3\]](#)

### TRAINING: "RULES FOR GIVING AND ACCEPTING GIFTS, PARTICIPATION IN EVENTS AND COUNTERACTING CORRUPT PRACTICES" [\[GRI 205-2\]](#)

2,781

employees of the Bank completed the training

99%

of the target

*\*the number of employee population for training was defined when the training was conducted during the year, therefore it is not the same as the population of employees presented in the report in the subsection Employment structure.*

The training mentioned above was also completed by 100% of the Management Board Members.

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

## IV. Care for the Environment

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

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

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

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

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

In 2022, Citi Handlowy raised almost 400 million of green assets and thus reached 38% of the target set in the strategy for year 2024. The Bank also actively supported its corporate clients in the transformation of their business models towards low-emissions. Drawing upon the experience of its global shareholder – Citi, a full package of solutions for its clients has been prepared: ESG consulting, financing (green credits), and in the following years Bank intends to implement the products in the area of treasury (e.g. hedging against interest rate risk), products in the area of transaction business (e.g. green deposits).

As regards the reduction of its own carbon footprint from operations, the Bank's activities intended to improve its results during 2022 were focused on:

- Pursuance of investment into innovative solutions and technologies in the renewable energy area;
- Replacement of its car fleet with hybrid cars;
- Purchasing electricity that is wholly generated from renewable energy source (it contracted 60% renewable energy purchases for 2023).

As a result of efforts made during 2022, the Bank reduced its own greenhouse emissions (Scope 1 and Scope 2) by 64% compared to 2019 and reduced the consumption of power in its own buildings by 42% compared to 2012, thus attained 100% of the target set in the strategy for emissions reduction and 100% of the target for reduction of power consumption.

In addition, three buildings owned by the Bank were certified as BREEAM IN-USE in 2022 which is indirectly aligned with the Bank's strategic goals. The certification confirms that Citi Handlowy follows good practices in the building management and maintenance. Those practices are applied both in the area of utilities management (among other things by using energy-saving led lights bulbs, energy-saving equipment and water-saving faucets) to reduce the consumption of power and water, and further in the area of rational waste management (i.a. by implementing solutions intended to reduce quantities of waste generated and to enable their recycling) and sustainable purchasing.

### 1. Sustainable financial solutions

#### 1.1. Green financing – examples from 2022

**Guarantee line for Żabka** – in 2022, Citi Handlowy and Żabka signed a guarantee line agreement incorporating certain goals in the area of responsible business and sustainable development. The agreement refers to Żabka's selected goals under the adopted ESG (Environmental, Social and Corporate Governance) Strategy – reducing greenhouse gas emissions and increasing the value of sales of store brand products that promote a sustainable lifestyle. If the specified indicators are not achieved within the agreed time, the company will provide additional funds for activities agreed upon by the parties to support the implementation of the indicated Sustainable Development Goals.

As part of the agreement, Żabka can issue bank guarantees of up to PLN 100 million at Citi Handlowy. At the same time, the bank and the company included in the agreement sustainability indicators (KPIs) that Żabka will strive to achieve. The goals specified in the agreement include a total reduction of Scope 1 and 2 greenhouse gas emissions by a quarter, and a reduction in the intensity of greenhouse gas emissions in stores by 70 percent by 2026 (as compared to 2020 indicators). Żabka is also expected to double sales of its store brand products that promote a sustainable lifestyle by 2025. After the year end, an audit is carried out to verify the implementation of sustainable development indicators. If the company fails to meet two or more of the indicators, it will provide additional funding, as specified in the agreement, for activities

supporting the achievement of the indicated Sustainable Development Goals.

**Syndicated financing for Elemental Holding** – in early 2022, Citi Handlowy joined the syndicated financing provided for Elemental Holding S.A., the domestic leader in recycling and trading in recycled materials; the Bank's share of total debt is PLN 200 million. The financing was granted to support the leader active in the sector that is the backbone of the sustainable development economy – Elemental Holding is the Polish company being the world's second largest manufacturer of platinum group metals (platinum, palladium) recovered from catalytic converters of printed circuit board and from non-ferrous metals, among others. The Group operates in 15 countries (USA, Europe, Asia). It is one of 15 European entities notified by the European Commission in the European industrial policy intended to create the sustainable mobility value chain.

## 1.2. Green products

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

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

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

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

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

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

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

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

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

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

In order to ensure long-term, sustainable development of a company it is necessary to consider three aspects: economic, environmental and social. This, in turn, creates the need to undertake activities that are socially responsible, environmentally-friendly and economically valuable, all at the same time. Citi Handlowy runs its business activity with these rules in mind, and the environmental and social risks are an essential component of the client assessment process.

When assessing the risk of the environmental impact of client's activity, it is necessary to determine whether the client emits hazardous/harmful substances, what are the consequences of such emissions or whether the client's activity has or may have negative impact on the natural and social environment.

Environmental factors may negatively affect the borrower's ability to repay their financial obligations, through a number of risk factors that generate Physical Risk and Transformation Risk. The Physical Risk and the Transformation Risk are directly linked to each other (for example, in response to the progressing climate volatility, new environmental regulations are being enacted to ensure an environmentally balanced economy).

The Physical Risk and the Transformation Risk are widely applied, mostly with respect to the climate change risk, but they can also be applied with respect to other types of environmental risk, e.g. negative impact on water resources or the loss of biodiversity.

An industry-specific risk map of environmental factors has been prepared for the purpose of assessing climate risk. The industry risk map will be reviewed on a regular basis (at least annually) to reflect changes in, for example, the regulatory environment, macroeconomic trends or social behaviors.

The industry risk map includes preliminary Physical Risk and Transformation Risk ratings for the industry.

Based on the combination of the Transformation Risk and Physical Risk ratings, the following Climate Risk Ratings are derived, as determined based on the following table:

### Climate Risk Framework

		Physical Risk		
		High	Moderate	Low
Transformation Risk	High	HIGH	HIGH	MODERATE
	Moderate	HIGH	MODERATE	LOW
	Low	MODERATE	LOW	LOW

- **High Climate Risk** (includes borrowers for whom the preliminary determined ratings were based on the combination of High Physical Risk and High or Moderate Transformation Risk, or High Transformation Risk with High or Moderate Physical Risk)
- **Moderate Climate Risk** (includes borrowers for whom the preliminary determined ratings were based on the combination of High Physical Risk and Low Transformation Risk, or Moderate Physical Risk and Moderate Transformation Risk, Low Physical Risk with High Transformation Risk)
- **Low Climate Risk** (includes borrowers for whom the preliminary determined ratings were based on the combination of Moderate Physical Risk and Low Transformation Risk, or Low Physical Risk and Moderate Transformation Risk, Low Physical Risk with Moderate Transformation Risk, Low Physical Risk and Low Transformation Risk).

In the case of Commercial Bank clients, **the Bank assigns the relevant environmental risk category to each transaction**, which is also assigned in the client's scoring. As regards Corporate and Global Clients, **transactions above USD 10 million are subject to assessment**.

The Bank does not participate in financing of any transactions prone to potential significant environmental or social risk and/or having an adverse irreversible impact on the natural environment or the people – the Bank does not finance any coal mining project or new projects of the energy production industry regarding the use of coal, and its combustion. However, Citi Handlowy focuses on financing transactions which carry no or minimal environmental or social risk.

As an exception, the Bank may consider transactions which carry a potential limited environmental or social risk and/or insignificantly affect the natural environment or society, and their effects are reversible to a great extent and neutralizable when risk mitigating methods are used, provided that it is ensured that all legal requirements related to environmental protection are met.

Due to the broad scope, individual verification is also performed with respect to Social Risk and Risk regarding Management/Corporate Governance. These risks result from the potential impact of management principles applied by the client or within the client's capital group. The assessment of Governance Risk should cover the element of management practices, including the quality of governance structures, employee relations, employee compensation policies and tax compliance. The confirmation/verification of ESG risk is done on a case-by-case basis for each credit relationship, separately for Climate Risk, other environmental factors related to environmental degradation, Social Risk, as well as the Management/Corporate Governance Risk. Out of concern for the environment, the Bank decided to refrain from financing new coal power assets or coal mining projects.

The Bank engages in active green transformation dialogue with its clients and also determines the target market sectors with a potential for sustainable development. In order to improve the ESG competencies of its employees, the Bank organized a cycle of training sessions and workshops throughout 2022 that concerned, among others, assessing client's business in the context of providing for sustainable development and environmental care, and also inspiring clients to take steps to align themselves with legal requirements or standards.

An example of such actions is the cycle of training in changes in internal policies, procedures and programs involving, among others, how to assess clients in terms of ESG criteria, and the cycle of ca. 20 meetings attended by representatives of many organizational units of the Bank (from such areas and Risk, Sales, Strategy and Investor Relations) regarding the identification and development of support instruments for businesses and the assessment of ESG issues.

## 2.1. Taxonomy Related Disclosure

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

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

The detailed scope and dates of presentation of information on environmentally sustainable economic activities, which should be disclosed under the Taxonomy, are indicated in the Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 ("**Regulation 2021/2178**"). Pursuant to Art. 10 sec. 3 of Regulation 2021/2178, from 1 January 2022 to 31 December 2023, financial enterprises disclose only: (a) the proportion in total assets of exposures to Taxonomy non-eligible and Taxonomy-eligible economic activities; (b) the proportion in total assets of the exposures to central governments, central banks and supranational issuers and derivatives, (c) the proportion in total assets of the exposures to undertakings that are not obliged to publish non-financial information, (d) qualitative information referred to in Annex XI of Regulation 2021/2178. Additionally, credit institutions shall also disclose the proportion of their trading portfolio and on demand inter-bank loans in their total assets.

Pursuant to Art. 10 sec. 3 of Regulation 2021/2178, the Bank discloses the following quantitative ratios as at December 31, 2022:

- The share in total assets of exposure to business activities eligible for taxonomy amounted to: 0.7%
- The share in total assets of exposure to non-taxonomic business activities amounted to: 1.5%
- The share in total assets of exposure to entities not subject to non-financial reporting obligation amounted to: 20.7%

- The share in total assets of exposures to central governments, central banks and supranational issuers was: 42.5%
- The share in total assets of derivative instruments amounted to: 11.7%
- The share in total assets of trading portfolios and interbank loans on demand was: 1.4%

Due to the lack of market standard in terms of disclosures regarding the exposure eligible and non-eligible for taxonomy, the above disclosures have been prepared according to the best knowledge of the Group.

In the first place, based on the list of all clients of the Institutional Banking segment, the Bank defined clients subjected to the obligation to prepare non-financial information in accordance with the Directive of European Parliament and Council No. 2014/95/EU of 22 October 2014 ("**NFRD Directive**"). To this end, the Bank used a list of enterprises publishing non-financial reports available on the website of the Reporting Standards Foundation.

In the next step, based on disclosures on taxonomy for 2021 of an identified group of clients, the Bank obtained information on the percentage of their turnover (revenues), which can be recognized as qualifying for Taxonomy. For clients who did not prepare such disclosures, the Bank did not include their exposure to calculations.

Due to the lack of uniform interpretations regarding the concept of "total assets" disclosed under the Taxonomy, it was assumed that it includes on-balance sheet exposures in line with the prudential consolidation scope disclosed in the FINREP report.

### 3. Environment Protection Management Systems

[GRI 2-23, GRI 2-25]

As early as 2007 Citi Handlowy introduced a comprehensive Environmental Management Plan. In the subsequent years, it introduced an Environmental Management System according to ISO 14001 and Energy Management System according to ISO 50001 for the main locations of the Bank. The integration of systems was based on the process approach, which enabled continuous system improvement, prevention of the occurrence of irregularities and monitoring of fulfilment of the set objectives. The system is subject to annual regulatory audits by an independent certification bureau. In 2022, another re-certification audit was conducted for the standards 14001:2014, 50001:2018. The audits confirmed that the Bank fully implements the requirements of these standards, including operation of a system supporting the fulfilment of individual statutory, regulatory and contractual requirements.

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

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

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

The Environmental and Energy Management System (SZŚiE) assumes continuous improvement and streamlining of the existing processes to achieve improvement of general impact of the environmental and energy activity. Under SZŚiE, the Bank identified significant environmental aspects and specified the related risks and opportunities. [GRI 2-23, GRI 2-24]

## 4. Limiting the consumption of resources

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

Utilities consumption ****	2022***	2021**	2020	2019*	Change 2022/2021	Change 2022/2019
Electricity [MWh P] [GRI 302-1, GRI 302-4]	9,037	9,352	9,809	11,716	-3.4%↓	-22.9%↓
Heating [GJ] [GRI 302-1, GRI 302-4]	25,292	26,903	21,605	22,435	-6.0%↓	12.7%↑
Gas consumption [m <sup>3</sup> ]	22,518	36,832	29,570	41,128	-38.9%↓	-45.2%↓
Fuel consumption for power generators [l]	5,525	5,432	5,503	5,389	1.7%↑	2.5%↑
Water consumption [m <sup>3</sup> ] [GRI 303-5]	15,984	14,630	15,532	30,594	9.3%↑	-47.8%↓
Fuel used (petrol and diesel) in company cars (in liters)	247,273	161,147	246,165	520,142	53.4%↑	-52.5%↓

\* Changes to the volumes of consumption in 2019 result from adjustments made after reporting deadline.

\*\* Changes to the volumes of consumption in 2021 result from adjustments made after reporting deadline. [GRI 3-2]

\*\*\* Data for 2022 is incomplete (as at the publication date, the Bank didn't receive all the invoices for utilities consumption)

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

The Bank collects, monitors and analyzes data regarding its consumption of utilities: electricity and heat, gas and water, in order to plan a reduction of this consumption and thus to reduce the impact of the Bank's business on climatic changes. In 2022, the Bank recorded a decrease in the consumption of electricity by about 3.4% as compared to 2021, which was attributed to modernization and investment projects regarding building infrastructure, carried out during the previous years.

As part of its initiatives to reduce the negative impact of its operations on the environment, the Bank is moving away from purchases of energy from conventional sources to replace it with renewable energy. In 2022, the Bank used the offer "Naturally, energy", which required that 55% of the volume of consumed energy must come from renewable resources. In 2023, 60% of the electricity contracted for the Bank's own buildings (which account for 83% of the portfolio) will be from renewable energy sources.

In connection with the energy crisis and the introduction of electricity supply and consumption plans for our facilities, the Bank has analyzed the contractual supply capacities set out in the contracts with its suppliers and reduced the demand for contractual capacity for the buildings situated in Olsztyn and Łódź, thus excluding them from the applicable restrictions.

In addition, the Bank has developed good practices for employees related to saving electricity during everyday work (e.g. using natural lighting, not covering blinds, turning off monitors after work), and in the event of an emergency situation

related to power outages (blackout), the Bank has developed appropriate contingency plans.

In 2022, the Bank recorded a 6% decrease in thermal energy consumption compared to 2021, due to the prevailing thermal conditions (warmer winter in 2021/2022 compared to winter in 2020/2021). The Bank also recorded a significant decrease in natural gas consumption, by 39% compared to 2021, resulting from the sale of one of its own buildings in 2022.

In 2022, the Bank recorded a 9% increase in water consumption compared to 2021, which was caused by employees returning to office in the hybrid work scheme after the pandemic. Despite the partial replacement of fittings with water-saving ones, the Bank did not manage to reduce the consumption of water in 2022 compared to 2021. At the same time, the water consumption recorded in 2022 is 48% lower compared to the pre-pandemic year 2019, which is one of the positive effects of the transition to a hybrid work model.

In order to reduce water consumption, Citi Handlowy uses a small retention system based on rainwater collection. One of our facilities has a rainwater reservoir with the capacity of 5000 liters. This reservoir is connected through a storm water drainage system with the building's roof, whose surface is about 2000 m<sup>2</sup>. During periods of drought, the Bank uses the collected rainwater to water the lawns on its property. As part of its activities aimed at reducing water consumption in the future, the Bank plans to build another rainwater tank and introduce a solution in one of the buildings that will reduce the consumption of tap water by using an installation for use of greywater in toilets.

The year 2022 is the time when the restrictions imposed in the wake of the pandemic were lifted and business activities, including meetings with clients, went back to normal. In the first quarter of 2022, the Bank lifted restrictions on business trips, which translated into an increase in fuel consumption in company cars by 53% compared to 2021. At the same time, the level of this consumption is 53% below the pre-pandemic period, achieved as a result of systematic reduction of the car fleet by the Bank and the replacement of conventional cars with hybrid ones. The car fleet replacement is planned to be completed in the first quarter of 2023.

## 4.2. Reduced consumption of materials

The operations of the Bank involve a significant consumption of paper products. A key element of the Bank's activities to reduce paper consumption is the consistent implementation of digitization, optimization and automation of business processes. As part of the *Paperless* project implemented in 2020, which covered all the organizational units of the Bank, paper consumption decreased significantly and is currently monitored on an ongoing basis. The main assumption of the implemented project is to maintain a stable level of efficiency indicators regarding: print volumes, non-leased printers, external printing houses, internal archives, document shredding, mail and couriers, and marketing materials.

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

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

Year	2022	2021	2020	2019
Delivered/used sheets/cards	1,157,665	1,040,966	1,513,491	3,594,020

The increased consumption of paper in 2022 compared to 2021 was caused by employees returning to office after the pandemic as a result of the Bank's transition to a hybrid work model.

The Bank's efforts regarding the automation and introduction of electronic document circulation (including launching the Digital Office, among other things) leads not only to the reduction of printed documents, but also of the volumes of mailed letters and bank statements. The share of traditional correspondence at the Bank has been going down from year to year (in 2022 its volume decreased by 13% compared to 2021).

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

Year	2022	2021	2020	2019
Number of letters and account statements sent	1,082,720	1,248,752	1,415,219	1,589,097

## 4.3. Waste management

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

- introducing the possibility for employees to repurchase used computers from the Bank at employee-dedicated auctions (349 computers (including 168 desktops and 181 laptops) plus 60 iPads were sold this way in 2022);
- continuing the Plasticless project, which aims to eliminate the use of plastic bottles in favor of using water from dispensers (most facilities have electric water dispensers connected directly to the water supply, so these offices do not use plastic bottles) and glass bottles;



- eliminating polystyrene foam from employee canteens in favor of biodegradable packaging (e.g. made of palm leaves, bamboo);
- introducing cardboard cups with polymers made of renewable materials and biodegradable lids made of sugar cane;
- introducing wooden cutlery made of wheat bran;
- using press containers to compact waste, which limits environment pollution related to waste transport.

Precise sorting of waste enables the recovery of more raw materials that can be recycled. For this reason, the Bank provides, in all its locations, dedicated and clearly marked containers, contributing to the higher recovery of recyclable waste generated at the Bank. In 2022, over 90% of waste generated by Warsaw locations was sent for recycling or recovery. In addition, the Bank also uses containers for destroyed, classified documents, 100% of which are recycled.

**Paper delivered by Citi Handlowy for destruction and recycling (kg)**

<b>Year</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Paper delivered for destruction and recycling (kg)	166,060	154,980	170,345	194,050

**4.4. Environmental noise protection**

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

**5. Reduced ecological footprint**

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

The carbon footprint of the Bank was calculated in 2022 in accordance with the Greenhouse Gas Protocol, using external databases of emission factors. Compared to the method used to calculate the Bank's carbon footprint in previous years, for the calculations for 2022 the emission database published by DEFRA<sup>1</sup> was used (additionally, the French EF ADAME (MR) and Polish – KOBIZE and URE indexes were used). This approach ensures a better separation and reflection of emissions in different impact categories.

The carbon footprint calculations for 2022 were made on the basis of provided data. The collected data were summarized by category for the facilities used by the Bank. The data recorded by the Bank pertain to the main activities of the Bank. The analysis disregards less substantial data, which are impossible to record or which have negligible impact on the environment. In order to meet changing requirements, the Bank, in accordance with the recommendations of the GHG Protocol, started preparations to calculate the full carbon footprint, also taking into account Scope 3, which is not covered by the reporting obligation in 2023. The consequence of the above may be, to some extent, a change in the method applied to calculate carbon footprint and another update of indicators. It is most likely that the obligation to fully report Scope 3 will become effective on 1 January 2024, therefore it is planned to obtain full Scope 3 data in the current reporting period.

Contrary to the calculations for previous years, the calculation of emissions for 2022 shows separately emissions related to the lease and use of rental of space (these emissions were not included in the calculations, as a result of which, for example, total utilities consumption was reduced by the share generated by the tenants).

<sup>1</sup> Department for Business, Energy & Industrial Strategy (DEFRA), <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

## 5.2. Greenhouse gas emissions

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

The calculation of the Bank's results of carbon footprint emissions in 2022, as in the previous year, was done using the **Location based** and **Market based** approaches. The first one allows one to indicate emissions for which the organization is directly responsible and which are tied to the energy it consumes, while the second approach allows one to take into account decisions made by the enterprise (e.g. purchase of energy certificates). Results under the *Location based and Market based* approaches amounted to, respectively: **15,367.88 tCO<sub>2e</sub>** and **12,488.28 tCO<sub>2e</sub>** – **this is a result very similar to the result from last year (despite the increase in the intensity of office work in 2022**, which translated into higher consumption of utilities, more commuting to work, more business trips and more waste). This means that **as a result of actions taken by the Bank, potential CO<sub>2e</sub> emissions in the amount of approx. 2,879.60 t CO<sub>2e</sub> were avoided.**

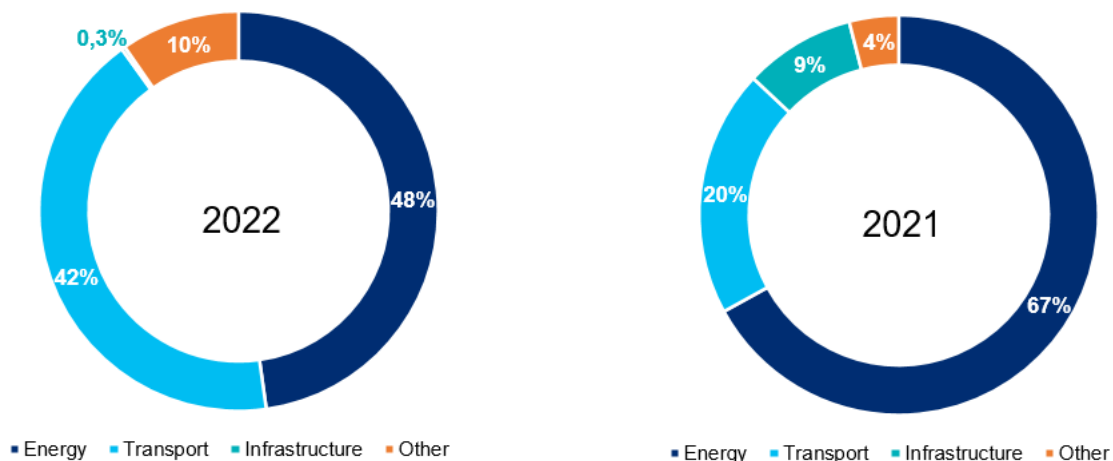
### “Market based” method

In 2022, **the volume of emissions calculated using this approach amounted to 12,488.28 thousand t CO<sub>2e</sub>, which is 18.7% less than in the Location based approach.** On the other hand, comparing these emissions to 2021, this represents an increase of emissions by about 4.6% (i.e. 546.2 tons CO<sub>2e</sub>).

Analysis of emissions structure demonstrated that **the largest percentage of emissions was tied to generation of energy (about 47.9%, as compared to 67.1% in 2021).** This decrease is the result of actions taken by the Bank, related primarily to the purchase of low-emission energy certificates, as well as investments in renewable energy sources (avoided emissions amounted to 2,880 t CO<sub>2e</sub>), despite a higher demand for energy in 2022 (lower temperature in 2022 and an increased number of office work hours). These factors also translated into an increase in the share of transport in total emissions. **The increase in emissions from transport from 19.6% in 2021 to 42.4% in 2022** was caused by the change in the work schedule – less remote work (higher emissions from employees' commuting to work). Among the other emission categories, a change was indicated in the category of **infrastructure (a decrease from 9.3% in 2021 to 0.3% in 2022)**, which resulted from lower expenditures on infrastructure. The other emissions accounted for a relatively small percentage (an increase from approx. 4.0% in 2021 to 9.7% in 2022), after the data presentation model was changed.

The fluctuations in the emission structure resulted mainly from a change in the intensity of remote work after the introduction of the hybrid work model (work at the office was increased to 3 days a week), which translated into a higher consumption of utilities and more business trips and commuting. The structure of emissions in the years 2022 and 2021, broken down by category, is presented below.

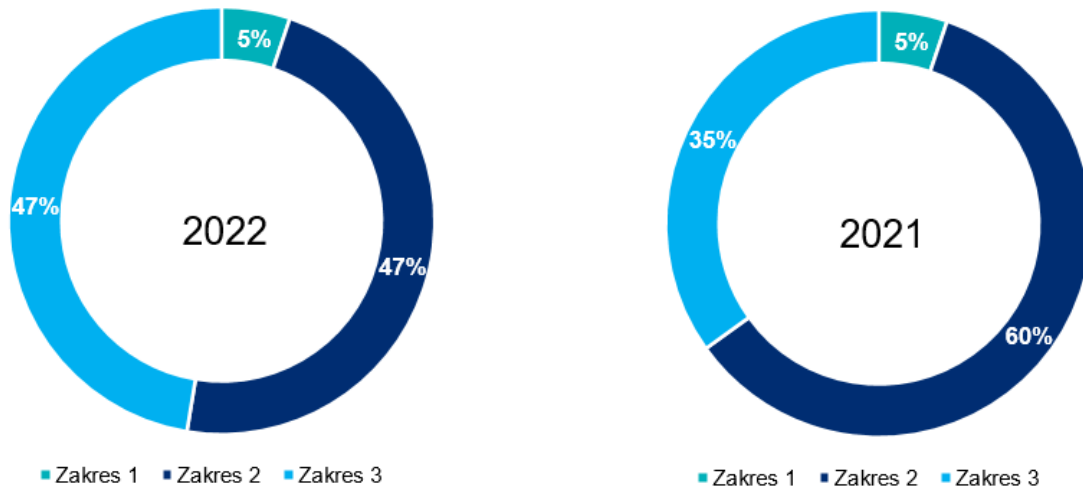
### Structure of carbon footprint emissions in 2022 and 2021 by category



\* Changes in the volume of emissions in 2021 compared to the data published in the report for 2021 result from the recalculation of emissions based on adjustments to utilities consumption made after the reporting date. [GRI 3-2]

Carbon footprint emissions are also presented per emission scopes. **The largest share was tied to indirect emissions (Scope 2)**, which are not controlled directly by the Bank. The share of these emissions was much lower in 2022 and amounted to **47.4%** (compared to 59.6% in 2021). Emissions of Scope 1 and Scope 3 amounted to, respectively: **Scope 1 – 5.2%** (vs. 5.5% in 2021), **Scope 3 – 47.4%** (vs. 34.9% in 2020). The differences in the volumes of emissions of the individual scopes need to be attributed again primarily to the effect of the COVID-19 pandemic, employees returning to offices, and the increased intensity of work performed in 2022 from the office, and with respect to indirect emissions – to investments into renewable energy sources and purchase of energy certificates from suppliers.. The greatest impact on the increase in Scope 3 emissions compared to 2021 was due to the increased number of business trips in 2022 compared to 2021. The Market based approach emission structure, taking into account the scopes, is presented in the charts below.

Structure of carbon footprint emissions in 2022 and 2021 by scopes



Explanation of the differences in the CO<sub>2</sub> emissions in 2022 versus 2021

Detailed results of carbon emissions of Citi Handlowy in 2022 and 2021

Specification	2022				2021			
	Emissions by Scope [t CO <sub>2e</sub> ]				Emissions by Scope [t CO <sub>2e</sub> ]			
	Scope 1	Scope 2	Scope 3	Total	Scope 1	Scope 2	Scope 3	Total
ENERGY	60	5,922	176	6,158	111	7,116	791	8,018
TRANSPORT	536		5,577	6,113	469		1,871	2,340
INFRASTRUCTURE			36	36			1,107	1,107
WATER CONSUMPTION			2	2			4	4
OFFICE SUPPLIES			122	122			158	158
WASTE			4	4			241	241
OTHER								
AIR CONDITIONING	54			54	74			74
<b>TOTAL</b>	<b>650</b>	<b>5,922</b>	<b>5,917</b>	<b>12,489</b>	<b>654</b>	<b>7,116</b>	<b>4,172</b>	<b>11,942</b>

Table: Inventoried data from the Bank's operations for 2022

Comments:

- The differences between the emissions data for 2021 and the data provided in the report for 2021 result from the recalculation of these emissions due to higher consumption of some utilities recorded based on invoices received by the Bank after the publication date of the non-financial data report for 2021. [GRI 3-2]

The reduction in emissions in the Energy category by 23.2% compared to 2021 is a result of module remodeling, investments made by the Bank in renewable energy sources and purchase of energy certificates [GRI 305-5], while the increase in emissions in the Transport category in 2022 by 161.2 % compared to 2021 was caused by a change in the work model (more employees commuted to offices in 2022). Changes in emission volumes in the other categories result from the remodeling of the module and updates or changes to indicators used for calculations.

Comparing the carbon footprint result (using the Market based method – 2022/2021), it can be discerned that Citi Handlowy's emissions increased by approx. 4.6%, which can be explained by a higher intensity of work at the office in the Bank's branches. The larger carbon footprint is noticeable mainly in categories such as heating, commuting and business trips. Bearing in mind the reduction of emissions from the Bank's operations in the future, attention should be paid to those areas that generate the highest emission levels, i.e. electricity generation, heating and transport. Those areas offer the greatest possibilities to reduce environmental impact as they can generate electricity and heat from their own zero- or low-emission sources. Another solution could be to increase the share of energy purchased from certified (low-emission) sources, which will certainly translate into a lower carbon footprint. The significant level of transport emissions makes it possible to consider reducing emissions in this area, for example through a wider use of ecological transport (e.g. purchase of electric/hybrid cars, use of lower-emission public transport) and promotion of this mode of transport among employees. Significant Scope 3 emissions also provide an opportunity to reduce carbon footprint by establishing cooperation with partners (suppliers) that can provide low-carbon-footprint materials.

**GHG emissions intensity [GRI 305-4]**

Ratio	2022	2021	Change YoY
GHG Emissions GHG Scope 1, 2, 3 (t CO2e) / Group's revenues (PLN MM)	3.42	5.07	(33%)
GHG Emissions GHG Scope 1+2 (t CO2e) / Group's revenues (PLN MM)	1.80	3.30	(45%)
GHG Emissions GHG Scope 1, 2, 3 (t CO2e) / No. of Group's employees	4.20	4.09	3%
GHG Emissions GHG Scope 1+2 (t CO2e) / No. of Group's employees	2.21	2.66	(17%)

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

Locations of Citi Handlowy are monitored for their environmental impact on an ongoing basis in order to obtain ever better results in this respect. Due to the complexity of environmental challenges, in 2022 Citi Handlowy undertook the following pro-ecological activities:

- Implementation of BREEAM IN-USE certification (one of the world's most recognizable sustainable building rating systems) for the Bank's facilities located in Olsztyn at ul. Pstrowskiego 16 and in Warsaw at ul. Traugutta 7/9 (with a very good result) and for the facility in Warsaw at ul. Senatorska 16 (with a good result). In the following years, after a thorough renovation of the building at ul. Senatorska 16, the Bank wants to raise the rating for this investment project.



- Search for clean (low-emission) energy sources by starting further photovoltaic investment projects in Warsaw locations. On the roof of the building located in Warsaw at ul. Senatorska 16, 50 kW photovoltaic panels were installed, and in the Warsaw location at ul. Traugutta, the documentation for the planned investment is being completed – its target capacity will be about 17 kW.
- Reduction of the negative impact on the environment of the building located in Warsaw at ul. Senatorska 16 by starting its thorough renovation. During the renovation works, the lighting will be upgraded to LED technology, ventilation and air conditioning will be modernized (by replacement of ventilation control units and fan coil units), the roofing will be replaced and the building will undergo thermal modernization and a greywater utilization system will be developed.
- Installation of stands for bicycles and electric scooters along with a vehicle charging station in Warsaw locations in order to encourage employees to use these means of transport.

#### 5.4. Pro-ecological projects

Citi Handlowy has been building a high level of environmental awareness among its employees by promoting pro-ecological initiatives. Examples from 2022 include:

- The *Ekokwartalnik* magazine for employees was still published. It presents information on ecological solutions implemented by the Bank.



- **Eco driving** – a project carried out jointly with Toyota, aimed at reducing fuel and tire use and increasing road safety.
- **Workshops for employees on microplastics** in air, soil and water, and on related extended producer responsibility.
- **Educational campaigns** for employees to promote appropriate habits, e.g. “zero waste.”
- **WWF Earth Hour** – in 2022, the Bank encouraged employees to join the Earth Hour campaign and turn off the lights as a symbolic gesture of caring for our Planet. By this, the Bank drew attention to the ongoing climate change as one of the most serious threats to the modern world.
- **Earth Day** – Citi Handlowy has supported this campaign for 12 years, promoting pro-environmental activities and behaviors among employees. For the 2022 World Earth Day, the Bank presented to its employees some key issues related to carbon footprint and the impact of everyday behavior on the environment.
- **European Week for Waste Reduction** – as part of this campaign, Citi Handlowy educated employees on ways to reduce and reuse waste.
- **Bookcrossing** – a book sharing campaign. In selected facilities of the Bank, bookshelves were made available, which employees can use to exchange books as part of the campaign.

The Bank's initiatives in the field of environmental protection were published in the report **“Responsible Business in Poland. Good Practices.”** Three projects from last year were distinguished: hotels for insects, an integrated system of environment and energy protection, and a photovoltaic power plant.

## V. Development of talents and respect for diversity

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

### 1. Diversity

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

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

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

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

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

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

The total gender diversity ratio in the Bank’s management and supervisory bodies has been growing systematically and in 2022 it reached 60%. It increased to 63% in the Supervisory Board in 2022 as compared to 50% in 2021, whereas the gender diversity ratio in the Management Board in 2022 is maintained at 57%.

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

	2022	2021	2020	2019
Management Board	57%	57%	43%	43%
Supervisory Board	63%	50%	33%	25%
<b>Total (Management Board &amp; Supervisory Board)</b>	<b>60%</b>	<b>53%</b>	<b>37%</b>	<b>32%</b>

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

In October 2021 a woman was appointed as the President of the Bank’s Management Board. Ms. Elżbieta Światopełk-Czetwertyńska is the 27th President of the Bank and the first woman in that position in the Bank’s 150-year history. **[GRI 405-1]**

Citi Handlowy's Management Board by age and gender in 2022 [GRI 405-1]

Year	Age	Female	Male	Total
2022	31-50	2	1	3
	> 50	2	2	4
<b>Total</b>		<b>4</b>	<b>3</b>	<b>7</b>

Citi Handlowy's Supervisory Board by age and gender in 2022 [GRI 405-1]

Year	Age	Female	Male	Total
2022	31-50	3	1	4
	> 50	2	2	4
<b>Total</b>		<b>5</b>	<b>3</b>	<b>8</b>

Gender diversity at Citi Handlowy in 2022: [GRI 2-12]

- **share of female managers was 51%**
- **share of women on the Bank's Management Board was 57%**
- **women and men holding equivalent positions receive remuneration corresponding to their competences, on comparable levels** – the remuneration of women employed at Citi Handlowy is comparable to the aggregate remuneration\* of men and, as at the end of 2022, amounted to **93%** of the remuneration of men (taking into account employees actively performing work, the areas where they are employed and their pay grades based on full-time equivalent – excluding child care leave, unpaid leave and long-term sick leaves). This ratio calculated on the basis of basic salary is 94%. [GRI 405-2]  
*\*aggregate remuneration for 2021 understood as annualized average revenue of employees working as at 31/12/2022 for 2022, converted to full-time equivalent, excluding employees on child care leave, unpaid leave and on long-term sick leaves as at 31/12/2022).*
- **the Management Board of the Bank is headed by a woman**, and three key areas of the Bank's business, namely Risk, Finance and Operations & Technology, are led by female members of the Management Board of Citi Handlowy
- **the average length of service at Citi Handlowy oscillates around 10.9 years**; for women this average has been growing in recent years and in 2022 was over 11.6 years (the same as in 2021).

**Diversity IN Check: Citi in Poland among employers with the most advanced diversity policy**

Citi Handlowy and Citibank Europe plc. made the list of employers with the most advanced diversity management in Poland, compiled by the Responsible Business Forum. The fact that the Bank was included on the list speaks to the high level of its maturity in creating an inclusive workplace that is open to diversity. It is also yet another ranking that confirms the Bank's serious commitment to building the organization where everyone can be themselves and where differences are something that unites, and not divides people.

Women's Network Poland

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

Women's Network Poland mission:

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

Women's Network inspires women to invest in themselves by taking part in training, mentoring, meetings with successful people and integration meetings. It organizes soft skills training sessions for women (e.g. the role of emotional

intelligence, ability to cope with stress, efficiency of action, etc.), IT skills (e.g. data visualization) and inspirational sessions. It conducts mentoring for female colleagues who need friendly advisory in professional career development. It supports women in establishing new and close contacts, propagates a pro-feminine approach in the organization and outside the organization, helps women to find balance between work and private life.

In 2022, the Women's Network Poland organized events, both online ones as the inspirational sessions „Let's Talk: Women in Leadership Roles” and face to face events, e.g. the inspirational and motivating meetings with female and male leaders from the Citi Group. In addition, the Women's Network traditionally took part in numerous external pro-women initiatives such as mentoring by the Entrepreneurial Women Foundation (Fundacja Przedsiębiorczych Kobiet), the "Perspektywy" Foundation (Women in Tech), or the Vital Voices Foundation (LeadersIn), and also external events such as the Baba Fest festival in Olsztyn.

## Citi Pride Network Poland

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

In 2022, the Pride Network and the Love Does not Exclude Association (Stowarzyszenie Miłość Nie Wyklucza) jointly organized a series of trainings for employees focusing on why it is worthwhile to talk about LGBT+ issues at work, and how to do it right. They also held debates about inclusiveness and coming outs, with such invitees as Lambda Warsaw and representatives of other employee networks active within the Citi Group. Being an inclusive employer, Citi Handlowy was present at the Warsaw-Kiev Equality Parade. Both female and male colleagues expressed their support to diversity during the march and in the Equality Town. The reactions of clients and other employees were positive. Also in 2022, Citi Handlowy together with Citibank Europe plc acceded to the Business Does Not Exclude action to manifest that their offices and branches are safe places for everybody.

The Pride Network's activities are not only visible to employees but also noted by external organizations. In 2022, thanks to the actions of Citi Pride Network Poland, Citi Handlowy and Citibank Europe plc received **two nominations for the LGBT+ Diamonds Awards in the following categories: "Employee of the Year Supporting LGBT+ Persons" and "Employee LGBT+ Network of the Year"**. The actions undertaken by employees were also described in the „Employer branding. Practical Guide – D&I”.

## Families Matter Network Poland

The initiative of Families Matter Network Poland brings together employees who are familiar with the subject of parenting, family and bringing up children as well as challenges faced by all generations nowadays. In 2022, the leading topics included, among others, support for families – children and parents - during the hybrid work model.

Furthermore, in June 2022, the Families Matter Network jointly celebrate the Day of Mother, Father and Child at three family picnics in Łódź, Olsztyn and Warsaw, under the slogan “Family Day”, and organized a competition with prizes for children “Child's Dream”. The picnics were full of games, inflatables, animators, competitions and all kinds of attractions and plays dedicated to families; more importantly, they were full of smile and joy of spending time together. In addition, employees and their children who shared their dreams, received cinema tickers.

In December 2022, we organized the season's competition „In Mood for Christmas Decorations” for employees and their families to prepare Christmas decorations, wreaths and baubles, also in the spirit of zero waste and those made of recycled or natural materials. Those employees who received most votes from their colleagues in the related survey, were awarded with family cinema tickets and vouchers for snacks and drinks.

As a part of the action „April – Month of Celebrating That Families Matter in Citi”, the Network organized the webinar on “How to encourage your children to read.” The webinar was attended by the representatives of the EDICO Foundation that cooperates with the Citi Handlowy Foundation in the program entitled CyberStr@ngSchool. The webinar was intended as a tool to assist employees – parents in selecting books for children and teenagers, to make reading their passion and to take our children on a journey that is so interesting to make up for (and partially to pull them away) from the engaging world of computer games.

## Citi DisAbility Network

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

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

This is why in 2022 Citi Disability Network co-created the following actions:

- **“Pay attention campaign”** – continuation of informational campaign carried out in 2021 in cooperation with the Vis Maior Foundation, under which practical tips on how to behave in contacts with a blind person were developed. The Network undertook to regularly share interesting facts and useful tools which facilitate the daily



functioning of people with different forms of disability – whether concerning us, our families or clients. This way, the Network is building not just social awareness but also broadly understood empathy. The Network’s website that is available to employees regularly featured attractive information, guidance and suggestions to encourage reflection and change. The Network’s actions were announced in the weekly newsletter where the employees were able to read the posts displayed at the Network’s DisAbility page.

- **”Practical Savoir Vivre Guide towards People with Disabilities”** – publication of guidance and suggestions how to behave on any day to prevent problematic situations resulting from good intentions. Another lesson in sensitivity and practical solutions.
- **Citi Global Community Day** - the O&T sector volunteers took part in interesting initiatives, for example they supported the "Rainbow" Association of Parents and Friends of Blind and Visually Impaired Children (Stowarzyszenie Rodziców i Przyjaciół Dzieci Niewidomych i Słabowidzących Tęcza) in Warsaw. It was possible to carry out all the necessary work on the Association's premises and to purchase the equipment the children lacked.
- **Meeting with an interesting guest** – the International Day of People with Disabilities was celebrated by the Network by the meeting with Sławomir Strugarek, expert in the availability of digital technologies for visually impaired people and initiator of research and development projects, expert in assisting technologies. Those attending the meeting were able to see how applications allow visually impaired or blind people to distinguish between banknotes, read information embedded in bar codes or even to apply makeup.

Citi Handlowy is a place where competences, passion and commitment matter. We not only strive to change the perception of disability, but we employ disabled people at the Bank. Over the period of the last three years, the employment ratio of disabled persons at the Bank is gradually growing.

#### Employees with disabilities at Citi Handlowy

	2022	2021	2020	2019
Number of disabled employees at Citi Handlowy	33	25	23	21

## 2. Employee development

### [GRI 404-2]

Citi Handlowy follows Leadership Principles, which are a catalogue of attitudes and behaviors that an employee is expected to display and promote in their everyday work.

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

Citi Handlowy maintains the approach, as introduced earlier, that supports thinking about development in the context of process as opposite to an approach focusing on one-off interventions. The development is promoted using the 70:20:10 method, that is experience: exposure: formal education. Thanks to it, a natural path of employee development not only entails a formal education but also participation in projects, organizational challenges, activities that transgress the current specialization, mentoring, coaching and other processes. Thanks to such approach, employees not only take advantage of the available educational resources but also of processes relating to the Performance Management, and the expertise and experience of other employees of the Bank.

In case of formal educational opportunities, employees use online resources that include thousands of training materials – the variety of their topics, formats and levels makes it possible for everybody to find the right path depending on individual needs. A growing number of development supporting technologies (such as mobile applications) enables the user to learn at any time and supports a learning culture and learning habit in the organization.

The Bank’s business variety and specific needs determine directions and requirements concerning professional knowledge necessary to preserve best quality services for, be it, internal partners or external clients. Therefore, Citi Handlowy preserved the obligatory specialist training package for specialists and experts in a given area as part of their professional development path (e.g. Compliance, Risk or business). Every employee who undergoes an onboarding process at Citi Handlowy also undergoes “orientation” training, during which they become familiar with the organization, its values, culture, leaders as well as ethical and developmental aspects. This gives an employee a better understanding of the Bank, its structure, management approaches and attitudes, and the dynamics of the employee lifecycle. An all day long meeting on the first day allows the employee to familiarize themselves with many uncertainties, concerns or issues. **In 2022, 372 people participated in the Orientation training. As of 2021, all Orientation sessions for new hires were conducted online, with cameras on, in an open and friendly atmosphere.**

In addition, all new hires of the Bank are invited to participate in the Hello Citi! Development program that allows them to learn about all material aspects of the functioning of the Bank, its organizational units, clients, the code of ethics in place, and many others. After completing the onboarding program, all new hires are invited to take part in the e-learning program for several weeks, where they study in groups. It enables the employees to establish relationships and learn from other

Citi employees all over the world.

The employee development at Citi Handlowy primarily takes place on e-learning platforms, such as Degreed, where they can find development paths, individual development plans, sources of knowledge available for use to each employee: applications, articles and multimedia materials.

<b>Number of training hours</b>	<b>2022</b>	<b>2021</b>
Total	87,409	91,296
Per person	32.0	29.7

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

**[GRI 404-2]**

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

The Bank's Managers are also able to use support offered by the special unit active in Citi that is responsible for coaching new managers how to become executives in line with the standards in place in the organization. This program covers the first twelve months of a given manager's work in the organization. It consists of three development programs: Welcome to Citi Management, Management Essentials, and Managing at Citi.

In addition, the managers are able to participate in programs delivered by online facilitators. Those programs involve the basic and advanced managerial skills such as team building, feedback, delegating and many others. The training formula is short and flexible, thus allowing to match them efficiently to the realities and needs of the organization.

## **2.3. Talent Development Process**

**[GRI 404-2]**

One of the key values of Citi Handlowy is talent development, i.e. the development of persons who have above average developmental potential and may, in a short time, assume managerial positions.

Talent Management Programs assume orderly attitudes, transparent rules, diverse and practical developmental activities and strong commitment on the part of the management and Talents themselves. They promote a proper attitude and values, create a culture oriented to development and ensure the continuity of employment regarding key positions as well as retaining of the best persons in its structures.

The employees, depending on their functions, can choose among many talent programs that are oriented at enhancing competencies to foster the pace of career development in the future. Those programs are more and more frequently organized with external partners to raise their profile and encourages participation.

## **2.4. Assessment process in Citi Handlowy**

**[GRI 404-3]**

Employee development is supported by Citi Handlowy also through an annual assessment process, where employees gain information on their strong points and areas which need to be developed.

The particular advantage, which makes it possible to effectively support the development of employees, is the ability to submit or request feedback that is available at any time in the course of the year. The employees may use this functions in the Workday system. Employees may obtain feedback from colleagues and managers at any time during the year. The assessment process looks at how goals were achieved ("What") and how they were achieved ("How") – based on three Leadership Principles defined for three types of employees in the organization: executives, managers, and self-managing employees.

In 2022, employee assessment was obtained by 99% of eligible employees. Annual assessment does not cover employees with long-term absences during the year or employees for whom an annual assessment is not possible due to a short length of service at the Bank. The process of annual assessment enables the employees to make informed decisions about the directions of their development as well as regarding areas worth reinforcing. The qualitative assessment also greatly affects the in-depth understanding of one's own competencies. It is a part constituting the basis for annual interviews with supervisors.

## **2.5. Remuneration policy**

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

reviewed on a regular basis annually, taking into account the employee's annual assessment, their skills and scope of responsibilities juxtaposed with data obtained from market research concerning the level of remuneration in the industry.

The remuneration of women employed at Citi Handlowy is comparable to the aggregate remuneration\* of men and, as at the end of 2022, amounted to 93% of the remuneration of men (taking into account employees actively performing work, the areas where they are employed and their pay grades based on full-time equivalent – excluding child care leave, unpaid leave and long-term sick leaves). This ratio calculated on the basis of basic salary is 94%. **[GRI 405-2]**

Each year, the Bank analyzes salaries in the context of wage equality as part of the annual remuneration review and does not rule out allocating additional funds for this purpose in subsequent years. In previous years, as well as during the annual remuneration review in 2023, the Bank allocated special funds to increase the equal pay of women and men under the so-called "pay equity".

**AVERAGE REMUNERATION AT CITI HANDLOWY (PLN)**

	2022	2021	2020	2019
Total remuneration*	14,107	13,269	10,867	10,410

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

**2.6. Awards and recognition**

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

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

**Recruitment**

In terms of attracting talent, Citi Handlowy takes advantage of the synergy of internal and external recruitment, and optimizes the effectiveness of processes in place.

In 2022, in view of the declining infection rates and the modification of pandemic restrictions, the Bank continued its recruitment processes using both technological tools and direct contacts. Providing for the feeling of security and comfort, but also addressing the needs of candidates for self-presentation in personal discussions, the Bank executed 924 hires during the year.

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

The consistent monitoring effort of recruitment processes in terms of the number of hired women translates into the employment statistics. In 2022, the number of women employed internally and externally exceeded the number of men. Hence, at the recruitment stage, this allows us to attract a diverse pool of candidates for open positions.

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

Year	Female (No.)	Female (%)	Male (No.)	Male (%)	Total (No.)	Total (%)
2019	373	58%	267	42%	640	100%
2020	232	49%	246	51%	478	100%
2021	440	59%	305	41%	745	100%
<b>2022</b>	<b>567</b>	<b>61%</b>	<b>357</b>	<b>39%</b>	<b>924</b>	<b>100%</b>

Year 2022 was another year when female recruitments predominated. This was possible through consistently implemented recruitment strategy and the use of a variety of sourcing techniques. The undertaken activities translate into effective acquisition of talents – both for key expert positions, as well as entry-level positions.

## 4. Employment structure

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

Year	Female (No.)	Female (%)	Male (No.)	Male (%)	Total (No.)
2019	2,013	63%	1,161	37%	3,174
2020	1,942	63%	1,158	37%	3,100
2021	1,806	62%	1,114	38%	2,920
<b>2022</b>	<b>1,853</b>	<b>62%</b>	<b>1,120</b>	<b>38%</b>	<b>2,973</b>

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

Total number of employees by gender, region and working time (No.):

City	Working time	Female (Lp)	Male (Lp.)	Total (Lp.)
Warszawa	full time	972	718	1 690
	part time	43	30	73
Olsztyn	full time	436	132	568
	part time	12	7	19
Łódź	full time	188	89	277
	part time	6	1	7
Katowice	full time	35	29	64
	part time	0	0	0
Kraków	full time	31	31	62
	part time	0	0	0
Poznań	full time	36	25	61
	part time	0	0	0
Gdańsk	full time	28	23	51
	part time	0	0	0
Wrocław	full time	29	18	47
	part time	0	0	0
Szczecin	full time	12	5	17
	part time	0	0	0
Gdynia	full time	10	4	14
	part time	1	0	1
Other*	full time	14	8	22
	part time	0	0	0
<b>Total</b>		<b>1,853</b>	<b>1,120</b>	<b>2,973</b>

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

**Non-Financial Statements of Bank Handlowy w Warszawie S.A. and the Capital Group of Bank Handlowy w Warszawie S.A. for 2022**

**TRANSLATION**

Total number of employees in 2022 by position, gender and age (No.):

Position	Age	Female (No.)	Male (No.)	Total (No.)
Management Board	>50 lat	2	2	4
	31-50 lat	2	1	3
<b>Total Management Board</b>		<b>4</b>	<b>3</b>	<b>7</b>
Senior managers	>50 lat	12	16	28
	31-50 lat	33	62	95
<b>Total Senior managers</b>		<b>45</b>	<b>78</b>	<b>123</b>
Managers	>50 lat	28	19	47
	31-50 lat	162	130	292
	<=30 lat	3	6	9
<b>Total Managers</b>		<b>193</b>	<b>155</b>	<b>348</b>
Other employees	>50 lat	180	83	263
	31-50 lat	1,176	624	1,800
	<=30 lat	255	177	432
<b>Total Other employees</b>		<b>1,611</b>	<b>884</b>	<b>2,495</b>
<b>TOTAL</b>		<b>1,853</b>	<b>1,120</b>	<b>2,973</b>

There are almost as many women in managerial position as men. This proportion slightly leaned in favor of women during 2022.

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

Year	Female (No.)	Female (%)	Male (No.)	Male (%)	Total (No.)
2019	230	49%	236	51%	466
2020	223	49%	231	51%	454
2021	225	49%	231	51%	456
<b>2022</b>	<b>242</b>	<b>51%</b>	<b>236</b>	<b>49%</b>	<b>478</b>

**Non-Financial Statements of Bank Handlowy w Warszawie S.A. and the Capital Group of Bank Handlowy w Warszawie S.A. for 2022**

**TRANSLATION**

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

Year	Contract type	Female		Male		Total	
		No.	%	No.	%	No.	%
2019	fixed-term	94	53%	82	47%	176	6%
	for an indefinite period	1,905	64%	1,071	36%	2,976	94%
	substitute	14	64%	8	36%	22	1%
<b>Total</b>		<b>2,013</b>	<b>63%</b>	<b>1,161</b>	<b>37%</b>	<b>3,174</b>	<b>100%</b>
2020	fixed-term	86	46%	101	54%	187	6%
	for an indefinite period	1,839	64%	1,047	36%	2,886	93%
	substitute	17	63%	10	37%	27	1%
<b>Total</b>		<b>1,942</b>	<b>63%</b>	<b>1,158</b>	<b>37%</b>	<b>3,100</b>	<b>100%</b>
2021	fixed-term	131	56%	105	44%	236	8%
	for an indefinite period	1,662	62%	1,001	38%	2,663	91%
	substitute	13	62%	8	38%	21	1%
<b>Total</b>		<b>1,806</b>	<b>63%</b>	<b>1,114</b>	<b>37%</b>	<b>2,920</b>	<b>100%</b>
<b>2022</b>	<b>fixed-term</b>	<b>161</b>	<b>58%</b>	<b>119</b>	<b>42%</b>	<b>280</b>	<b>9%</b>
	<b>for an indefinite period</b>	<b>1,683</b>	<b>63%</b>	<b>993</b>	<b>37%</b>	<b>2,676</b>	<b>90%</b>
	<b>substitute</b>	<b>9</b>	<b>53%</b>	<b>8</b>	<b>47%</b>	<b>17</b>	<b>1%</b>
<b>Total</b>		<b>1,853</b>	<b>62%</b>	<b>1,120</b>	<b>38%</b>	<b>2,973</b>	<b>100%</b>

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

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

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

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

Year	Female	Male	Total
2019	10.7	8.8	10.0
2020	11.4	9.2	10.6
2021	11.6	9.6	10.8
<b>2022</b>	<b>11.6</b>	<b>9.7</b>	<b>10.9</b>

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

Employed under a contract of mandate	Female	Male	Total
<b>2021</b>	<b>2</b>	<b>1</b>	<b>3</b>
<b>2022</b>	<b>4</b>	<b>8</b>	<b>12</b>

## Work-Life Balance

Citi Handlowy combines the pursuance of business objectives with taking care of the effectiveness and balancing of work and personal life of its employees. This is possible thanks to flexible working conditions offered by the Bank. In 2022, we began to implement the target work model allowing numerous employees to work in the hybrid mode, namely three weekdays in the office and two weekdays remotely. This approach enables our employees to integrate within their teams, and to develop and share knowledge, as well as to combine work with private life more efficiently.

Citi Handlowy is an organization which is concerned with building an environment in which every employee can create a balance between their personal obligations, development at the workplace, and fulfilment of their professional aspirations. Over the last four years, around 65% of employees on maternity-related absences have been returning to work.

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

Year	Gender	Persons on maternity-related absences* during the period surveyed	Returns from maternity-related absences during the period surveyed (in numbers)	Returns from maternity-related absences during the period surveyed (in %)
2019	Female	357	228	64%
	Male	98	96	98%
	<b>Total</b>	<b>455</b>	<b>324</b>	<b>71%</b>
2020	Female	316	197	62%
	Male	85	83	98%
	<b>Total</b>	<b>401</b>	<b>280</b>	<b>70%</b>
2021	Female	288	168	58%
	Male	65	60	92%
	<b>Total</b>	<b>353</b>	<b>228</b>	<b>65%</b>
<b>2022</b>	<b>Female</b>	<b>230</b>	<b>145</b>	<b>63%</b>
	<b>Male</b>	<b>45</b>	<b>44</b>	<b>98%</b>
	<b>Total</b>	<b>275</b>	<b>189</b>	<b>69%</b>

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

Among the employees who returned from the maternity-related absence in 2021, 72% of employees worked 12 months after returning from this absence (including 71.6% of women and 73.3% of men).

By force of decision of the Bank's Management Board, as of January 2021 the employees are entitled to additional two weeks of paid paternity leave. Citi Handlowy's employees are entitled to four weeks of the paternity leave, subject to provisions and legal requirements in force in Poland. The Bank believes that this additional paternity leave brings greater benefits in comparison with the current standards in the labor market and enables Citi Handlowy's employees to find time to adjust to their role and build a relationship with the new family member. From January 2021, all biological and adoptive fathers entitled to paternity leave shall be eligible to take it. In 2022, twenty two fathers profited from the additional paternity leave.

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

Year	Paternity leave (statutory)	Paternity leave (additional)	Total
2021	62	16	78
<b>2022</b>	<b>42</b>	<b>21</b>	<b>63</b>

## Employee age group by gender

[GRI 2-7, GRI 405-1]

Most of our employees are persons aged 31-50.

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

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

Year	Age	Female		Male		Total	
		No.	%	No.	%	No.	%
2019	<= 30 yrs.	298	58%	214	42%	512	16%
	31-50 yrs.	1,546	64%	871	36%	2,417	76%
	> 50 yrs.	169	69%	76	31%	245	8%
Total		2,013	63%	1,161	37%	3,174	100%
2020	<= 30 yrs.	243	56%	188	44%	431	14%
	31-50 yrs.	1,522	63%	884	37%	2,406	78%
	> 50 yrs.	177	67%	86	33%	263	8%
Total		1,942	63%	1,158	37%	3,100	100%
2021	<= 30 yrs.	225	54%	188	46%	413	14%
	31-50 yrs.	1,388	63%	822	37%	2,210	76%
	> 50 yrs.	193	65%	104	35%	297	10%
Total		1,806	63%	1,114	37%	2,920	100%
<b>2022</b>	<b>&lt;= 30 yrs.</b>	<b>258</b>	<b>59%</b>	<b>183</b>	<b>41%</b>	<b>441</b>	<b>15%</b>
	<b>31-50 yrs.</b>	<b>1,373</b>	<b>63%</b>	<b>817</b>	<b>37%</b>	<b>2,190</b>	<b>74%</b>
	<b>&gt; 50 yrs.</b>	<b>222</b>	<b>65%</b>	<b>120</b>	<b>35%</b>	<b>341</b>	<b>12%</b>
<b>Total</b>		<b>1,853</b>	<b>62%</b>	<b>1,120</b>	<b>38%</b>	<b>2,973</b>	<b>100%</b>

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

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



Employee rotation trends in 2019-2021 (in %)

Year	Overall attrition	Voluntary attrition	High performers attrition	Transfer from Citi Handlowy to Citi
2019	16.4%	9.8%	5.9%	11.0%
2020	12.1%	6.7%	3.9%	11.1%
2021	14.4%	9.2%	6.9%	13.1%
<b>2022</b>	<b>15.3%</b>	<b>10.8%</b>	<b>7.5%</b>	<b>12.3%</b>

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

The employee satisfaction results in the various categories reached in 2022 levels higher than a year ago. The employee commitment indicators went up. The Leadership Principles underlying the cultural change implemented at the Bank, were surveyed for the second time in 2022. The cultural change is based on three primary principles: "shared responsibility", "work with pride" and "joint achievement of success".

VOE results in 2019-2022 (%)

	2019	2020	2021	2022
Response rate	87%	91%	89%	94%
Employee engagement	69%	77%	71%	78%
Manager effectiveness	84%	88%	88%	93%
Ethical culture	90%	92%	92%	94%
Diversity	83%	88%	87%	87%
We take responsibility	-	-	89%	93%
We work with pride	-	-	90%	94%
We achieve success together	-	-	89%	92%

Risks in the employee area

[GRI 2-23]

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

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

## 5. Concern for employees

### People Board

[GRI 2-12]

**People Board** is a group of 9 representatives of employees appointed in internal elections by the employees. The People Board was created within the People Strategy implemented at the Bank as an element of the cultural change. The intention to create that group and its main purpose was to create an effective dialogue between the Management Board and the employees of the Bank. The second edition of People Board elected by employees expired in 2022, and the electoral campaign began in order to elect the third edition of People Board that will start working in early 2023. In 2022, the main task of that group was to continue communication with employees by means of regular collection of feedback and forwarding it to the Management Board. People Board communications in 2022 also focused on communicating messages from the Bank's Management Board. The People Board was very actively involved in initiatives pursued at the Bank, such as:

- Active support of post VOE initiatives
- Organization of an educational campaign that focuses on benefits

The People Board also organized the design thinking session with the purpose of collecting employees' ideas regarding initiatives that would allow to support positively the return to the office after the pandemic. One of such ideas was organizing the "Morning Coffee Together" meetings with employees once in two weeks. During such meetings, employees from different locations of the Bank were able to meet with top executives who hosted those meetings. The informal atmosphere of those meetings was an opportunity to meet after many months of remote work which was a difficult experience for many employees.

The People Board also responds to the needs of employees and organized the "Development week", the series of developmental events for employees, meetings with interesting people, inspiration for development, and guidance on how to take care of one's development in the best way.

### CitiClub

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

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

CitiClub was established 18 years ago with the aim to give employees from different units and locations in Poland a chance to integrate and build communities around different themes, such as leisure activities: running, photography, board games, chess, biking, driving, fishing, sailing or skiing.

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

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

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

CitiClub integration and sports trips are organized entirely by employees and for employees and have attracted a lot of employees for many years now. In 2022, the sailing racing event organized by CitiClub had a total of 120 participants from different sectors, departments and offices of Citi Handlowy.

CitiClub's events are possible mostly thanks to the support of the Company Social Benefit Fund. The trips are co-financed mainly from two sources: Company Social Fund and CitiClub's budget. In 2022, 45% of the organizing costs of the sailing event were financed from the CitiClub's budget, 30% from the Company Social Fund and only 25% from employees' own funds.

## Benefits

**[GRI 401-2]**

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

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

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

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

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

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

In the fourth quarter of 2022, 2,765 Citi Handlowy employees logged in on the cafeteria platform.

In order to secure employees' financial situation during retirement, in 2002 Citi Handlowy decided to set up its own employee pension plan. At present the contribution is at the highest statutorily acceptable level equal to 7% of the employee's aggregate remuneration. Costs of contributions are financed in whole by the Bank, the employee pays only a tax on their amounts.

## Social activity

**[GRI 401-2]**

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

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

### Base contribution in 2021:

Statutory	At the Group of Citi Handlowy
PLN 6,346,841.41 – 37% of the average monthly remuneration in the national economy in the second half of 2021	PLN 9,741,604.10 – 50% of the average monthly remuneration in the national economy in the second half of 2021

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

In view of the COVID-19 threats and for the ongoing support for social needs of employees considering the increasing difficult social and economic situation, the Bank permanently increased the base amount used for calculating the co-financing of employee holidays. In addition, a one-off social benefit was paid to employees in June 2022.

In 2022, 2,295 employees used social benefits and the total amount of money paid out of the Social Fund exceeded PLN 13.4 million, i.e. PLN 4,400 per employee on the average).

## Social activity for pensioners [\[GRI 404-2\]](#)

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

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

	2022	2021	2020	2019
Number of pensioners and persons who use early retirement benefits, or CSF	886	886	1 045	827

Type of Benefit	Refunds	Senior Citizen's Day	Aid	Loans
Number of pensioners and persons who use early retirement benefits, or CSF in 2022	192	729	72	14

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

## Retirement gratuities [\[GRI 404-2\]](#)

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

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

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

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

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

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

## Right of association

There are two trade organizations at Citi Handlowy: Trade union "Związek Zawodowy NSZZ "Solidarność" MOZ no. 871 at Bank Handlowy w Warszawie S.A." and "Independent Self-Governing Trade Union at Bank Handlowy w Warszawie S.A." The Bank cooperates with these trade unions in the scope laid down in the provisions of labor code and the Act on Trade Unions and, in particular, agrees with them, upon mutual consent, the normative acts and measures according to the adopted procedure. The Bank has in place a Corporate Collective Labor Agreement, which covers 100% of employees. In 2022, 38% of Bank employees were members of trade unions [\[GRI 2-30\]](#)

## Occupational safety and health

### Work accidents

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

In 2022, five work accidents were recorded. Four accidents happened in the bank of one while on a business trip. The cause of three accidents were human behavior, resulting from the incorrect behavior of the employee, insufficient concentration of attention when performing activities or surprise with an unexpected event, which led to injuries of the lower and upper limbs. The other two accidents occurred as a result of technical reasons - improper condition of the communication route, structural defects of the devices.

Year	Work accidents (No.)	Fatalities (No.)	High-consequence work-related injuries (No.)	Frequency ratio*
2022	5	0	0	0.16

**[GRI 403-9]**

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

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

### OSH trainings **[GRI 403-5]**

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

The periodic training for managers, due to the suspension of the requirement to complete such training for the duration of the state of the pandemic, was not provided.

### Citi Alumni Network

In 2019, Citi Handlowy joined the Citi Alumni Network (operating via the website [www.citalumninetwork.com](http://www.citalumninetwork.com)), and officially became a part of a global platform that links entities of Citigroup with their former employees – Citi alumni. Together with them, Citi is one of the biggest social networks with a global reach. Currently, the community of the Citi Alumni Network has over 25,000 registered members.

Former Citi Handlowy employees are a part of this global community and act as ambassadors of the Citi brand and reinforce its impact.

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

## VI. Community development

### 1. Social involvement

Citi Handlowy, thanks to the experience and commitment of its employees and the support of its social partners, undertakes numerous activities for the public good in Poland. It implements them through the Citi Handlowy Leopold Kronenberg Foundation (Citi Handlowy Foundation), which runs corporate social responsibility (CSR) projects on its behalf. The Foundation also carries out projects in Poland with the support of the Citi Foundation.

In 2022, a number of initiatives designed to promote the idea of equality and respect for others, care for local communities and the environment, and equalize opportunities for disadvantaged groups have been implemented.

The Citi Handlowy Foundation has been active for 26 years in entrepreneurship development, financial and digital education and cultural heritage preservation. The Foundation also operates in the area of promoting the idea of employee volunteering and corporate social responsibility, promoting these activities at Citi Handlowy, as well as supporting other companies in increasing their commitment to the business environment. This is inspired by the foundation's patron Leopold Kronenberg, the legendary founder of Bank Handlowy, as well as a patron of the arts and philanthropist. The Foundation bases its activities on three pillars: the implementation of its own projects, cooperation with other public organizations, and – together with the Citi Foundation – the provision of grants for programs coordinated by foundations and associations operating in Poland, including the Perspektywy Foundation, the Entrepreneurial Women Foundation, the ASHOKA Poland Foundation, and the THINK! Foundation.

Since the beginning of its operations, the Foundation has allocated over PLN 103 million to its statutory operations in these areas, reaching more than 10 million Poles. The Foundation actively supports other Polish non-government organizations. In 2022, the Foundation, together with the Citi Foundation, invested more than PLN 5 million in Polish social projects. The whole history of the Foundation's donations for NGOs and public institutions includes a total of more than PLN 26 million, more than 1300 projects in 200 Polish cities and towns.

The year 2022 was exceptionally successful for the Citi Handlowy Foundation. With the lifting of the restrictions and limitations resulting from the COVID-19 pandemic, the Foundation's projects have returned to direct activities targeting beneficiaries, while remaining enriched with online formats that were refined during the sanitary regime. In 2022, the Citi Handlowy Foundation implemented programs in three key areas – community outreach, education, and protection of cultural heritage.

The Foundation built its 2022 strategy on trends such as diversity, the growing role of women in business, support for Generation Z and activities related to fostering social inclusion. This strategy was complemented by support for people with migrant experience following the outbreak of the war in Ukraine. By prioritizing in this way, the Foundation has remained a solid partner and important supporter of the identified target groups in 2022, i.e.

- entrepreneurs, with a special focus on migrants, women entering the Polish labor market, women in STEM (Science, Technology, Engineering, Mathematics) industries
- aid agencies and community partners in the volunteer program
- teachers and pupils faced with the challenge of integrating different cultures as well as looking after their mental well-being
- people with migrant experience, including in particular women and children from Ukraine with refugee experience and the trauma of war

As a result, the Foundation reached more than 20,000 beneficiaries in 12 months thanks to the involvement of more than 3,000 volunteers. Significantly, the projects that involved volunteers from among Citi Group employees, their families and friends ran throughout the entire year 2022.

## 1.1. Activities to support local communities

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

### Intervention Aid

The past 12 months allowed, after a period of constraints due to the COVID-19 pandemic, the return of direct action by Citi Group employees in local communities. In 2022, in addition to the existing projects such as Global Community Day and Letters to Santa Claus, a significant number of projects in this area were implemented in support of those affected by the migrant crisis and the armed conflict in Ukraine. Intervention aid in 2022 included initiatives such as:

- an employee-wide fundraiser for the “Rakiety” Oncological Foundation and SOS Children's Villages. The funds raised from the employees were used, among others, to evacuate oncologically ill children from the war zones and to evacuate children from foster families.
- in-kind collections for, among others, reception points, humanitarian organizations and cash collections at fairs and festivals held among Citi employees;
- donation of equipment, including laptops, to organizations running, for example, a school for Ukrainian children in Warsaw
- “renovation” work carried out in places such as social care homes, children's homes, day centers, migrant centers or animal shelters. Volunteers from Citi Handlowy, among others, renovated and equipped a day care center for children from migrant families staying at the Dębak refugee center with toys, sports equipment and educational games.

### Skill-based volunteering

Sharing knowledge and experience with people who want to develop their professional skills is one of the most important elements of Citi's employee volunteering program. Citi's skill-based volunteering ranges from involvement as a mentor in partnership programs, especially those promoting entrepreneurship, to the preparation of cyber security training courses, as well as the promotion of corporate social responsibility. This year, competence volunteers also engaged with humanitarian organizations. A team of competence volunteers worked, among others, for the Polish Migration Forum, helping the organization to re-scale its activities.

### Sports Volunteering

Sports volunteering has already become a permanent part of the portfolio of projects implemented by the Citi Handlowy Foundation and Citi volunteers. It is the perfect combination of promoting a healthy lifestyle and donating to charity. These types of projects are very popular and are a way of encouraging new, previously inactive people to become involved in the community. This year, through such activities, the Foundation supported, among others, ASHOKA, which works with community leaders supporting people with a migrant experience.

## 1.2. Education

The Foundation also carries out extensive educational activities, paying particular attention to topics related to finance, entrepreneurship, and cyber security. In 2022, an important part of its educational activities was also to support teachers and parents in talking to their children about the war in Ukraine, disinformation, as well as wise ways to support refugees from Ukraine in Poland. This was possible thanks to the already existing structures of the CyberMocn@ Szkoła (CyberStrong School) program.

Social research and reports presenting the results are also an important part of educational activities. In 2022, four reports were produced addressing topics such as entrepreneurship among young people in Poland, Poles' attitudes towards personal finance and the values that guide young adults, as well as combining professional and private roles. Skill-based volunteering is also an important part of educational activities. In 2022, Citi volunteers shared with students their knowledge of hate speech on the Internet and how to deal with hate, their knowledge of developing business projects in accelerator programs run by the Perspektywy Foundation, MamoPracuj and the Network of Entrepreneurial Women, the ASHOKA Foundation and the THINK! Foundation. In 2022, the Foundation, together with Citi volunteers, also inaugurated the CyberStrong School program in schools in Olsztyn.

## 1.3. Protection of cultural heritage

In 2022, one of the key programs for cultural heritage preservation was the Professor Aleksander Gieysztor Award. The Jury awards the distinction for special achievements made in the past calendar year or over the past few years – for incorporating cultural heritage into initiatives associated with broader social and cultural life. In 2022, the award and its gala were held under the patronage of the President of Poland.

The activities undertaken by the Foundation were also carried out in the area of communication both in traditional media and on social media, with a strong emphasis on the use of sites such as Twitter and LinkedIn. As a result, posts about the Bank's social commitment posted on Citi Handlowy's official Twitter profile reached an average of more than 14,000 impressions. LinkedIn, on the other hand, is an excellent channel to promote an active and socially sensitive attitude. Citi

volunteers were encouraged to share their experiences with their business network. These activities were also complemented by actions aimed at the media, undertaken by both Citi Handlowy and the Foundation's social partners.

In 2022, the activities implemented by the Foundation for Ukraine were recognized by the organizers of CSR competitions and rankings. Citi Handlowy was recognized in the 11th edition of the CSR Leaves ranking, created by the editors of the Polityka weekly, in the category: Support for Ukraine. As a result of its efforts, the Citi Group has already donated more than PLN 4 million for this purpose, including to international humanitarian organizations working for the benefit of refugees from Ukraine, and more than PLN 1 million through the activities of the Citi Handlowy Leopold Kronenberg Foundation, which actively assists both Ukrainian citizens remaining in Poland and in areas of armed conflict.

In addition to its statutory activities, the Foundation also promotes the activities undertaken and the ideas behind these activities. In that regard, the Foundation's representatives took part in initiatives aimed at increasing companies' involvement in corporate social responsibility activities. This year's initiatives to promote corporate social responsibility include the participation of the Foundation's representatives in initiatives such as: A guide to the legal and tax aspects of employee volunteering, prepared by Social Impact Alliance for CEE, participation in a cross-sector dialogue session with the local government and business sector on supporting people in migration crisis residing in Warsaw, or sitting on the jury of competitions for entrepreneurs and those connected with corporate social action.

As a result, in 2022 the Foundation implemented a number of initiatives, among which one should mention:

Area of operation of the Foundation	Projects
Activities to support local communities	Global Community Day
	Employee volunteering A guide to the legal and tax aspects.
	Cooperation with the Polish Paralympic Committee
	Partnerships with other public benefit organizations.
	Skill-based volunteering in programs promoting entrepreneurship, especially among women, among others, Shesnovation, Entrepreneurial Women Network
	Support for Ukraine
Financial and digital education	Cyber Mocn@ Szkoła ("CyberStrong School")
	Poles' attitudes towards saving
	Hate speech workshops in schools
	Values of young Poles
	Entrepreneurship among young people
Protection of cultural heritage	Professor Aleksander Gieysztor Award
	Grants awarded to organizations and institutions active in the fields of culture and science

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

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

Taking into account social and market trends and directions, as well as the events of 2022, the Foundation has consistently pursued its objectives, resulting in a number of initiatives, among which it is worth mentioning:

- **Support for Ukraine**
- **Citi Global Community Day**
- **Charity Christmas**
- **CyberStrong School**
- **Professor Aleksander Gieysztor Award**
- **Support for entrepreneurship**
- **Celebrating 10 years of the Diversity Charter in Poland**
- **Survey reports**



## 2.1. Projects coordinated by the Citi Handlowy Leopold Kronenberg Foundation

Among the Foundation's own initiatives implemented in 2022, the following ones are worth mentioning:

### Support for Ukraine

The program to support Ukrainian citizens who emigrated to Poland after the outbreak of the armed conflict in their country and those who chose to remain in their homes covers the full spectrum of activities of the Citi Handlowy Leopold Kronenberg Foundation, i.e. intervention aid, skilled-based, and sports volunteering, as well as targeted grants aimed at aid projects of partner organizations.

The outbreak of the armed conflict in Ukraine has touched all Poles in an unprecedented way and mobilized them to selflessly help migrants seeking safety in Poland. More than 350 Citi volunteers were involved in the intervention aid, which included the collection of items needed by the refugees (such as hygiene products, warm clothes, food) and, thanks to their efforts, a total of more than 1,000 kg of gifts were collected in the first few days and distributed among those in need.

During the first two months of the war, refugees arrived daily in the major cities (above all Warsaw and Cracow) by train. The contact points organized at the railway stations needed food and hot drinks in particular – Citi volunteers provided these each day. In addition, the Foundation created the #UkraineReliefEfforts support program, which included both providing intervention aid, showing solidarity with people affected by the conflict and, in a later phase, supporting their integration into Polish society. As a result, the assistance provided included:

- employee volunteering, including intervention assistance, skill-based volunteering and sports volunteering
- transfer of funds to public benefit organizations, including: SOS Children's Villages and the "Rakiety" Foundation, Future of Children,
- supporting Citi Group employees in Ukraine – providing the opportunity to move to Poland and work from offices located in Poland.
- organization of webinars connected with the response to events in Ukraine, which covered the following topics: how to talk to children about events in Ukraine, how best to support refugees, how to recognize misinformation?
- involvement and funding of the "WELCOME! Witajcie!" program, which aims to support Ukrainian and Polish women in entering the Polish labor market.

### Citi Global Community Day

In 2022, the Global Community Day engaged more than 2,000 Citi volunteers in Poland to deliver initiatives for local communities. The projects, both coordinated by Citi's Volunteer Leaders and the Foundation, were carried out across the country from the beginning of May until the end of June. After two years of constraints in implementing initiatives and projects as part of the Global Community Day celebrations, Citi volunteers have returned to meeting their beneficiaries face-to-face. In 2022, the focus was on four key beneficiary groups: children, senior citizens, refugees from Ukraine and animals. All the projects carried out, such as renovation work, in-kind collections, fairs, and other events, were aimed at improving the situation of those in need.

The Citi Handlowy Foundation organized a grant competition to which Group employees could submit initiatives they would like to implement for the benefit of the local community. In 2022, 50 grants were provided to carry out projects, among which we should mention:

- Repair and maintenance work at care centers and sports clubs in localities such as: Napiwoda, Olsztyn, Pruszków, Stawiguda, Warsaw, Biskupiec
- Picnics, fairs and integration activities, e.g. in Dorotowo, Liskowate, Gdańsk, Mikołajki, Białystok, Olecko, Milanówek, Bolimów, Poznań
- Purchase of equipment for care facilities in Biskupiec, Olsztyn, Strzelno, Łódź, Garczyn
- Purchase of materials and construction of winter kennels for homeless animals in Warsaw, Zielonka, Biskupiec, Siedlce

Given the large number of refugees from Ukraine, the decision was taken to run a second competition, where volunteers could submit projects for their benefit. As a result, 25 initiatives received funding.

On the other hand, in view of the situation of Ukrainian migrants in Poland, the Foundation also decided to implement a grant competition for projects connected with helping this group of beneficiaries. As a result of the "Aid for Ukraine" competition, more than 20 micro-grants were awarded to, among others:

- Financial support for collections in kind for Ukrainian refugees
- Purchase of school kits for Ukrainian children staying in Bydgoszcz
- Integration classes for Polish and Ukrainian children, held in kindergartens and schools in cities such as: Olsztyn, Ząbki near Warsaw, Siedlce, Serock, Gdynia

- Purchase of books in Ukrainian for a school library in Siedlce

As part of the Global Community Day celebrations, the Citi Handlowy Leopold Kronenberg Foundation supported volunteers in the logistics of ongoing projects, and also carried out its own projects to support groups such as senior citizens, people with disabilities, children and Ukrainian citizens affected by the war. Noteworthy projects implemented and coordinated by the Citi Handlowy Foundation as part of the 2022 Global Community Day are:

- **RH Active:** blood collection events in Olsztyn and Warsaw. In the capital, support was also provided by the Warsaw City Hall. The blood collected went to those in need in both Poland and Ukraine.
- **Able Disabled:** a picnic organized in cooperation with the Polish Paralympic Committee to integrate children and adults with disabilities into society.
- **Children's Day:** a fair held at Citi Handlowy's headquarters, during which funds were raised for those affected by the war in Ukraine and parcels were prepared for Ukrainian children, accompanied by letters in support of the children. A picnic was also organized for the charges of the Warsaw Oratory, during which Citi volunteers led animations for the Polish and Ukrainian charges.

#### Statistics of the Employee Volunteering Program:

	2022	2021	2020**	2019
<b>Number of projects</b>	160	130	58	250
<b>Number of beneficiaries</b>	20,501	19,240	19,600	48,000
<b>Volunteer involvement*</b>	3,047	3,063	2,137	4,500
<b>Number of projects in the "Wolontariusz na Bank!" ("Volunteer to Bank on!") competition</b>	110	38	-	129

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

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

#### Charity Christmas

In 2022, the Citi Handlowy Foundation and its volunteers implemented and coordinated two major Christmas initiatives: "Letters to Santa Claus" and "Christmas is for sharing". As a result, 250 children received the presents of their dreams and more than 2,500 parcels were distributed, through partner social organizations, to those in need.

And the project, under the slogan "Christmas is for sharing", is a way of sustaining the relationship of Citi volunteers with the organizations and institutions they support in their work for local communities. In the run-up to Christmas, they contact them to find out their needs: food, cleaning products and hygiene items. As a result of in-kind collections organized by Citi volunteers, and thanks to the Foundation's funding of the project, 2,500 parcels were delivered in 2022.

The second annual initiative is making Christmas dreams come true for children in care. Citi's volunteer leaders, who have relationships with these types of facilities, invite their charges to write letters to Santa Claus. These letters are then uploaded to an external platform where Citi employees can review and book them. In 2022, 250 children from five care centers received their dream presents in this way.

#### CyberMocn@ Szkoła (CyberStrong School)

The CyberStrong School program was developed in response to the challenges of hybrid learning facing teachers and students. The program is aligned to the school cycle – with subsequent editions starting with the new school year. The third edition of the program began at the end of October 2022. Nearly 100 early school education teachers, educators and pedagogues are taking part in it.

After a period of pandemic restrictions and with children returning to school from distance learning, the premise of the program was, among others, to educate on how to recognize and counter hate speech on the Internet. However, the outbreak of the war in Ukraine at the end of February 2022 posed further challenges for teachers, children and their caregivers. The program was tailored to the topics of war, refugee assistance, integration of a group coming from different cultures – these topics were covered during webinars for teachers and parents – Citi Group employees and their friends. In total, more than 600 people took part in them in 2022.

Each edition of the program is subject to evaluation. The second edition was extremely highly rated by the teachers who participated, with more than 80 percent of those surveyed rating it 5 on a scale of 1 to 5. Importantly, a significant number of participants appreciated the online format of the program, and almost all (more than 90 percent) indicated that they use the knowledge and skills gained during the meetings in their daily work.

Such evaluations led to the decision to continue working with the existing experts and to expand the group to include experts from the Dajemy Dzieciom Siłę (Let's Give Children Strength) foundation and Teach for Poland. This happened in response to the needs of teachers associated with the mental wellbeing of students and online safety.

The current 3rd edition of the program has three components:

- Open online meetings held every 1.5 months for all participants of previous editions and those interested in the topic. As part of these meetings, a webinar on how to build community in a multicultural group was held in December 2022, referring to the celebration of Christmas.
- Workshops for three groups of teachers – participants in the 2nd edition of the project – with a total of 95 educators, pedagogues and early school education teachers taking part in the workshops.
- Workshops led by Citi volunteers together with an expert from the program on recognizing and countering hate speech and hate. In the fall of 2022, 10 volunteers held several such meetings for high school students in Olsztyn.

### **Professor Aleksander Gieysztor Award**

In 2022, for the 23rd time, the Citi Handlowy Leopold Kronenberg Foundation, with the support of the jury, awarded the Professor Aleksander Gieysztor Award for outstanding achievements in protecting the Polish cultural heritage and, in particular, for museology and art conservation efforts and achievements in collecting mementos of the Polish culture. This year's edition of the award was held under the patronage of Polish President Andrzej Duda. On 23 May 2022, the Gala of the Professor Aleksander Gieysztor Award took place in the Great Hall of the Royal Castle in Warsaw to honor the winners of the two editions of the Award (22nd and 23rd): Professor Jerzy Hausner and Vydas Dolinskas, PhD.

Professor Jerzy Hausner, winner of the 22nd edition, was awarded for his comprehensive work on the use and (re)interpretation of cultural heritage as a basis for communication and creativity and the economy of value, heritage as a regenerative lever on which a sustainable social and economic order is built.

Vydas Dolinskas, PhD, winner of the 23rd Award, was recognized for his outstanding efforts to strengthen the commitment of the Lithuanian community to the protection and promotion of cultural heritage of Poland and Lithuania.

“Awarded for 23 years, the Professor Aleksander Gieysztor Award is an initiative that brings together and recognizes those that take care of the achievements of the past out of concern for the future of the next generations. People who see the potential of heritage. Who believe the condition precedent for building a good future is the knowledge of the cultural context we come from, said Elżbieta Czetwertyńska, CEO of Citi Handlowy.

As a result of the communication activities undertaken, the award gala was attended by more than 250 guests from the worlds of culture, art and science, and there were more than 60 media publications about the Award.

## **2.2. Partnerships with other public benefit organizations**

An important element of the activities carried out by the Citi Handlowy Foundation is also its cooperation with other organizations and associations that specialize in areas that are key to the Foundation's strategy. In 2022, the Foundation established substantive, logistical as well as financial cooperation with four new organizations: “Rakiety” Oncological Foundation, SOS Children's Villages Association, Mamo Pracuj Foundation and Polish Migration Forum. Thanks to the experience of these organizations, people affected by the armed conflict in Ukraine were offered comprehensive support.

Cooperation and partnerships with other public benefit organizations, such as associations and foundations, make it possible to significantly increase the scale of the Citi Handlowy Leopold Kronenberg Foundation's activities. Importantly, the Foundation builds lasting relationships that allow not only financial but also substantive cooperation, e.g. through skill-based volunteering or the joint design of studies and reports.

Partnerships with other organizations also involve the funding of projects of cultural and educational importance. In 2022, the Foundation gave three grants to the Polin Museum and the Association of the Jewish Historical Institute in Poland, the Polish Academy of Arts and Sciences and the Polish National Committee of the International Council for the Protection of Monuments.

Together with the Polin Museum and the Jewish Historical Institute, this is the fifth time the Foundation has created a joint project to showcase the shared traditions of Polish and Jewish cuisine in 2022. As a result, the website <https://whatscooking.art/ugotuj-cos> an interactive sub-page was set up, with recipes of Jewish cuisine (all are available in Polish, English and Hebrew versions). Short films about Jewish culinary heritage with Polish roots have also been made. These films were promoted in Poland, as well as to broad audiences in Israel and the United States of America. The site was the winner of the 5th “Visible Museum” Review 2022. The success of this collaboration led to work starting on the next project in December 2022, which will be presented to the general public in 2023.

The Foundation also provided a grant to the Polish Academy of Arts and Sciences for the organization of an International Scientific Conference to mark the 150th anniversary of the institution. The event was designed to commemorate the academic tradition of the PAU and its scientific and popularization achievements, promoting its mission as widely as possible, as well as to present a scientific diagnosis of the current state of the world to a wide range of interested parties and to highlight the impact of scientific developments on the lives of modern communities.

Thanks to a grant to the Polish National Committee of the International Council for the Protection of Monuments, a publication will be produced to disseminate knowledge on historical and contemporary architecture, urban planning and spatial planning. The grant will result in the publication of a book by Professor Krzysztof Pawłowski entitled "Meanders of Studies on City Shaping". The author is an eminent architect, urban planner specializing in the history of urban planning and the revalorization of urban historic complexes, and the publication will help to preserve Polish cultural heritage and contribute to consolidating the important role of the Polish urban planning and conservation school in European historiography. The publication also refers to the activities of Aleksander Gieysztor, the legendary director of the Royal Castle in Warsaw.

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

**Business in Women's Hands** – a program in partnership with the Foundation for Female Entrepreneurship. In 2022, the 8th edition of this program took place. There were 60 women with a business idea, selected from 200 applicants. During the program, they will have the chance to spread their wings under the guidance of experts and mentors, including from Citi Group.

During the 8th edition of the program, more than 330 new businesses were created by more than 450 participants, with 150 mentors working with them. The fact that 70 percent of the companies established under the program have been in existence for more than a year is also testament to the effectiveness of the initiative.

**Entrepreneurship Development Program** – a comprehensive project with the following activities: incubation paths for young entrepreneurs with foreseen business training, webinars, consultations, and mentoring involving Citi volunteers, Business Market conference in a hybrid format, webinars for secondary school teachers on tools useful in teaching and developing entrepreneurial competences of pupils and students. In addition, the program edits the [rozwijamy.edu.pl](http://rozwijamy.edu.pl) portal, which provides a knowledge platform for all program participants. The portal gives access to substantive articles, how-to guides, interviews with business practitioners, as well as access to inspiration and quizzes to test knowledge on different areas of functioning of entrepreneurs and to research and reports on personal finance and entrepreneurship.

**Shesnnovation Academy** is a project organized by the "Perspektywy" Educational Foundation and funded by the Citi Foundation with professional support of the Citi Handlowy Leopold Kronenberg Foundation. After six months of the program, during which mentoring sessions were organized, the program participants prepared business plans and 3-minute speeches presenting the business premise of their ideas. Throughout the program, participants received support from mentors who run successful start-ups, are managers and board members. The final of the Shesnnovation Academy competition took place on 8 June 2022 at the Prospects for Women in Tech Summit 2022. During the event, the 10 finalists of the program presented their business ideas. The jury awarded three prizes and one distinction.

**Hello Entrepreneurship** – is a program of the ASHOKA Foundation that aims at strengthening social entrepreneurship of migrants. In 2022, a total of 60 initiatives applied for the 3rd edition of the program, from which 10 social enterprises were selected for the final. The finalists received comprehensive support in, among others, the development of a business model, the promotion of the initiative, the opportunity to establish contacts with potential investors and social partners. Each initiative also received financial support. 125 people who emigrated to Poland took part in the 3rd edition of the program. During the program, they have the opportunity to develop their social business concepts by attending events, webinars, individual consultations, and lectures. In addition, program participants are integrated into a migrant community that supports entrepreneurship and allows them to share their experiences. Previous finalists from the last two editions of the program prove the effectiveness of this initiative. The 2022 finalists include a new method in the diagnosis of children with migrant experience on the autism spectrum, which allows screening without a language barrier, and the creators of programming training for migrant women from Poznań.

**WELCOME!** – is a program of the Mamo Pracuj Foundation that aims to support women in their career development and build a community where women can support each other in their careers. The 1st edition of the program started in 2022 with both Polish and Ukrainian women who want to work in our country in mind. Participants not only receive knowledge, but also create a space for mutual support and professional and personal development. More than 200 women have participated in the 2022 program and can work with mentors from HR, employment law, LinkedIn to create their professional profile for employers and prepare to enter the job market.

The Citi Handlowy Leopold Kronenberg Foundation also represents the Bank in the Responsible Business Forum, which is an organization that promotes the social responsibility of companies and also supports their further development. In 2022, the Foundation was a strategic partner in celebrating the 10th anniversary of the Diversity Charter, an international initiative coordinated in Poland by the Responsible Business Forum under the aegis of the European Commission. The celebrations connected with this anniversary have been planned for almost a whole year, with the organization of the Diversity Charter Awards, debates with experts, webinars, research on such topics as caring roles, and a podcast series. As a strategic partner of the celebrations, representatives of Citi Handlowy and the Foundation were invited to share their knowledge and experience on combining professional and parental roles and supporting equal opportunities for women and men in the workplace. The Foundation was also a partner in a study and a report presenting its findings entitled "[Family Care and Work](#)", the aim of which was to explore what caring responsibilities Polish women and men have and how they combine them with professional roles, as well as to find out employers' views on the subject.

It is also worth pointing out that opinion polls and the reports prepared based on them are an important part of the efforts made to support the Polish community. The areas that are better understood in this way also make it possible to diagnose challenges associated with issues such as financial education, entrepreneurship or supporting women's occupational

activity. In 2022, in partnership with the Knowledge Society Development Foundation “THINK!” Foundation, the Foundation also prepared two research reports on the knowledge, opinions and attitudes connected with personal finance of Poles: [People's Attitudes Towards Finance 2022](#) and [Inflation And Interest Rates Through The Eyes Of The Polish Consumer 2022](#). Apart from this, in 2022, the Citi Handlowy Foundation, in cooperation with the Perspektywy Foundation, also published a report titled “[Młode wartości](#)” (Young Values), created in collaboration with researchers from the A. Mickiewicz University in Poznań, Professor Iwona Chmura-Rutkowska and Agnieszka Kozłowska, PhD. This publication is about the attitudes and beliefs of young people learning, studying, or working in the ICT (information and communication technologies) and STEM (science, technology, engineering, mathematics) sectors. The report provides a broad context of key megatrends of social change, covering seven thematic areas: the labor market, the world of new technologies, modern leadership, as well as issues of discrimination and gender inequality, and environmental disaster and pandemic experiences. In each of the designated areas, questions were asked about beliefs, aspirations, opinions, judgements, experiences and behaviors. This has enabled reconstruction of the world in which young people, the majority of whom fall into Generation Z, live and want to live.

### 3. Cultural patronage and sponsoring

**In 2022, Citi Handlowy continued its cooperation with the Polish Paralympic Committee and supported the Polish Paralympians during the winter Olympics in Beijing.** The team of athletes was supported by **Igor Sikorski**, a Polish monoskier competing on one ski. Igor is a Polish bronze medalist of the 12th Winter Paralympic Games in PyeongChang in alpine skiing and a silver medalist in a giant slalom at the World Para Snow Sports Championships in Lillehammer in January 2022. The Team Citi is a group of 49 world-class athletes who personify the values that are important to Citi. They have been invited to join the team due to their impressive achievements in sports as well as in their personal lives. This long collaboration with the Polish Paralympic Committee is a part of a global initiative of Citi that supports the Paralympic movement and the efforts to change the social perception of disability – to see the person, his/her passion and achievements.

**Keeping in mind the athletes with disabilities, Citi Handlowy was also the partner of the second edition of the Orlen Paralympic Run.** This is the second time that the Bank has supported this exceptional initiative as one of the main founders of special prizes and the proud partner of the Polish Paralympic Committee. Orlen Paralympic Run is a running race, which brings athletes together regardless of their age, degree of disability, or physical shape. Its aim is to voice solidarity with Paralympians, who prove every day that “impossible is nothing”.

Together with Citi’s business services center, the bank was the strategic partner of **the Most Popular Athlete of Warmia and Mazury Award** for yet another year in a row. Being one of the biggest employers in the region, the company regularly supports the local community. During the finals of the 61st edition of the Award, bank representatives, as usually, awarded prizes to the Athlete of the Year and the No-Barriers Athlete of the Year. During the final gala of the Award, the Citi Handlowy Foundation declared the financial support for refugees' children and families from Ukraine. The bank also promised they would be supported by Citi volunteers.

For yet another year in a row, Citi Handlowy was the partner and active participant in the prestigious IRONMAN triathlon race that took place in Poland in three different locations: Poznań, Warsaw, and Gdynia. The main theme of the **2022 IRONMAN Poland** competition was “The Year of Dreamers”, inspiring people to take up the challenge of finishing the IRONMAN race. Its aim was also to point out that every great achievement starts with a dream. Dreams – these about personal hobbies and these about professional growth – can be an amazing driving force, and if we combine them with a good plan and consistency, they often become a goal that is at our fingertips. As a partner of the IRONMAN race, Citi Handlowy supports people with passions, and as a bank, it has been supporting entrepreneurs and individuals in fulfilling their ambitious plans and financing their investments that make the world more modern and accessible for more than 150 years. Joint efforts and kilometers covered in 30 employees’ and clients’ relays also supported social matters as they translated into support for those who had suffered because of the war in Ukraine.

To support ambitions of companies, Citi Handlowy has again been a partner of **Deloitte Technology Fast 50 Central Europe 2022**, a ranking of the fastest growing technology companies in Central Europe. The aim of the program is to promote innovative companies and their technologies as well as to create a networking and business development platform. Prizes awarded in three categories recognize the fastest growing companies from Central and Eastern Europe. Among the finalists there were 17 Polish companies.

#### Expenses for social purposes and other in 2022 (PLN ‘000)

	2022	2021
Cultural patronage, sponsorship and media	987	750
Social involvement (charitable and social institutions)	3,622	3,500



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

Live Well at Citi is a global initiative of the Citi Group promoting the culture of health and healthy lifestyle. Citi Handlowy has been implementing it successfully for a few years, combining sport competitions with support for those in need. The idea of supporting local communities, consistent with the Bank's mission, invariably accompanies sports events in which Citi Handlowy employees and clients participate together as players of the Live Well at Citi team, and at the same time, as volunteers – #CitiVolunteers – supporting a chosen social cause. The efforts of the Live Well at Citi athletes have primarily translated into support for those affected by the war in Ukraine. In return for the kilometers covered, the Bank donated funds to the Foundation for Freedom to be used for the development of the Etnoliga, a project in which regular football matches are played to bring together and integrate migrants and refugees. It is an initiative that involves refugees and their children through sport, allows them to build a network of personal and professional relationships, and to better find their way in Poland.

After months of restrictions due to the coronavirus pandemic, most of the events returned to their traditional format and we were once again able to actively participate and accompany our customers in their sporting struggles, standing shoulder to shoulder with them at the start of the competition. Among the events in which employees participated together with the Bank's customers were:

- **IRONMAN Poland** – triathlon relays during competitions in Warsaw, Gdynia and Poznań.
- **Poland Business Run** – on the first Sunday of September, just like in previous years, employees of Citi Handlowy participated in the charity run organized by the Poland Business Run Foundation. Its goal was to raise funds for the purchase of prostheses and medical equipment, rehabilitation and psychological support for amputees and people with physical disabilities. Runners had the choice last year of attending a stationary event in Cracow or joining the virtual version from any location. And it was in the virtual competition that Citi in Poland was represented by nine five-person Live Well at Citi teams. Involvement in Poland Business Run is one of many initiatives through which the Bank supports building a more diverse and integrated society, contributing to a change in the perception of people with disabilities.
- **6. Ukiel Olsztyn Half-Marathon** – Citi Handlowy employees from Warsaw and the Regional Processing Center (RCR Olsztyn) and the operating center of Citi Solutions Center Poland ran on 18 September at distances of 21 km and 5 km to support the Olsztyn Animal Shelter, for which Citi volunteers from Olsztyn have been working for years.
- **Run the River** – on September 14-25, Citi Handlowy employees joined a virtual edition of a charity run in support of the **Citi e for education<sup>SM</sup> program**. The beneficiary of the event was the TeachFirst Foundation, which works for better access to education for children around the world.

- **2. Orlen Paralympic Run** – in October, the runners of the Live Well at Citi again joined forces with Citi volunteers to promote the concept of the Paralympic movement and to express their awe and recognition for athletes with disabilities. The run was another activity through which Citi Handlowy supports people with disabilities and helps to build an inclusive society. The second edition of this event took place on 2 October in Warsaw's Kępa Potocka park. The Bank sponsored 2 grand prizes for the most creative runners who discussed how the impossible doesn't exist through their run photos posted on social media.
- **32. Warsaw Independence Run** – the Live Well at Citi team's participation in the Warsaw 10 km run to mark the anniversary of Poland's independence was part of the **Citi in Europe Runs for Refugees** project. In return for the kilometers covered on 11-13 November by Bank and Citi employees across Europe, the Citi Handlowy Foundation made a donation to Ashoka Poland for its support program for Ukrainian refugees. More than 400 participants from 23 countries in Europe (and beyond) were involved in the project, covering a total of nearly 5,800 kilometers.

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



## VII. About the Report

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

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

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

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

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



**Non-Financial Statements of Bank Handlowy w Warszawie S.A. and the Capital Group of Bank Handlowy w Warszawie S.A. for 2022**

**TRANSLATION**

Operational resistance	●		●		
Strategic goals and their implementation			●		

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

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



The Non-Financial Statements of the Group present its operations for the period from 1 January 2022 to 31 December 2022, unless indicated otherwise herein. The reporting period for non-financial data is the same as for the financial data presented in the Bank's Financial Statements for 2022. The Group publishes annual reports. The last report was prepared for 2021 and was disclosed on March, 25, 2022 **[GRI 2-3]**.

This Report contains corrections of information to the report for 2021. These adjustments concern changes in the consumption of certain utilities and the calculation of CO<sub>2</sub> emissions in 2021, recalculated in 2022, taking into account invoices for 2021, which were delivered after the date of publication of the report for 2021. **[GRI 2-4]**

The report was subjected to external attestation **[GRI 2-5]**

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

In case of any questions, please contact us:

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**[GRI 2-3]**

## VIII. GRI Standards Content Index

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

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

<b>I. PROFILE DISCLOSURES</b>			
<b>1. The organisation and its reporting practices</b>			
GRI 2-1	GRI 2. General Disclosures 2021	Organisational details	
GRI 2-2	GRI 2. General Disclosures 2021	Entities included in the organization's sustainability reporting	
GRI 2-3	GRI 2. General Disclosures 2021	Reporting period, frequency and contact point	
GRI 2-4	GRI 2. General Disclosures 2021	Restatements of information	
GRI 2-5	GRI 2. General Disclosures 2021	External assurance	
<b>2. Activities and workers</b>			
GRI 2-6	GRI 2. General Disclosures 2021	Activities, value chain and other business relationships	
GRI 2-7	GRI 2. General Disclosures 2021	Employees	
GRI 2-8	GRI 2. General Disclosures 2021	Workers who are not employees	
<b>3. Corporate governance</b>			
GRI 2-9	GRI 2. General Disclosures 2021	Highest governance body structure and composition	
GRI 2-10	GRI 2. General Disclosures 2021	Nomination and selection of the highest governance body	
GRI 2-12	GRI 2. General Disclosures 2021	Role of the highest governance body in overseeing the management of impacts	
GRI 2-13	GRI 2. General Disclosures 2021	Delegation of responsibility for managing impacts	
GRI 2-15	GRI 2. General Disclosures 2021	Conflict of interest	
<b>4. Strategy, policies and practices</b>			
GRI 2-22	GRI 2. General Disclosures 2021	Statement on sustainable development strategy	
GRI 2-23	GRI 2. General Disclosures 2021	Policy commitments	
GRI 2-24	GRI 2. General Disclosures 2021	Embedding policy commitments	
GRI 2-25	GRI 2. General Disclosures 2021	Processes to remediate negative impacts	
GRI 2-26	GRI 2. General Disclosures 2021	Mechanisms for seeking advice and raising concerns	
GRI 2-28	GRI 2. General Disclosures 2021	Membership associations	
<b>5. Stakeholder engagement</b>			
GRI 2-29	GRI 2. General Disclosures 2021	Approach to stakeholder engagement	
GRI 2-30	GRI 2. General Disclosures 2021	Collective bargaining agreements	
<b>II. Material topics</b>			
GRI 3-2	GRI 2. General Disclosures 2021	List of material topics	
GRI 3-3	GRI 201. General Disclosures 2021	Management of material topics (identified as material in the materiality	

**Non-Financial Statements of Bank Handlowy w Warszawie S.A. and the Capital Group of Bank Handlowy w Warszawie S.A. for 2022**

**TRANSLATION**

		matrix)	
GRI 201-1	GRI 201. Business Performance 2016	Direct economic value generated and distributed	
GRI 205-2	GRI 205. Combating corruption 2016	Communication and training on anticorruption procedures and policies	
GRI 205-3	GRI 205. Combating corruption 2016	Confirmed incidents of corruption and actions taken	
GRI 301-1	GRI 301. Materials 2016	Materials used by weight and volume	
GRI 302-1	GRI 302. Energy 2016	Consumption of energy in the organization	
GRI 302-4	GRI 302. Energy 2016	Reduction of energy consumption	
GRI 303-5	GRI 303. Water and effluents 2018	Water consumption	
GRI 305-1	GRI 305. Emissions 2016	Direct greenhouse gas emissions (Scope 1)	
GRI 305-2	GRI 305. Emissions 2016	Energy indirect greenhouse gas emissions (Scope 2)	
GRI 305-3	GRI 305. Emissions 2016	Other indirect greenhouse gas emissions (Scope 3)	
GRI 305-4	GRI 305. Emissions 2016	GHG emissions intensity	
GRI 401-2	GRI 401. Headcount 2016	Benefits offered to employees	
GRI 401-3	GRI 401. Headcount 2016	Parental leave	
GRI 403-5	GRI 403. Occupational Health and Safety 2018	Worker training on occupational health and safety	
GRI 403-6	GRI 403. Occupational Health and Safety 2018	Promotion of worker health	
GRI 403-9	GRI 403. Occupational Health and Safety 2018	Work-related injuries	
GRI 404-2	GRI 404. Training and education 2016	Programs for upgrading employee skills	
GRI 404-3	GRI 404. Training and education 2016	Percentage of employees receiving regular performance and career development reviews	
GRI 405-1	GRI 405. Diversity and equal opportunities 2016	Diversity of governance bodies and employees	
GRI 405-2	GRI 405. Diversity and equal opportunities 2016	Ratio of basic salary and remuneration of women to men	
GRI 406-1	GRI 406. Counteracting discrimination 2016	Discrimination incidents and actions undertaken	
GRI 412-2	GRI 406. Human rights – evaluation 2016	Employee training on human rights policies or procedures	

Signatures of Board Members

20.03.2023	Elżbieta Świątopełk- Czetwertyńska	President of the Management Board
..... Date	..... Name	..... Position/function
20.03.2023	Natalia Bożek	Vice-President of the Management Board
..... Date	..... Name	..... Position/function
20.03.2023	Andrzej Wilk	Vice-President of the Management Board
..... Date	..... Name	..... Position/function
20.03.2023	Maciej Kropidłowski	Vice-President of the Management Board
..... Date	..... Name	..... Position/function
20.03.2023	Barbara Sobala	Vice-President of the Management Board
..... Date	..... Name	..... Position/function
20.03.2023	Katarzyna Majewska	Vice-President of the Management Board
..... Date	..... Name	..... Position/function
20.03.2023	Ivan Vrhel	Member of the Management Board
..... Date	..... Name	..... Position/function