



Information on ESG strategy

Corporate social responsibility and sustainable development strategy of mBank, which includes ESG targets, is an integral part of mBank's business strategy. The Strategy of mBank Group for 2021-2025 titled "From an icon of mobility, to an icon of possibility" is described in details on our website, in the section "about mBank". Corporate responsibility is a guiding principle of mBank Group. Environmental, social and ethical aspects play a crucial role in the way we manage our company. We want our core business to support sustainable development. We intend to offer our clients fair and professional advice, continuously reduce our environmental footprint, be an employer of choice for our staff and add value to society. We want to make a progress with our ESG agenda and stand out of our peer group. We will be more responsible and inclusive bank and expect it from our employees, clients and commercial partners. We will continue to contribute to the sustainable growth and well-being of the society.

In 2021, a group of 45-50 employees – ESG propagators in the bank – met on a regular basis and shared their expertise, as well as learnt from experts. We met almost 20 times. The CRO of the bank participated in most of the meetings. We avidly participated in regulation consultations and guidelines related to the ESG field. We popularize ESG topics in the organization. We added a special ESG section to the daily news review we send to 120 employees of the bank, including the members of the management board. We select relationship building methods that suit different groups, but we always try to ensure mutual benefits and open communication.

Our activities in the ESG area are centred around 5 aspects:

- 1) responsibility for climate,
- 2) responsibility for financial health of our clients,
- 3) responsibility for being an organisation in line with ESG values,
- 4) responsibility for society,
- 5) a reliable partner for investors.

Responsibility for climate

By 2050 we will become a fully climate-neutral bank. By 2030 we will reach climate neutrality in scope 1 and 2. Our goals within this area are:

- reduce direct environmental footprint of mBank Group,
- be a leading bank supporting energy transition of our clients.

We will take part in a battle against climate change. Our ambition is to become a climate neutral organisation (scope 3) by 2050 at the latest. We will continue to define particular goals every 5 years to reach net zero standards. By 2025, we will contribute to this goal by:

- using clean energy, with a minimum 80% of the volume of electric energy purchased for the needs of the bank in 2023-2024 coming from Renewable Energy Sources (RES);



- reducing our emissions by gradual replacing of mBank's fleet with low-emission vehicles;
- calculating and reducing our carbon footprint and subject our estimation to an external audit;
- diminishing our waste by giving a second life to no longer used, well-functioning equipment;
- continuing elimination of paper from our processes and plastic cards;
- reviewing and amending our Credit Policy on Sectors Relevant to EU Climate Policy annually in order to support the provisions of the Paris Agreement.

We are the leader of RES financing in the Polish market. We intend to finance sustainable development, responsibly guide our clients in their energy transformation and encourage them to implement ESG standards in their business activity.

In the area of corporate and investment banking, we will provide PLN 10 billion of mobilized funds for climate improvement projects, including:

- PLN 5 billion of own funds dedicated for new financing of green energy, waste management, e-mobility, and similar projects;
- PLN 5 billion from other sources such as consortia and green bonds issues for clients;
- a target to reach 5% of corporate clients with ESG-compliant products by 2023.

We will develop a business concept for green finance in the retail area. We intend to sell more mortgage loans collateralized on residential buildings that meet low carbon trajectory requirements. In the coming years, we will also increasingly prefer real estates reaching Net Zero Energy Building (NZEB) standard. We will introduce a special offer for small firms, favouring pro-ecological investments. We will continue to provide sustainable investment products for private banking customers and also to clients of the newly established investment fund company. We will actively promote ESG-compliant investment solutions in order to expand their share in our clients' total assets under mBank's management. By launching also other eco-friendly products, we want to be the first choice bank for customers looking for financing of eco-projects.

In 2023, we will conduct a review of climate goals and set targets for 2025.

Responsibility for financial health of our clients

We support customers in safe and convenient banking as well as making conscious financial decisions. Our aim is to take care of good financial standing and future of our clients.

We want to be an ethical, fair and transparent organisation. We will educate and support our stakeholders in better understanding of our products, policies and activity. We want to help our customers in making conscious financial decisions. We will conduct responsible sale accompanied by clear and precise communication. We will also continue to promote safe online banking and personal data protection.

We communicate our prices and tariffs in a legible, comprehensible manner. We transparently present the risks associated with specific financial products. We believe such an approach will allow clients to use mBank's offer in an optimal way. We provide



secure digital banking solutions and educate our clients and the general public in this field. To reinforce customers' awareness, we will repeat cybersecurity campaigns every year.

Conducting inclusive banking, we will continue to adjust our services to the needs of people with various disabilities. We will provide solutions enabling them to take advantage of our facilities and efficiently manage their personal finances. We will obtain respective certificates for our buildings and internet services. In each city, where we operate, we will have at least one fully accessible branch, without any barriers. To ensure equal access to banking services for everyone, we have in our offer a free basic account for those in need.

Our goals (transparency and ethics, inclusive banking):

- develop the personal finance management (PFM) functionalities;
- continue educational campaigns on safe finances, including one cybersecurity campaign in each year of strategy implementation;
- use clear communication and plain language;
- have all newly opened branches accessible to people with disabilities;
- certify our buildings, customer service and internet websites by 2023.

Responsibility for being an organisation in line with ESG values

We walk the talk. We first accomplish and then communicate. We build corporate culture based on values and incorporate ESG into our daily life. We aim to introduce ESG factors into business and employee processes.

We want to be authentic and ensure the transparency of our communication. All our external releases concerning ESG products and activities will be audited to meet four basic criteria: comprehensibility, attractiveness, materiality and building a competitive advantage.

We will introduce ESG factors into business and employee processes such as: recruitment and succession, onboarding, development activities, assessment of attitudes (feedback), methods of work and project management. By 2023, we will introduce a hybrid work system with flexible jobs (in areas where the physical presence of the employee is not required) and increase the number of mobile workplaces (wherever there is an access to the web).

We want to build an ESG-oriented working environment. We will educate our employees in the area of ESG by introducing programs that trigger a change of mindset. We will promote innovation, entrepreneurship, responsibility, cooperation, hybrid work environment and diversity. Members of the management board and top managers will have ESG-related goals to achieve (10% in OKR).

Our recruitment policy is aimed at creating a solid pool of diverse candidates and we are explicitly committed to combatting social biases. Our aim is to be open, fair and balanced organisation.



We will be evaluating all new financial products added to our portfolio. Each year, we will launch at least one ESG-compliant product in both retail and corporate business lines.

To promote justice and strong institutions, we have implemented anti-corruption measures, develop robust compliance function and take positions on relevant issues. We are engaged in the cooperation within the sector and with other organisations (e.g. trade associations, foreign aid banks), and take part in the initiatives supporting the achievement of Sustainable Development Goals on local, national and global level.

We expect ethical conduct across the whole organisation. We require it from ourselves and from our partners and suppliers. By the end of 2021, we will introduce a Supplier and Partners Code and incorporate ESG criteria in purchasing procedures. Starting from 2022, as part of new tenders, mBank will require to submit a declaration of compliance with the principles of social responsibility and sustainable development.

Our goals (authenticity):

- set 10% of TOP 100 managers' OKR (Objective and Key Results) goals related to ESG;
- implement Taxonomy in processes (including the credit process), procedures and products;
- develop each new banking product along with its ESG evaluation from 2022;
- ensure gender balance in the succession program, with a proportion of participants of a given gender at minimum 45%;
- preserve a gender diversity of the candidates in the final stage of the recruitment process (for managerial positions);
- implement a hybrid work system that will meet the needs of the employer and employees;
- expand responsible offer by launching at least one eco-product in every business line each year starting from 2021;
- cooperate only with partners and suppliers fulfilling ESG standards (in line with a code) by 2025;
- proactively promote the proper segregation of litter and organise a Clean Day event for employees once a year (a day dedicated for cleaning the Earth);
- have 90% of employees with a possibility to fulfil their jobs in a flexible manner by 2023;
- increase the share of people with disabilities within total employment to 2.5% by 2025.

Responsibility for society

We will contribute to social well-being. We will be a responsible corporate citizen. We aim to act for the financial and non-financial benefit of the society.

We want to help develop mathematical skills of children and adolescents. We believe that mathematical knowledge affects a high level of competence in adult life and facilitates a good start in professional career. We will continue to support the



education of this subject in Poland through the activities of mBank Foundation (mFundacja).

We support organisations that work for a healthy and dignified life of the society. We will continue to cooperate with the Great Orchestra of Christmas Charity (WOŚP), which for years, has been supplying the health service with modern medical equipment. We have chosen WOŚP especially because it takes special care of the weakest groups of Poland's society.

We have also established a dedicated fund ("m jak malarstwo") to support and promote young painters. By buying their works, mBank will build a remarkable collection of contemporary art.

By providing health packages and differentiated well-being support to our employees and optionally also their families, we take care of their good physical and mental condition.

Our goals (a responsible corporate citizen):

- support the development of mathematical education in Poland through the activities of mBank Foundation (mFundacja), including grant programmes and competitions of national range;
- cooperate with the Great Orchestra of Christmas Charity (WOŚP);
- create a collection of paintings by young artists, which will be open to the public;
- encourage to active participatory citizenship by launching an option to easy support NGOs and foundations directly from mBank's mobile application, allowing our clients to contribute and support the civil society.

A reliable partner for investors

We will continuously enhance our ESG disclosure standards to be favourably viewed by our shareholders and broader investment community.

We will provide the highest quality and transparency of our ESG disclosures, in line with market standards of reporting and communication. We will increase our credibility in the field of reliable ESG management by maintaining and improving mBank's ratings and position in leading indices, such as for example: MSCI ESG Rating, Sustainalytics ESG Risk Rating, Bloomberg Gender Equality Index, FTSE4Good (FTSE Russell).

Our goals:

- expand ESG disclosure in mBank Group's materials, including those dedicated to investors: management reports, presentations, as well as on the corporate website;
- increase availability, adjust terminology and categorization of non-financial data in accordance with the requirements of the leading analysts and the algorithms they use.



Our commitments and best practices

As the first Polish bank, we have signed the Principles for Responsible Banking. They serve as framework to achieve the SDGs and the goals of the Paris Climate Agreement. Consequently, we have committed ourselves to the responsibility for supporting companies in transforming their economic activities towards more sustainability.

Our intention is also to enter the Net-Zero Banking Alliance of UNEP FI, the United Nations Environment Programme Finance Initiative.

mBank will use Science Based Targets Initiative (SBTI) methods to calculate and reduce the CO2 emissions associated with its credit portfolio (scope 3). As a partner to our clients, especially SME companies, we want to support their transformation into low-carbon businesses. This will enable them to align their environmental policies with the objectives of the Paris Agreement.

ESG governance and communication

We have established Sustainable Development Committee of mBank Group, which is headed by a member of the management board (Chief Risk Officer). It supervises ESG management in the company, monitors ESG-related KPIs, oversees green bond issuances and the process of calculating our carbon footprint, facilitates implementation of the EU Taxonomy for Sustainable Finance and enhances non-financial reporting.

We integrate ESG issues and standards into our business, risk, and management processes, assign responsibility, and set ESG goals to the top management. We will constantly enhance our ESG disclosure standards to be favourably viewed by our shareholders and broader investment community.

Over the years of increasing importance of ESG, mBank has been supporting ESG goals by educating the society (mFundacja, cybersecurity campaigns), setting self-limitations on financing fossil fuel energy (the leader of energy transformation credit and public and private debt) and cooperating with The Great Orchestra of Christmas Charity (WOŚP).