

Environmental Policy

Introduction

The Bank Millennium Group is committed to the protection of the environment and natural resources as well as mitigation and adaptation to climate change. That is why the Bank Millennium Group has developed this Environmental Policy. It complements the Group's Code of Ethics, business strategies and policies and the sustainable development strategy, in which the Group undertakes to be responsible for environment protection, management and monitoring of the direct and indirect negative impact of its activities, products and services.

The Bank Millennium Group incorporates and promotes a culture of responsible consumption and investment, and aims to maintain consistent actions to reduce its environmental and ecological footprint and to improve and develop sustainable financial practices.

Goal

Aware of the direct and indirect impact of its operations upon the environment, the Bank Millennium Group specifies the main priorities aimed at minimising the Bank's total environmental footprint, namely:

- The Group's own pro-ecological activities.
- Environmentally friendly financial products and responsible investing.
- Environmental education.

Basic rules

The Group's own pro-ecological activities

The Bank Millennium Group minimises its environmental impact by applying reasonable management of materials and waste, monitoring water, electricity and fuel consumption and greenhouse gas emissions, introducing green solutions in operations and encouraging staff, clients and business partners to take part in environmentally oriented campaigns and education activities. In addition, aspects related to sustainable development, including environmental issues, are consulted and discussed with the Group's stakeholders, and their opinion is reflected in the selection of material topics included in the Group's annual reports and in the identification of the most important areas of the Group's impact upon the natural environment and other aspects related to sustainable development.

Environmentally friendly financial products and responsible investing

By combining the financing of environmentally friendly and energy-efficient projects and creating a list of excluded and contingent sectors of activity that are not financed by the Bank, we aim to reduce the total carbon footprint of our lending activities, in accordance with the provisions contained in the Bank Millennium Group's Responsible Financing Policy:

- I. Bank Millennium Group does not extend financing to new:
 - coal mines,
 - projects in coal-based power generation, except new projects involved with reduction of pollution.
- II. Financing in the energy sector can be made available only when:
 - its goal is to engage in non-carbon and/or low-emission energy sources,

- its goal is the energy transition towards low-emission sources.
- III. For many years, the Bank Millennium Group has been supporting the financing of environmentally friendly and energy-efficient projects, including projects related to:
- the replacement coal energy by low-emission sources of energy and modern power infrastructure,
 - renewable energy sources,
 - reduction of pollutant emissions and energy efficiency, especially in energy-intensive and emission-intensive industries,
 - purchase or production of low-emission vehicles,
 - sustainable buildings,
 - waste, water and wastewater infrastructure.
- IV. The Bank's corporate clients are required:
- not to use credit funds in any way related to activities listed on the EBRD Environmental Exclusion List,
 - to obtain and hold all necessary environmental permits in connection with the conducted business activity,
 - to carry on business activities in compliance with environmental legislation and with all relevant laws, standards and other regulatory requirements at the national and local level relating to environment protection, health and safety and principles of social co-existence.

Environmental education

The Bank Millennium Group strives to increase awareness and knowledge of environmental issues among its employees, clients, suppliers and other stakeholders. Our goal is to promote a culture of environmental responsibility and counteracting climate change by placing environmental issues at the centre of the Bank's communication strategy. Where relevant, environmental clauses are used in in contracts with product or service suppliers.

The direction and indicators regarding environmental activities are regularly verified, measured and reported in annual reports providing non-financial information of the Bank Millennium Group. We are convinced that the actions taken by the Bank Millennium Group will contribute to maintaining the natural balance and enable current and future generations to live in a sustainable environment.

Benchmarks, standards and partnerships

The Bank Millennium Group aligns its environmental responsibility activities with the best practices and guidelines established by several global standards and external initiatives, such as:

- The UN Sustainable Development Goals,
- The United Nations Global Compact,
- The Paris Agreement on climate change.

Communication and Reporting

The Environmental Policy has been made available to the Group's employees on the internal intranet website, and to clients and external entities on the Bank Millennium website.

The Bank Millennium Group regularly monitors and communicates its environmental impact in its annual reports, on the Bank's website dedicated to sustainable development and through participation in various investor surveys and indices describing the results achieved and actions

implemented. We are also rated by analysts preparing the world's leading ESG ratings i.e. MSCI, or Sustainalytics.

The Bank Millennium Group's disclosures are prepared in accordance with the best sustainability reporting standards, including:

- Global Reporting Initiative (GRI) Standards,
- Task Force on Climate-Related Financial Disclosures (TCFD),
- The Corporate Sustainability Reporting Directive (CSRD).

Responsibility and supervision

Responsibility for the implementation of the obligations under this policy is assigned in accordance with the scope of responsibility of individual organisational units and their managers. The Bank's position is that environmental issues concern many sectors and areas of the Bank's operations, constituting an integral part of the business. The Sustainable Development Department, subject to the direct supervision of the Chairman of the Bank's Management Board, is responsible for supervising the process of implementing the principles resulting from this policy in the Bank Millennium Group, and the activities resulting from the implementation of the assumptions of this policy are reported at the meetings of the Sustainable Development Committee, which consists of all members of the Bank's Management Board.

The Scope

This policy has been approved by the Management Board of Bank Millennium and applies to all companies of the Bank Millennium Group.