



WYŻSZA KULTURA. BANK NOWOŚCI.

# REPORT OF THE ALIOR BANK S.A. CAPITAL GROUP ON NON-FINANCIAL INFORMATION FOR THE YEAR 2023

*This version of our report is a translation from the original, which was prepared in Polish language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.*



# 1. Alior Bank S.A. Capital Group and Alior Bank – parent company

## 1.1. About us

Alior Bank Spółka Akcyjna (hereinafter referred to as “Alior Bank” or “Bank”) is a universal bank targeting its services at both retail and business customers. The driving force of the Bank are its customers. Bank develops products and services to support customers and streamline their day-to-day activities. Alior Bank is a flexible organization that successfully copes with a dynamic environment and uses emerging changes for its own growth.

[GRI 2-1]

Alior Bank endeavours to be the first choice partner for customers by offering a wide range of products and services. We want to be there for our customers and participate in their day-to-day lives, with our main goal being to make life easier at its every stage and in its every aspect. Our advantage is a distinctive brand and high customer satisfaction.

Alior Bank has always focused on innovations that provide customers with convenient access to banking service. Following the success of the pilot of the Alior Pay product among selected customers of the Bank, we have made the possibility of applying for a credit limit available to all customers. Thanks to this innovative solution, holders of personal accounts at Alior Bank, who at the same time have an Alior Pay credit limit, can use the option of deferring transactions made on their personal account using a mobile application. We are committed to making the use of our Alior Mobile app as intuitive and secure as possible, which is why we released a modernized version in mid-2023. In the new release, customers received, among other improvements, a refreshed look for the start screen and the ability to add favorite shortcuts to the desktop.

For sole proprietors, on the other hand, the Bank has provided the option of making payments using BLIK. We strive to improve customer satisfaction and happiness, therefore it is gratifying that they are noticed and appreciated not only by customers but also achieve successes in the rankings of financial institutions.

The activities of the Alior Bank Group comprise different, interlinked segments. In addition to banking, the Group is active in: leasing, insurance brokerage, asset management, seeking and acquiring third parties for collaboration in offering non-banking services, and online technology services.

[GRI 2-6]

Alior Bank has offered its banking products and services through a network of our own outlets, through partners and financial intermediaries, as well as remote distribution channels including: online banking, mobile banking and call centres.

Alior Bank is a public company. Its shareholders are both Polish and international investors, and the headquarter is in Warsaw. However, the Bank operates throughout Poland, and since 2017, also in Romania. As at the end of December 2023, Alior Bank held 522 outlets (161 own branches, 7 Private Banking branches, 13 Corporate Banking Centres, and 341 partner outlets).

[GRI 2-1]

161

own branches

341

Partner outlets

7

Private Banking branches

13

Corporate Banking Centres

Alior Bank focuses on the development of technology based on artificial intelligence to be a modern bank. In 2023, we launched a new customer contact channel. InfoNina, the virtual assistant that has so far provided support for the helpline, is now also available as a chat service. We respond to contemporary environmental and climate-related challenges. We are consistently expanding the range of our products and services that take into account ESG aspects.

We are utilizing the potential of our employees and allowing them to develop within the Bank's structures by continuing our program of reskilling and activities aimed at increasing employee engagement and improving the work environment.

### Management Board of Alior Bank

Composition of the Management Board of the Bank as at 31 December 2023 r.	
<b>Grzegorz Olszewski</b> President of the Management Board	He is responsible for managing organisational units of the Bank's Head Office responsible for internal audit, compliance risk management, HR, communication and PR, handling of the Bank's bodies and strategy. He is also responsible for the day-to-day functioning of procedures for reporting breaches of the provisions of law, procedures and business ethics applicable at the Bank, and accepts reports in this regard in accordance with the provisions of the Bank's internal regulations.
<b>Paweł Broniewski</b> Vice-President of the Management Board	He manages the organisational units of the Bank's Head Office responsible for the operational area, including operational continuity management, cyber security and security.
<b>Radomir Gibała</b> Vice-President of the Management Board	He is the head of the Bank Head Office's organisational units responsible for finance, accounting and financial reporting, auditing and supervision of subsidiaries, and activities in other countries.
<b>Szymon Kamiński</b> Vice-President of the Management Board	He manages the Bank's organisational units responsible for products and sales in the field of business customers and micro-enterprises.
<b>Rafał Litwińczuk</b> Vice-President of the Management Board	He manages the Bank's organisational units responsible for retail customer (individual customer) products and sales, brokerage and treasury activities.

[GRI 2-9]

[GRI 2-12]

[GRI 2-13]

<b>Tomasz Miklas</b> Vice-President of the Management Board	He manages the organisational units of the Bank's Head Office responsible for risk management relevant to the Bank's operations and for managing ESG risks. <sup>1</sup>
<b>Jacek Polańczyk</b> Vice-President of the Management Board	He manages organisational units of the Bank's Head Office responsible for marketing, logistics and purchases.
<b>Paweł Tymczyszyn</b> Vice-President of the Management Board	He manages the organisational units of the Bank's Head Office responsible for the legal area, IT and protection of personal data.

## 1.2. Our business strategy – Your Bank of everyday life, your Bank for the future”

As the year 2023 began, we announced our business strategy titled “Your Bank of everyday life, your Bank for the future”. The strategy focuses on day-to-day banking as well as ensuring customer convenience and business development. In order to maintain high flexibility amid the conditions of high market volatility, our strategy provides for two-year operationalization (2023-2024) with an open strategic perspective.

[GRI 2-23]

The main assumptions of the “Your Bank of everyday life, your Bank for the future” strategy:

- Universal bank focused on building a core digital relationship,
- Maintain a leading position in financing purchases by private customers,
- Sustainable growth of business customer loan portfolio, in particular in the SME area, and supporting the energy transition,
- Being the leader in using technology with an improved IT production model supported by the competence and commitment of employees,



The strategy provides for developing a modern, stable and profitable business model backed by financial results. It also provides for agility in the operationalization of its assumptions as a response to dynamic economic and social changes. The new strategy is focused on a responsible credit policy and sustainable banking products – including those that enable the use of EU and public funds. We will respond to contemporary environmental and climate-related challenges by supporting customers in the energy transition and reducing the Bank's negative impact on the environment. We will be responsible for the social processes around us. Last year, Alior Bank actively encouraged its employees to take advantage of preventive healthcare. The new strategy provides for expanding the promotion of and access to such preventive care not only for employees and their families, but also for customers.

<sup>1</sup> On 28 April 2023, the Polish Financial Supervision Authority approved the appointment of Mr Tomasz Miklas as Member of the Management Board of Alior Bank S.A. overseeing the risk management of significant risks in the Bank's operations

Among the main objectives set during the two-year operationalization is to achieve the ability to pay dividends. This is understood to mean obtaining a sufficiently high surplus of equity above regulatory requirements.

### Implementation of the business strategy in 2023

The strategy is based on three strategic pillars: Higher Culture of Mobility, Supporting Entrepreneurship and Modern Bank, developed in 8 strategic directions.



### Key projects implemented in 2023 – customer experience (Higher Culture of Mobility and Supporting Entrepreneurship pillars)

#### Retail Customers

We understand current trends and want to be a strong institution focused on building a core relationship through digital channels. In 2023, we unveiled a refreshed version of the app allowing customers to set the primary product, default account, personalize the appearance of the home screen or add their favorite shortcuts, among other things. Thanks to these improvements, our app is gaining popularity, with an average of 1.2 million users logging in per month.

We have offered our customers Alior Pay, which is a solution that stands out on the market in terms of innovation. The product makes it possible to defer already completed non-cash transactions, e.g. card or BLIK payments, made not only in online stores but also in brick-and-mortar stores, as well as cash transactions (e.g. ATM withdrawals). The Alior Pay promotion involved one of the largest marketing campaigns in our history. It featured the song “Wróć” [Come back], performed by Baranowski and with vocals by Zbigniew Wodecki. Alior Pay has received numerous awards, such as: Best Fintech Project 2023 for the most interesting fintech venture, or E-Commerce Poland Awards for the best implementation in e-banking in 2023.

We joined the “First Dwelling” government program and in July 2023 we were one of the first four banks to implement the Safe 2% Loan, resulting in record mortgage sales in the last 15 years. At the end of July, Alior Bank added the Housing Account to its product range, which enables long-term savings for own housing purposes and allows to obtain an own housing bonus from the Government Housing Fund.

We have implemented the mObywatel [mCitizen] service, thanks to which customers do not have to show a traditional ID card when visiting Alior Bank branches to confirm their identity.

## RETAIL CUSTOMERS



### Alior Pay

The Bank made Alior Pay available to all customers. The product makes it possible to defer already completed non-cash transactions.



### Housing Account

As of July 2023, Alior Bank offers a Housing Account. This is another component of the government's "First Dwelling" program.



### Safe 2% Loan

Alior Bank has provided customers access to the Safe 2% Loan since the first day the government program "First Dwelling" became operational.



### Safe 2% Loan bonus

For those who have opted for the Safe 2% Loan, the Bank has prepared a promotion where you can receive a bonus worth PLN 4 thous. for purchases from promotion partners.



### mObywatel

As of 1 September 2023, customers do not need to show a traditional ID card to prove their identity during visits to Alior Bank branches.



### Refreshed version of Alior Mobile

Alior Mobile now features a new, refreshed start screen design. Thanks to these changes, the app became even more transparent for customers.



### Teleselfie

The initiation of an application to open a Highly Personal Account by a telephone sales banker and the continuation of the process by the customer through authentication in the Videoselfie process.



### Currency Exchange – exchange of currencies via BLIK

Currency Exchange now features an option to purchase currency using a quick payment method – BLIK.

## Business Customers







The development of our banking ecosystem is not limited to retail customers. We are aware of the challenges that our business partners have to face, and it is them for whom we have been successively introducing new solutions and improving our product offer. We focus on self-service by implementing changes that enable business customers to run multiple errands remotely.

We have provided an online application for opening a business in the Central Registration and Information on Business (CEIDG) together with a business account. The solution can be used by retail customers using Alior Online Internet banking. With this project, we enable our retail customers to start their own business through Alior Bank. We have also implemented a number of functionalities that significantly speed up the process of opening an account for sole proprietorships, both online and in branches. We have provided BLIK functionality to sole proprietors using our mobile app. Customers can now make online payments, POS terminal payments and withdrawals from ATMs using a BLIK code.

In the area of credit products, we made a new solution – Global Limit – available to medium-sized and large companies. It determines the maximum amount that an enterprise can use across several loans and trade and treasury financing products. We are constantly optimizing and automating credit processes and creating friendly solutions that support the running a business. Working with BGK, we have made available a green loan for micro, small and medium-sized enterprises planning to increase energy efficiency through infrastructure

upgrades as well as an investment loan for the RES grant, thus expanding our offer of financing for the thermal modernization of multi-family buildings.

We launched a new digital banking project for businesses – Alior Business and Alior Business Mobile. The implementation of the project is scheduled for the years 2023-2025. The new system will replace BusinessPro online banking, which is currently used mainly by small and medium-sized enterprises and corporations.

BUSINESS CUSTOMERS	
 <p><b>BLIK available to business customers</b> Alior Bank made BLIK available to sole proprietors who use the Alior Mobile app.</p>	 <p><b>New digital banking for companies</b> Alior Business and Alior Business Mobile will replace BusinessPro online banking, which is currently used mainly by small and medium-sized enterprises and corporations</p>
 <p><b>ECO loan with BGK bonus</b> Business customers can receive a non-repayable eco bonus from BGK to be used for partial loan repayment</p>	 <p><b>“PLN 400 to Start” campaign</b> Sole proprietors who open an iBusiness Account can count on a PLN 400 bonus for a good start</p>
 <p><b>Remote after-sales service for companies</b> A team to provide remote after-sales service to companies has been established. Business customers gained the ability to quickly and</p>	 <p><b>“Costs split in half” offer</b> Alior Bank has launched a range of refinancing loans for micro-enterprises. The Bank will reduce the margin by up to 50% and will not charge a commission for granting the loan</p>

We are transforming the Bank to ensure its stable and responsible growth. The state-of-the-art technologies allow us to ensure cost and process efficiency (Modern Bank pillar)

**Robotization and hyperautomation**



In 2023, we continued the development towards hyperautomation to streamline processes and increase efficiency. The effects in the form of accelerated digital transformation, of which we are the beneficiaries thanks to the use of artificial intelligence and robotization, are visible in communication with both internal and external customer.

The customer continues to remain at the center of our attention, therefore in order to serve them as efficiently as possible and ensure adequate quality of service, InfoNina (our smart voice assistant, which has already conducted more than 4 million conversations in 2023) has been joined by chat-bots in Alior Online and on our website (www.aliorbank.pl). Each customer can get answers to most frequently asked questions and execute the most popular instructions (including: loan repayment, unblocking access to electronic banking, changing transaction limits, first log-in process, balance information and transaction history). We have yet to implement a chatbot in Alior Mobile, so that artificial intelligence support is present in every customer contact channel.

Our bots also contributed to a PLN 5 million increase in sales in the area of consolidation and cash loans, while the implementation of smart IVR resulted in another 20 million in loans

launched, directing selected customer calls with the highest sales potential to specialists who successfully offered our products.

We are systematically automating our service processes. Currently, as many as 43% of the instructions sent in the after-sales system do not require any manual action on the operator's part. In 2023, we also built 30 new robots for different areas in the Bank (mainly for Operations, Risk and RC Sales). The robots completed 6.2 million tasks, performing the equivalent work of more than 100 employees each month. In addition, in the interest of efficient customer service, we have implemented more than 50 different improvements (including multi-signature, automation of the installment rescheduling process). Thanks to their introduction, the time needed by the banker to perform operations in the app has significantly reduced, and in addition we have minimized the number of paper printouts.

In 2023, we also worked on the best remote self-service for after-sales instructions for customers. This year, we have made another 10 instructions available in Alior Online (including instructions related to servicing the 2% loan). Thus, customers can already place 56 different types of instructions without leaving home. Customers appreciate this form of after-sales service for products – approx. 20% of instructions are placed with the Operations Department via Alior Online.

We have also attached great importance to the complaint handling process. By implementing a number of process improvements, we have reduced the number of complaints by about 10% compared to 2022.

### Advanced Analytics

Alior Bank effectively uses and develops advanced analytics. New risk models are being built and implemented. A Real Time component is being developed for instant access to the most current data and integration with advanced models. The use of advanced analytics is being expanded to more areas, and its use is being popularized throughout the Bank. We have delivered further products: an algorithm for detecting Business Customers in Retail Customer banking and the provision of access to an advanced analytical environment with training for selected units of the Bank.

### IT Transformation

Introducing new IT technologies centered around agile-supported process efficiency and security as part of the IT transformation has a significant impact on business transformation. We accelerate it based on the pillars of IT development (iterative value delivery, IT cost-effectiveness) innovation (private and public cloud, AGILE@Scale agile organization) and security (business continuity assurance, proven technology partnerships).

The Bank has focused on using cloud technology in several areas. Firstly, the Bank is creating a place in the public cloud to process, analyze and monetize data. Secondly, the Bank wants to create an environment that will allow to quickly provide access to various elements of business systems – for example information pages, forms, product applications or transaction services. The Bank also plans to change its Disaster Recovery solutions, so that they include the capabilities and infrastructure offered by the public cloud. Data storage in the cloud will allow to significantly reduce data storage costs.

### 1.3. ESG area in Alior Banku

Sustainable Growth has been firmly embedded in the operations of Alior Bank. It is reflected in the Bank's strategy, organizational structure and actions taken. The report shows the Bank's commitment to governance, social and environmental issues.

In this chapter, we outline strategic priorities for managing sustainable growth within the organization. In 2023, we adopted a new strategy titled "Your Bank of everyday life, your Bank for the future", which covers the Bank's priorities in the ESG area. As a result, we have integrated sustainability with responsible business management.

Appointed members of the Management Board of the Bank are directly responsible for the ESG area and ESG risks. They also chair the Sustainable Growth Committee, which also provides a platform for dialogue within the organization, bringing together perspectives on sustainable growth across departments.

[GRI 2-12]

To strengthen ESG management, we set up a dedicated team that works with other units in the Bank on issues related to sustainable growth. All of the Bank's employees have received mandatory internal ESG training. The ESG week, which included a week-long series of lectures and workshops, was also a huge success. In addition, some senior managers have been included in the ESG objectives of the MBO scheme.

[GRI 2-13]

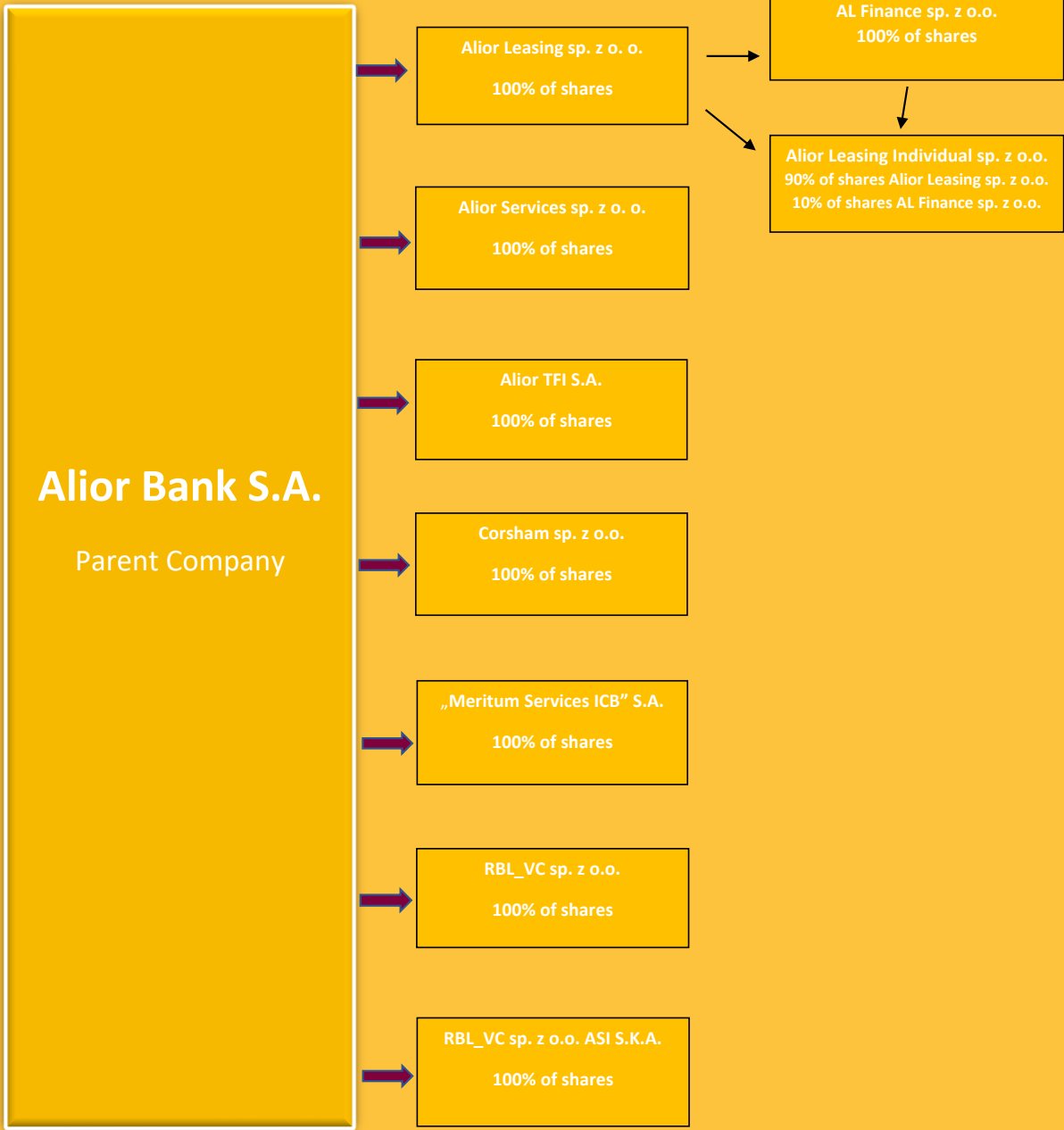
We are a public trust institution, highly regulated by numerous domestic and international regulators. A permanent element of our DNA is to represent the highest standards of responsibility towards all parties with whom we collaborate and to exercise ethical management within the organization. As far as we are concerned, regulatory compliance is a priority. The Bank has already implemented legal provisions regulating ESG issues arising from MIFID II, SFDR and the so-called EU Taxonomy and is preparing to implement CSRD and new ESG risk regulations. We also underwent an independent Sustainalytics rating assessment in 2023. The results of the rating were announced in January 2024. The agency rated Alior Bank at 24.3 points, placing us in the medium risk group for ESG issues. This represented an improvement on the previous rating of 10 points.

Every year, we expand the spectrum of ESG factors subject to monitoring that have an impact on our strategic decisions and risk management. We have been consistently monitoring ESG factors since 2017, when Alior Bank published the first non-financial report based on the GRI sustainability reporting standards.

# 1.4. Structure of the Group

[GRI 2-2]

Structure of the Alior Bank Group as at 31 December 2023 r.:



## 1.5. Our Relations



The way we build relationships with our customers is informed. We invest in their experience and satisfaction. We phrase communication in a simple and understandable way. We also know our customers' needs by carrying out surveys using the NPS indicator from time to time.

We also take care to maintain the confidentiality of communication. Strict security procedures are in place throughout the Alior Bank Group to make sure that data covered by banking secrecy is transferred with the utmost care and in line with strict security standards. The Security Policy, as well as other procedures applicable in this area, are subject to regular updates to address changing market conditions and to meet new requirements and recommendations of regulators.

[GRI 2-23]

We also care for regular, timely and effective communication with the participants of the capital market. As a public company, we have been taking measures to meet stakeholders' information needs, caring for universal and equal access to information, in accordance with the highest market standards and applicable legislation.

### Our Stakeholders



[GRI 2-29]

### Stakeholders

The Investor Relations and Subsidiaries Supervision Department is held accountable for transparent and reliable communication with capital market participants. The information policy is pursued in adherence to the rules of the Alior Bank S.A. Information Policy applicable at the Bank in the field of communication with customers, capital market participants and the media while observing all legal requirements regarding information obligations of companies listed on

[GRI 2-29]

the stock exchange. We use a number of channels to communicate with capital market participants. On our website – available in Polish and English – we publish financial, business and strategic information of crucial importance, that has or may have an impact on the Bank’s share price. The communicated messages take the form of e.g. current reports, periodic reports, quarterly presentations of results, and editable files containing the most important data concerning the Bank. The Investor Relations and Subsidiary Supervision Department together with the Communication and CSR Department organises, on the day of publication of periodic reports, a conference for journalists, investors, and stock market analysts. During this conference, members of the Management Board of the Bank present financial results and discuss the most important events that took place in a given period. Conference participants have the opportunity to ask questions to members of the Management Board, which are then discussed in a Q&A session at the end of the event. We also publish the video broadcast from the conference on the Bank’s website. We also organise meetings, teleconferences and videoconferences with investors and analysts on a regular basis. Their attendees include members of the Management Board of the Bank and representatives of departments responsible for risk management, capital management, liquidity and controlling. Such meetings address current financial and operating standing of Alior Bank, and present its operating strategy and projected paths of development. Representatives of the Bank also participate in domestic and foreign investor conferences.



In 2023, 100 meetings with foreign and domestic investors took place, which were held in the form of teleconferences, as well as on-site. Further, there were approx. 50 talks with analysts from brokerage houses. These talks addressed trends in the banking sector in individual quarters and the current financial standing of the Bank. Two General Bank’s Meetings were held in 2023.



Meetings with investors



Talks with analysts from brokerage houses



General Meetings

**Employees**

In 2023, we once again carried out an employee opinion and engagement survey to see what is appreciated by employees at work and what is still worth improving. Regularly collecting feedback allows us to adapt to the needs and suggestions made by employees and change for the better to create an increasingly improving working environment. In 2023, we achieved a 62% engagement score and 95% survey participation, an increase in both categories compared to previous years. In 2022, with a 92% participation, we achieved an engagement

[GRI 2-29]

score of 56%, whereas in 2021 the engagement score was 33%, with three-quarters of employees participating in the survey.

Alior Bank operates in a way that respects the freedom of association and does not infringe on the freedom of employees to participate in trade unions. There are six trade unions in place at Alior Bank, including two company-based and four inter-company trade unions. The implemented strategy of relations with the social partner complies with applicable law. The Bank applies procedures and time limits specified in the provisions of the Labour Code and specific acts, including the act on trade unions.

The social dialogue at the Bank is conducted in good faith and with due respect for the principles of social coexistence, and its participants are equal before the law. The parties are guided by the principles of mutual trust, and in the negotiation processes they try to reach a compromise, whereas in the event of a large divergence of stances, they strive for a consensus at least on core issues. The dialogue is a process involving constant interaction between the trade unions and the Bank, as the employer, in order to reach agreement on important issues, both economically and socially, on a macro and micro scale.

The Bank's representatives to handle all matters as part of the social dialogue are employees of the HR Division with appropriate powers of attorney. They are held accountable for the correctness of social dialogue, take stances on behalf of the Bank and mitigate risks in this regard, including but not limited to by informing the Management Board on an ongoing basis about matters being discussed with the public.

In 2023, 36 meetings with trade unions were held, 15 of which concerned miscellaneous matters, and 21 meetings were held as part of the social commission. We respect freedom of association. According to the data as at 31 December 2023, Alior Bank is unionised by almost 34%.



## 1.6. Strategic partnerships



### Strategic partnerships

The role of strategic partnerships is to provide customers as well as employees of Alior Bank with additional value and non-financial services. Attracting new partners from outside the banking sector offers many opportunities for unique customer approaches. We are introducing services or various types of benefits that are both

complementary to banking products and create new quality resulting from the synergy of implementing benefits from other sectors.

Our focus is not only on partnerships that bring benefits in the classic sense, such as discounts, vouchers, special offers, but also benefits in the area of digital security, modification or development of processes to digitize customers.

Collaborating with external parties brings wide-ranging benefits to many different groups of internal and external stakeholders – from image- related benefits to financial benefits. Through partnerships, we can create and offer unique values that help us stand out on the market.

**Selected partnerships within the PZU Group established in 2023 concerned:**

- life insurance with cash loans,
- income protection insurance,
- life insurance as security for housing loans,
- PZU Wojażer travel insurance,
- accident insurance and healthcare for Business Customers,
- life insurance of an investment and savings nature
- acquisition of units in investment funds.



In 2023, PZU Group insurance linked to loans and mortgage loans played a dominant role in the bancassurance area.

The Bank together with PZU Życie SA implemented a guaranteed fund into the Individual Life Insurance with Unit-linked Insurance Funds “Multi Capital II”, in which a guarantee was introduced to maintain or increase the value of the unit share.

**Key initiative in the Assurbanking area:**



The Cash platform is an innovative online loan service and a non-wage employee benefit that enables employees to quickly and conveniently obtain a cash advance for any purpose (with the formalities reduced to the bare minimum). By cooperating with employers and preparing a unique system of loan repayment, at the end of 2019 we created an attractive range of products, when compared to other products available on the market, which is updated on an on-going basis so as to meet the criterion of the most attractive range of products on the bank loan market.

The products are already available to more than 120 thous. employees, including PZU Group, PGG SA, PKP SA, PKP PLK SA, the Ministry of State Assets and the Komputronik Group. In

2023, more companies joined the platform, including: Agency for Restructuring and Modernization of Agriculture, Ceramika Końskie Group, Ramirent and Rogala.

In the middle of the year, based on a pilot online process, the option to submit applications in brick-and-mortar outlets of PZU Agents has been introduced. With minimum paperwork, the application is routed to the Bank where immediate telephone contact is made with the customer in order to complete the process.

In July 2023, the range of products offered by the Bank on the platform has been expanded to include products offered by the Currency Exchange of Alior Bank. In H2 2023, a model has been developed for cooperation with employers who, for various reasons, cannot implement and engage in cooperation as part of the main process, but would like to provide access to products offered on the Cash platform. Employees at these workplaces can use the Bank's products through the traditional process of transferring customers to the Bank's telephone service. Several hospitals and smaller companies have already taken advantage of this option. In this way, the offer was also made available to members of the Independent Self-Governing Trade Union of Police Officers.

The offer prepared by the Bank in cooperation with PZU Cash also includes an option to use a consolidation loan in all of the aforementioned cooperation models.

The development of services around the digitization of banking services and added value for the customer continues to be one of the priorities for building external partnerships.

#### Other examples of partnerships in 2023:

- **Mastercard** – Regular cooperation resulted in a number of joint marketing campaigns that were carried out throughout 2023 to increase the number of cardholders and the number and value of card operations. We regularly conduct joint sales contests, raffles for customers making Mastercard transactions, and communication of joint promotions with merchants, including with the Carrefour hypermarket and supermarket chain. Alior Bank customers who purchased at least PLN 100 in goods in Carrefour and paid for them with their Alior Bank Mastercard® card – received 1,000 points in the Priceless Moments program, which they could exchange for Carrefour vouchers worth PLN 15. Another example of a joint initiative is the organization of a Lottery with prizes to celebrate Alior Bank's 15th anniversary. To participate, it was necessary to fill out an application form and make at least one payment card transaction. Participants had a chance to win prizes worth PLN 150, PLN 15 thous. and even PLN 150 thous.,
- **Ministry of Digital Affairs / Chancellery of the Prime Minister** – In connection with the adopted "Act on the mObywatel [mCitizen] Application", on 1 September 2023, in cooperation with the Ministry of Digital Affairs, we implemented a new identity confirmation and verification method based on a new type of ID document – mDowód [mID]. The Act equates mIDs and the other documents included in the application with "traditional" documents, which means that it will be possible, for example, to show a digital ID when handling official, banking or business matters. The mCitizen application will become a mobile document wallet that will organize official matters in one place,



remind of important facts, such as the expiry of an ID card, fill out official forms. Banks are listed in the Act among the institutions obliged to honor the mCitizen document in their processes in brick-and-mortar locations,

- **Xiaomi Polska** – Since June 2022, Alior Bank customers have been able to use contactless watch payments with the Xiaomi Pay service. This functionality is available for MasterCard debit and credit cards issued by Alior Bank to retail customers, business customers and customers of the Currency Exchange. June 2023 saw the launch of the “Bank smart” promotion to promote mobile payments with smartwatches and Xiaomi smartbands. New customers who decided to open a Highly Personal Account together with a card and met the other conditions of the promotion received an electronic code entitling them to receive the Xiaomi Mi Band 7 NFC wristband with the contactless payment function free of charge. The promotion ran until the end of October and was met with great interest from customers,
- **Legimi** – We have implemented a special promotion where customers received one-year access to e-books and audiobooks on the Legimi platform for creating an account and meeting the required conditions. The second joint venture was the presentation of a free book from Legimi as a guaranteed prize for each customer who registered in the “Birthday Lottery” for Alior Bank’s 15th anniversary. Both campaigns have shown that among our customers there are many readers who are particularly interested in benefits related to their specific interests, and we as a Bank are eager to support readership and are constantly on the lookout for services or discounts to support our customers’ various passions,
- **WeSub / RentUp** - We continue to actively develop cooperation with RentUp in the field of consumer rentals. The new form of purchasing products is becoming increasingly recognized among retail customers. Since 2023, the rental option was available in the Komputronik S.A. store chain, among others. We are also developing the service with partners from other industries. The next step will be to implement the rental option in online sales,
- **PGE (Polish Energy Group)** – as part of our cooperation with PGE, in 2023 we have introduced a special offer for the energy sector, thanks to which Polish Energy Group employees can take advantage of a preferential offer on current and savings accounts, cash loans and the services of the Alior Bank Currency Exchange.



We also carried out a joint campaign with a partner from the food industry that operates in the online channel, which consisted in giving shopping discounts to Alior Bank employees and a selected group of customers. This type of campaign was intended not only to show appreciation for the loyalty of those who work and bank with us, but also to support them in grocery shopping during times of high inflation. New projects are currently being developed to increase transactability, make services mobile or expand the benefit product offerings for both customers and other internal and external stakeholders of the Bank.

## Selected organisations of which Alior Bank was member in 2023

[GRI 2-28]

MEMBERSHIP UNDER THE POLISH BANKS ASSOCIATION	OTHER MEMBERSHIPS
SEPA Polska	Union of Entrepreneurs and Employers
Banking Register of IT Security Incidents	Polish Factors Association
Banking Consumer Arbitration	Polish Organisation of Franchisees
Committee for Qualification Standards in Polish Banking	QUORUS (EFMA)
Polish Swift Users' Committee	Polish Association of Human Resources Management (PSZK)
Board of Bank Card Issuers	Foundation for Financial Innovation FinTech Poland
Council of Depositary Banks	Chamber of Brokerage Houses
Electronic Banking Council	International Swaps and Derivatives Association (ISDA)
Database of Events in the Field of Operating Risk	
Hazard Warning Exchange System (SWOZ)	
Banking Cybersecurity Centre	

## 1.7. Prizes and awards

In 2023, we were awarded as many as 19 times in the most prestigious and significant competitions and rankings on the financial market. The competition jury appreciated our customer service, product offers, and outlets. All these awards are a testimony to appreciation by the market and customers. As far as we are concerned, they are an affirmation that we are taking the right actions and making the right decisions.

### „Techno Business Leader” of *Gazeta Bankowa*

- awards in the “Best Commercial Bank” and “TechnoBusiness Leader” categories,
- The title of the Banking Manager of the Year 2022 was awarded to President of the Management Board of Alior Bank.

### Institution of the Year Award

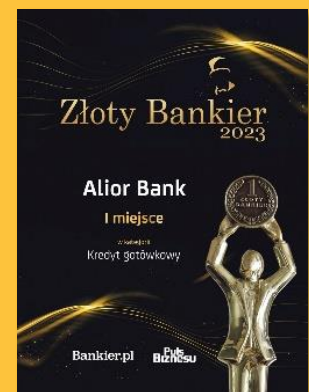
- awards in five categories: “Best service in remote channels”, “Best service in outlet”, “Best online banking”, “Best bank for companies”, “Best remote account opening process”,
- 23 branches were awarded the title: “Best Bank Branch in Poland”.

### Golden Banker

- first place in the “Cash Loan” category”,
- second place in the “Personal Account” and “Mortgage Loan” categories”.

### Trustworthy Employer

- the Bank was recognized for its achievements in the field of employee policies, including the creation of an inclusive workplace, an interesting incentive benefits system and a balanced approach to volunteer work.



### World Leaders in Banking and Insurance

- winner in the "Most Innovative Bank" category”.

### The Innovators 2023

- award for InfoNin in the “Top Innovations in Finance 2023 - AI” category”,
- The Department of FinTech Innovation and Partnerships has been named one of the top 25 financial innovation labs in the world.



### Customer’s Golden Laurel

- The Alior Bank Currency Exchange has been awarded in the “Bank Currency Exchanges” category”.

### Health Visionaries 2023

- Alior Bank was recognized in the "Visionary Employer" category. The jury recognized the Bank for its activities supporting employees in the area of health and healthy lifestyle as well as for promoting and organizing preventive examinations and medical consultations, educating employees on health issues, and taking initiatives to involve employees in charitable activities that support physical fitness.

### Guardian of Memory

- Alior Bank was recognized in the “Patron” category. The jury recognized the Bank for its support of patriotic and historical activities.

### Awards for Alior Pay

- winner in the “Best Implementation in Electronic Banking” category of the e-Commerce Polska Awards for to the implementation of Alior Pay,
- winner of the Cashless Fintech 2023 competition in the “Fintech Project” category. The jury appreciated the implementation of Alior Pay,
- the Alior Mobile app has been awarded Best Mobile Banking App by The Digital Banker. The jury primarily recognized innovative services: Alior Pay and My Accounts, and the implementation of a number of new initiatives and enhancements to existing solutions in the mobile app in 2022



# 2. Foundations of our activity

Alior Bank Capital Group’s workforce is obliged to observe the law, guidelines of regulators, and the applicable Bank’s internal regulations, procedures and ethical standards. In their daily work, the Bank and its workforce should act in accordance with the “Code of Banking Ethics” (“Principles of Good Banking Practice”) adopted by the Polish Bank Association and the in-house Ethics Code. Alior Bank observes best practices of companies listed on the WSE, the Principles of Corporate Governance for supervised institutions and the Internal Governance Principles (Recommendation Z).

[GRI 2-23]

## 2.1. Ethics – rules of conduct



The way how the organisation, as a public-trust institution, operates is based on the principles described in the Alior Bank Code of Ethics. Ethical principles are also enforced at the level of subsidiaries, i.e.: Alior Leasing sp. z o.o., AL Finance sp. z o.o. and Alior TFI S.A. Other companies belonging to the Alior Bank Capital Group employ Alior Bank employees who are obliged to act in accordance with the principles of the Code in force at the Bank. The Code of Ethics of Alior Bank S.A. constitutes a collection of the most important principles and ethical standards specifying the standards of conduct of Alior Bank, as well as person through which the Bank performs its banking activities.

[GRI 2-15]

[GRI 2-16]



The principles included in the Code of Ethics are intended to consequently and continuously improve the level of services offered by Alior Bank and build an internally stronger organisation based on honesty, reliability and mutual trust. These values constitute a pillar for building an effective internal governance at the Bank and the principles of conduct formulated thereon shape responsible and ethical attitudes. It enables the Bank to implement an important task, which is to raise the awareness among the employees of the Bank on the importance of risk in the activities of this institution.

[GRI 2-23]

Further, with its actions and conduct the Management Board of the Bank promotes adopted high ethical and professional standards, including, in particular, the awareness of the importance of risk in the activities conducted by the Bank and the risk culture.

Everyone within the organisation may exert an impact on shaping and consolidating ethical attitudes. Alior Bank continues its activities focused on increasing the awareness of adverse effects among employees, including, but not limited to, delivering training courses on adverse effects in the work environment. We do our best to make the Code of Ethics a pillar of our daily work, that is why all employees of the Bank participate in training covering the Compliance issue. Workforce who join Alior Bank are required to complete training as part of onboarding which is concluded with a test of knowledge. Other employees use e-learning training regularly to refresh this knowledge. Approximately 5,200 employees have been dedicated to training in 2023, of whom 85% have completed the training at the end of the year, with the remainder

[GRI 2-24]

completing the training sequentially. Ethical rules are also promoted in the periodically published Compliance Bulletin as well as internal communication addressed to all employees.

Alior Bank follows no-discrimination policy. The Bank is guided by high ethical standards in the process of workforce recruitment, where the principle of no discrimination is overriding. The required competencies and the expected attitudes of the candidate on the respective job are each time clearly and precisely formulated in job ads. The ads are published on generally available websites so that all potential candidates could be able to reach them and apply for the job. The candidates are assessed according to the same criteria, taking into account the qualifications and attitudes expressing the values promoted by the Bank. Employment decisions are always taken collectively based on standards adopted for that purpose.

We attach great importance to the proper organisation of the whistleblowing system, as reflected in the Whistleblowing and Whistleblower Protection Policy. We want that all employees could be able to provide information or share their doubts easily and without fear. The purpose of Alior Bank's Whistleblowing and Whistleblower Protection Policy was to introduce a procedure for dealing with internal whistleblowing in accordance with Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of whistleblowers under Union law (hereinafter: Directive and: whistleblower). The Policy specifies the procedures whistleblowing and processing reports on breaches at the workplace and ensure protection of whistleblowers against retaliation. The Whistleblowing and Whistleblower Protection Policy is complemented by the Policy of a Working Environment Free From Undesirable Behaviour, in the form of the Operational Procedure concerning reporting of undesirable behaviour at Alior Bank S.A., regulating in detail the employer's actions in the event of receiving a report of irregularities in the working environment.

[GRI 2-16]

Alior Bank ensures to its workforce the possibility of using many communication channels for this purpose. The report may be oral, written, by phone or sent by e-mail to dedicated mailboxes, including directly to Members of the Management Board or of the Supervisory Board.

[GRI 2-26]

The adopted breach reporting system gives the possibility of maintaining anonymity. The Bank unconditionally prohibits any retaliation or discrimination, or other unfair treatment against any employee who has reported a breach in good faith, as well as guarantees confidentiality if the reporting person disclosed their identity or their identity can be somehow determined.

In 2023, we received 100 reports on potential breaches of ethics (including mistreatment of employees by managers, discrimination, mobbing, claims between sales channels, etc.). All reports were subjected to detailed review which found 23 of them reasonable. Recommendations were issued aimed at removing inadequacies following the violations identified. In relation to the identified cases, recommendations included termination of the employment contract (in 1 case under Article 52 of the Labour Code), non-renewal of a fixed-term employment contract, reprimands, written warnings and disciplinary conversations resulting in partial or total loss of bonuses, additional training in soft skills, transfers to other units of the Bank, withdrawal of entitlements or rewriting of sales.

[GRI 406-1]

## 2.2. Fraud risk management

A major element of minimising the risk of compliance is for the Bank to ensure proper oversight of dealing with conflicts of interest. This area is governed within Alior Bank Group by the provisions of the Instructions for Conflict of Interest Management.

The Instructions for Conflict of Interest Management apply to the largest companies of the Alior Bank Capital Group (Alior Bank S.A., Alior Leasing sp. z o.o., AL Finance sp. z o.o. and Alior TFI S.A.). The staff working in other companies are employed by Alior Bank S.A., and they are required to act in accordance with the rules of the Code applicable at the Bank.



In the aforementioned document, employees of the Alior Bank Group can find answers to the questions of how to define a conflict of interest and its potential and actual effect, as well as of how they should act to avoid a conflict of interest. The manual governs such significant items as, e.g. the rules of serving relatives, acceptance of gifts and invitations, and conducting paid activities by the employees outside of the Group. This document also clearly defines the rules on on-job subordination between close relatives, placing special emphasis on the elimination of the risk of nepotism. The Alior Bank

[GRI 2-15]

Group also applies the Compliance Policy and the and a Fraud Prevention Policy. The first one defines the principal rules of ensuring compliance of the operations of Alior Bank, all employees of the Bank, and entities cooperating with it with the provisions of law, internal regulations and market standards, and when it results from the provisions of law and relevant regulations of other entities, through compliance risk management and the control function, including on the first and the second lines of defence. The Bank pursues the policy of full observance of the law and business integrity and ethics in all fields of its activity. The Security Policy of the Alior Bank Group defines the principal rules of operation of Alior Bank's Security System and provides the foundation to develop policies, detailed requirements, security processes and procedures. It is an overriding document to other in-house regulations of the Bank related to security, such as Information and Communication System Security Policy, Information and Personal Data Protection Policy, Policy of Physical and Engineering Security of Facilities, Prevention of Money Laundering and Terrorist Financing Programme, Credit Fraud Risk Management Rules. These documents are applicable to all those employed at the Bank, regardless of the employment basis, and apply, in the scope defined by agreements, to the workforce of third parties collaborating with the Bank.

[GRI 2-23]

[GRI 2-24]

The Bank has in place a centralised credit fraud risk management process that includes issuing opinions on new products and processes, automatic anti-fraud strategies, central reference databases, issuing opinions on granted financing, creating guidelines for bankers and analysts in the field of identifying fraud, and monitoring active banking products.

The document Internal Instructions on the Actions of the Internal Fraud Prevention Team in the Field of Preventing and Detecting Frauds and Internal Crimes defines the course of the internal investigation process in the event of reporting a suspicion of fraud or internal crime and undertaken as a result of the Internal Fraud Prevention Team's own analysis.

The employees and management staff of Alior Bank received training on fraud prevention procedures and the rules of ethical conduct. Training in Alior Bank pertained, among other topics, to security policy, a policy of a work environment free from undesirable behavior and compliance risk. Compliance risk training covers topics such as conflict of interest, confidential information and bank secrecy, ethics, breach reporting and gift policy. Training has been made mandatory for all new employees of Alior Bank. This training must be completed periodically by all Bank employees. As regards security training, i.e. training related to such issues as information protection, IT security, counteracting money laundering and terrorist financing practices, verification of ID cards and documents of the Republic of Poland in the PRADO register, customer identification rules, physical security and anti-robbery training, a total of 1,326 new employees have been trained in 2023.



In 2023, employees of the Bank reported 238 cases of receiving gifts, invitations to conferences, non-cash gifts, etc., which were recorded in a special register kept for that purpose. As a result of the update of the Conflict of Interest Management Policy, the previous limit was raised from PLN 200 to PLN 400. The vast majority of the reported gifts was within the admissible limit. For presents exceeding that value, the usual solution is a donation to charity, e.g. to children’s homes. For invitations to conferences or business meetings, consent was given if the topics addressed were related to

one’s business responsibilities.

In 2023, 31 cases were identified that were determined to be an actual breach of the applicable conflict of interest avoidance rules.

[GRI 2-15]

As a result of the discovered breaches, recommendations were issued for measures to restore the desirable status. The breaches related mostly to serving close relatives or undertaking potentially competitive activity. The Bank implemented an anti-corruption policy aimed at preventing corruption-related events. The Policy defines the rules of conduct aimed at preventing corruption in internal relations or in relations with the Bank’s Customers, Trading Partners or entities from the Alior Bank S.A. Group, and in the event that Alior Bank S.A. becomes aware of circumstances that constitute a corrupt act in internal or external relations, the Policy defines the basic assumptions and competencies related to corruption risk management, introduces the Alior Bank S.A. Anti-Corruption Program, and separates areas related to preventing corruption from other Bank regulations. In 2023, there were no confirmed cases of corruption in the Bank.

### 2.3. Cooperation with suppliers

At Alior Bank, we look at external partners, including suppliers, as an element of the Bank’s environment that affects our potential and image. Therefore, we find it important that our values and high ethical standards be known and respected by the suppliers cooperating with us, as well as that they comply with generally applicable provisions of law, in particular, in the area of employee rights, safety and health protection rules and broadly understood human rights. As far as we are concerned, the selection of partners with whom we have common values is an opportunity to build a stable and growing business. In order to guarantee the supreme standards and reduce the risks of cooperation with an unreliable supplier, the Bank uses a two-

[GRI 3-3]

[GRI 2-6]

stage supplier verification process in *the Supplier Qualification process described in the Purchasing Policy*.

Suppliers establishing relationships with the Bank as part of purchasing procedures are verified on many dimensions, in particular: in terms of financial stability, the so-called warning signals (namely information available in open sources), verification of checklists, including e.g. the PFSA Public Warnings List, taxpayer status or incidents threatening banking activities.

Additionally, Suppliers must submit “Business Ethics” statements, in which they refer to the adherence by their organisation to the ethical standards specified therein. These are, in particular, statements concerning:

- compliance with the applicable law in relationships with employees, including in particular: not employing minors; following non-discrimination policy to employees for any reasons, in particular due to their gender, age, race, disability, nationality, ethnic origin, sexual orientation, political views, trade union membership (with regard to not restricting the freedom of association and concluding collective agreements), or professed religion; adherence to the law on minimum wages; guaranteeing safe and healthy working conditions to employees,
- compliance with the applicable law in relationships with the environment and the immediate surroundings, especially: compliance with environmental regulations and prohibition of adverse effect on immediate vicinity,
- compliance with the applicable law in relationships with other entities, including in particular: not doing business with entities whose manner of conducting business may pose a threat to their reputation; respecting the intellectual property rights of third parties; treating contractors fairly and not using hidden terms in contracts,
- compliance with generally applicable legal provisions, including in particular: regarding competition and consumer protection; accounting regulations and standards,
- compliance with high ethical standards, including in particular: having one’s own professional ethics and following it; corruption intolerance; identifying and informing about a potential conflict of interest; not using confidential information and not disclosing it

## ONGOING QUALIFICATION STAGE

Suppliers continuing cooperation under the already existing cooperation relationship, for whom the turnover exceeds PLN 100,000 gross in the year preceding the ongoing classification cycle, known as the Annual Supplier Qualification, are subject to verification covering the main dimensions described and applicable also at the initial stage.

The year 2023 saw 523 Suppliers being verified in the ASQ process, of which 511 were positively qualified, with 4 the Bank continues to cooperate with stricter monitoring, and 6 Suppliers were qualified negatively. In 2023, 823 procurement processes were conducted, of which 607 were completed with a contract being concluded or an order being placed in the same year.

## 2.4. Management of risks related to business activity

[GRI 3-3]

Risk management is one of the most crucial internal processes at the Bank and the Alior Bank S.A. Capital Group. It is supportive for pursuing the Bank’s strategy and aimed at ensuring an adequate level of profitability and security of business activities, It is also to ensure an adequate level of risk control and keeping it within risk tolerances (risk appetite), in changing macroeconomic and legal conditions. The Bank’s risk management system is based on three independent lines of defence.



This framework is set by the standards applicable in the banking sector as well as guidelines in regulations and regulatory recommendations.

The overriding goal of the risk management strategy is to ensure sufficiently early recognition and adequate management of all material risks related to the Bank's activities. Alior Bank aims at keeping the level of risk within the adopted tolerances, in order to:



Protect the value of shareholders' interest



Protect Customers' deposits



Support the Group in pursuing effective operations

Risk management at Alior Bank is delivered, in particular, based on the following rules:

- The Bank manages all risks identified in its activities,
- Organisational structure and the assignment of functions to particular units of the Bank provide for precise division of responsibilities, and mitigate the risk of conflict of interest,
- Risk management process and methods are adequate to the scale of the Bank's activities and adapted to the significance, scale and complexity of the respective risk,
- Risk management process is regularly adapted to new risk factors and risk sources, and to the changing business and regulatory environment,
- Risk management methods are periodically verified and validated,
- Risk management is integrated into planning and controlling processes,
- Risk level is regularly monitored and compared to the system of limits applicable at the Bank, and the Management Board and the Supervisory Board of the Bank receive regular information on the risk profiles and levels.

The risk management system is comprehensive and integrated into the Bank's operational processes. The basic steps of the risk management processes are as follows:

## Key steps in the risk management process:



The risk management process is carried out at the Bank based on fully formalised in-house regulations.

The Bank exercises supervision over the operations of subsidiaries of the Alior Bank's Capital Group. The Bank supervises the risk management systems in these entities and takes into consideration the level of risk connected with activities of particular entities within the risk monitoring and reporting system at the level of the Bank's Capital Group.

The Bank has identified the following as major risks in its activities: credit risk, market risk, including interest rate risk in the banking book, market risk in the trading book, liquidity, operational, compliance, model, business, reputation, equity, and excessive financial leverage risks. Out of these risks, the Bank considers the following as main risks:

- credit risk,
- operational risk,
- liquidity risk,
- market risk, including interest rate risk in the banking book and market risk in the trading book,
- model risk,
- capital risk.

Operational and compliance risks are of particular significance in terms of their effect on social, workforce, environmental, respect for human rights and anti-corruption aspects.

## Credit risk

Credit risk is taken to mean the risk of a loss as a result of customer default towards the Alior Bank's Capital Group or as a risk of lower economic value of the Alior Bank's Capital Group's receivables as a result of customers' reduced capacity to service their debt. The purpose of credit risk management is to limit the loss on the credit portfolio and to minimise the risk of lending exposures which may lose their value, while keeping the expected level of profitability and value of the credit portfolio.

The management of credit risk and maintaining it at a secure level defined by the risk appetite is fundamental for stable operation and growth of the Bank. To this end, the Bank undertakes actions to hedge credit risk against various internal and external risk factors, including climate risk, that may have an adverse impact on credit risk. Regulations applicable at the Bank are used for the control of credit risk, in particular, the procedures for analysing loan applications, credit origination methodologies and the risk valuation models adapted to the customer segment, type of product and transaction, the rules for monitoring customers and the loan portfolio, the rules for establishing and monitoring legal securities for loans, and debt monitoring and collection processes. We aim at centralisation and maximisation of automation of processes while making use of the available third-party and in-house information.

As part of minimisation of the risk level, each time when originating a credit product, we assess the customer's credibility and credit rating, taking into account, among other things, detailed analysis of the source from which the exposure is to be repaid and the credibility of the provided security, and in the case of entrepreneurs we determine the level of environmental, social and governance risk management.

## Operational risk

Operational risk is a risk of a loss due to failure to apply or fallibility of internal processes, people and systems, or external events. The operational risk includes legal risks, but does not include reputation risk and business risk. The purpose of operational risk management is to keep operational risk at a secure level adequate to the activities, objectives, strategies and development of the Bank.

Alior Bank has in place a formalised operational risk management system within which we prevent operating events and incidents and minimise the loss if the risk materialises. We monitor operational risk at all levels of our organisation.

## Market risk

The purpose of interest rate risk management is to limit potential losses due to changes in market interest rates to an acceptable level by adequate composition of balance sheet and off-balance sheet items. Alior Bank has identified the following market risks to be managed:

- Interest rate risk in the banking book,
- market risk in the trading book (encompassing, in particular: interest rate risk in the trading book, currency risk, and commodity price risk).

Interest rate risk (including interest rate risk in the banking book) is defined as a risk of adverse effect of market interest rates on the current result or net current value of the Bank's equity.

Due to its policy of limiting risks in the trading book, the Bank has attached special importance to specific aspects of interest rate risk related to the banking book:

- mismatch risk,
- basis risk, or the risk of non-parallel shifts in various reference indices with similar repricing dates on the result of the Bank,
- customer option risk.

Currency risk is defined as the risk of a loss occurring due to changes in foreign exchange rates in connection with currency positions maintained. Currency risk is measured by monitoring and mitigated by limiting currency positions taken by the Bank.

Commodity price risk is defined as the risk of a loss occurring due to changes in commodity prices. Commodities are taken to mean all material trading objects defined as to type and quality, the quantity of which may be expressed in physical units of measurement. Measurement is conducted by monitoring and commodity risk is limited by limiting commodity positions so that this risk becomes insignificant for the Bank.

### Liquidity risk

Liquidity risk is the risk of inability to fulfil payment liability arising from the Bank's balance sheet and off-balance sheet items. The purpose of liquidity risk management is to ensure funding necessary to meet current and future (including potential) liabilities, taking into account the specific features of the activity and the needs that may emerge as a result of changing market or macroeconomic conditions. Liquidity risk is measured and assessed using appropriate measures, including ratios and related limits.

### Model risk

Model risk refers to the potential loss that the Bank may incur as a result of making decisions based on model outputs that were incorrectly developed, implemented or managed. The model risk management process assesses compliance of the model risk level with the adopted risk appetite, and measures are taken in order to limit this level. The stages of the process are: identification, measurement, monitoring, control and reporting of the model risk. The model risk management process is carried out at the level of individual models as well as at the level of the model portfolio. The actions and techniques used are adjusted to the importance of the model in the Bank's operations. Each model is subject to strict monitoring and data quality tests, whereas models recognized as significant are additionally regularly validated by an independent unit. These actions ensure control and continuous measurement of model risk.

### Capital risk

Capital risk means risk resulting from failure to provide capital sufficient to absorb unexpected losses and meet supervisory requirements that allow the Bank to continue functioning independently. In order to ensure safe operation, the Bank determines (as part of the risk appetite) appropriate levels of coverage by own funds (as well as Tier1 capital) of potential unexpected loss due to material risks determined as part of the ICAAP process, as well as risks identified as part of the regulatory capital calculation process. Under the ICAAP process, the Bank identifies and evaluates the materiality of all risks it is exposed to in doing its business. For particular risks identified as material risks, the Bank estimates internal capital requirement using its in-house risk estimation models.

**Compliance risk**

Compliance Risk – is the risk of legal sanctions, financial losses or loss of reputation due to non-observance on the part of the Bank, entities acting on its behalf or its employees, of the provisions of law, requirements of supervisory authorities, internal regulations or adopted standards of conduct and ethical standards and when it results from the provisions of law and relevant regulations of other entities. The purpose of compliance risk management is to reduce the level of risk and ensure safe level of Bank’s operations in dynamically changing and demanding legal and market environment, without adverse consequences of breaches of legislation, regulations and ethical standards.

Risk management principles are defined in policies and other internal regulations, including: *Alior Bank Group Risk Management Strategy, Policy of Credit Risk Management at Alior Bank, Credit Concentration Risk Management Policy, Model Risk Management Policy, Policy of Operation Risk Management at Alior Bank, Policy of Capital Management and Capital Planning at Alior Bank.*

**ESG RISK MANAGEMENT IN THE INTERNAL RISK MANAGEMENT FRAMEWORK**

ESG (environmental, social and governance) risks, which form part of the risk management system, have been included in the Alior Bank SA Group Risk Management Strategy as cross-cutting risks and included in the internal capital adequacy assessment process (ICAAP). ESG risk factors affect individual types of risks recognized at the Bank, which include the following: credit, operational, market, liquidity, reputation and compliance risks.

[GRI 2-24]

[GRI 2-25]



Environmental, social and governance risks have been included in the process of determining risk appetite, and ESG issues have been implemented in internal instructions and procedures for the risk management system.

The Bank exercises due diligence to take into account legal regulations, supervisors' guidelines, recommendations, publications, including academic papers, and market practices in the process of managing ESG risks.

**ESG in the credit application process of Business Customers**

ESG risks in the credit process mean the risk of negative consequences for the Bank arising from the current or future impact of environmental factors, social policy or corporate

governance on the situation of borrowers or accepted collateral for loans. When analyzing the above factors, the Bank also takes into account their possible positive impact on customers' business. In accordance with the dual materiality principle, the Bank also analyzes the impact of customers' activities on ESG factors.

In the credit process, the identification of ESG risk factors is carried out in accordance with the detailed regulations of the Bank, and their potential impact on the borrower's financial situation is taken into account in the final assessment of the customer's credit risk.

The process of identifying ESG risk factors is carried out at the stage of verifying the credit application, analyzing the economic and financial situation in the credit process, and in the process of individual monitoring.

The level of risk is determined using the ESG Risk Charter, which allows to determine the level of environmental, social, governance, physical and transition risks. What affects the determination of ESG risks is the sector in which the business operates, the location of its head office and its place of business or the location of the venture being implemented. In certain cases, the Bank requires an in-depth analysis of ESG risk factors (Due Diligence) and additional documents (expert reports and additional information).

#### Key regulations for managing ESG risks in the credit application process

The Bank controls the effectiveness of the adopted solutions through periodical analyses, including those prepared for MIS (Management Information System) reports. The regular review of the portfolio, carried out on this basis, makes it possible to assess the effectiveness and efficiency of the introduced tools used in the process of managing ESG risks. Results are presented as aggregate results for ESG risks and climate risks (including sudden and chronic physical risks and transition risks).

The Bank pays particular attention to the financing of sectors deemed sensitive in terms of ESG risks (including climate risk) and limits financing in industries deemed unsustainable.

With regard to a business customer, in accordance with the Credit Risk Management Policy, the Bank does not finance projects that may have a negative impact on the climate and the natural environment or are prohibited by Polish legislation or international conventions related to the protection of biodiversity resources or cultural heritage. In its relations with customers, the Bank adheres to standards of professional ethics and uses solutions to ensure the protection and security of data provided during the credit process.

#### ESG risk factors taken into consideration in the credit application process

In managing ESG risks, the Bank identifies the risk factors described below:

##### 1. Environmental factors

- relating to climate (air pollution, greenhouse gas emissions, energy consumption and efficiency) – adaptation to a low-carbon economy resulting from regulatory requirements, risk of non-transition, exposure to increased costs related to purchasing greenhouse gas emission allowances or increased costs of purchasing fossil fuels consumed (transition risks),
  - unsuccessful investments in new low-carbon and environmental technologies, the cost of replacing products and services with solutions that generate lower unit emissions (transition risk),

- changes in consumer sentiment and preferences related to growing awareness of climate change, redirecting the choices of consumers and business customers to products and services that are less harmful to the environment,
- difficulty in attracting and retaining customers, employees, business partners, and investors if the company's activities are deemed detrimental to the climate, stakeholder concerns, negative opinions, and stigmatization of the sector,
- risks of occurrence of violent events caused by extreme weather events and long-term climate change processes, which can contribute, among other things, to: decrease in the value of assets, increase in production costs, disruption of business operations (physical risks),
- pollution of soil, ground, water, environmental degradation, hazardous and harmful substances, generation of waste (including hazardous waste), excessive noise emissions,
- water resources management (overuse of water resources, controversial fishing practices),
- biodiversity and ecosystems (exposure to loss of biodiversity, ecosystems, negative impacts on protected and endangered areas and species, deforestation, controversial: land clearing, logging; soil degradation, peatlands),
- use of natural resources, closed-loop economy (inefficient, excessive use of natural resources, resource impacts on product and materials, design and production process based on product perishability, environmentally unfavorable practices related to extraction of raw materials).

## 2. Social factors

- failure to comply with labor laws,
- occupational health and safety of employees,
- discrimination (based on age, gender, origin, disability), inequality: other unfavorable forms of employment; lack of respect for diversity, freedom of opinion, religion, association,
- failure to respect human rights (child labor, forced labor, violations of the right to privacy, intellectual property rights, workplace harassment),
- impact on surroundings, local communities (unethical behavior, violations (e.g., physical harm to people, violation of rights, including human rights), lack of equal access to products and services, lack of access to information, high level of complaints / customer dissatisfaction, violation of conventions (unconventional weapons).

## 3. Factors related to management

- bribery and corrupt activities, fraud (illegal and unethical payments),
- low standards of management, supervision of the company, corporate culture (anti-competitive practices, violations of antitrust laws, unethical tax treatment, negative impact resulting in compensation, penalties),
- lack of standards and control mechanisms,

- unethical conduct or negative impact on the health of customers, negative impact of the business on the environment, poor product quality,
- data security (no privacy protection and data security),
- reporting and accounting (unclear accounting rules and unreliable, non-transparent, limited reporting).

### Management of climate-related risks in the credit application process of Business Customers

Climate change risk is considered as borrower risk due to the physical effects of climate change, legal liability risk for contributing to climate change, borrower risk due to the transition to a low-carbon climate-resilient economy, market changes, changes in counterparty preferences, and legal risk.

**Physical risks** are considered as current or potential risks that arise from the physical effects of climate change, environmental degradation. The assessment of physical risks is carried out taking into account the possibility of exposure to sudden events caused by extreme weather events and long-term climate change processes, including related to:

- temperature: temperature variability and its effect on air, water; heat waves, cold, frost, occurrences of spontaneous fires,
- wind: cyclones, hurricanes, tornadoes, storms (snow, sand, dust),
- water: variability of precipitation, change in types of precipitation (hail, snow, ice, rain), sea water intrusion, rising sea levels, water scarcity, drought, heavy precipitation, floods,
- pollution, loss of biodiversity,
- land: degradation, soil erosion, landslides.

Extreme weather events include storms, floods, water pollution, fires, heat and cold waves, hurricanes, droughts, heavy rainfall, and landslides. Long-term climate change can result in rising temperatures, changing precipitation patterns, rising sea levels, reduced water availability, loss of biodiversity, and land degradation.

**Transition** (transformation) risk in the credit process refers to the uncertainty related to the timing and speed of the adjustment process to an environmentally sustainable economy. Transition risks are considered in the context of climate change and are mainly due to the transition to a low-carbon and climate-resilient economy. Transition risk is assessed in terms of the impact on the financial position of borrowers.

The primary factors affecting transition risks are:

- policy actions resulting from energy efficiency requirements, carbon pricing mechanisms that raise the price of fossil fuels,
- legal and regulatory risks arising from current and future regulations (e.g. regulatory intervention to reduce carbon emissions), the occurrence of litigation for failure to remedy adverse climate impacts or failure to adapt to climate change,
- technological changes – replacing technology that is more harmful to the climate with technology that has a less harmful effect on the climate, the need to invest in new technologies;

- changes in market preferences toward products and services that are less harmful to the climate, increases in the cost of raw materials,
- reputational risk – difficulty in attracting and retaining customers, employees, business partners and investors if a company has a reputation for damaging the climate.

The Bank carries out analyses to mitigate climate-related risks, including on the basis of portfolio data. In addition to formal reporting dedicated to the Bank's management, the MIS (Management Information System) reporting reduces risk through the use of an internal exposure limit that takes into account ESG risks and through stress testing.

### ESG in other risk areas

In addition to the credit risk management process, ESG is also taken into consideration in:

- the operational risk management process, particularly through business continuity risk and legal risk, where the Bank identifies ESG risk factors (including: physical risk and transition risk). In terms of BCM, we monitor climate risk and we analyse potential events, i.e. floods and the unavailability of the Bank's locations located in areas particularly exposed to such events. The Bank also uses renewable energy from the photovoltaic installation in its Data Centre, successively expanding the installation, building a base for partial independence from the external supplier. In terms of legal risk, climate risk, as a cross-cutting risk, affects the Bank's other risks to varying degrees and is taken into account in the assessment of the other risk categories and is included in the management and monitoring process of the standard banking risk categories.
- the market and liquidity risk management process where the Bank periodically examines the materiality of the impact of ESG risk factors on the level of individual risks and, if a factor is considered material, takes it into account in the management processes of a given risk,
- assessing the level of reputation risk, using indicators divided into four risk groups (the Bank's image, customer service quality, operational risk events related to reputation, and litigation), taking into account the relevant ESG risk factors falling within their scope,
- compliance risk management, where the Bank has identified the ESG area as one of the regulatory areas for the Bank's key activities with a high level of inherent risk. Accordingly, regular monitoring of the regulatory environment and the quality of the Bank's control environment has been implemented to ensure compliance with legal requirements and regulators in this area as well as a quarterly update of residual compliance risk.



# 3. Customer in the spotlight

## 3.1. Customer's voice

### Satisfaction level surveys (NPS)

Thanks to surveys on customer satisfaction carried out in line with the NPS (Net Promoter Score) method, we learn cyclical information about the general level of customer satisfaction in terms of cooperation with the Bank and their inclination to spread a good word about Alior Bank to others. The continuous surveys also allow assessing the products offered by the bank offer and their distribution channels.



The past 2023 witnessed us carrying out telephone (CATI) and internet (CAWI) surveys

involving a group of over 77,5 thous. Bank customers. The Bank's NPS relationship survey carried out in the fourth quarter with a score of 40, confirmed that 2023 was another year in which we managed to increase customers' satisfaction.

[GRI 2-29]

The NPS survey also encompasses customers who used specific products, services or distribution channels directly before its carrying out, thanks to which we can learn, in more details, about the interesting aspects of how the Bank operates. In addition to surveys carried out on a continuous basis, in 2023 we also carried out new surveys that were a response to the emerging needs of the Bank to listen to the customer's voice, related, for instance, to the introduction of new processes or functionalities.

The analysis of the survey results is supported by constantly developed analytical dashboards, which, on the one hand, allowed for far-reaching automation of the processing of information obtained from customers, which enables faster and easier presentation of the outcome data for the recipient, and on the other, made it possible to combine data obtained from surveys with information reflecting the customer's life cycle in the bank.

Yet another year showed us that customers in their relations with the Bank pay even bigger attention to aspects related to service convenience. Surveys conducted in 2023 show, 43 % of the customers (increase of 5 p.p. since 2022) in assessing the Bank in the relationship survey, mentioned convenience as a factor which determines their assessment. The next places are taken by pricing and human-dependent aspects.

[GRI 2-29]

### CUSTOMER RELATIONSHIPS

#### Retail customers

In 2023, we worked to strengthen consulting, individual approach to the customer and introduce customers to self-service – keeping in mind all different customer groups and all points of contact between customer and the Bank.

We have conducted a number of educational activities for remote and onsite bankers, such as workshops or the preparation of informational materials. Moreover, actions in the area of quality and completeness of responses to email inquiries were also of great value to us. This allowed us to develop solutions whereby the customer receives personalized and comprehensive answers, even to multi-threaded inquiries.

We constantly monitor the level of service in all contact channels – mainly by conducting internal surveys of customer service quality (mystery client). The purpose of this activity is to analyze the customer's experience throughout their relationship with Alior Bank – from the moment the brand is spotted, through the purchase of the product, after-sales service, and until the relationship is closed. In 2023, we focused on analyzing the quality of service for different age groups of customers – from adolescent to senior customers. We looked at how employees handle introducing customers to the digital world as well as whether they tailor the way they talk to the group concerned. We were constantly on the lookout for areas that we could optimize and develop in order to ensure their highest possible quality.

We conducted a number of market benchmarks. In 2023, the research included a comparison of: selected functionalities in online and mobile banking, chat activities and functionalities, establishment of deposit products by adolescent customers, support for the blind and visually impaired, support through voicebots, communication in remote channels when an identity document is about to expire.

We focused our efforts on providing our customers with appropriate education via the helpline and in the brick-and-mortar sales network. An example of this activity is the work on raising the awareness of Alior Bank customers as regards the broadly understood security during banking.

We are constantly working to move customers into the digital world, to encourage customers to self-service, e.g. through education on how to use Alior Bank's competitive e-banking functionality.

We took actions aimed at optimizing our processes in terms of how fast any matter can be handled without having to leave home – bearing in mind the transition of our customers to digital solutions.

We ordered Mystery Client surveys for brick-and-mortar branches in cooperation with external research companies. In 2023, we carried out two customer service surveys in brick-and-mortar branches of the Bank. The purpose of the first of these studies was to verify whether branch employees meet the customer service standards in place at the bank. The second Mystery Client survey pertained to the complaints area. This survey verified: the competence and commitment of our Bank's employees when solving customer problems; the acceptance of reports, and the quality and completeness of the written response.

### **Business customers**

According to the adopted strategic direction, the year 2023 saw focus being placed on consistently improving the customer experience and building engagement at all stages of the mutual relationship.

Each activity affects the experience and perception of the brand both by potential as well as existing customers. We based our activities on continuous and iterative analysis of the

[GRI 2-29]

customer's voice, translating findings into concrete improvement initiatives, implemented in collaboration with individual business units. Based on a customer feedback survey, dozens of initiatives focused on changes to forms, regulations, procedures or system improvements have been developed.

We studied the quality of customer service in brick-and-mortar branches and made sure to disseminate the best practices that are in line with market standards. We have worked to build a standard for the sales conversation and emphasize the importance of conducting a thorough analysis of needs in order to meet our customers' expectations every time and sell our products in a responsible and transparent manner. We verified the degree of implementation of standards through mystery shopper surveys.

With the goal of maintaining strong business ties, we emphasized the importance of our advisors' commitment to providing customer service, after-sales support and continuity of contact with the customer. We made sure to update the information on the website, including information on the availability of branches and advisors. We also devoted attention to the area of notifications on pending customer matters that require taking action.

We analyzed the quality of service in remote channels and the information gathered will form the basis for developing further measures planned for 2024.

We worked to access knowledge and provide factual materials to support improvements in customer service, including in the area of online banking. We participated in building regular knowledge tests to identify areas that need strengthening and additional care.

We strive to make the services and products offered by Alior Bank transparent and understandable. We are committed to ensuring that customers are well aware of the terms and conditions of the contracts they sign and that they are informed about the status of their instructions. Therefore, as part of the Fair Play Strategy, we continued to conduct educational and informational communications. Our goal was to continue to make customers aware of the terms and conditions that will enable them to operate their business accounts in the most favorable manner. We reminded them of the upcoming periodic credit fees to make sure that they are not surprised by these expenses. We have expanded outreach efforts to include messages about the stage or method of resolution of the reported matter, analyzing the use of the campaign in other key and high-volume processes.



## 3.2. Customer experience

### Customer service



The quality of service and the introduction of further improvements are the processes we are constantly working on at Alior Bank. We offer many possibilities in the field of customer service (as part of the sale of banking products and their subsequent service) while still listening to customers and their needs.

#### Simplifying communication

In 2023, Alior Bank continued its efforts in the area of simplifying communications. The simplification team focused on employee education and implemented further training in simple, friendly and effective communication. A group of 25 internal plain language ambassadors has been formed to educate, inspire and support their teams as they simplify their communications. The Plain Language Ambassadors have completed the relevant training courses and obtained the Language Quality Label certificates, which are awarded by the Polish Language Foundation. We also obtained two certificates from the Plain Polish Workshop, first for FAQ messages of our InfoNina bot, second for simplified legal documents.



Alior Bank was also the material patron of the Effective Communication Congress, which was organized by the Polish Language Foundation. The Bank also promoted its activities in social media. Employees were focused on simplifying additional content. According to an internal regulation, plain language must be used by all employees who create communications for customers.

## Modernizacja oddziałów

We continue to modernise our branches. At the end of 2023 our 85 branches are already of the new format – in the coming months we plan to modernise another dozen or so.



The changes we introduced provide our customers with the supreme comfort of service. Separate workstations are particularly valuable – they allow for discretion during conversations with customers. Moreover, if a meeting requires extraordinary privacy, employees can make use of a separate and glazed area.

Additionally, each modernised branch has a digital zone in place. All customers can use online banking or see the demo version of our Bank's mobile application. They are supported by branch employees, and whenever necessary, they show the functionalities of these tools.

## Customer Zone

The “Customer Zone” has already become a permanent element of our process of collecting opinions about processes, products and services. We are more than happy that more customers use this form of communication with us as well as that they leave positive feedback (the year 2023 was full of positive opinions, which represented more than 50% of all opinions).



It is a place where we show our customers what changes, improvements, projects we are implementing to make banking with us to be convenient and a partnership.

## Recommendation process

As part of the work of the recommendation groups, we continued to analyse the most voluminous categories of inquiries and complaints, as well as we determined possible solutions for them in the area of retail and business customers. . The aim was to reduce complaints by addressing the cause of their occurrence, both in products and processes. It would not be possible if it were not for the cooperation and involvement of key units that have an impact on our actions.

As far as the business customer area is concerned, we worked on limiting the volumes of both inquiries (in the Call Centre and Help Desk area) and complaints (Complaints Handling Team and appeals to the Customer Ombudsman). In 2023, as a result of our analysis of the reasons for the high number of notifications, with significant support from the sales and business units responsible for service quality, processes and products, we jointly developed 20 recommendations for changes, modifications and improvements for the retail customer and 27 for the business customer.

**Customer Problem Lab**

As part of supporting customers who make direct contact with the Customer Ombudsman or the Bank’s Management Board, we still exercised due care to act quickly. This enabled us to develop solutions for customers that met their expectations. They included complicated matters that required a rapid response. We initiated meetings during which we collected opinions of various Bank units as well as we jointly developed solutions to eliminate the risk of similar situations. We resolved disputes in favour of customers so that to testify to our understanding and partnership attitude in everyday banking.

**Alior Bank’s Customer Ombudsman**



Alior Bank’s Customer Ombudsman is a unit independent from other substantive units in the bank that handles both retail and business customers. This makes it possible to assess whether the bank acts properly when dealing with customers who raise doubts and objections. This assessment is based on the provisions laid down in concluded contracts, the rights and obligations of both parties, with particular emphasis on acting in the spirit of

[GRI 2-16]

[GRI 3-3]

the policy of Treating Customers Fairly. In addition, the Customer Ombudsman handles customer appeals when complaints are rejected, providing a personalized approach in particularly complex cases and accepting comments regarding the operation of the bank. The Customer Ombudsman analyzes the reported case by contacting the relevant teams responsible for a particular process, product or customer service and with their support tries to find a solution to the customer’s unique problem. The Ombudsman’s activities contribute to a greater sense of security for customers through efficient and objective verification of the issues they report.

In 2023, we registered 640 appeals to the Customer Ombudsman vs 638 in 2022. This is a minor increase in registered cases y/y. The average monthly number of appeals received in 2023 was 54. 90% of all appeals concerned retail customers, with only 10% pertaining to business customers. The average percentage of approved appeals (sum of approved, partially approved and business approved appeals) amounted to 29% in total. This is 7% more y/y.

[GRI 2-25]

Appeals approved for businesses represented 34% of all approved appeals and were 11% lower compared to 2022. The appeals approved for businesses were most often approved due to the inability to objectively verify the case or desire to preserve good customer relations and work toward maintaining them. Less often, however, they were approved due to the emergence of new circumstances, pointed out by customers in the appeal and not previously mentioned in the complaint.





### 3.3. Innovation

Since its inception, Alior Bank has been a promoter of innovation created based on new technologies, listening with attention to what the customer has to say and analyzing their needs. The Bank continues to operate the Innovation Lab, focused on fostering a culture of innovation in the organization (within the organizational structure of the Department of Innovation and Fintech Partnerships).

The aforementioned unit has a number of competencies that increase the potential for the development of innovation at the Bank as regards UX/UI design, user research, collaboration with fintechs, open banking and digital process development.

The Bank actively scouts new companies offering innovative and potentially interesting solutions to its customers in order to achieve a competitive advantage. In Q1 2023, the 5<sup>th</sup> edition of our RBL\_START accelerator program ended with a DEMO DAY, during which we presented the solutions developed by program participants and awarded two teams that the bank believes have the greatest potential for cooperation with a cash prize. The effect of the program is the start of a project track for solutions to be developed within an accelerated timeframe at the Bank.

During DEMO DAY, the Bank also communicated a change in its approach to working with FinTech companies. The bank is currently conducting a continuous call for applications for its program, moving away from organizing individual editions. Applications can be sent via the form available at [www.accelerator.aliorbank.pl](http://www.accelerator.aliorbank.pl).

In the new model of cooperation, the activity and visibility of Alior Bank in the fintech ecosystem plays an even greater role, therefore activities in this area were intensified by the Bank in 2023.

The Bank has taken a number of measures to increase its visibility and encourage companies to apply and learn about the opportunities offered by cooperation with Alior Bank. The most notable of them include:

- establishing a partnership with Fintech Poland, under which the Bank actively participates in several working groups and establishes relationships with other players in the fintech ecosystem,
- cooperation with the university community (including Cracow University of Economics and Wrocław University of Economics),
- active scouting at fintech conferences as participants and speakers (including Amsterdam Banking Forum, Money 2020, Fintech & Insurtech Digital Congress, SME Banking Club, Fireside Chat at the WSE, Future Finance Poland, Cashless Fintech Evening, Open Banking and SCA Leadership Forum),
- The Bank also became the main partner of the "Polish Map of Fintech 2023" report".

In 2023, the Innovation Lab intensively supported the organization with User Experience competencies in the implementation of new solutions, this includes the design and prototyping of processes and interfaces as well as testing them both in terms of usability and products. For

example, research interviews were conducted with more than 3,000 users, which allowed to design more than 1,000 screens that create customer-friendly pathways in business processes.

In 2023, the unit's expertise in the area of open banking services was successfully used in the development of new remote identity verification methods within the Identity Identification Center that provides services to a number of business lines in the Bank. The result was the implementation of a customer identification method based on the AIS PSD service. The service is already being actively used in installment sales and business account opening processes.

In the past year, the Bank also intensively developed remote processes based on AI technology. The InfoNina voicebot was significantly expanded through the implementation of transactional processes and new voice bots in the areas of personal data updates and NPS surveys, among others. A chatbot was also launched in June to provide customer service to the Bank's customers by offering information and assistance in sales. As part of the AI Hackathon held in November, Bank employees tested the possibilities offered by Open AI technology and ChatGPT in selected business processes in a secure environment.

The Bank held its first Innovation Day in December 2023, with the Innovator of the Year 2023 competition being its key highlight. The purpose of the initiative was to recognize employees for their work in implementing innovative projects throughout the Bank. Out of as many as 60 entries, the top prize for the most innovative implementation in the past year went to the chatbot project launched in mid-2023 on the Alior Bank website and later in the Alior Online banking system.

The results of actions taken by the Department of Innovation and Fintech Partnerships have been recognized by the international organization Global Finance in the competition titled The Innovators 2023 and honorably mentioned in the category "World's Best Financial Innovation Lab 2023" as one of the top 25 iLabs (Innovation Labs) in the world.



### 3.4. Responsible sales



In Alior Bank, we have always taken care that our products and services get to the people who really need them and for whom they are a real value. We comply with *the Unfair Sales Prevention Policy* which prevents misselling practices. We have defined the rules for proper construction and distribution of products. We have limited the product shelf, and the selected items from our offering may be distributed only through authorised channels (e.g. Private Banking) and by workforce holding appropriate knowledge and experience.

[GRI 3-3]

We have systematically monitored the sales process for misselling risks.

In 2023, we continued activities for branch employees, during which we improved the knowledge about the requirements for responsible sales in the area of investment products. Sales bonuses for employees depend on the quality of the sales process, which we regularly control. The primary mechanism here is post-sale customer surveys (so-called Post-Sale Calls) for selected products involving the highest risk of misselling, and this is complemented with the assessment of the quality of documentation, complaints and so-called early resignation

of customers. In 2023, no proceedings were pending against Alior Bank or its subsidiary for breaches of fair competition rules. The value of penalties paid in 2023 for violations of consumer rights amounted to PLN 0.00.



### 3.5. Security of data and customer transactions

The security of the funds entrusted to us and of our customers' data are our highest priority.

That is why throughout the Alior Bank Group strict security procedures are in place to ensure confidentiality, integrity and availability of the processed information. Our security policy and all procedures in this area are updated as required in response to changing cybersecurity conditions in the market, as well as new requirements and guidelines of regulators. As an operator of the key service, in keeping with the National Cybersecurity System Act (implementing the requirements of the NIS European directive), based on the requirements of the Polish Standard PN-EN ISO/IEC 27001), the Bank meets high cybersecurity requirements stemming from the law and the recommendations of the Polish Financial Supervision Authority. In 2023, all key IT systems of Alior Bank that process customer data and are involved in the process of conducting financial transactions were subjected to extensive security tests (external and internal), which provided us with assurance that customers' data and funds at Alior Bank are secure. The implemented cyclical, automatic vulnerability (security vulnerability) scans provide ongoing information about the security of the IT environment and allow for systematic action to mitigate the related risk. The security of customer data and transactions is also supervised by a team of highly qualified experts working on a 24/7 basis, who constantly monitor the security of both the Bank and the security of our customers' financial transactions.

[GRI 2-23]

[GRI 2-24]

Not only have our cybersecurity experts tracked down active new threats, but also analysed trends in this area and on this basis they modified and adapted the security systems. The Bank regularly delivers training to raise employees' awareness of IT security threats.

In 2023, the Bank also actively worked with the industry in the area of cybersecurity – with CSIRT of the Polish Financial Supervision Authority, with other banks, and with the Banking Cybersecurity Centre at the Polish Bank Association, getting involved in the work of many working groups or forums (e.g. Payment Transaction Security Forum, Threat Intelligence Forum).

Due to such comprehensive approach to cybersecurity, in 2023 the Bank reported no major data security incidents and stood out with particularly high security of transactions which translated into a negligible level of transactional fraud. The bank has been awarded for the fourth consecutive time by the chapter of the interbank plebiscite "Golden Banker" in the area of "Sense of security" of internet banking and mobile application.

## 3.6. Protection of personal data



Protection of personal data of our customers and thus of the data covered by bank secrecy count among Alior Bank's priorities. The Bank is personal data controller for millions of customers and processes such data for various purposes, of which selling purposes are the most important, yet not the only ones. We are committed to the protection of our customers' privacy. Since the entry into force 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 (hereinafter referred to as "GDPR"), the Bank has modified its approach to data protection. In compliance with the GDPR, the Bank focuses on the assessment of data processing risk as soon as in the initial design phase (privacy by design) and evaluates the effects for data processing of all new relevant processes and projects.

The GDPR has been in force for over five years and we have observed constant, even growing interest in personal data protection, both on the part of natural persons and on the part of legal persons and other entities which since 2018 have begun to pay more attention to this issue. The Data Protection Officer constantly receives letters and requests made by customers pertaining to the exercise of rights under the GDPR. Probably it is caused by huge financial penalties that can be imposed by the data protection authority and the giant GDPR-related publicity, but also by growing awareness of what a valuable commodity data and information are in the 21<sup>st</sup> century. The Bank responds to requests within the statutory time limit and with utmost care.

The Data Protection Officer's e-mail box available on the Bank's website receives thousands requests from customers related to their rights resulting from the GDPR as well as other questions regarding data protection. Letters from our customers and the regulator give us credit for ensuring the rights which arise from the GDPR in a timely and substantive manner.

However, new interpretations and penalties imposed on data controllers both in Poland and in other EU countries are a new challenge. As a result, banks must quickly adapt to new decisions and solutions. In this regard, we have been trying to be up to date and react quickly in the areas of possible risk. The number of personal data breach incidents reported by Alior Bank to the President of the Office of Personal Data Protection totalled to 40 in 2023, at the same time there were no incidents reported to President of the Office of Personal Data Protection by external entities (so-called complaints against the company) in the same period).

## 3.7. Secure electronic banking

As a technologically advanced bank, we are aware that technological progress and digitization of financial services come with new threats appearing daily, which we need to anticipate and tackle as a security-conscious bank. Therefore, Alior Bank pays special attention to the security of funds entrusted by our customers while making every effort to ensure that they can bank safely in electronic channels.

In 2023, we successfully implemented changes and projects to enhance security. In the area of customer protection and transaction monitoring, anti-phishing monitoring was introduced and analytical capabilities based on financial behavioristics were enhanced. On the other hand, an extremely important element of securing Alior's ICT infrastructure was the rebuilding of security features enabling the detection and automatic analysis of threats detected in network traffic (WEB) and e-mail (MAIL).

We continue to work on systems for monitoring and protecting electronic banking customers, steadily increasing analytical capabilities, and we are also building protections for the new Alior Business banking channel as well as conducting a number of initiatives to increase infrastructure security and optimize its management.

We are aware that transaction security also depends on the behavior of our customers in the digital world, which is why the Bank has conducted an extensive campaign about new threats addressed to customers in social media, through dedicated email communication, and on our web pages.

Alior Bank prepares and publishes materials aimed at raising customers' awareness of IT security and threats. We carry out campaigns promoting security/providing information about current threats through:

- the Bank's home page/security tab and dedicated messages in the Bank's electronic channels,
- social media (facebook, twitter),
- a dedicated Phishing-Stop website (<https://phishingstop.aliorbank.pl/>),
- email communication in the newsletters sent out by the Bank and the Brokerage House,
- messages in the Alior Mobile app,
- publications online and in the press in cooperation with partners.

The Bank is planning to continue these actions and looking for other methods to effectively reach customers as part of educational activities.



# 4. Who are our employees?

## 4.1. Headcount

At the end of 2023, employment in the Alior Bank Group was **7,229 FTEs** (7,420 people). Most of our employees work at Alior Bank: 6,645 FTEs (6,742 people).

[GRI 2-7]

[GRI 2-8]

Alior Bank workforce (persons), by type of employment for 2023

	Male	Female
Open-ended contract of employment	2,057	3,456
Contract for a definite time	463	749
Trial contract of employment	2	2
Replacement contract	3	10

Alior Bank's workforce (persons) by working time for 2023

	Male	Female
Full-time	2,458	4,076
Half-time or more	23	118
Less than half-time	44	23

Alior Bank workforce (persons), by age for 2023

	Male	Female
<30	504	671
30-50	1,770	3,153
>50	251	393

## Alior Bank employees (persons) by organisational structure for 2023

[GRI 405-1]

	Male	Female
Members of the Management Board *	8	0
Managers	345	377
Other	2,180	3,840

\*Members of the Management Board are shown only in the table "Alior Bank workforce (persons), by structure" The tables regarding the type of contract, number of FTEs, and age do not include the members of the Management Board.

[GRI 2-24]

[GRI 2-25]

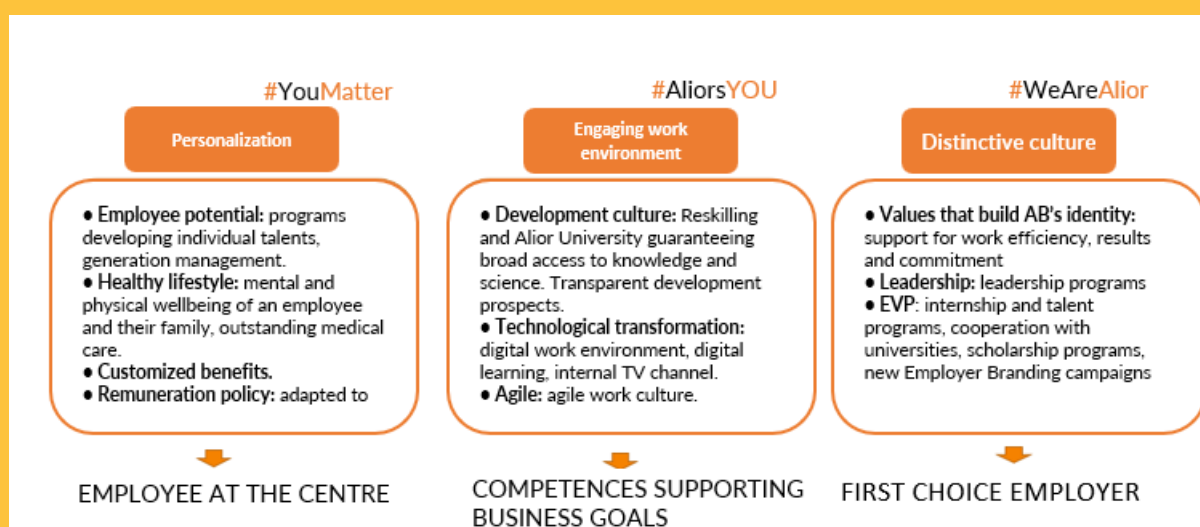
## Total number and turnover rate of Alior Bank employees (persons) for 2023

[GRI 401-1]

Number of persons newly hired	Newly hired ratio	Number of persons laid off	Turnover ratio
1,184	18%	1,131*	17%

\* the ratio does not take into account individual layoffs for reasons not related to employees in accordance with Article 10 of the Act of 13 March 2003 on Special Rules for Terminating Employment Relations with Employees for Reasons not Attributable to Employees (Dziennik Ustaw 2018, item 1969))

In 2023, Alior Bank announced a new strategy: "Your Bank of everyday life, your Bank for the future", which also provides for HR activities under the Modern Bank pillar, specifically in the area of "Organizational effectiveness through agile technologies, competencies and organizational culture." We build organizational effectiveness in three Pillars: Personalization **#YouMATTER**, Engaging working environment **#AliorIsYOU** and distinctive organizational culture **#WeAreAlior**.



As regards distinctive organizational culture, we conducted an Organizational Health Index survey among employees, based on which new Alior Bank values were created to support the direction of development, AB strategy, and address the needs of employees. Those include:

**Innovation/Responsibility/Openness/Customer Focus.** On the basis of these values, projects and initiatives are undertaken to "root" them in the day-to-day lives of employees and build the organizational culture based on a strong foundation.

The measures that were undertaken in 2023 received numerous accolades, including: Top Employer 2023 and 2024, Friendly Workplace, Reliable Employer of the Year – award in the knowledge category for Alior University, which was created as a result of HR's strategic efforts.



## 4.2. Changes in employee support



We make effort to ensure that our workforce has access to the latest news about the Bank and employee affairs. With them in mind, in 2023 the Bank launched the HR Site – a portal of HR knowledge with access to electronic applications through which an employee can independently complete most HR matters.

In an effort to automate HR processes, a 24/7 HR chatbot has also been made available to employees to provide information on HR processes in 2023.

Over 90 percent of employment contracts and agreements regarding the change of employment conditions, as well as civil-law contracts and employment certificates, are signed by electronic means. Thanks to digitisation activities, employees can handle HR matters quickly and efficiently, including electronic onboarding and offboarding.

The processes that are fully performed electronically include: applying for absence, settling overtime work, creating and modifying working time schedules, electronic time record sheet. Documents such as pay slips, IMIR or PIT documents are made available to employees in electronic form in employee and manager self-service tools. For employees, there are electronic forms on the website, whereby they can report to us changes to their data in the HR system without having to send paper documents. The process of hiring an employee under an employment contract or a civil-law contract, or changing the terms of employment, are initiated electronically through dedicated tools and applications in the self-service system. All the foregoing, combined with the e-signature solution, is a clear testimony that we act knowingly and responsibly while demonstrating good understanding of the concept and the need for sustainable development.

### 4.3. Working conditions



Alior Bank has in place *Work Regulations for Employees of Alior Bank*, which establishes the internal order and organization as well as defines the rights and work-related duties of both employees and the employer. The document is available to all employees of the Bank, and any modifications are communicated as soon as they are made. In 2023, Alior Bank established the rules for remote work in the work regulations and introduced an electronic system for registering remote work. Employees are paid a lump-sum corresponding to the expected costs borne by the employee in connection with working

remotely.

At the Bank, health and safety tasks are performed in accordance with the current legal regulations applicable in this area. In addition, internal regulations in the form of health and safety instructions have been developed and implemented. The regulations oblige to apply accident prevention in the broadest sense and to conduct periodic occupational health and safety training for the required groups of employees. Employees who start work complete initial training aimed at building awareness of safe behaviour in the workplace. Courses are organised to prepare employees for the practical administration of premedical aid.

The Bank is a safe place to work for our employees. The total number of employee absences for all Bank employees in 2023 due to accidents during or on the way to work amounted to 162 working days. When calculated for all Bank employees, this represents approximately 0,01% of their working time. The number of accidents at work in 2023 amounted to 20.

We have been progressively introducing **flexible working methods** at Alior Bank. For instance, project groups are organised which combine many competencies in one place – business, analytical, programming and testing capacities – necessary for carrying out the respective project. The main advantage of such approach is shortening the communication path which enables agile acting and prompt responding to changing requirements or technology.

We have been promoting flexible forms of employment wherever possible in terms of the tasks performed and applicable regulations. Thus, we exercise our best to adapt to the expectations of candidates and employees in facilitating the start of cooperation with the Bank, as well as to provide the opportunity to maintain **work-life balance** or flexibly **combine work with education**.

Alior Bank gives local communities a chance to access work in the financial industry. The headquarters of the Bank are located in the largest city centres in Poland. Branches are spread across the entire territory of Poland. An additional large centre is located in Rzeszów.

[GRI 2-24]

[GRI 2-25]

[GRI 403-5]

[GRI 403-2]

[GRI 403-9]



**We aim to work out a commitment-driven work environment.** Alior Bank strives to keep developing and cultivating commitment and satisfaction, which requires a two-way relationship between the employer and employee. Measures in this area focus on all employees, whereas the diagnostic tool used to build appropriate support in this area is **the annual opinion poll and commitment survey** of all units and organisational units of the Bank.

This tool guarantees to learn about and understand the factors that significantly affect the efficient and effective operation of the Bank. The results of the survey provide feedback for the Management Board of the Bank, show the employees' attitude towards the employer, their motivation to work, and constitute an indicator of potential turnover or absenteeism. As a result of the employee commitment and opinion survey, the Bank draws conclusions and makes decisions based on facts and concerning the implementation of necessary measures. Commitment rate rises year on year, reaching a high level in the financial industry.

## 4.4. Benefits



Alior Bank provides all employees, regardless of their working hours, with a wide and varied offer of benefits and employee benefits. At the same time, it exercises every effort to ensure that they address the needs of various groups and are attractive in relation to the opinions of employees and the latest market trends.

In 2023, Alior Bank, in cooperation with PZU Zdrowie, expanded its benefits package to include access to a benefit platform.

In its operating strategy, the Bank pays particular attention to a wide range of health-promoting activities. For its efforts in this area, Alior Bank received the 2023 Health Visionary Award.

Perks and benefits in Alior Bank					
Benefit platform	Medical care	Life insurance	Alior Bank products	Partner discounts	Phone deals
Alior University	Wellbeing and health	Mindgram Platform	Educational platforms	English lessons	Subsidy for corrective glasses
Information on the CSBF	Multisport card	Sports clubs	Self-arranged countryside holiday	Cinema tickets	Legimi
Support for RES	Back-to-school kits	Loans	Hardship benefits		

[GRI 401-2]

**MultiSport** cards, available as part of the **Company Social Benefits Fund**, were very popular among our employees and were used by more than half of them, which is a continuation of the trend from the previous year. We also continued with **back-to-school kits** and **Christmas packages** for the children of our employees, “**self-arranged countryside holiday**”, and the Legimi package that provided our employees and their loved ones with access to books and audiobooks. **The Assistance Fund** for which the Bank regularly allocates appropriate funds, the purpose of which is to provide non-repayable financial aid to employees of the Bank and their families who found themselves in particularly precarious circumstances, continued to operate in full force as well. Moreover, Alior Bank also has **Sports Clubs** run by groups of its employees, bringing together people who engage in the same discipline or type of activity in order to achieve sports or recreational goals. The essence of their operation is to encourage a more active life, promote a healthy lifestyle and enable employees of the Bank to integrate with each other.

The strategy of health-promoting activities is based on three pillars: **health of employees and their families, safety and wellbeing.**

As an employer, Alior Bank is aware of the great importance of health and safety of its employees, therefore the benefits offered in this area are to address the needs of the widest possible group in the best possible way. Medical care and life insurance represent benefits that encourage health care and help to secure the future of employees and their family members in situations where treatment or financial support is needed. Thanks to the group nature of the benefits, Alior Bank can obtain much better conditions for its employees than they would receive in individual offers.

Companies belonging to the PZU Group are the partner offering **medical packages and insurance for the employees and their families.** The life insurance offer includes a part financed by the Bank with a high sum insured against death and a wide range of additional options. Medical care is distinguished by its wide coverage, including dental and rehabilitation services. Currently, more than 5,780 employees and 4,860 of their family members benefit from the PZU Health packages, while 4,608 people benefit from the PZU Life sponsored insurance. In addition, Alior Bank has 3,200 employees enrolled in voluntary selected variants.

We give consideration to the convenience and ease of access to medical services. Private medical care ensures greater comfort of treatment through flexible solutions and convenient appointment channels. We provide: accessibility standards – visits to an internist, paediatrician or family doctor within a maximum of 24 hours, to specialists within a maximum of 5 business days, and to children’s specialists up to 14 working days. We give consideration to the issue of freedom of treatment – reimbursement for treatment costs outside the supplier’s network, allowing for a free choice of treatment location. We ensure that our employees do not need to have a referral for visits to specialists. We respect referrals for diagnostic tests from



doctors outside the supplier's network. The service provider's helpline is open 24 hours a day, 7 days a week. 130 own outlets of the supplier and over 2,200 cooperating outlets are available to Alior Bank employees, as well as they have access to the portal and mobile app facilitating the use of medical services (online booking, reminders, e-visits). An important element is the attractive price of the packages – the health of employees is of great importance to the Bank, therefore it largely co-finances the basic packages. In 2023, the Bank also decided to cover in its entirety almost a half increase in rates for medical packages, so as not to burden the household budgets of employees with additional costs. Therefore, this represents a continuation of the approach that was taken in this regard in 2022, when the rates increased by nearly 50%.

In the field of life insurance, it is of special importance to provide employees with a sense of security and financial support in the event of unforeseen life events. Under group insurance, Alior Bank offers sponsored insurance against death, as well as optional variants with high sums insured, whereby employees can tailor the coverage of insurance to their needs and life situation.

In addition to providing employees with the mere care, Alior Bank also exercises due care to inform employees about the coverage of insurance, as well as to explain how to take full advantage of it through information materials or the Helpline for employees. It is essential that employees receive prompt and appropriate help whenever the need arises.

In 2023, out of concern for the health and wellbeing of its employees, Alior Bank decided to continue a number of initiatives launched in previous years, including:

[GRI 403-6]

- organizing **Health Zones** for employees, i.e. days when employees could take advantage of meetings with specialists and doctors and perform laboratory, diagnostic and radiological tests at the Bank's head office without a referral, e.g. examination of skin moles with a dermatoscope, ultrasound, ECG, blood tests, glucose and blood pressure measurement, and meet with a dietician and perform a body composition analysis. The selection of the scope of services is analyzed each year,
- **preventive flu vaccinations** at the Bank's head offices,
- conducting regular **health-related webinars**,
- organizing additional first aid workshops,
- joining the "**Dzień na U**" campaign under the patronage of the Rak'n'Roll Foundation, which enables employees to take advantage of an additional day off for preventive examinations (e.g. ultrasound),
- **promoting preventive examinations**, especially as part of annual health check-ups available in medical packages,
- **organizing a sports challenge for charity in cooperation with Activity**, as part of which the Bank and the Alior Bank Foundation donated PLN 100 thous. to support the Rak'n'Roll Foundation,
- organizing the Sports Olympics for employees,
- enabling employees to engage in charitable activities on two fully-paid days intended for volunteer work.

In line with the legislator's guidelines, the Bank implemented the Employee Capital Plans in companies from the Group. The level of employee participation in the Employee Capital Plan scheme was **nearly 45%** as at the end of 2023.



## 4.5. Diversity management

At Alior Bank, the Human Rights Policy has been implemented to align with market practices as well as to meet the Minimum Guarantees for Compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set forth in the eight fundamental conventions indicated in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work as well as the principles and rights set out in the International Bill of Human Rights and the 10 principles of the UN Global Compact, which include:

- support and respect for the protection of internationally proclaimed human rights; elimination of all cases of human rights abuse by the business;
- upholding the freedom of association; the elimination of all forms of forced and compulsory labour; the effective abolition of child labour;
- the elimination of discrimination in respect of employment and occupation; precautionary approach to environmental challenges;
- undertaking initiatives to promote greater environmental responsibility;
- working against corruption in all its forms, including extortion and bribery; encouraging the development and diffusion of environmentally friendly technologies.

Alior Bank complies with the provisions of international law and Polish legal regulations, and considers respect for human rights and dignity as a fundamental value of society, believing that the company's growth is only possible in communities where human rights are both protected and respected. We are aware that this is an area of increasing importance to employees, shareholders and investors, suppliers and subcontractors, customers, and communities in which we operate, including groups of citizens from these communities.

A manifestation of Alior Bank's respect for the principle of an open and tolerant working environment is its **Diversity Policy**.

Alior Bank is aware that the policy of diversity and equal treatment is a fundamental value of modern society and has regard to respect for a multicultural and diverse society. The Bank has been managing diversity in its managing bodies and among its workforce for a number of years, including the basic elements of the diversity policy in its human resources policy, based on the

assumption that values derived from differences are an additional asset to the organization that enriches competences responsible for efficiency.

The objectives of the implemented Diversity Policy (both in the Bank and in Group companies) are:

- to enhance the value of intra-organizational culture and create a working environment where every employee feels respected and appreciated, and where they can fully realize their potential, thus contributing to the Bank's success;
- build the Bank's image as an organization open to Diversity through respect for basic human rights and freedoms; to prevent discrimination;
- to raise the loyalty and commitment of employees and ensure the high quality of tasks performed by employees using objective merit-based criteria first and then taking the benefits of diversity into consideration.

In our relations with employees, we place special emphasis on ensuring: from the beginning of the recruitment process – the right to equal treatment and non-discrimination on the basis of: age, gender, disability, nationality, religion, appearance and other aspects; the right to fair and equal remuneration for work performed; safe and ergonomic working conditions; freedom of association, right to privacy and freedom of speech and expression; opportunities to reconcile work with family and private life; healthcare support and the right to pursue “wellbeing” in the working environment.

The organization observes the principle of equal treatment. Any and all forms of discrimination, either direct or indirect, including on the basis of sex, age, income status, family background, physical fitness, nationality, sexual orientation, beliefs and political and religious views, are prohibited.

The obligation of equal treatment in employment is one of the principles laid down in internal regulations, which include the most important obligations: to prevent discrimination in employment and not to discriminate against employed persons; to base the applied rules on objective criteria, ensuring transparent rules for employed persons, including in regard to recruitment processes, promotions, employee development, compensation and bonuses, and access to employee benefits; to guarantee equal treatment for employed persons performing the same work or work of equal value through objective principles for valuing jobs based on accepted methodology and regular salary reviews, intended to identify and prevent the occurrence of pay disparities that result from other than objective criteria; to use objective and fair criteria when evaluating job performance.

“Policy of Selection and Suitability Assessment of Members of the Management Board” and “Policy of Selection and Suitability Assessment of Members of the Supervisory Board” in force at the Bank ensure diversity in education, work experience, age and gender among members of the Supervisory Board and the Management Board by ensuring the participation of women in the selection process and equal treatment of candidates, regardless of their sex. Each year, Alior Bank provides information on the participation of women and men in the Management Board and the Supervisory Board of the Bank in the last five years.

[GRI 405-1]

### Management Board of the Bank

	31/12/2019	31/12/2020	31/12/2021	31/12/2022	31/12/2023
Female	1	2	0	0	0
Male	6	4	7	7	8

### Supervisory Board of the Bank

	31/12/2019	31/12/2020	31/12/2021	31/12/2022	31/12/2023
Female	0	1	2	1	1
Male	7	6	6	7	6

In 2023, 255 employees took maternity leave, 337 employees took parental leave and 133 employees took paternity leave.

[GRI 401-3]

At Alior Bank, diversity-related matters pertain to many aspects of the Bank's activities and are aimed at respecting other people, treating everyone equally and utilising employee potential. The Bank and its employees follow *the Principles of Good Banking Practice* adopted by the Polish Bank Association on an everyday basis. The Bank's recruitment standards are compliant with the EU's Directive on equal treatment in employment, which means that the Bank observes the provisions regarding equal treatment in employment and occupation.



Alior Bank requires mutual respect from all employees, regardless of their position, and does not accept any form of discrimination.

The Bank makes sure that all people with disabilities have right to work, while preferring the professional integration of people with disabilities employed on the open labour market. In this regard, the Bank employs 92 people with a certified disability. Moreover, the Bank ensures adequate working conditions, making as much as 61 percent of these people have more than 5 years of work experience at Alior Bank. Half of these employees work in the area of operations and sales. These data is a testimony to the Bank's efforts to provide equal employment opportunities by removing barriers that both hinder and limit the professional functioning of people with disabilities. We allow remote forms of employment thanks to the regulations in place in this area, which makes it easier for the Bank to adapt the form of employment to the conditions resulting from disability.

The Bank follows a policy of openness to all people and provides access to all professional specialisations. Processes related to candidate selection are based on objective grounds and their respective stages follow established patterns and rules. Adopted internal rules for task performance in the field of OHS, as well as technological and technical solution standards result in undertaking necessary actions to adapt a workplace for persons with disabilities.

We want to attract the best specialists and market experts to work with Alior Bank. That is why we offer our employees attractive pay, governed by the Alior Bank Remuneration Policy, which meets the following objectives:

[GRI 2-19]

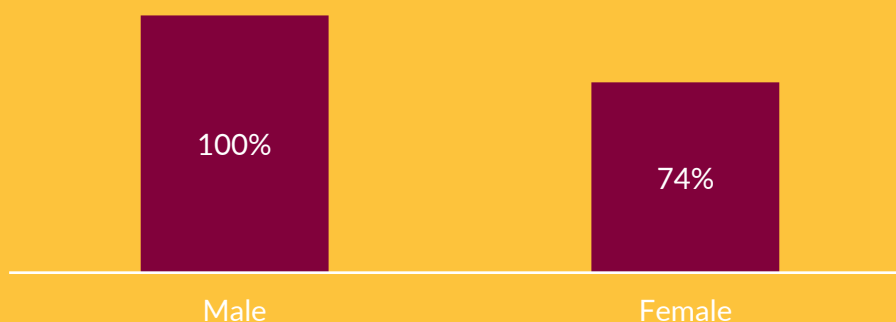
- promotes proper and effective management of risk and discourages from taking excessive risks (exceeding the risk levels acceptable to the Bank) in order to maintain a solid equity base and taking into account the long-term interests of the Bank, its shareholders and customers,
- promotes the strategy for sustainable growth and prudent risk management policy,
- mitigates conflict of interest,
- allows to maintain a transparent relationship between individual performance and individual pay by focusing on goals linked to responsibilities and actual impact,
- prevents the application of designs or methods intended to avoid the application of this Policy,
- ensures that employees act in the best interests of their customers, including by providing them with clear and transparent information on services and products offered by the Bank, and do not put their own interests or interests of the Bank first to the detriment of the legitimate interest of the customers.

Importantly, all Alior Bank Group companies employing more than 10 employees have regulations relating to remunerations.

Starting with reports for 2023, we have been calculating the so-called “wage gap” in accordance with the methodology for calculating ratios from Part 6 of the Guidelines of 30 June 2022 on the benchmarking exercises on remuneration practices, the gender pay gap and approved higher ratios under Directive 2013/36/EU (EBA/GL/2022/06). Both the rules based on which the gap is calculated and the previously accepted method for qualifying the groups of employees included in the calculation have changed. According to current guidelines, we calculate the gender pay gap among all employees and additionally in wage quartiles of the employee population. Below we present data based on median salaries for all employees included in the analysis in accordance with the guidelines – the pay gap based on the median for the group indicated is 26%.

[GRI 405-2]

Gender pay gap based on gross total remuneration according to EBA/GL/2022/06 (median)



In 2023, Alior Bank's minimum wage has been set at a level of PLN 4,700 gross for a full-time position, which represents 131% of the statutory minimum wage as at the end of 2023 (PLN 3,600 gross). The average salary of the lowest-level employees in relation to the minimum wage indicated above is 138% for men and 134% for women.

At Alior Bank, 61% of employees are women (calculation according to the methodology of the Guidelines indicated above - EBA/GL/2022/06). The share of women employed on middle- and lower-level managerial positions is higher than the share of men and accounts for 55% vs 45% for men. As regards top management positions, the share is as follows: women 32%, men 68%. Women represent 62% of the employees on other positions, including specialist and expert positions, while the share of men in this group is 38%.

Alior Bank has in place a policy of work environment free from undesirable behaviour, under which not only does the Bank introduce a number of preventive measures but also responds appropriately in the event of suspicion or receipt of a report regarding potentially occurring activities that we find unacceptable. The Bank, with particular emphasis on the role of managers and HR Business Partners, supports actions aimed at building positive business relationships based on compliance with the law and principles of social coexistence. The foregoing applies to relations between the employer and employees, relations between employees, as well as relations between employees and the Bank’s contractors and customers. As far as business relations are concerned, all Alior employees should be guided by the principle of mutual respect, which means that their behaviour or statements must not violate the rights and personal dignity of other people. Any actions or behaviours falling withing mobbing, discrimination, harassment or sexual harassment, as well as any other undesirable behaviours that violate the law or principles of social coexistence, are unacceptable and are not tolerated by the Bank.

[GRI 2-23]

[GRI 2-24]



### 4.6 Development of employee competencies

[GRI 404-2]

Organizational efficiency through agile technologies, competencies organizational culture” was indicated as one of the directions for the development of the “Modern Bank” pillar of the “Your Bank of everyday life, your Bank for the future” strategy set for the years 2023-2024. We build organizational effectiveness by paying attention to the actual development of competencies of our

employees and management through a personalized approach to the employee - Employee at the center **#YouMATTER**, an engaging work environment – competencies that support business goals **#YOUAreAlior** and a distinctive organizational culture – Employer of first choice **#WEAreAlior**.

Our development and training policy provides all Alior Bank employees with opportunities to become experts specializing in the selected field by being able to develop their own competencies resulting from their duties and aspirations as well as team management skills.



In 2023, the program enabling employees to retrain their competencies used within the organization – **reskilling** – was continued. In its next iteration, Go4Data, a dedicated development path provided employees with an opportunity to change their career path through in-house recruitment. Thanks to the training program, developed and managed by a specialized external entity, upon its completion graduates have the opportunity to develop in directions that utilize the acquired digital competencies related to wide-ranging

data analysis using specialized tools.

Development activities were directed to employees and their supervisors through several channels. The main place that gathers most of the activities in one location is the **Alior University**, established last year, which in addition to knowledge about development programs available at the Bank provides employees with an opportunity to gain access to a database full of interesting articles and video materials – recordings documenting events/lectures by external and internal guests or inspiring materials created as part of AliorTalks. Thanks to the careful selection of external guests, who are all specialists in their fields, employees can learn about the practical aspects of developing their business or personal life. As part of the digital transformation effort, the Bank launched a TV studio that allows to provide video content in an agile manner while dispensing with expenses paid to external entities which thus far were responsible for broadcasting the meetings.

With the development and strengthening of managerial competencies in mind, the Bank launched a development program for Leaders **#LeadersOfTomorrow**, with 705 people invited to participate. In addition to strengthening Alior Bank's values (Innovation, Customer Focus, Responsibility and Openness) in the context of leadership, the program, planned to be implemented in the years 2023-2024, focuses its activities on three dimensions: responsibility for oneself, responsibility for the team and responsibility for the organization. In order to maximize leadership potential and taking into consideration the various development needs related to the area and level of responsibility, a tool was developed to enable managers to have real impact on the shape of their development program and knowledge delivery methods by means of a dedicated survey that allows to determine individual development needs.



In 2023, the average number of training days per employee hired under an employment contract (one FTE) was 3.11 days, which given the scale of employment represents more than 165 thous. training conducted at the Bank.

[GRI 404-1]

In 2023, we continued the remote solutions developed and proven during the pandemic. Together with PZU SA and PZU Życie SA, we organized and conducted remote examinations for individuals applying for entry in the Register of Agents, which allowed to more efficiently manage both applicants for entry in the Register and contributed to cost efficiency by saving time and resources compared to examinations conducted in a traditional format.

Since the first day of employment, we make efforts to equip the new employee with knowledge necessary to perform duties assigned to their position. New hires are sent to induction training, which is partially the same for each member of the organization (**Welcome Day**), and partially dependent on the specific nature of the job and their role within the organization, with particular consideration of their place in the sales network structure. In 2023, we continued an onboarding program for the sales network that provided support to both new employees and their supervisors. One of the elements supporting the onboarding of a new employee to their day-to-day duties is undoubtedly the mentoring provided by a mentor, i.e. an experienced employee, who supports the person being onboarded at the initial stages of acquiring knowledge and practical experience at the branch. We continued the implementation of a new, more ergonomic and user-friendly onboarding process for head office units. At the same time, work was carried out to improve the ergonomics of the onboarding process with

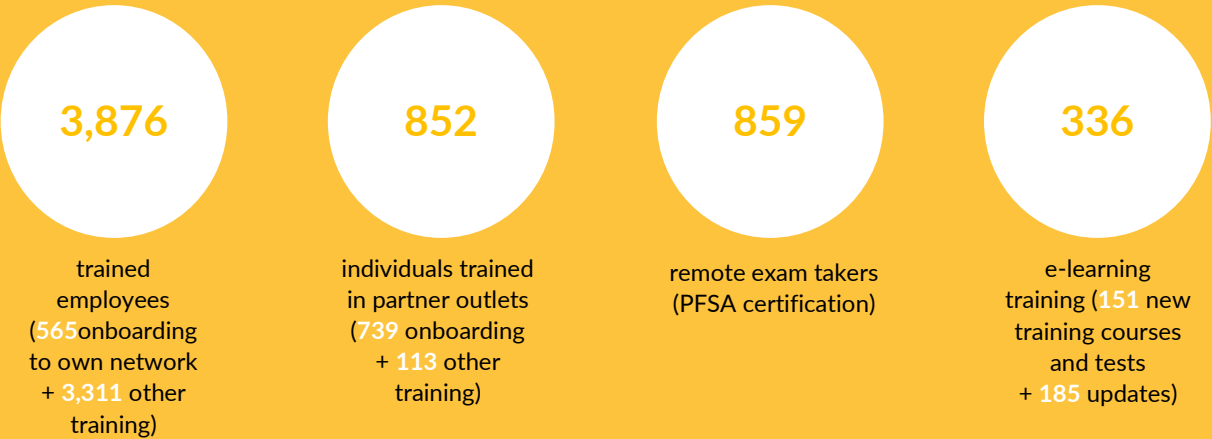
the aim to respond in an agile manner to the changing environment and expectations of both new employees and their supervisors.

The activities of **Alior University** included developing specialized competencies related to the areas of risk, security and technology as well as offering to strengthen competencies related to direct customer service and sales (e.g. the Relationship Academy training cycle) or competencies of the future. Alior University has also established cooperation with both the Association of Polish Banks (to enable employees of the Bank to obtain professional degrees) as well as with universities – Cracow University of Economics, Warsaw University (Faculty of Management) and the State Academy of Applied Sciences in Przemyśl, building its intellectual potential, creating conditions for development and realizing its ambition to be a competitive employer.

One of the activities that is permanently inscribed in the calendar of development events is the **Alior University Development Festival**. Last year, more than 300 people attended a total of 27 lectures and workshops organized by the Bank in 3 locations (Gdansk, Krakow, Warsaw). Each of the 15 invited inspirational guests provided attendees with practical knowledge to enhance their personal development, the feeling of safety during holiday trips and to help them overcome day-to-day challenges. One of the elements of the Festival was the **Regeneration Zone** where, in addition to a relaxing massage, participants could take advantage of the opportunity to test their body's hydration levels and receive advice on how to properly manage them.

Bearing in mind the challenges related to remote work and work-life balance, in 2023 employees had the Mindgram **wellbeing platform** at their disposal, whereby they gained access to unlimited events in the area of broadly understood wellbeing and the ability to communicate via chat with a psychologist, child and adolescent psychologist and psychodietician.

In 2023, we continued to flexibly address individual development needs, we gave all interested employees (2,030 people) the opportunity to use an external electronic **training platform**, where they themselves could choose training courses that suit them. We also provided the opportunity to learn English – both in the form of on-site language courses and through access to an electronic platform. In 2023, 1,081 people improved their knowledge and skills during language courses, and 2,400 employees had access to the platform.



A factor which influences workforce development are measures agreed with the direct supervisor who, as part of the budget assigned to them, has as their disposal funding for training and development for their staff. Due to such management, employees of particular departments can propose training initiatives themselves. Such development applies to the areas which:

- require expert skills (e.g. topics related to strategy, management of IT architecture, physical and electronic security, programming languages),
- effective and quality work (applications, languages, interpersonal skills training).

Under that programme, the employee may apply for employer’s participation in the education costs, e.g. postgraduate studies, or apply for financing of a development activity, whereby it would acquire skills of key importance for the Bank, as well as to finance or attend an industry conference providing an insight into the latest market developments in an area of interest to the Bank, or specialised literature.



**All Group companies regularly review their respective policies, procedures, manuals and other regulations. In addition to reviews, new standards are being implemented which are necessitated by internal needs of particular organisations or by guidelines of external regulators.** These documents define the overall orientation of the organisation and determine the rules to be applied by particular companies in the respective thematic areas.



# 5. Responsibility towards society and the environment

The year 2023 was a time of many changes for Alior Bank. The process began with the announcement of a new strategy: “Your Bank of everyday life, your Bank for the future”. In line with its tenets, Alior Bank will conduct its operations with even greater emphasis on its responsibility towards society and the environment. The “S” in ESG, i.e. social responsibility, is to become the hallmark of Alior Bank. Goals in this area include concern for the health of employees and customers as well as further assistance for Ukrainian nationals. At Alior Bank, financing the economy and building lasting relationships with customers and stakeholders is done in accordance with ethical principles.

Alior Bank supports organizations that provide tangible assistance to those in need and is engaged in initiatives that address social and environmental challenges. They are an important element of the Bank’s operations and a part of its strategy. One of the pillars of the Bank’s social benefit activities is the Alior Bank Foundation.

## 5.1. Actions undertaken in 2023

### „Active with Alior”

In 2023, Alior Bank initiated a series of sports and recreational events under the slogan “Active with Alior”. The 2<sup>nd</sup> edition of the campaign organized in 2023 included 13 events with a total of more than 5,000 participants. Add to that the several thousand fans and spectators who visit the zones prepared by event organizers and partners.

The main goal of the campaign is to encourage both bank employees and local communities to live an active lifestyle and spend time with family and friends. Alior Bank has set its sights on working with organizers of events that are less well-known, but important to local communities.

Through its partnerships, the Bank organizes special zones where people can treat themselves to refreshments, take part in contests with prizes, learn about products offered by the Bank or simply relax. The Bank is also the main sponsor of the prizes that are awarded by the organizers. The highest prizes reach even PLN 5 thous.

The events attracted thousands of participants and the cooperation between Alior Bank and event organizers brought tangible benefits in the form of promoting the institution and supporting regional cultural and charitable activities.

Such ventures are also an excellent opportunity for the branch offices and partner outlets of Alior Bank to integrate with the local community, present tailored offers, and showcase job opportunities in the region.

### “SHE” Initiative

The “SHE” initiative was launched in 2023. It is a personal development and preventive healthcare initiative of Alior Bank. The idea for this initiative originated with Grzegorz

Olszewski, President of the Management Board of the Bank, but it is implemented by female employees of the institution. Its activities are aimed at anyone who wants to help others, engage in socially important topics, break stereotypes and respond to the needs of a changing world.

One of the first steps toward ensuring the comfort of female employees and customers of Alior Bank was to place feminine hygiene product dispensers in 164 branches and all corporate head offices of the Bank.

In December, Alior Bank in partnership with Mastercard prepared and published a report on social banking as part of the “SHE” initiative. Social banking is an approach that emphasizes achieving social and environmental goals by offering specific financial services. The idea is to engage in investments that support sustainable growth, promote transparency and ethical financial practices, and actively participate in social campaigns.

Selected activities under the “SHE” Initiative:

- Preventive healthcare training for employees regarding cancer, provided by the Rak’n’Roll Foundation,
- Regular workshops on breathing techniques in 3 locations: Warsaw, Gdansk, Cracow,
- Establishment of cooperation with the “Pink Box” foundation to place hygiene product dispensers in branches and corporate head offices of the Bank,
- Donation of pink boxes and educational workshops for a school in Mikołajki,
- Collection drive of hygiene products for schools,
- “Pink October” video promoting preventive health screenings,
- Social Banking report prepared in cooperation with Mastercard,
- A lecture for employees on innovation, leadership, future competencies and the role of women in digital transformation, given by Dominika Bettman.

### Involvement in sporting events

As in previous years, Alior Bank continued to be involved in sporting events in 2023. The institution supported the Polish national ski jumping team and the young, but extremely talented karting driver, Michał Gładysz. Through its sponsorship activities in the field of sports, Alior Bank not only promotes physical activity, but also builds the image of a socially engaged organization.

### Christmas charity campaigns

In 2023, employees of the Bank were involved in Christmas charity campaigns, as in previous years. At the end of the year, they took part in the “Give a Gift” campaign during which they fulfilled the dreams expressed in 210 letters written to Santa Claus by children in need from all over Poland, i.e. the wards of Caritas Poland, the Promyk Home for Children and Youth, the SOS Children’s Villages Association and the PoWer Foundation.

They were also involved in other holiday and volunteer events:

- they prepared Christmas cards for seniors and gifts for the residents of Nursing Homes and young hospital patients,
- during the St. Nicolas day celebrations in five head offices, they organized collections drives of items needed by animals in shelters and decorated gingerbread cookies for

children from the hospital, for which Alior Bank made a donation of PLN 5,250 towards the statutory purposes of the Promyczek Home Children's Hospice Foundation,

- they supported the activities of Caritas Poland – they prepared packages for senior citizens (also before Easter 2023) and distributed meals to those in need,
- they ordered letters from Santa Claus to their loved ones, thereby making a PLN 1,989 donation towards the statutory goals of the Give Children Strength Foundation.

### Support for culture

In 2023, Alior Bank was also involved in cultural events. They included the 22<sup>nd</sup> Polish Television and Polish Radio Theater Festival “Two Theaters”, of which we became a partner, and the National Symphony Orchestra of the Polish Radio in Katowice. Alior Bank also sponsored a publication titled "St. John Paul the Great. To My Compatriots," edited by Jolanta Sosnowska, published by Biały Kruk publishing house, and the “Memory "In" Frame” photo competition organized by the Warsaw Uprising Museum.

## 5.2. Social involvement

Acting in a sustainable and responsible manner is one of the basic values of Alior Bank. The institution performs the above by supporting local communities, initiatives to promote culture and prevent social exclusion by supporting access to cultural or sporting events. For years, Alior Bank is closely involved with events that are important to Poles.



As an institution that puts emphasis on corporate social responsibility, Alior Bank for years has been involved in a wide range of initiatives, both on a local and nationwide scale. The purpose of these activities is to provide assistance in the execution of particular projects and disseminate knowledge in the area of sustainable growth among employees, customers, business partners and shareholders of the Bank.

### Alior Bank Foundation

In 2023, the Alior Bank Foundation continued its activities started in 2022 and undertook new activities to achieve its statutory objectives.

It continued to organize sports challenges in cooperation with Activy sp. z o.o. and, as a result of these efforts, provided support to the Rak'n'Roll Foundation and Dr Clown Foundation. Educational board games “Games of Talents”, promoting economic knowledge, were produced and distributed to schoolchildren and educational institutions throughout the country, in an amount of more than 500 units in dozens of localities in Poland. The game can be ordered free of charge via the contact form available on the Foundation’s website.

One of the projects was to support Radio Doxa in financing a series of meetings for seniors and pensioners on the topic of banking and financial security, with additional event-related broadcasts and spots available on the air.

Support was also provided to the Association for the Cultivation of Financial Education for the implementation and development of the project "Live Financially! How to Manage Finances in Your Personal Life," intended for secondary school students. The Foundation has entered into a donation agreement with the Dr Clown Foundation in Warsaw to subsidize Clown Doctor visits in hospitals.

Support was granted to the Local Tourist Organization "Inte-Gra" for the organization of the "Crown of Kings" city game in Biecz, Małopolskie Voivodeship. In May, the Foundation supported the Metropolitan Curia in Kraków and financed the publication of an album on the history of the 1981 "White March" in Braille for the community of the blind and visually impaired. In July and August 2023, the Foundation made donations to the Association for the Promotion of Financial Education in Gdynia, which organized an educational project for secondary school students, the DEMOS Foundation in Odporyszów, which runs educational institutions in Kielce, Tarnów, Kraków and other localities, and the Civic Thought Foundation, which was researching the professional activity of people in the Gorlice and Jasiel districts. The Foundation also supported care and educational activities of Caritas Poland – the "Backpack Full of Smiles" project.

The Foundation established cooperation with the Refugee Response Office in Poland acting on behalf of the United Nations Children's Fund (UNICEF), as part of which an open exhibition "From Darkness to Light", featuring works by children – wards of the Office, was organized in the Royal Baths Park in Warsaw.

Together with Alior Bank S.A., the Foundation participated in the "Bank of Kindness" project, the purpose of which was to provide support in the form of financial aid, in amounts not exceeding PLN 10,000, to socially valuable initiatives indicated by the participants of the competition – bank employees.

In September 2023, in cooperation with Revas, the "Academic Managerial Championship 2024" was organized for students from 65 Polish universities, allowing student teams to test themselves as virtual managers making business decisions regarding the management of an enterprise. The Foundation funded cash prizes for the competition winners.

The Foundation has partnered with the Old Powązki Foundation to create a multimedia educational trail at Warsaw's Powązki Cemetery to commemorate individuals of merit in Polish banking. Under this partnership, the Foundation provided financial aid for educational activities and, in addition, aid for the conservation of historic buildings.

The Foundation established cooperation with Podkarpacka Piłka Nożna sp. z o.o. in Rzeszów and allocated funds for the organization of the "Football Festival".

Donations were also made to the Union of Large Families Three Plus – Łódź Branch, to support the organization of the "Provincial Convention of Large Families 3+," the Society of Friends of Children Municipal Branch in Inowrocław, Major Hubal's Detached Unit of the Polish Army Uhlans Association in Poświętne, the Benedict Foundation in Poznań, implementing a series of educational programs on the impact of digital technologies on social relations, and to the Ave Arte Foundation, which organized the "Ignacy J. Paderewski International Festival".

The Foundation also provided aid to the Congregation of Sisters of St. Elizabeth, which runs the Day Care Center in Ruda Śląska, for the purpose of running that facility and organizing a Christmas Eve celebration for its charges.

The Foundation provided financial support throughout the year to numerous primary and secondary schools run by community organizations and local governments. Support was provided for equipment purchases and organized events, including a trip by students of the K. Hoffmanowa Secondary School in Warsaw to Washington, D.C., in the United States. The Foundation made a donation to the Roman Catholic Parish of St. Karol Boromeusz in Warsaw

to provide aid to war refugees from Nagorno-Karabakh, the victims of conflict between Armenia and Azerbaijan.

The Foundation has repeatedly supported local Volunteer Firefighter Brigades in various localities in Poland, which allowed to provide financial aid to purchase a rescue and firefighting vehicle, professional hydraulic equipment or specialized combat and firefighting uniforms.

In addition, the Alior Bank Foundation repeatedly provided support to local sports clubs and school sports clubs during the year, financing the purchase of sports equipment needed for after-school activities for children and adolescents.

The Alior Bank Foundation has developed and implemented the "Regulations for the Provision of Social Aid by the Alior Bank Foundation." On this basis, support was provided to the adolescent daughter of a deceased Alior Bank S.A. employee.

### Sports charity challenge "Let's Walk Together"

The "Let's Walk Together" sports charity challenge, during which employees actively collected kilometers counted in the Activity app, saw two more editions in 2023. They walked, ran, rode bicycles and the Alior Bank Foundation exchanged the achieved goal for into charitable support, making PLN 60,000 donations to each of the following:

- Dr Clown Foundation for the organization of the Children's Day for young patients who spent it in hospitals, involving our employees in their efforts as volunteer workers,
- Rak'n'Roll Foundation for the purchase of specialized chemotherapy chairs for the hospital in Bytom.

### Alior Bank Aid Centre

In 2023, Alior Bank continued to support people who had to leave their country due to the war.

The Alior Bank Aid Centre opened its doors in May 2022 in a building located at ul. Towarowa 25a. The space made available by Alior Bank, nearly 4 thous. square metres, was repurposed as a place of comprehensive aid coordinated by both public benefit organizations and other entities implementing educational initiatives. The center offers psychological, legal, professional and educational support as well as childcare, remote learning stations and material aid for Ukrainian nationals. The center is run in cooperation with CARITAS Polska, UNICEF Polska and the Municipal City of Warsaw.

In 2023, more than 7,500 people were registered at the Aid Center, approx. 30 percent of whom were children. Each month, the Center received approx. 500 new beneficiaries, while providing services to those already registered. The largest number, 1,097, was registered in September.

### 16 hours for involvement in volunteer programs

Many Bank employees have been doing volunteer work for years, both individually and in teams. Each of them can use 16 hours in a given calendar year for volunteer work, while retaining the right to remuneration. The rules of volunteer work are defined in the "Employee Volunteer Work Regulations". In 2023, 250 employees decided to use their volunteer work hours, working for more than 100 organizations verified by the Bank. They got involved in campaigns organized on their own or those suggested by the Bank, sewing more than 700 sock

monkeys for the young wards of the Dr Clown Foundation who, after an accident, suddenly found themselves in an ambulance, in ER or in hospital and need relief.

#### Cooperation with the National Blood Donation Centre

The Bank operates the Honorary Blood Donors' Club of Alior Bank S.A. (HBD). It also conducts communication promoting blood donation, including the Alior blood donation events, during which employees donate blood in blood donation buses placed outside the Bank's head offices. A team for HBD Club members has been created in the Teams messenger. New Club members received starter packages (t-shirt, notepad, bag and Empik gift card).

#### Financing for housing needs

In 2023, Alior Bank was one of the first to join the government's "First Dwelling" program, offering the Safe 2% Loan and a Housing Account. The amount of housing loans granted by Alior Bank to private individuals totalled more than PLN 2.5 billion.

The total value of funds donated to social causes by the Bank and Alior Bank Group entities amounted to PLN **7,658 thous.** gross in 2023. Broken down by areas included in recommendation 1.5 of the Good Practices of WSE Listed Companies 2021 (gross), the support was as follows:

- support for culture: PLN 392 thous.,
- support for sports and physical activity: PLN 634 thous.,
- support for social organizations and foundations: PLN 6,287 thous.,
- support for media: PLN 345 thous.

### 5.3. Support for the development of entrepreneurship among Polish companies

One of the pillars of the "Your Bank of everyday life, your Bank for the future" strategy is supporting entrepreneurship. The Bank is dynamically developing this aspect of its business, resulting in a 9% share in the segment of sole proprietorships as well as an increasingly strong position in the segment of SMEs and large companies.

Our priority is to provide entrepreneurs with efficient and tailored financial solutions to effectively manage the company's finances. As regards customer service provided to business customers, we bet on long-term relations, an effective credit process and advanced technological solutions. We are endeavoring to make banking matters absorb entrepreneurs as little as possible, and to focus their attention on effective operation.

#### ACCOUNTS AND TRANSACTION BANKING

We are pursuing a strategy to help increase customer acquisition by automating processes and making it easier for stakeholders to undertake business initiatives.

Thanks to the functionality implemented in 2023, retail customers of Alior Bank can register a business in the Central Registration and Information on Business (CEIDG) without visiting the office. All they have to do is fill out one simple, fully automated, application in Alior Online banking, which will allow them to open a business and set up an iBusiness Account with a Mastercard Plus debit card at the same time. After the application is accepted, the new

business is assigned a NIP (Tax Identification Number) and REGON (National Business Registry Number). In the next step, the bank will open an iBusiness Account with Mastercard Plus debit card. The business account agreement is signed by SMS and the business establishment application is signed using a trusted signature.

In the online application for a business account for sole proprietorships, we introduced the option to confirm identity using AIS PSD2. Currently, this convenient way of verifying identity is the most widely used by customers.

Entrepreneurs who opened an iBusiness Account via an online application were also able to take advantage of promotional codes. Once the customer met the conditions set forth in the terms and conditions of the promotion, the promotional code enabled them to a starting bonus.

As part of our omnichannel strategy, we provided business customer advisors with a pilot of a new, rapid process for establishing relationships with sole proprietors. Thanks to automation and less paperwork, we reduce service time at the branch.

In 2023, we also implemented BLIK for entrepreneurs who run a sole proprietorship and have access to the Alior Mobile app. The service offers the functionality of making online payments, POS terminal payments, and withdrawals from ATMs using a BLIK code.

Mastercard Plus debit card holders could take advantage of attractive discounts, e.g. 10% discount for purchases at gas stations, accident insurance and healthcare insurance for PLN 0 for one insured or no card fees. The benefits were activated once the customer met the conditions set forth in the terms and conditions of the promotion.

## FINANCING FOR BUSINESS

### Loans

We assume the safe growth of its lending activity in a way that ensures high revenue potential, while at the same time minimizes risk costs.

In order to build relationships and strengthen the acquisition of customers from the micro- and small-sized business segment, in 2023 we introduced price promotions involving:

- the reduction to 0% of the upfront fee on Business Credit for day-to-day and investment activities as well as for ecological purposes,
- the reduction of loan margin by up to 50% in the case of refinancing of a loan for current operations from another bank.

We have also implemented new solutions to increase the availability of financing and make the procedure for obtaining a loan easier:

- FENG technology loan with a non-refundable technology bonus from Bank Gospodarstwa Kredytowego – up to 70% of eligible investment costs. The loan was granted under Measure 2.32 Technology Loan (CP1), Priority 2 “Environment for Innovation”, European Funds for a Modern Economy, the call for grant applications in Bank Gospodarstwa Krajowego (BGK) was running from 23 March to 31 May 2023;
- green loan with a non-refundable bonus from Bank Gospodarstwa Krajowego for partial repayment of financing – up to 80% of eligible investment costs. The loan was granted

under Measure 3.01 Green loan (CP2) Priority 3 “Greening of Enterprises” European Funds for a Modern Economy, the call for grant applications in Bank Gospodarstwa Krajowego (BGK) was running from 13 June 2023 to 17 August 2023;

- financing for companies that pay flat-rate tax on registered income without deductible costs, granted through a fast automated process,
- option to apply for loans in EUR with the de minimis guarantee,
- Global Limit for medium-sized and large companies, determining the maximum amount that we can make available to the entrepreneur under several loans, trade finance products and treasury products – the advantage of this solution is the long validity period of the credit decision, up to 12 months, during which the customer can apply for a specific product within the designated amount of the Global Limit;
- option to sign the Applicant’s Statement via SMS in the case of customers operating a sole proprietorship.

We are the only bank on the market that has increased the amount of financing from PLN 3 million to PLN 5 million in a fast, automatic loan process. The offer is aimed at small, medium-sized and large companies that have been operating for at least 3 years and keep accounting books.

We have also implemented a state-of-the-art lending system with expert analyst evaluation. The process is intuitive, has easy navigation and is as automated as possible. Thanks to automatic extraction of information from such databases as CEiDG, REGON, National Court Register, Credit Information Bureau, among others, and by generating a list of documents and clauses required to be fulfilled by the customer, we reduce the loan processing time.

We are focused on the automation of credit processes. In 2023, the automation covered:

- 92% of loans granted in the micro-enterprise segment,
- 67% of loans granted in the small enterprise segment.

#### Financing for housing cooperatives and communities

We have implemented new financing options for cooperatives and housing communities:

- Loan with a thermal modernization bonus of up to 31% and a renovation bonus of up to 25% (the thermal modernization bonus can be increased by a thermal modernization grant equal to 10% of the net cost of the investment) – financing can be used for thermal modernization of multi-family residential buildings throughout Poland.
- Investment loan for the RES Grant to finance the purchase, installation, construction or modernization of renewable energy installations. The RES Grant is granted by Bank Gospodarstwa Krajowego and enables the repayment of the principal amount of the loan in the amount equal to 50% of net investment costs. Investment loan for the RES Grant is granted for a period of up to 20 years. It can be granted in the maximum amount of PLN 5 million. A prerequisite for the loan is a prior positive decision of Bank Gospodarstwa Krajowego to award the RES grant.

## Structured financing

We offer a wide range of transactions financing Project Finance projects, commercial real estate projects, object/asset finance, and investment project financing, including for investments related to renewable energy sources.

Depending on the type and structure of financing, we support both corporate customers and special purpose vehicles established to implement a particular project. Transactions are structured taking into account the individual needs of the customer, business and market conditions, and creditworthiness of the company or project. Loan agreements are concluded both in the form of bilateral agreements and syndicated loans. We provide structured financing in PLN and in foreign currencies.

Structured transactions concluded in 2023 were focused primarily on commercial real estate, corporate and investment financing for the services, manufacturing, telecommunications and financial sectors.

## Financing for green investments

Companies implementing green investments for own purposes are offered the Business Credit for purchases. The funds from the loan may be used for the purchase and installation of photovoltaic panels or the purchase of electric or hybrid cars. The loan also enables the purchase of materials for insulation of building walls, roofs, ceilings, basement along with construction works or the purchase and installation of new heat sources, e.g. heating boilers, heat pumps, solar collectors, or radiators.

We also finance commercial photovoltaic and wind power plants that have obtained auction support. This proposal is addressed to special purpose vehicles and covers the financing of RES installations with a capacity of over 0.5 MW.

## Loan repayment guarantees

Alior Bank has for years been active in public programs, both those financed from EU funds and national funds. This enables the development of an attractive credit offer for business customers. A very large part of funding awarded to companies by Alior Bank have been loans secured by Bank Gospodarstwa Krajowego (BGK) using public (national and EU) funding. Through the guarantees, on top of access to loan on more favourable terms, customers are given alternative methods of securing financing.

Alior Bank provided loans with BGK guarantees as part of the National Guarantee Fund (*de minimis* guarantee) and under the following programs: Agricultural Guarantee Fund, Guarantee Fund under the Smart Growth Operational Program (Biznesmax guarantee), Liquidity Guarantee Fund.

In 2023, the bank provided access to the Guarantee from the Crisis Guarantee Fund. Its purpose is to maintain lending in response to the liquidity needs of medium-sized and large enterprises. The guarantee covers working capital and investment loans as well as non-recourse and reverse factoring.

An attractive loan repayment security for small- and medium-sized enterprises remains the Biznesmax guarantee, available under the portfolio guarantee line of the Guarantee Fund under the Smart Growth Operational Program. This guarantee was addressed to enterprises carrying

out investment projects with innovative potential as well as to those who intend to implement green projects, e.g. the installation of photovoltaic panels, thermal insulation of the company building.

The Alior Bank's offer includes an agricultural guarantee for entities implementing investments in the agribusiness sector. Farmers could count on a guarantee of up to PLN 5 million, whereas processors – up to PLN 10 million.

### Trade financing

The share of Alior Bank in the Polish factoring market increased by 10.6% in 2023. We achieved this impressive result by increasing the number of active contracts and maintaining the upward trend in factoring revenue. It is noteworthy to mention the 15% increase in the share of insured non-recourse factoring agreements in our portfolio, which strengthens the bank's security in this area.

We also offered an option to secure reverse factoring agreements with a liability repayment guarantee provided by KUKI. This solution is an alternative to aid programs of Bank Gospodarstwa Krajowego that ended in 2023. We are also strengthening cooperation with these institutions as regards confirming and discounting letters of credit.

We are improving the factoring management system, expanding it with new functionalities that support effective customer service.

To meet the expectations of entrepreneurs, we offer universal multi-product solutions that allow to conveniently manage the granted financing limit and flexibly use funds under letters of credit or guarantees, among others.

### Leasing

In 2023, Alior Leasing launched a series of initiatives implementing its new strategy for 2023-2025. Its main pillars are:

- a universal asset financing and lease offer that suits the needs of every customer segment and covers all asset categories,
- multi-channel distribution, including the use of synergies in the AB Group, cooperation with Alior Bank and asset providers, and contact with customers through digital channels,
- digitization and automation of processes to guarantee cost efficiency for the organization and the highest level of customer service.

Alior Leasing is expanding its range of machinery and equipment financing products. It also implements pre-approved activities aimed at significantly increasing the number of business customers of Alior Bank who use its lease products.

Well-planned initiatives undertaken within the framework of operationalization and consistency in implementing the strategy resulted in a significant increase in sales volume of Alior Leasing in 2023. The company also met targets related to changing the asset sales structure.

## TECHNOLOGY, REMOTE SERVICE

### Online Banking System

In 2023, together with Comarch S.A., we have been working intensively on the subsequent stages of the new digital banking for businesses – Alior Business and Alior Business Mobile. The project is scheduled to be completed by the end of 2025. The Alior Business system will replace BusinessPro online banking.

The new online banking will be based on four pillars: a self-service module, a native mobile application, an ERP-class system, and a modern website platform. They will make up a multi-channel, integrated product ecosystem, based on state-of-the-art technologies, supreme security standards, and a user-friendly interface. Our goal is to create a comprehensive, multi-channel and flexible ecosystem that will provide entrepreneurs with professional support to build and grow their businesses.

### Centralization of after-sales processes

In 2023, we successfully completed the Centralization 2.0. project and established a team of specialists to provide remote after-sales services to companies. As a result, business customers of all corporate banking centers gained the ability to quickly and conveniently execute instructions by phone, e-mail and online banking.

Through these channels, customers can receive information about the company's deposit product service, make instructions in BusinessPro online banking, and track the progress of their application. In addition, a team of remote service specialists accepts customer orders for corporate products opened at Alior Bank, prepares opinions, certificates and account histories. Entrepreneurs can also remotely open an auxiliary account, order a debit card, report a change in their company's data. The list of orders that can be executed without visiting a branch currently includes 50 items. At the end of December 2023, the number of cases handled remotely increased to 69%, compared to 45% in the corresponding period of 2022.

## RELATIONS WITH ENTREPRENEURS

### Business mornings with Alior Bank

In 2023, we launched a series of 10 business meetings for current and potential customers, where we jointly discuss the macroeconomic situation and analyze its impact on local businesses. We also presented the Polish energy market and leasing as one form of financing for transformation of modern business. Face-to-face meetings with entrepreneurs were an excellent way to build relationships, have inspiring conversations and exchange experiences.



## AWARDS AND HONORABLE MENTIONS

Second place in the 16<sup>th</sup> edition of the Ranking of Banks of the Polish Association of Development Companies

We were recognized for our speed in decision-making, high organizational culture and effective building of partnerships with developers, among other things. Of all the banks considered in the ranking, we received the most points for decision-making time, availability of advisors, lack of communication congestion and compliance of initial

declarations with the agreement. The Polish Association of Development Companies is an employers' organization working to improve the legal environment for investors in the development industry.



## 5.4. Management of environmental impacts



In 2023, Alior Bank, as in previous years, placed great emphasis on minimising its carbon footprint. To this end, it undertook a number of pro-ecological and pro-economic actions. We successfully continued the modernisation of subsequent branches by implementing the new standard. The solution, apart from a modern and refreshed design, implements numerous pro-ecological solutions, e.g.: the use of recycled finishing materials (e.g. desk tops made of recycled PET packaging), easily renewable materials (wood from fast-growing plants) or raw materials from local suppliers. In addition, we are reducing the consumption of media utilities by using energy-saving solutions (smart lighting that adjusts its intensity to the current weather conditions, automatically controlled air conditioning and heating system, and resignation from bottled water in favour of filtered tap water). Thanks to this, we can record a decrease in media consumption in the branches, which translates into a smaller carbon footprint of the organisation.

In 2023, the contract for the construction of a photovoltaic installation at the IT Headquarters in Cracow was finalised. Two 96.9 kWp installations based on the CARPORT structure were built utilising parking areas. In the next phase (2024), it is planned to expand the installation by 100.35 kWp using green areas and the remaining parking spaces based on a standard and CARPORT ground-mounted structure. The photovoltaic installation has allowed the partial use of renewable energy sources in the operation of the Head Office.

[GRI 2-24]

### Consumption of materials and utilities at Alior Bank Group

	[unit]	2022	2023	
Paper	[tons]	33	119	
Electric power	[MWh]	20,401	17,370	[GRI 302-1]
Heat	[GJ]	23,118 <sup>2</sup>	31,985	[GRI 302-1]
Natural gas	[m3]	301,574 <sup>2</sup>	287,338	
Fuel oil	[tons]	59	47	
Petrol	[tons]	318	401	
Diesel oil	[tons]	22	28	
LPG	[tons]	284	556	
Water	[m3]	18,156	19,267	[GRI 303-5]
Refrigerant	[kg]	156	123	
Business travel by air	[km]	79,005	51,842	
Business travel by rail	[km]	1,506,112	2,083,816	

Environmental data for 2023 are presented only for the Bank due to the limited availability and low significance of such data in other Group companies.

Waste segregation has been implemented at all branches, offices and head offices for a long time. All documents, bulky waste, unused computer equipment and other electro-waste is disposed of by companies specialised for this purpose. Waste is collected according to schedule (non-archival documents) or on request (white goods, furniture, IT data carriers):

- paper is milled and used in the paper industry,
- IT hardware, furniture or household appliances/RTVs are recycled and prepared for re-use as secondary raw material or as input for alternative fuels.

<sup>2</sup> Restated values due to adjustments made after the reporting deadline

In addition, for several years, operational but unused computer equipment and mobile phones have been periodically handed over for resale to their employees. Thanks to this, it reduces the amount of electronic waste generated by the Bank. What is more, recycled materials are used to modernise the branches, which is another example of pro-ecological activities.

No sanctions or penalties were imposed on the Bank for non-compliance with environmental protection regulations. At the same time, the Bank maintains its commitments to use natural resources and energy more efficiently, as well as to monitor with an external institution its environmental impact (consumption of resources and raw materials) and to report regularly on environmental and climate matters. The commitment to making employees aware of environmental issues has been implemented by including some of them in mandatory ESG training and will be continued.

[GRI 307-1]

## 5.5. EU Taxonomy Disclosures

Legal regulations in the area of Taxonomy:

- Accounting Act implementing Directive 2014/95/EU of the European Parliament and of the Council on disclosure of non-financial data and information on diversity by certain large entities and groups (Accounting Act),
- EU Regulation 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework to facilitate sustainable investment (EU Taxonomy),
- EU Commission Delegated Regulation 2021/2139 of 4 June 2021 establishing the technical qualification criteria for determining the conditions under which an economic activity qualifies as making a significant contribution to climate change mitigation or adaptation, and whether this economic activity does not cause serious damage to any of the other environmental objectives,
- EU Commission Delegated Regulation 2021/2178 of 6 July 2021 supplementing Regulation 2020/852 by specifying the content of the presentation of information on environmentally sustainable economic activities to be disclosed by enterprises subject to Article 19a or 29a of Directive 2013/34/EU, and specifying the method compliance with this disclosure obligation (Disclosure Regulation),
- EU Delegated Regulation 2023/2485 of 27 June 2023 amending EU Delegated Regulation 2021/2139 laying down additional technical eligibility criteria for determining the conditions under which certain economic activities qualify as making a significant contribution to climate change mitigation or adaptation, and whether those activities do not cause significant harm to any other environmental objective,
- EU Delegated Commission Regulation 2023/2486 of 27 June 2023 supplementing EU Regulation 2020/852 of the European Parliament and of the Council by establishing technical qualification criteria to determine the conditions under which an economic activity qualifies as making a significant contribution to the sustainable use and conservation of water and marine resources, to the transition to a closed loop economy to the prevention and control of pollution, or to the protection and restoration of biodiversity and ecosystems, and whether that economic activity does not cause serious harm to any other environmental objective, and amending EU Delegated Regulation 2021/2178 as regards the public disclosure of specific information in relation to those economic activities.

The above regulations oblige credit institutions to meet a number of reporting obligations. In 2024, the Bank is required for the first time to make disclosures on the EU Taxonomy in full, in accordance with the guidance from the EU Disclosure Regulation (2021/2178). While developing this year's disclosures, the Bank has taken into account the guidance and interpretations contained in all published EU Commission Notices. The indicators disclosed below have not been audited and are prepared to the best knowledge of the Alior Bank Group.

In the context of financing provided to clients that are subject to the obligation to publish non-financial information, data from the ESG database, developed by the BIK, were verified and internal data were analysed. The analysis of the funding provided in terms of eligibility for and compliance with the systematics was made on the basis of the indicators disclosed in the clients' non-financial reports. In its analysis, the Bank based its analysis on the latest available non-financial reports published by the Bank's clients in 2023.

In calculating the EU Taxonomy indicators, we have adopted a definition of households consistent with that used for financial reporting purposes. Disclosures of financing qualifying for systematics were developed based on the characteristics of the products offered to customers. In assessing compliance with the EU Taxonomy, an analysis of physical risks was conducted using data from the Cenatorium database.

Financing provided to business customers that are not subject to the obligation to publish non-financial information was established by analyzing internal data. According to the Disclosure Regulation, assets not included in the calculation of the green asset ratio include: exposures to central governments and supranational issuers, exposures to central banks and the trading book.

In terms of paragraph 1.2.1.4 of Schedule V of the EU Disclosure Regulation (2021/2178), the Bank's business model does not rely significantly on the financing of public housing. In addition, referring to paragraph 15 of the Commission's Notice of 21 December 2023, local government funding is not included in the numerator of the green asset indicator. The Bank does not hold collateral obtained through the acquisition of residential and commercial properties.

The Bank's prudential consolidation does not include Alior TFI S.A. and therefore the Bank has not included the assets managed by this company in the disclosures.

The objectives of Alior Bank's 2023-2024 business strategy "Your Bank of everyday life, your Bank for the future" are implemented in 3 ESG areas, defined as:

1. Responsibility for the social processes that surround us (S)
2. Willingness to respond to the environmental and climate challenges around us (E)
3. Applying the highest standards of corporate governance (G)

In particular, we place importance on:

- Ensuring full compliance with sustainability regulations.
- Implementation of a detailed assessment of corporate client portfolios in terms of ESG factors.
- Providing products to benefit from EU funding and public administrations to improve energy efficiency.

Only a minor part of the Bank's loan portfolio consists of large companies subject to the NFRD Directive. The business customer segment is nominally dominated by sole proprietorships and

small and medium-sized enterprises. In the retail customer segment, Alior Bank's standout is the Consumer Finance segment. Engagement within households, in addition to the data required by the EU Taxonomy, will also be presented as part of the voluntary Sustainable Finance Indicators.

#### Disclosures of key performance indicators in accordance with Annex VI of Regulation 2021/2178

The disclosures of key performance indicators are presented below in accordance with the scope of the mandatory disclosures for 2023 as set out in Templates 1 to 5 of Annex VI to Regulation 2021/2178.

Template 0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

		Total environmentally sustainable assets*	KPI turnover	KPI CAPEX	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.1.4. of Annex V)
Main KPI	Green asset ratio (GAR) stock	197,27	0,31%	0,55%	59,02%	18,80%	22,18%

		Total environmentally sustainable activities**	KPI turnover	KPI CAPEX	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.1.4. of Annex V)
Additional KPIs	GAR (flow)	104,84	0,72%	1,79%	17,65%	n.a.	n.a.
	Trading book	n.a.	n.a.	n.a.			
	Financial guarantees	0,00	0,00%	0,02%			
	Assets under management	n.a.	n.a.	n.a.			
	Fees and commissions income	n.a.	n.a.	n.a.			

\* Total environmentally sustainable assets used for KPI CAPEX stock amounts to PLN 352,82 million

\*\* Total environmentally sustainable assets used for KPI CAPEX flow amounts to PLN 260 million, whereas total environmentally sustainable assets used for KPI CAPEX (financial guarantees) amounts to PLN 0,74 million.

\*\*\* The KPIs are based on the gross carrying amount of new exposures i.e. new covered assets within the numerator of GAR

Template 1. Assets for the calculation of GAR based on turnover

		a	b	c	d	e	f	g	h	i	j	ab	ac	ad	ae	af
		31 December 2023														
Million PLN		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				W tym wobec sektorów istotnych dla systematyki (kwalifikujące się do systematyki)				
			Of which environmentally sustainable (Taxonomy-aligned)		Of which Use of Proceeds			Of which environmentally sustainable (Taxonomy-aligned)		Of which Use of Proceeds		Of which enabling		W tym zrównoważone środowiskowo (zgodne z systematyką)		Of which Use of Proceeds
<b>GAR - Covered assets in both numerator and denominator</b>																
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	48 639,31	18 903,10	197,27	0	0	41	0	0	0	0	18 903,10	197,27	0	0	41,01
2	<b>Financial undertakings</b>	2,51	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Credit institutions	2,51	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Loans and advances	2,51	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Debt securities, including UoP	0,00	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0
7	Other financial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0
16	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0
20	<b>Non-financial undertakings</b>	807,80	122,91	44,14	0	0	41,01	0	0	0	0	122,91	44,14	0	0	41,01
21	Loans and advances	807,80	122,91	44,14	0	0	41,01	0	0	0	0	122,91	44,14	0	0	41,01
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0
24	<b>Households</b>	47 829,00	18 780,18	153,13	0	0	0	0	0	0	0	18 780,18	153,13	0	0	0
25	of which loans collateralised by residential immovable property	19 302,36	18 258,54	153,13	0	0	0	0	0	0	0	18 258,54	153,13	0	0	0
26	of which building renovation loans	521,65	521,65	0	0	0	0	0	0	0	0	521,65	0	0	0	0
27	of which motor vehicle loans	4 219,04	0	0	0	0	0				0	0	0	0	0	0
28	<b>Local governments financing</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

		a	b	c	d	e	f	g	h	i	j	ab	ac	ad	ae	af	
		31 December 2023															
Million PLN		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					W tym wobec sektorów istotnych dla systematyki (kwalifikujące się do				
			Of which environmentally sustainable (Taxonomy-aligned)			Of which Use of Proceeds		Of which transitional		Of which enabling		Of which environmentally sustainable			Of which Use of Proceeds		Of which transitional
31	Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	15 494,46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
33	Financial and Non-financial undertakings	10 506,46															
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	10 278,60															
35	Loans and advances	10 278,60															
36	of which loans collateralised by commercial immovable property	0															
37	of which building renovation loans	0															
38	Debt securities	0															
39	Equity instruments	0															
40	Non-EU country counterparties not subject to NFRD disclosure obligations	100,70															
41	Loans and advances	100,70															
42	Debt securities	0															
43	Equity instruments	0															
44	Derivatives	336,00															
45	On demand interbank loans	1 136,00															
46	Cash and cash-related assets	454,00															
47	Other assets (e.g. Goodwill, commodities etc.)	3 189,16															
48	<b>Total GAR assets</b>	<b>64 133,76</b>	<b>18 903,10</b>	<b>197,27</b>	<b>0</b>	<b>0</b>	<b>41,01</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18 903,10</b>	<b>197,27</b>	<b>0</b>	<b>0</b>	<b>41,01</b>	
49	Assets not covered for GAR calculation	18 274,00															
50	Central governments and Supranational issuers	16 263,00															
51	Central banks exposure	1 618,00															
52	Trading book	393,00															
53	<b>Total assets</b>	<b>82 407,76</b>	<b>18 903,10</b>	<b>197,27</b>	<b>0</b>	<b>0</b>	<b>41,01</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18 903,10</b>	<b>197,27</b>	<b>0</b>	<b>0</b>	<b>41,01</b>	
<b>Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations</b>																	
55	Financial guarantees	129,91	27,70	0	0	0	0	0	0	0	0	27,70	0	0	0	0	
56	Assets under management	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
57	Of which debt securities	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
58	Of which equity instruments	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	

Template 1. Assets for the calculation of GAR based on CAPEX

		a	b	c	d	e	f	g	h	i	j	ab	ac	ad	ae	af	
		31 December 2023															
Million PLN		Total gross carrying amount	Łagodzenie zmian klimatu (CCM)					Adaptacja do zmian klimatu (CCA)					TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which adaptation	Of which enabling		Of which Use of Proceeds	Of which adaptation	Of which enabling
<b>GAR - Covered assets in both numerator and denominator</b>																	
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	48 639,31	19 114,31	352,82	0	0	174	0	0	0	0	19 114,31	352,82	0	0	173,91	
2	<b>Financial undertakings</b>	2,51	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3	Credit institutions	2,51	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4	Loans and advances	2,51	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Debt securities, including UoP	0,00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
6	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	
7	Other financial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
8	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
15	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	
16	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	
20	<b>Non-financial undertakings</b>	807,80	334,13	199,68	0	0	173,91	0	0	0	0	334,13	199,68	0	0	173,91	
21	Loans and advances	807,80	334,13	199,68	0	0	173,91	0	0	0	0	334,13	199,68	0	0	173,91	
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
23	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	
24	<b>Households</b>	47 829,00	18 780,18	153,13	0	0	0	0	0	0	0	18 780,18	153,13	0	0	0	
25	of which loans collateralised by residential immovable property	19 302,36	18 258,54	153,13	0	0	0	0	0	0	0	18 258,54	153,13	0	0	0	
26	of which building renovation loans	521,65	521,65	0	0	0	0	0	0	0	0	521,65	0	0	0	0	
27	of which motor vehicle loans	4 219,04	0	0	0	0	0					0	0	0	0	0	
28	<b>Local governments financing</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

		a	b	c	d	e	f	g	h	i	j	ab	ac	ad	ae	af
		31 December 2023														
Million PLN		Total gross carrying amount	Łagodzenie zmian klimatu (CCM)					Adaptacja do zmian klimatu (CCA)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				
				Of which Proceeds	Use of transitional	Of which enabling		Of which Proceeds	Use of enabling	Of which enabling		Of which Proceeds	Use of adaptation	Of which enabling		Of which Proceeds
31	Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	<u>Assets excluded from the numerator for GAR calculation (covered in the denominator)</u>	15 494,46	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	Financial and Non-financial undertakings	10 506,46														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	10 278,60														
35	Loans and advances	10 278,60														
36	of which loans collateralised by commercial immovable property	0														
37	of which building renovation loans	0														
38	Debt securities	0														
39	Equity instruments	0														
40	Non-EU country counterparties not subject to NFRD disclosure obligations	100,70														
41	Loans and advances	100,70														
42	Debt securities	0														
43	Equity instruments	0														
44	Derivatives	336,00														
45	On demand interbank loans	1 136,00														
46	Cash and cash-related assets	454,00														
47	Other assets (e.g. Goodwill, commodities etc.)	3 189,16														
48	<b>Total GAR assets</b>	64 133,76	19 114,31	352,82	0	0	173,91	0	0	0	0	19 114,31	352,82	0	0	173,91
49	<u>Assets not covered for GAR calculation</u>	18 274,00														
50	Central governments and Supranational issuers	16 263,00														
51	Central banks exposure	1 618,00														
52	Trading book	393,00														
53	<b>Total assets</b>	82 407,76	19 114,31	352,82	0	0	173,91	0	0	0	0	19 114,31	352,82	0	0	173,91
<b>Off-balance sheet exposures - Corporates subject to NFRD disclosure obligations</b>																
55	Financial guarantees	129,91	32,03	0,74	0	0	0	0	0	0	0	32,03	0,74	0	0	0
56	Assets under management	nd.	nd.	nd.	nd.	nd.	nd.	nd.	nd.	nd.	nd.	nd.	nd.	nd.	nd.	nd.
57	Of which debt securities	nd.	nd.	nd.	nd.	nd.	nd.	nd.	nd.	nd.	nd.	nd.	nd.	nd.	nd.	nd.
58	Of which equity instruments	nd.	nd.	nd.	nd.	nd.	nd.	nd.	nd.	nd.	nd.	nd.	nd.	nd.	nd.	nd.

Template 2. GAR sector information based on turnover

Breakdown by sector - NACE 4 digits level (code and label)	b	c	e	f	h	i	k	l	n	o	q	r
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + WMR + CE + PPC + BIO)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
Mn PLN	Of which environmentally sustainable (CCM)	Mn PLN	Of which environmentally sustainable (CCM)	Mn PLN	Of which environmentally sustainable (CCA)	Mn PLN	Of which environmentally sustainable (CCA)	Mn PLN	Of which environmentally sustainable (CCM + CCA + WMR + CE + PPC + BIO)	Mn PLN	Of which environmentally sustainable (CCM + CCA + WMR + CE + PPC + BIO)	
1	35.1.4 - Trade of electricity	253,38	29,90			0	0			253,38	29,90	
2	70.1.0 - Activities of head offices and holding companies, excluding financial holdings	165,06	13,93			0	0			165,06	13,93	
3	46.4.9 - Wholesale of other household goods	152,93	0			0	0			152,93	0	
4	46.9.0 - Wholesale of other household goods	65,95	0			0	0			65,95	0	
5	82.9.1 - Activities of collection agencies and credit bureaus	50,03	0			0	0			50,03	0	
6	42.1.2 - Construction of railways and underground railways	39,65	0			0	0			39,65	0	
7	68.1.0 - Buying and selling of own real estate	30,12	0			0	0			30,12	0	
8	61.3.0 - Satellite telecommunications activities	23,31	0,30			0	0			23,31	0,30	
9	5.1.0 - Mining of hard coal	19,45	0			0	0			19,45	0	
10	61.1.0 - Wired telecommunications activities	7,80	0,01			0	0			7,80	0,01	
11	55.1.0 - Hotels and similar accommodation	0,11	0			0	0			0,11	0	
12	21.2.0 - Manufacture of pharmaceutical preparations	0,02	0			0	0			0,02	0	

Template 2. GAR sector information based on CAPEX

Breakdown by sector - NACE 4 digits level (code and label)	a	b	c	d	e	f	g	h	y	z	aa	ab
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + WMR + CE + PPC + BIO)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
Mn PLN	Of which environmentally sustainable (CCM)	Mn PLN	Of which environmentally sustainable (CCM)	Mn PLN	Of which environmentally sustainable (CCA)	Mn PLN	Of which environmentally sustainable (CCA)	Mn PLN	Of which environmentally sustainable (CCM + CCA + WMR + CE + PPC + BIO)	Mn PLN	Of which environmentally sustainable (CCM + CCA + WMR + CE + PPC + BIO)	
1	35.1.4 - Trade of electricity	253,38	138,20			0	0			253,38	138,20	
2	70.1.0 - Activities of head offices and holding companies, excluding financial holdings	165,06	61,07			0	0			165,06	61,07	
3	46.4.9 - Wholesale of other household goods	152,93	0			0	0			152,93	0	
4	46.9.0 - Wholesale of other household goods	65,95	0			0	0			65,95	0	
5	82.9.1 - Activities of collection agencies and credit bureaus	50,03	0,06			0	0			50,03	0,06	
6	42.1.2 - Construction of railways and underground railways	39,65	0			0	0			39,65	0	
7	68.1.0 - Buying and selling of own real estate	30,12	0			0	0			30,12	0	
8	61.3.0 - Satellite telecommunications activities	23,31	0,22			0	0			23,31	0,22	
9	5.1.0 - Mining of hard coal	19,45	0,14			0	0			19,45	0,14	
10	61.1.0 - Wired telecommunications activities	7,80	0			0	0			7,80	0	
11	55.1.0 - Hotels and similar accommodation	0,11	0			0	0			0,11	0	
12	21.2.0 - Manufacture of pharmaceutical preparations	0,02	0			0	0			0,02	0	

Template 3. GAR KPI stock based on turnover

		a	b	c	d	e	f	g	h	i	aa	ab	ac	ad	ae	af	
		31 December 2023															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA + WMR + CE + PPC + BIO)					Proportion of total assets covered
% (compared to total covered assets in the denominator)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
			Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling				
<b>GAR - Covered assets in both numerator and denominator</b>																	
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	38,86%	0,41%	0%	0%	0,08%	0%	0%	0%	0%	38,86%	0,41%	0%	0%	0,08%	59,02%	
2	<b>Financial undertakings</b>	0,03%	0%	0%	0%	0%	0%	0%	0%	0%	0,03%	0%	0%	0%	0%	0%	
3	Credit institutions	0,03%	0%	0%	0%	0%	0%	0%	0%	0%	0,03%	0%	0%	0%	0%	0%	
4	Loans and advances	0,03%	0%	0%	0%	0%	0%	0%	0%	0%	0,03%	0%	0%	0%	0%	0%	
5	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
6	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%	
7	Other financial corporations	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
11	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%	
12	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
13	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
15	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%	
16	of which insurance undertakings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
17	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
19	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%	
20	<b>Non-financial undertakings</b>	15,22%	5,46%	0%	0%	5,08%	0%	0%	0%	0%	15,22%	5,46%	0%	0%	5,08%	0,98%	
21	Loans and advances	15,22%	5,46%	0%	0%	5,08%	0%	0%	0%	0%	15,22%	5,46%	0%	0%	5,08%	0,98%	
22	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
23	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%	

		a	b	c	d	e	f	g	h	i	aa	ab	ac	ad	ae	af	
		31 December 2023															
% (compared to total covered assets in the denominator)		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA + WMR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
			Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling					
24	<b>Households</b>	39,27%	0,32%	0%	0%	0%	0%	0%	0%	0%	39,27%	0,32%	0%	0%	0%	58,04%	
25	of which loans collateralised by residential immovable property	94,59%	0,79%	0%	0%	0%	0%	0%	0%	0%	94,59%	0,79%	0%	0%	0%	23,42%	
26	of which building renovation loans	100,00%	0%	0%	0%	0%	0%	0%	0%	0%	100,00%	0%	0%	0%	0%	0,63%	
27	of which motor vehicle loans	0%	0%	0%	0%	0%					0%	0%	0%	0%	0%	5,12%	
28	<b>Local governments financing</b>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
29	Housing financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
30	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
32	<b>Total GAR assets</b>	29,47%	0,31%	0%	0%	0,06%	0%	0%	0%	0%	29,47%	0,31%	0%	0%	0,06%	77,82%	

Template 3. GAR KPI stock based on CAPEX

		a	b	c	d	e	f	g	h	i	aa	ab	ac	ad	ae	af	
		31 December 2023															
% (compared to total covered assets in the denominator)		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA + WMR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
			Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	
<b>GAR - Covered assets in both numerator and denominator</b>																	
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	39,30%	0,73%	0%	0%	0,36%	0%	0%	0%	0%	39,30%	0,73%	0%	0%	0,36%	59,02%	
2	<b>Financial undertakings</b>	0,04%	0%	0%	0%	0%	0%	0%	0%	0%	0,04%	0%	0%	0%	0%	0%	
3	Credit institutions	0,04%	0%	0%	0%	0%	0%	0%	0%	0%	0,04%	0%	0%	0%	0%	0%	
4	Loans and advances	0,04%	0%	0%	0%	0%	0%	0%	0%	0%	0,04%	0%	0%	0%	0%	0%	
5	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
6	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%	
7	Other financial corporations	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
11	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%	
12	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
13	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
15	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%	
16	of which insurance undertakings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
17	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
19	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%	
20	<b>Non-financial undertakings</b>	41,36%	24,72%	0%	0%	21,53%	0%	0%	0%	0%	41,36%	24,72%	0%	0%	21,53%	0,98%	
21	Loans and advances	41,36%	24,72%	0%	0%	21,53%	0%	0%	0%	0%	41,36%	24,72%	0%	0%	21,53%	0,98%	
22	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
23	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%	

		a	b	c	d	e	f	g	h	i	aa	ab	ac	ad	ae	af	
		31 December 2023															
% (compared to total covered assets in the denominator)		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA + WMR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
			Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling				
24	<b>Households</b>	39,27%	0,32%	0%	0%	0%	0%	0%	0%	0%	39,27%	0,32%	0%	0%	0%	58,04%	
25	of which loans collateralised by residential immovable property	94,59%	0,79%	0%	0%	0%	0%	0%	0%	0%	94,59%	0,79%	0%	0%	0%	23,42%	
26	of which building renovation loans	100,00%	0%	0%	0%	0%	0%	0%	0%	0%	100,00%	0%	0%	0%	0%	0,63%	
27	of which motor vehicle loans	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	5,12%	
28	<b>Local governments financing</b>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
29	Housing financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
30	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
32	<b>Total GAR assets</b>	29,80%	0,55%	0%	0%	0,27%	0%	0%	0%	0%	29,80%	0,55%	0%	0%	0,27%	77,82%	

## Template 4. GAR KPI flow based on turnover

		a	b	c	d	e	f	g	h	i	aa	ab	ac	ad	ae	af	
		31 December 2023															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA + WMR + CE + PPC + BIO)					Proportion of total new assets covered
% (compared to flow of total eligible assets)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
			Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling				
	<b>GAR - Covered assets in both numerator and denominator</b>																
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	32,05%	0,72%	0%	0%	0,28%	0%	0%	0%	0%	32,05%	0,72%	0%	0%	0,28%	100,00%	
2	<b>Financial undertakings</b>	0,03%	0%	0%	0%	0%	0%	0%	0%	0%	0,03%	0%	0%	0%	0%	0,01%	
3	Credit institutions	0,03%	0%	0%	0%	0%	0%	0%	0%	0%	0,03%	0%	0%	0%	0%	0,01%	
4	Loans and advances	0,03%	0%	0%	0%	0%	0%	0%	0%	0%	0,03%	0%	0%	0%	0%	0,01%	
5	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
6	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%	
7	Other financial corporations	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
11	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%	
12	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
13	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
15	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%	
16	of which insurance undertakings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
17	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
19	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%	
20	<b>Non-financial undertakings</b>	16,02%	7,60%	0%	0%	7,06%	0%	0%	0%	0%	16,02%	7,60%	0%	0%	7,06%	3,99%	
21	Loans and advances	16,02%	7,60%	0%	0%	7,06%	0%	0%	0%	0%	16,02%	7,60%	0%	0%	7,06%	3,99%	
22	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
23	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%	

		a	b	c	d	e	f	g	h	i	aa	ab	ac	ad	ae	af	
		31 December 2023															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA + WMR + CE + PPC + BIO)					Proportion of total new assets covered
% (compared to flow of total eligible assets)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
			Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling				
24	<b>Households</b>	32,72%	0,43%	0%	0%	0%	0%	0%	0%	0%	32,72%	0,43%	0%	0%	0%	96,00%	
25	of which loans collateralised by residential immovable property	99,05%	1,67%	0%	0%	0%	0%	0%	0%	0%	99,05%	1,67%	0%	0%	0%	25,01%	
26	of which building renovation loans	100,00%	0%	0%	0%	0%	0%	0%	0%	0%	100,00%	0%	0%	0%	0%	1,92%	
27	of which motor vehicle loans	0%	0%	0%	0%	0%					0%	0%	0%	0%	0%	4,71%	
28	<b>Local governments financing</b>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
29	Housing financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
30	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
32	<b>Total GAR assets</b>	32,05%	0,72%	0%	0%	0,28%	0%	0%	0%	0%	32,05%	0,72%	0%	0%	0,28%	100,00%	

## Template 4. GAR KPI flow based on CAPEX

		a	b	c	d	e	f	g	h	i	aa	ab	ac	ad	ae	af	
		31 December 2023															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA + WMR + CE + PPC + BIO)					Proportion of total new assets covered
% (compared to flow of total eligible assets)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
			Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling				
<b>GAR - Covered assets in both numerator and denominator</b>																	
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	33,53%	1,79%	0%	0%	1,20%	0%	0%	0%	0%	33,53%	1,79%	0%	0%	1,20%	100,00%	
2	<b>Financial undertakings</b>	0,03%	0%	0%	0%	0%	0%	0%	0%	0%	0,03%	0%	0%	0%	0%	0,01%	
3	Credit institutions	0,03%	0%	0%	0%	0%	0%	0%	0%	0%	0,03%	0%	0%	0%	0%	0,01%	
4	Loans and advances	0,03%	0%	0%	0%	0%	0%	0%	0%	0%	0,03%	0%	0%	0%	0%	0,01%	
5	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
6	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%	
7	Other financial corporations	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
11	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%	
12	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
13	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
15	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%	
16	of which insurance undertakings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
17	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
19	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%	
20	<b>Non-financial undertakings</b>	53,02%	34,34%	0%	0%	29,95%	0%	0%	0%	0%	53,02%	34,34%	0%	0%	29,95%	3,99%	
21	Loans and advances	53,02%	34,34%	0%	0%	29,95%	0%	0%	0%	0%	53,02%	34,34%	0%	0%	29,95%	3,99%	
22	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
23	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%	

		a	b	c	d	e	f	g	h	i	aa	ab	ac	ad	ae	af	
		31 December 2023															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA + WMR + CE + PPC + BIO)					Proportion of total new assets covered
% (compared to flow of total eligible assets)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
			Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling				
24	<b>Households</b>	32,72%	0,43%	0%	0%	0%	0%	0%	0%	0%	32,72%	0,43%	0%	0%	0%	96,00%	
25	of which loans collateralised by residential immovable property	99,05%	1,67%	0%	0%	0%	0%	0%	0%	0%	99,05%	1,67%	0%	0%	0%	25,01%	
26	of which building renovation loans	100,00%	0%	0%	0%	0%	0%	0%	0%	0%	100,00%	0%	0%	0%	0%	1,92%	
27	of which motor vehicle loans	0%	0%	0%	0%	0%					0%	0%	0%	0%	0%	4,71%	
28	<b>Local governments financing</b>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
29	Housing financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
30	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
32	<b>Total GAR assets</b>	33,53%	1,79%	0%	0%	1,20%	0%	0%	0%	0%	33,53%	1,79%	0%	0%	1,20%	100,00%	

## Template 5. KPI off-balance sheet exposures based on turnover

		a	b	c	d	e	f	g	h	i	aa	ab	ac	ad	ae	
		31 December 2023														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA + WMR + CE + PPC + BIO)				
% (compared to total eligible off-balance sheet assets)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
1	Financial guarantees (FinGuar KPI)	0,58%	0%	0%	0%	0%	0%	0%	0%	0%	0,58%	0%	0%	0%	0%	
2	Assets under management (AuM KPI)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	

## Template 5. KPI off-balance sheet exposures based on CAPEX

		a	b	c	d	e	f	g	h	i	aa	ab	ac	ad	ae	
		31 December 2023														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA + WMR + CE + PPC + BIO)				
% (compared to total eligible off-balance sheet assets)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
1	Financial guarantees (FinGuar KPI)	0,67%	0,02%	0%	0%	0%	0%	0%	0%	0%	0,67%	0,02%	0%	0%	0%	
2	Assets under management (AuM KPI)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	

Disclosures of indicators for nuclear and fossil gas related activities in accordance with Annex XII of Regulation 2021/2178

The following are the disclosures for the activities described in sections 4.26 to 4.31 of Annexes I and II to EU Delegated Regulation EU 2021/2139 in accordance with the scope set out in Templates 1 to 5 of Annex XII to Regulation 2021/217

Template 1. Nuclear and fossil gas related activities

Lp.	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Yes

Template 2. Taxonomy-aligned economic activities (denominator) based on turnover

Lp.	Economic activities	Amount and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,00	0,00%	0,00	0,00%	0,00	0,00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,00	0,00%	0,00	0,00%	0,00	0,00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,00	0,00%	0,00	0,00%	0,00	0,00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,00	0,00%	0,00	0,00%	0,00	0,00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,00	0,00%	0,00	0,00%	0,00	0,00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,00	0,00%	0,00	0,00%	0,00	0,00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	197,27	0,31%	197,27	0,31%	0,00	0,00%
8.	Total applicable KPI	197,27	0,31%	197,27	0,31%	0,00	0,00%

Template 2. Taxonomy-aligned economic activities (denominator) based on CAPEX

Lp.	Economic activities	Amount and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,00	0,00%	0,00	0,00%	0,00	0,00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,00	0,00%	0,00	0,00%	0,00	0,00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,00	0,00%	0,00	0,00%	0,00	0,00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,00	0,00%	0,00	0,00%	0,00	0,00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,00	0,00%	0,00	0,00%	0,00	0,00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,00	0,00%	0,00	0,00%	0,00	0,00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	352,82	0,55%	352,82	0,55%	0,00	0,00%
8.	Total applicable KPI	352,82	0,55%	352,82	0,55%	0,00	0,00%

Template 3. Taxonomy-aligned economic activities (numerator) based on turnover

Lp.	Economic activities	Amount and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	197,27	100,00%	197,27	100,00%	0,00	0,00%
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	197,27	100,00%	197,27	100,00%	0,00	0,00%

Template 3. Taxonomy-aligned economic activities (numerator) based on CAPEX

Lp.	Economic activities	Amount and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	352,82	100,00%	352,82	100,00%	0	0%
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	352,82	100,00%	352,82	100,00%	0	0%

Template 4. Taxonomy-eligible but not taxonomy-aligned economic activities based on turnover

Lp.	Economic activities	Amount and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2,96	0,02%	2,96	0,02%	0	0%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,13	0%	0,13	0%	0	0%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	18 702,73	99,98%	18 702,73	99,98%	0	0%
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	18 705,82	100,00%	18 705,82	100,00%	0	0%

Template 4. Taxonomy-eligible but not taxonomy-aligned economic activities based on CAPEX

Lp.	Economic activities	Amount and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	31,13	0,17%	31,13	0,16%	0	0%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	9,54	0,05%	9,54	0,05%	0	0%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0,39	0%	0,39	0%	0	0%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	18 720,44	99,78%	18 720,44	99,78%	0	0%
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	18 761,50	100,00%	18 761,50	100,00%	0	0%

Template 5. Taxonomy non-eligible economic activities based on turnover

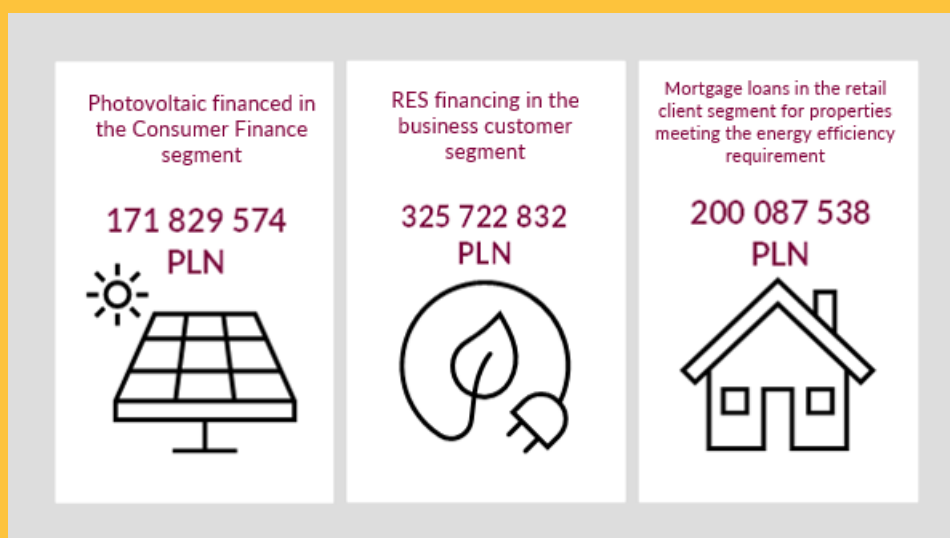
	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
7.	<b>Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>	45 230,67	70,53%
8.	<b>Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI</b>	45 230,67	70,53%

## Template 5. Taxonomy non-eligible economic activities based on CAPEX

	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0%
7.	<b>Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI</b>	45 019,45	70,20%
8.	<b>Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI</b>	45 019,45	70,20%

## Voluntary sustainable financing indicators (financing provided in 2023)

Bearing in mind the European Banking Federation's January 2024 letter, the Bank has prepared voluntary disclosures to demonstrate the Bank's commitment to financing climate change mitigation in 2023. For consistency, disclosures have been made on the basis of gross book value. Regarding mortgages in the retail customer segment, according to the EU Commission Delegated Regulation 2021/2139, for residential buildings built before 31 December 2020, this is 15% of the most energy-efficient buildings, according to information made available by the Ministry of Development and Technology. For residential buildings built after 31 December 2020, the criterion is a primary energy consumption of 10% less than the threshold set for near-zero energy building requirements.



# About this Report

The above statement on non-financial information of Alior Bank as a parent company and its subsidiaries was prepared in compliance with the regulatory requirement for public-interest institutions under the amended Accounting Act. The Alior Bank S.A. Capital Group was covered with the regulatory requirement on the unit (Alior Bank) and consolidated levels.

[GRI 2-2]

This report presents the underlying management, policies and procedures of due care applicable at the Alior Bank S.A. Capital Group and its subsidiaries in 2023. The most important performance indicators are presented for the period from 1 January to 31 December 2023. Reporting takes place on an annual basis. Compared to the last publication on 3 March 2023, there have been no significant changes in the area and topics of reporting. This Report includes adjustments to the information published in the 2022 report. These adjustments relate to changes in the consumption of certain utilities in 2022 due to the incorrect presentation of gas consumption as heat by one of the divisions. The statement was not subject to external verification or audit.

[GRI 2-3]

[GRI 2-4]

[GRI 2-5]

The report was prepared in accordance with the International Non-Financial Reporting Standard using the GRI Standards.

Should you have any questions regarding the Report, you should ask them to the Bank's Investor Relations and Subsidiaries Supervision Department: [ir@alior.pl](mailto:ir@alior.pl)

## Requirements of the Accounting Act for disclosure of non-financial data

Description of the entity's business model and key performance indicators	Yes
Description of the management of the risks identified as major risks	Yes
Description of policies, procedures of due care and performance indicators related to the entity's activity for anti-corruption measures	Yes
Description of policies, procedures of due care and performance indicators related to the topics important for the Bank in terms of relationships with customers, quality of service, dialogue, responsible sales, and data and transaction security	Yes
Description of policies, procedures of due care and performance indicators related to the entity's activity for employment topics	Yes
Description of policies, procedures of due care and performance indicators related to the entity's activity for respect of human rights	Yes

## GRI content index

GRI indicator	Indicator name	Page number
Organization and its reporting practices		
2-1	Organizational data	3
2-2	Entities covered by the organization's sustainability reporting	11, 103
2-3	Reporting period, reporting frequency and contact information	103
2-4	Changes in reported information	103
2-5	External verification	103
Operations and employees		
2-6	Operations, value chain and other business relationships	3, 24
2-7	Employees	47
2-8	Persons providing work for the organization who are not employees of the organization	47
Corporate Governance		
2-9	Composition and structure of the highest governing body	4
2-12	Role of the highest governing body in overseeing influence management	4, 10
2-13	Delegation of responsibility for influence management	4, 10
2-15	Conflict of interest	21, 23, 24
2-16	Communicating relevant issues	21, 22, 41
2-19	Remuneration policies	56
Strategy, policies and practices		
2-23	Commitments included in policies	5, 12, 21, 23, 44, 58
2-24	Implementation of commitments included in policies	21, 23, 31, 44, 48, 50, 58, 73
2-25	Remedial processes for negative impacts	31, 41, 48, 50
2-26	Mechanisms for seeking advice and raising concerns (potential irregularities)	22
2-28	Membership in associations and organizations	18

GRI indicator	Indicator name	Page number
Stakeholder engagement		
2-29	Approach to stakeholder engagement	12, 13, 36-37
Material topics		
3-2	List of material topics	74
3-3	Management of topics identified as material	25, 26, 41, 43
302-1	Consumption of energy in the organization	74
303-5	Water consumption	74
307-1	Non-compliance with environmental laws and regulations	75
401-1	New employee hires and employee turnover	48
401-2	Benefits offered to employees	51, 52
401-3	Parental leave	56
403-2	Hazard identification, risk assessment, and incident investigation	50
403-5	Worker training on occupational health and safety	50
403-6	Promotion of worker health	53
403-9	Work-related injuries	50
404-1	Average hours of training per year per employee	59
404-2	Programs for upgrading employee skills	58
405-1	Diversity of governance bodies and employees	48, 55
405-2	Ratio of basic salary and remuneration of women to men	57
406-1	Discrimination incidents and actions undertaken	22