



# ESG Report 2022

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[GRI 2-22]

Dear Stakeholders,

The sustainability agenda, which mitigates environmental, social and governance risks, is becoming a business imperative for many companies. Regulatory requirements, consumer and investor pressures, along with the desire for cost savings and increased efficiencies have made sustainability critical to business success. Companies which have high ESG risks and are reluctant to adapt to new requirements and expectations will find it increasingly difficult to stay in business. Companies that follow the sustainability agenda as early as possible will benefit the most and gain a competitive advantage.

A variety of market and regulatory incentives are stimulating investment in assets that enable green economic transition. In line with the European Green Deal, Europe will invest around €390 billion per year to meet its 2030 emissions reduction target in the energy and transport sectors, and €130 billion per year on the other environmental and circular economy goals. The regulation is designed to direct investors, financial institutions, and companies across the EU to those economic activities contributing to climate change mitigation and adaptation and covering all six environmental objectives.

According to data presented by the WiseEuropa Institute, Poland's climate transition investment needs range from €1,949 to €2,352 billion, accounting for approximately 7.5% to 9.1% of Polish GDP by 2050. This sends a message to the banking industry, which shall mobilise not only financial capital necessary to meet these goals, but also technological capital in the form of appropriate IT tools and programmes, and equally important, human capital and align it with ESG priorities.

The role of banking in transitioning to a sustainable economy is crucial. In a growing economy banks improve the allocation of scarce capital by extending credit to where it is most productive, supporting social and economic development. At mBank, we understand our responsibility, which is why we have set goals for sustainable finance and the development of an ESG product offering in our strategy for 2021-2025, which we are consistently implementing. These include the decision to allocate PLN 10 billion to new financing for green energy, waste management, electromobility, and sustainability projects. In 2022, mBank's corporate lending in this area amounted to PLN 635 million. As part of its strategy, mBank intends to allocate PLN 25 billion to provide residential mortgage loans secured by residential buildings that meet the CO<sub>2</sub> emission reduction standards resulting from a low-carbon trajectory. Additionally, mBank aims to provide financing worth PLN 1 billion in the framework of mortgage loans on properties where the Nearly Zero Energy Building (NZEB) standards are applied.

The expectations for the financial sector have been defined in the EU Sustainable Finance Framework. Its objective is to support companies and the financial sector during the tran-



sition to a sustainable climate-neutral economy. A range of regulatory initiatives, including the taxonomy and reporting under the SFDR and CSRD, encourage the private funding of transition projects and green technologies. These have made market participants aware of the need to accelerate efforts to integrate the factors generated by climate change and environmental degradation into the risk management process. It is even more important to emphasize the growing role and importance of sustainable finance and such forms of capital raising as: the issuance of green bonds, environmentally sustainable and sustainability-linked bonds, or loans for projects that meet the taxonomy criteria, or corporate loans based on ESG targets (sustainability-linked loans). These are just a few examples of how the banking sector, including mBank, is actively involved in the Sustainable Finance Framework. In 2022, mBank carried out four green bond issues totalling PLN 275 million.

Alongside measures to support large companies, responsible innovative financial services provided to individuals and SMEs are growing in importance. Banks are encouraging customers to make more sustainable choices, for example, through preferential financing for low-emission houses and electric cars, loans for small-scale RES installations and heat pump systems, as well as introducing virtual payment cards. mBank will continue to educate customers and caring about responsible, transparent marketing communication.

When discussing ESG criteria in banking, it is important to consider not only environmental factors, but also social and governance factors. Social factors, such as respect for human rights, diversity, equal opportunities and the monitoring of compliance with labour standards are of large significance. Corporate governance providing rules followed by organi-

zation and all its stakeholders, including legal provisions as well as best market practices ensure that companies are well-managed, and take into account risks appropriate to their business profile.

I am glad that financial sector is aware of all of these facts. In Europe, we are seeing a real change in behaviour, and consequently in the investments of companies and financial institutions. According to Bloomberg data, based on a sample of 680 of the largest European companies, representing 68% of European market capitalisation, the majority of reports present transition plans on how they intend to align more closely with climate goals. 70% of companies conduct all or part of their business is eligible or both eligible and align to the new taxonomy framework. On average, the share of investment expenditure on Taxonomy-alignment activities in total CAPEX is higher than the share of turnover from Taxonomy-alignment activities in total turnover, especially in high emission industries. This is very promising as it proves that companies take environmental factors into account in the long term. According to WiseEuropa and the ICF, sectors selected as eligible in the EU Taxonomy account for 42% of the gross value added generated by the Polish economy and employ 33% of all employees. These figures clearly demonstrate the relevance of sustainability activities for Poland.

At mBank Group, we are consistently implementing the 2021-2025 Strategy “From an icon of mobility to an icon of possibility” combined with an ambitious ESG agenda. We aspire to become one of the leaders in banking sustainability. These efforts are confirmed by international rankings. mBank is one of the top 10 most socially responsible financial

institutions in the world according to Newsweek’s global ranking. We are committed to achieving our sustainability goals and have set a high bar for ourselves. Accordingly, the bank supports businesses in their green transition and offers a reduced margin for mortgages on properties that meet advanced energy efficiency standards. The next phase of work on reducing and reporting the carbon footprint began in 2022. As the first bank in Poland, mBank joined the Partnership for Carbon Accounting Financials (PCAF) and, in September 2022, the Science Based Targets initiative (SBTi). This will help determine our carbon footprint according to global standards based on reliable scientific criteria. In December 2022, mBank signed UNEP-FI’s Financial Health and Inclusion Commitment. The Sustainalytics risk rating for mBank remains low. In particular, mBank’s ESG-related disclosures have been rated as compliant with best practice, corroborating our strong accountability to investors and the public.

There are many challenges ahead for the banking sector, related to the geopolitical situation, changes in monetary policy and navigating the new regulatory landscape, and above all the climate transition and the sustainability agenda. mBank is aware of its responsibility and, at the same time, the opportunity that comes from developing sustainable finance and the ESG agenda.

Yours sincerely

**Professor Agnieszka Słomka-Gołębiowska**  
Chairwoman of mBank’s Supervisory Board

[GRI 2-22]

Dear Stakeholders,

We are delighted to present our ESG Report for 2022, an exceptional year in many respects. Russia’s invasion of Ukraine, the “credit holidays”, the plan to introduce a new benchmark replacing the WIBOR index are unprecedented events for the entire Polish banking industry.

In this unfavourable environment, exacerbated by the negative trend in the case-law on CHF loans, the mBank Group reported a net loss of PLN 703 million for 2022. The second consecutive annual loss was, once again, in no way due to any weakness of our business; it was caused by government interventions and the decision to recognise very high legal risk costs related to foreign currency loans in excess of PLN 3.1 billion. I need to emphasise very clearly that without these charges, our pre-tax profit from the core business would have been over PLN 4.9 billion, the best in mBank’s history.

All these developments neither stopped nor slowed down the implementation of our ESG agenda. We are aware of our responsibility for the climate: in line with our strategy, we will become a fully climate-neutral bank by 2050, and we will be Scope 1 and 2 climate-neutral by 2030. We are taking prudent steps in this direction by focusing on solutions that reduce emissions in the long term. We are consistently reducing the amount of paper we use, limiting employee travel, modernising our car fleet, and we have moved several of our Warsaw-based headquarters into a single building that meets the most stringent emission criteria. We are reducing our use of plastic by issuing payment cards made from recycled plastic or fully digital. We are moving to remote account opening and digital processes for corporate customer relationships, eliminating paper from our processes. As previously announced, we have joined the Science Based Targets initiative (SBTi) and are committed to

developing a decarbonisation pathway for the next 5 to 15 years. We will submit the targets for official validation against scientific evidence in order to contribute to limiting the warming of the planet to 1.5°C.

We understand that our environmental responsibility extends well beyond our own operations. In 2022, we became the first bank in Poland to join the Partnership for Carbon Accounting Financials (PCAF). Through this partnership, we will determine the carbon footprint of our loan portfolio in compliance with the best global standards and harmonised approach among financial institutions. In line with our strategic commitment, we will provide green industries with PLN 10 billion in financing by 2025, thus supporting, among others, the energy transition of our clients. In 2022, we extended loans to our corporate clients for the construction of large-scale RES installations worth more than PLN 635 million. We arranged green bond issues totalling PLN 275 million. We finance the needs of not only big business but also small and medium-sized enterprises and private individuals. We extended our offer with the leasing of photovoltaics and electric cars, as well as eco-mortgage loans for the purchase of an energy-efficient house or flat.

We remain a socially responsible bank. For the past five years, we have been playing together with the Great Orchestra of Christmas Charity (WOŚP), and together with our customers we have donated a total of PLN 22 million to the Foundation. I am proud to



announce that we have extended our agreement with the Great Orchestra for further years. With the help of mFoundation, we continue to support mathematical education of children and young people. We allocated over PLN 2.7 million for programmes in this area in 2022. We also continue the “m jak malarstwo” fund which supports young artists.

In 2022, in the wake of the shocking events in Ukraine, we directed our social efforts towards refugees from Ukraine and victims of war. We supported them, among others, through cooperation with the Polish Centre for International Aid (PCPM), an organisation experienced in humanitarian action. We set up a convenient option for customers to donate to PCPM in online banking and the mobile app. As mBank, we organised living spaces for refugees, a school and a kindergarten, and provided basic banking solutions for Ukrainians.

We consistently build a values-based culture in our employee relations. In 2022, we adopted a Diversity and Inclusiveness Policy, which emphasises how strongly the principles of equal treatment and respect underpin all our employee processes. We respect employee rights, counter mobbing, reject discrimination, and increase the proportion of women in management positions. In 2022, we achieved our strategic goal of equal representation of both genders in hiring and promotion processes. mBank was included in the Bloomberg Gender-Equality index for the third time.

We are continuously strengthening our corporate governance. I believe that well-structured governance processes support the achievement of environmental and social goals.

Dear Stakeholders, you will find the details of our actions in the report. I would like to assure you that the pillars of our sustainability, including responsibility for the climate, society, the financial health of our customers and adherence to ESG values within the organisation, remain strong and stable.

Yours sincerely

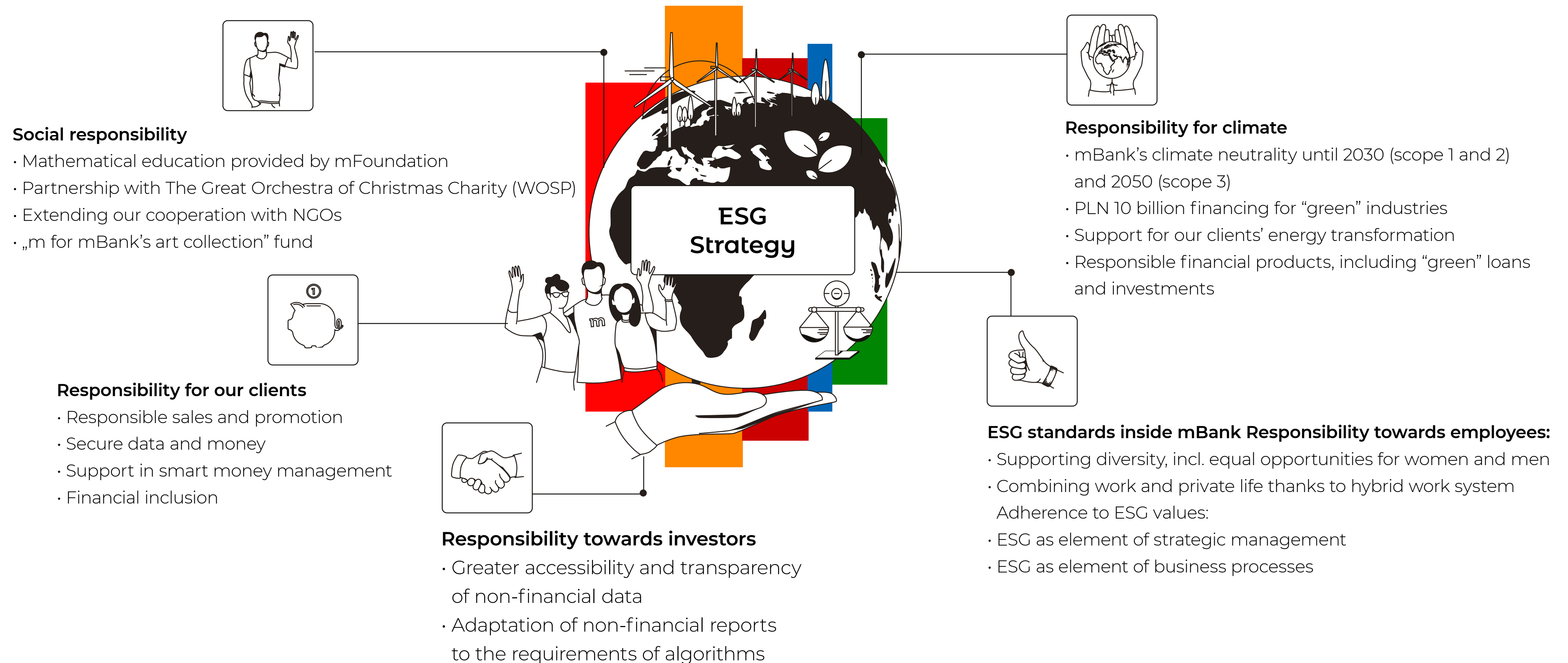
**Cezary Stypułkowski**

President of the Management Board of mBank S.A.

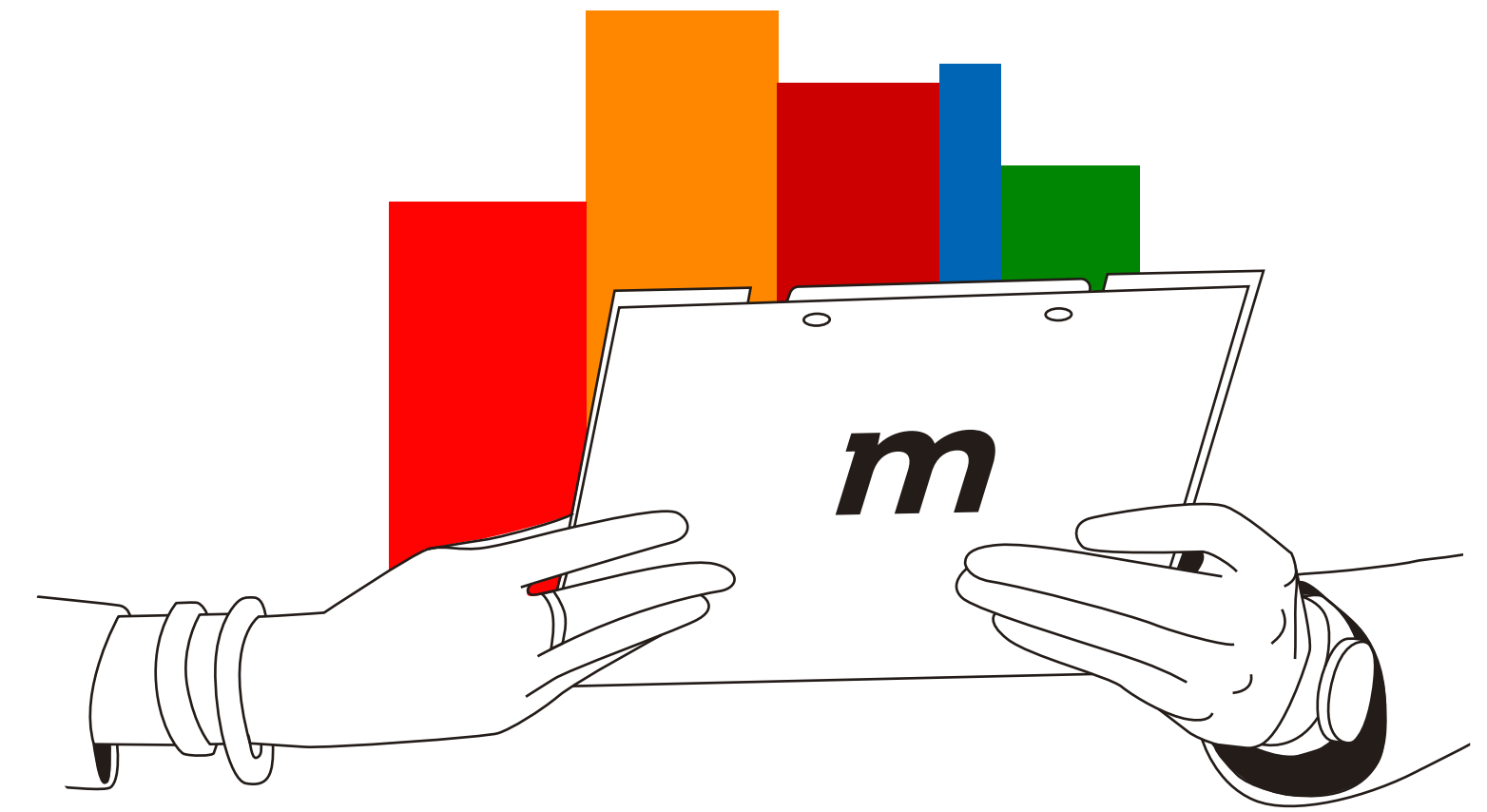


# Implementation of ESG strategic goals in 2022

In 2021, we adopted a new mBank Group Strategy for 2021-2025 entitled “From an icon of mobility, to an icon of possibility”. Its ESG agenda is an integral part of this strategy. We have set out the key goals and objectives of this strategy and we achieved many of them in 2022.



# Responsibility towards our clients



Objective	Implementation
Develop the personal finance management (PFM) functionalities	<ul style="list-style-type: none"> <li>■ In December 2022, we signed the “UNEP-FI Commitment to Financial Health and Inclusion”, part of the UNEP-FI.</li> <li>■ We are developing a personal finance manager service (PFM) in an app that helps to responsibly manage the household budget. At the end of 2022, more than 1.5 million users per month were already using this function.</li> </ul>
Continue educational campaigns on safe finances, including one cybersecurity campaign in each year of strategy implementation	<ul style="list-style-type: none"> <li>■ We regularly host cybersecurity awareness programmes. In 2022, as part of the “Ludzie są niesamowici” (“People Are Awesome”) campaign, we raised awareness of the most common mistakes people make while browsing the Internet that may lead to the loss of data or money. The campaign reached almost 17 million unique users.</li> </ul>
Use clear communication and plain language	<ul style="list-style-type: none"> <li>■ In our external and internal communication, we use mKanon, a communication standard. We are supported in our activities by the Foundation of the Polish Language (FJP). In 2022, the foundation certified another group of mKanon ambassadors. The FJP also awarded a ‘Language Quality Mark’ certificate to our debt collection help page.</li> </ul>

<p>Have all newly opened branches accessible to people with disabilities</p>	<ul style="list-style-type: none"> <li>■ In the area of eliminating barriers for people with health conditions or impairment, we cooperate with an experienced partner - the Integration (Integracja) Foundation. In 2022, we signed agreements covering an architectural audit of selected bank branches and a survey of customer contact channels with the bank using the mystery shopper method.</li> </ul>
<p>Certify our buildings, customer service and internet websites by 2023</p>	<ul style="list-style-type: none"> <li>■ In 2022, the Widzialni Foundation conducted a digital accessibility audit at the bank. Their results are comprehensive reports on the accessibility status of our mobile application, transaction service, application system, system design and websites.</li> </ul>

## Responsibility for being an organisation in line with ESG values

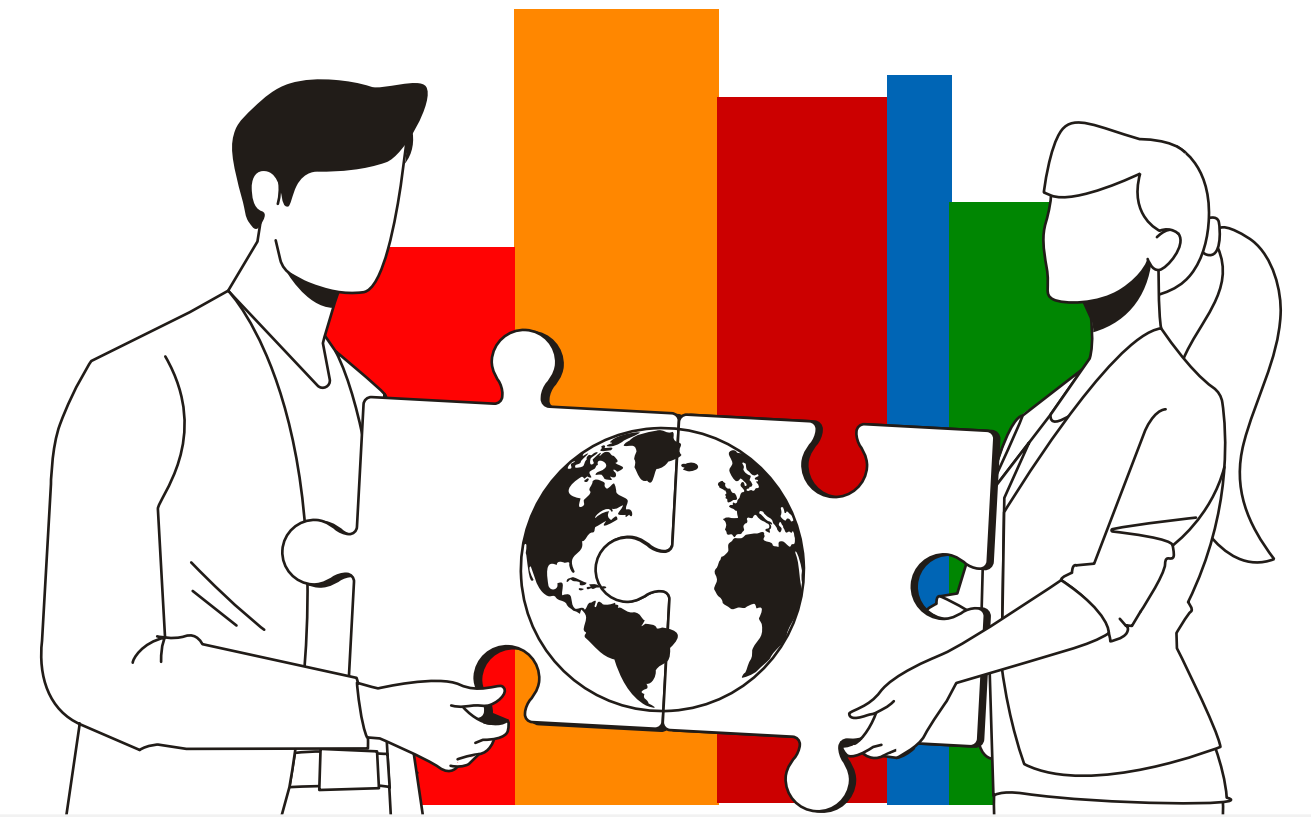


Objective	Implementation
<p>Set 10% of TOP 100 managers' OKR (Objectives and Key Results) goals related to ESG</p>	<ul style="list-style-type: none"> <li>■ In 2022, we defined ESG targets with a weighting of 10% for TOP 100 mBank managers.</li> </ul>
<p>Ensure gender balance in the succession programme, with a proportion of participants of a given gender at minimum 45%</p>	<ul style="list-style-type: none"> <li>■ In 2022, we have defined a succession list for managerial and director positions in line with the gender ratio. We report on an ongoing basis on the percentage ratio of women and men in leadership recruitment.</li> </ul>

cel	realizacja
Preserve a gender diversity of the candidates in the final stage of the recruitment process (for managerial positions)	<ul style="list-style-type: none"> <li>■ In 2022, we achieved our goal of equal gender representation in hiring and promotion processes (52% of recruited or promoted managers are women).</li> </ul>
Implement a hybrid work system that will meet the needs of the employer and employees	<ul style="list-style-type: none"> <li>■ In May 2022, mBank employees returned to the offices in a hybrid working mode. In mBank’s head offices, the new mode consists of 40%-60% remote working time.</li> <li>■ According to the Pulse Check survey (Q4 2022), employees rate the hybrid work model well (83% positive perception on the question „the hybrid working arrangement allows me to manage work and personal commitments flexibly”).</li> </ul>
Have 90% of employees with a possibility to fulfil their jobs in a flexible manner by 2023	
Implement Taxonomy in processes (including the credit process), procedures and products	<ul style="list-style-type: none"> <li>■ In 2022, we published indicators related to the EU Taxonomy for the first time. These are the Taxonomy eligibility data required during the transition period. We also started work on a data collection system to be able to fully fulfil our reporting requirements from 2024.</li> <li>■ EU taxonomy is one of the benchmarks we consider when assessing the impact of banking products on ESG factors.</li> </ul>
Develop each new banking product along with its ESG evaluation from 2022	<ul style="list-style-type: none"> <li>■ When introducing or modifying financial products and services, we assess their impact on 5 environmental issues and 6 social objectives, including those related to clients’ financial health.</li> </ul>
Expand responsible offer by launching at least one eco-product in every business line each year starting from 2021	<ul style="list-style-type: none"> <li>■ In 2022, we implemented new eco-friendly products to our range. These included an eco-mortgage for an energy-efficient house or flat, payment cards made from recycled plastic or photovoltaic leasing.</li> </ul>

<p>Cooperate only with partners and suppliers fulfilling ESG standards (in line with a code) by 2025</p>	<ul style="list-style-type: none"> <li>■ Since 2022, mBank and mLeasing have been applying the „Sustainability Code for suppliers and partners”. Every contractor that wishes to enter into a purchasing procedure is required to submit a statement of compliance with this code. We collect the signed statements also from our suppliers contracted in the past.</li> </ul>
<p>Proactively promote the proper segregation of litter and organise a Clean Day event for employees once a year (a day dedicated for cleaning the Earth)</p>	<ul style="list-style-type: none"> <li>■ We conduct ongoing information activities for employees on proper waste segregation at our offices in Warsaw and Łódź.</li> <li>■ In 2022, a group of mBank employees together with the City Forestry in Łódź organised the first forest cleaning action.</li> </ul>

## Responsibility for climate



Objective	Implementation
<p>Reduce direct environmental footprint of mBank Group by:</p> <ul style="list-style-type: none"> <li>■ development of data aggregation system concerning direct emissions</li> </ul>	<ul style="list-style-type: none"> <li>■ We joined the Science Based Targets Initiative (SBTi) – direct and indirect impact.</li> </ul>

- defining a timetable and milestones (2025, 2030, 2050) for reducing the carbon footprint and achieving climate neutrality in line with the Paris Agreement goals
- conducting an external audit of our carbon footprint by 2022
- setting the example for sustainable cities and communities through resource-efficient new mBank's headquarter
- no new diesel-powered vehicles in mBank's fleet starting from 2023
- 80% of consumed energy from renewable sources by 2023
- 100% of no longer used, well-functioning equipment to be reused
- having 100% of mBank's debit cards for individual clients with a digital equivalent (mobile card) by 2025

**Be a leading bank supporting energy transition of our clients by (indirect impact):**

- providing PLN 10 billion of funds for RES segment in the strategic horizon, of which:
  - PLN 5 billion of direct funding of RES, waste management, electromobility and similar projects
  - PLN 5 billion from other sources, such as consortia and green bonds issuances of our clients

- In 2022, mBank's calculations of its carbon footprint in scope 1 and 2 have been audited by the Foundation Climate Strategies Poland.
- We published our greenhouse gas emissions in scope 3 (categories 1-3) for the first time in the report for 2021. In this year's report, we plan to additionally disclose emissions originated from our employees' commuting to work (category 7 of scope 3).
- mBank's headquarters in Warsaw and Łódź are certified with BREEAM International 2013 New Construction at the „Excellent” level.
- In cooperation with the company Zero Waste we give second life to furniture and appliances no longer used at mBank.
- In 2022, we stopped buying diesel cars.
- At the end of 2022, 100% of the electricity we used came from RES (either directly or through guarantees of origin).

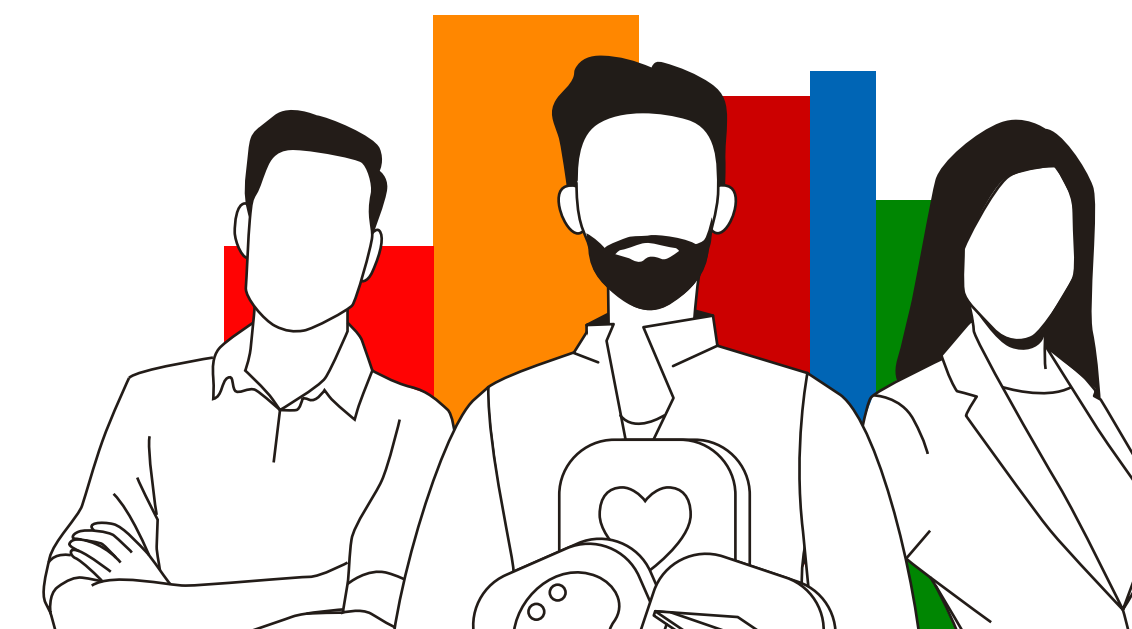
- In 2022, in the corporate clients segment, we provided nearly PLN 636.5 million funding for new RES installations.
- In 2022 we signed two contracts for conducting green bonds issuance for the clients and one contract for issuance of bonds with ESG profile. We also conducted four green bonds issuances totaling PLN 275 million.
- In 2022 we extended SME offering by introducing secured eco-loans and eco-advances for companies.



- increasing the share of corporate clients with ESG products to 5% of total portfolio by 2023
- identifying carbon-intensive sectors within our portfolio and determining the level of CO<sub>2</sub> pollution that may be attributed to them
- rising share of SME's investments backed by eco-compliant real estate to 10% by 2025
- granting PLN 25 billion of housing loans collateralized on residential buildings that meet CO<sub>2</sub> emission reduction norms resulting from the low carbon trajectory in 2022-2025
- selling PLN 1 billion of eco-mortgage loans for real estates that meet the increased emission requirements confirmed by the Nearly Zero Energy Building Certification (NZEB) in 2022-2025
- financing PLN 1.7 billion of eco-investments of small firms by 2025
- achieving at least 50% of our clients' assets under mBank's management invested in products compliant with ESG guidelines by 2025
- having no new products with a low ESG rating among third-party investment funds offered by mBank

- In 2022 we provided our clients with new offer for photovoltaics leasing and electric cars leasing subsidized from the programme "My electric car" ("Mój elektryk").
- In 2022 we started granting eco mortgages. Clients applying for financing of house or apartment characterized with adequately low energy consumption are entitled to lower borrowing costs.
- In 2022 mBank, as the first Polish bank, joined the Partnership for Carbon Accounting Financials (PCAF).
- In April 2022 mBank clients received first cards made in 85% from recycled plastic. We issued over 695 thousand such cards so far.

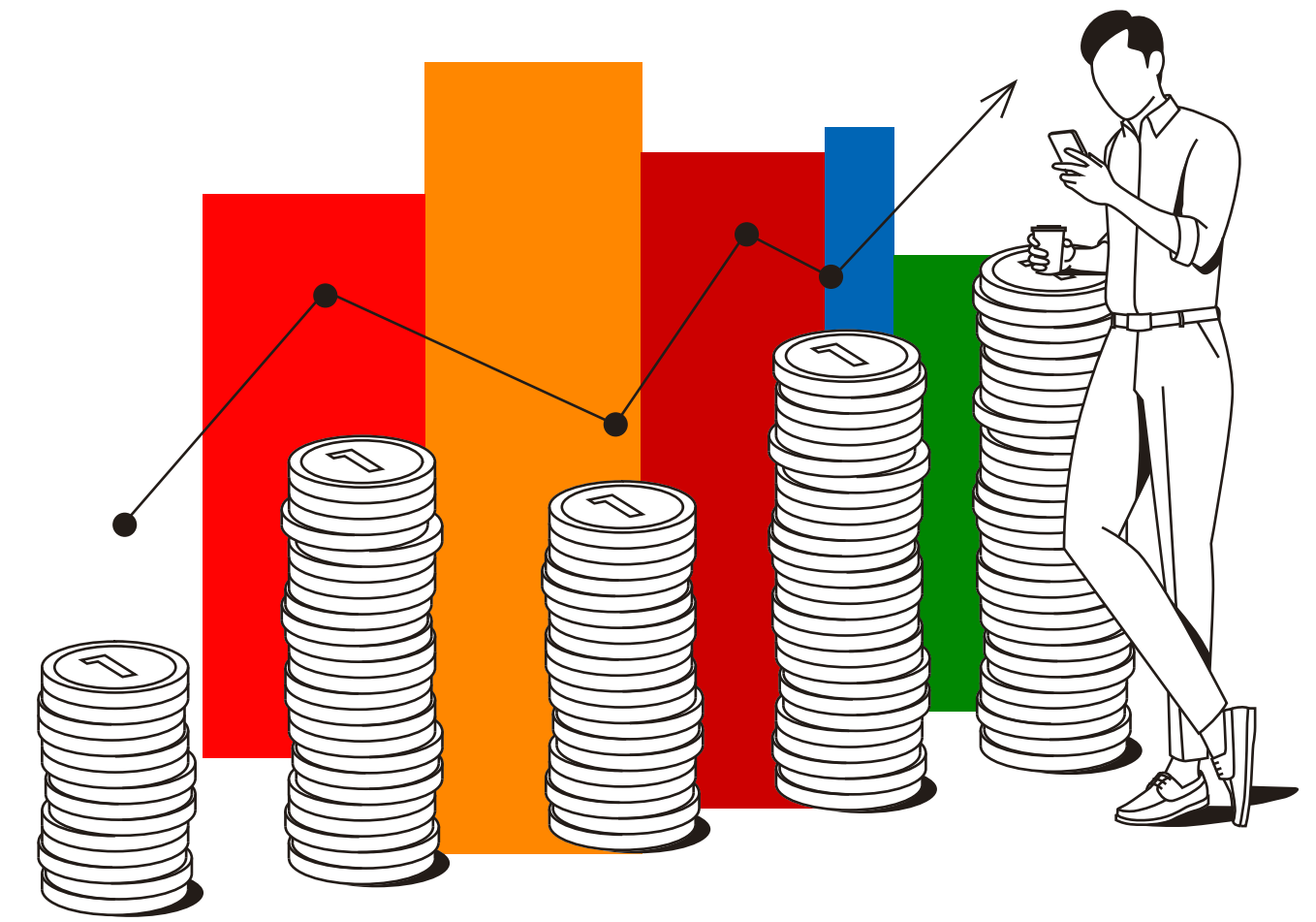
# Social responsibility



Objective	Implementation
Support the development of mathematical education in Poland through the activities of mBank Foundation (mFundacja), including grant programmes and competitions of national range	<ul style="list-style-type: none"> <li>■ In 2022, the mFoundation allocated more than PLN 2.7 million for statutory activities related to mathematics education and promotion of mathematics.</li> <li>■ In 2022, the mBank Foundation presented its latest book, Matematyka na zielono. More than 31 thousand free copies of the book were distributed to readers. The free ebook can be downloaded from <a href="http://www.mjakmatematyka.pl">www.mjakmatematyka.pl</a>.</li> </ul>
Cooperate with the Great Orchestra of Christmas Charity (WOŚP)	<ul style="list-style-type: none"> <li>■ In 2022, the WOŚP Foundation raised more than PLN 220 million, with around 10% contributed by mBank and mBank clients.</li> <li>■ In the five years of playing together with the WOŚP, the bank has donated more than PLN 16.7 million on its own. At the same time, our clients' donations amounted to nearly PLN 76 million. Together this totals over PLN 90 million.</li> </ul>
Create a collection of paintings by young artists, which will be open to the public	<ul style="list-style-type: none"> <li>■ Between 2020 and 2022, we bought 98 artworks authored by 62 contemporary Polish painters. The artworks are selected on behalf of mBank by a committee composed of renowned representatives of the contemporary art market and a representative of the founder.</li> </ul>
Encourage to active participatory citizenship by launching an option to easy support NGOs and foundations directly from mBank's mobile application, allowing our clients to contribute and support the civil society	<ul style="list-style-type: none"> <li>■ In March 2022, we launched a fundraiser for the Polish Centre for International Aid (PCPM) Foundation, and enabled customers to easily donate via a mobile app to help victims of the war in Ukraine. By the end of 2022, mBank clients donated nearly PLN 13.8 million to PCPM.</li> </ul>



# Responsibility towards investors



Objective	Implementation
<p>Expand ESG disclosure in mBank Group’s materials, including those dedicated to investors: management reports, presentations, as well as on the corporate website</p>	<ul style="list-style-type: none"> <li>■ In 2022, in addition to interactions with the rating agencies Sustainalytics and MSCI, we completed the full version of the CDP survey on our climate impact for the first time.</li> <li>■ In December 2022, we launched a new, more extensive page about our ESG activities. It has two language versions (<a href="#">Polish</a> and <a href="#">English</a>) and provides a comprehensive source of information for various stakeholder groups, including investors.</li> <li>■ We have expanded the ESG section in the quarterly performance presentation.</li> </ul>
<p>Increase availability, adjust terminology and categorization of non-financial data in accordance with the requirements of the leading analysts and the algorithms they use</p>	<ul style="list-style-type: none"> <li>■ We are following the legislative process related to the implementation of the CSRD and are preparing to report according to its requirements, including the use of iXBRL content tags.</li> </ul>

# 1. About mBank

## 1.1. Business model

### mBank – mobility icon for all client groups

mBank has been a synonym for innovative banking solutions for years. We were the first fully Internet-based bank in Poland and today we set the direction of the mobile and online banking development. We are one of the strongest and fastest growing financial brands, the fifth universal bank by asset size in Poland.

**We offer:**

- retail banking,
- corporate and investment banking,
- financial services: leasing, factoring, financing of commercial real property, brokerage operations, wealth management, corporate finance and advisory in the scope of capital markets.

**[GRI 2-1] [PRB 1.1]**

Since 1992, mBank’s shares have been listed on the Stock Exchange with a capitalisation of around PLN 12.3 billion at the end of 2022. We contribute to the WIG, WIG-20, WIG-Banks, WIG-ESG and other indices. Commerzbank AG, based in Germany, is the strategic shareholder of mBank, holding 69.17% of its shares. The remaining shares are in free float and are mostly held by Polish pension funds as well as Polish and foreign investment funds. Our head office is located in Warsaw.

mBank’s offer includes products and services tailored to different user needs, such as loans, savings, investment and insurance products as well as other solutions dedicated to enterprises. The comprehensive offer makes it possible to more effectively address specific requirements of particular groups of clients. At the same time, the coherent business model in all of the mentioned areas enables clients’ to easily move between segments, which allows mBank to support their professional and personal development at all stages.

We are the only bank in Poland with successful track record of rolling out its online retail banking model into foreign markets. Since 2007, we have been operating in the Czech Republic and Slovakia.

Services provided under mBank logo are marked with different colours, depending on the target group of the offer.



Personal Banking



Premium Banking



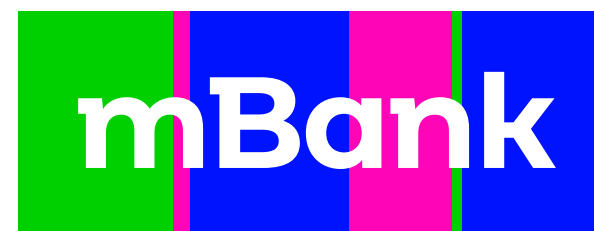
Private Banking



Business



SME and corporate



Youth

Thanks to the offer of mBank Group companies, we can provide comprehensive services to our clients. This also allows the optimisation of processes and the achievement of diverse business objectives



## The structure of mBank Group from the perspective of segments and business areas

Segment	Retail banking	Corporate and Investment Banking
<b>Bank</b>	<ul style="list-style-type: none"> <li>■ Retail customers, Private Banking clients and microenterprises</li> <li>■ Affluent retail customers (Private Banking and Wealth Management)</li> </ul>	<ul style="list-style-type: none"> <li>■ Corporations and non-banking financial institutions (K1)</li> <li>■ Large Companies (K2)</li> <li>■ Small and Medium Enterprises (K3)</li> </ul>
<b>Consolidated subsidiaries</b>	<ul style="list-style-type: none"> <li>■ Retail mLeasing Sp. z o.o.</li> <li>■ Retail Asekum Sp. z o.o.<sup>1</sup></li> <li>■ LeaseLink Sp. z o.o.<sup>1</sup></li> <li>■ mBank Hipoteczny S.A. – retail</li> <li>■ mFinanse S.A.</li> <li>■ mFinanse CZ s.r.o.<sup>2</sup></li> <li>■ mFinanse SK s.r.o.<sup>2</sup></li> <li>■ mElements S.A.</li> </ul>	<ul style="list-style-type: none"> <li>■ mLeasing Sp. z o.o. – corporate</li> <li>■ Asekum Sp. z o.o.<sup>1</sup> – corporate</li> <li>■ mBank Hipoteczny S.A. – corporate</li> <li>■ mFaktoring S.A.</li> </ul>
<b>Other subsidiaries</b>	<ul style="list-style-type: none"> <li>■ Future Tech FIZ</li> </ul>	

<sup>1</sup> mBank holds 100% of shares in Asekum Sp. z o.o. and in LeaseLink Sp. z o.o. indirectly, through mLeasing Sp. z o.o.

<sup>2</sup> mBank holds 100% of shares in mFinanse CZ s.r.o. and mFinanse SK s.r.o. indirectly, through mFinanse S.A.

At the beginning of 2021, we separated the FX mortgage loan segment from the retail banking segment. This change aimed to separately present results related to the product, which has been withdrawn from the offer for individual customers, and at the same time is significant from the point of view of the assigned assets and the impact on the Group’s performance. As a result, we present a more accurate and undistorted view of the mBank Group’s core business. Additionally, we separated the Treasury and Other segment from the core businesses of the Group.

In October 2022, the Polish Financial Supervision Authority (Komisja Nadzoru Finansowego) issued a licence to mTowarzystwo Funduszy Inwestycyjnych S.A. (mTFI) to operate as an investment fund company. We established mTFI in April 2021 and the application to operate was submitted in September of the same year. mBank has acquired 100% of shares in mTFI, which represent 100% of the voting rights at the company’s general meeting.

Wherever we operate – in Poland, the Czech Republic and Slovakia – we combine our mobile and online banking with a comprehensive in-branch service. Depending on their needs, clients can use a comprehensive range of products and cash services in mBank’s traditional branches. A full range of more complex financial products, including mortgages and corporate loans, is also available at mFinanse financial centres and agency service points. The advisory centres serve both individual and corporate clients, and all interested clients can also use the services of mBank Group companies. The “light” branches offer simpler products and limited cash operations. mKiosks located in shopping malls present the bank’s offer to customers who can open an account and get an unsecured loan there.

**Network of mBank’s outlets\***

**Retail network in Poland:**

- 84 mBank branches
- 31 “light” branches
- 15 advisory centres
- 149 mKiosks
- 40 financial centres and agency service points of mFinanse

**Retail network in the Czech Republic:**

- 13 financial centres and “light” branches
- 18 mKiosks

**Retail network in Slovakia:**

- 6 financial centres and “light” branches
- 9 mKiosks

**Corporate network in Poland:**

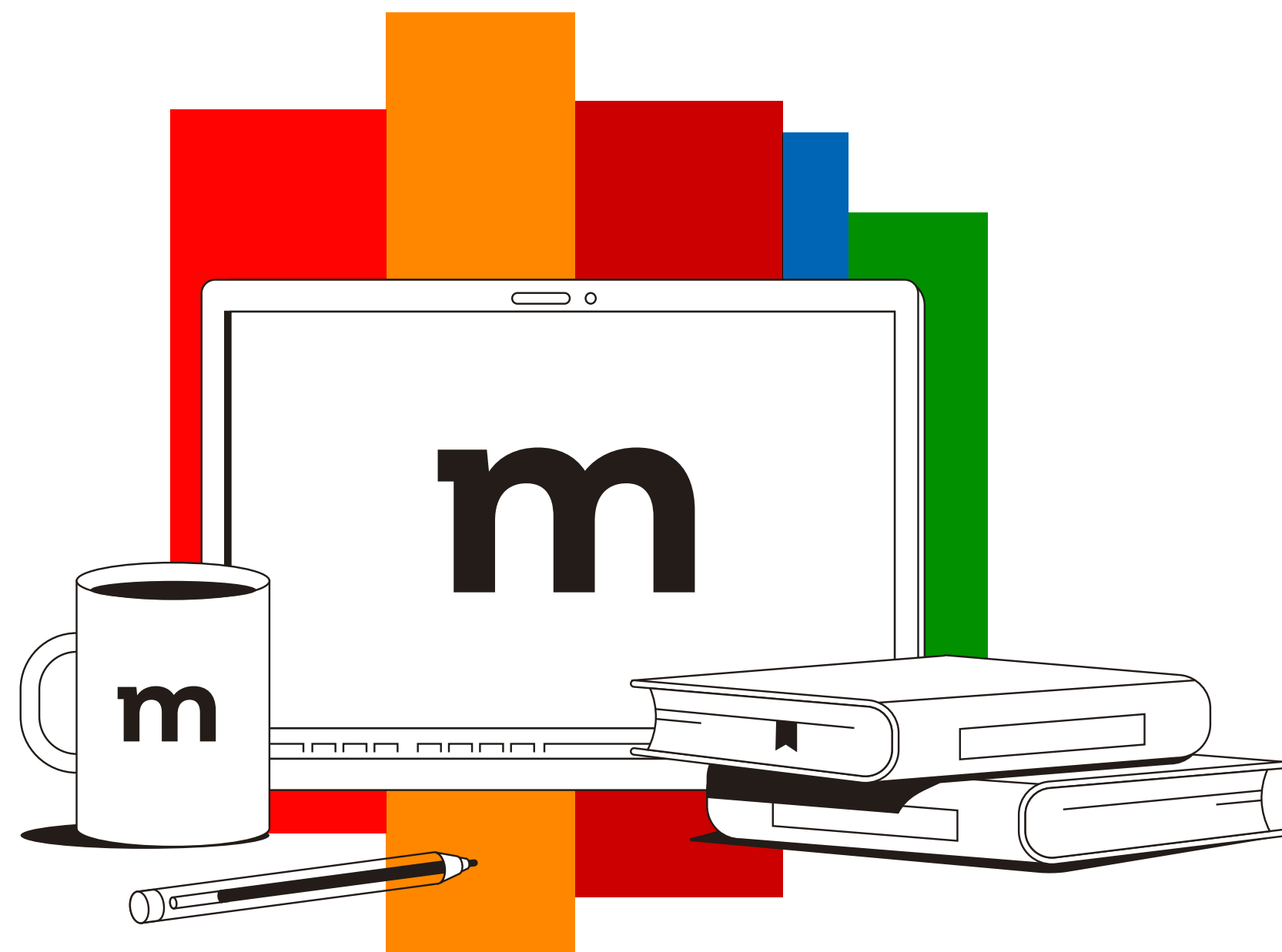
- 29 corporate branches
- 14 corporate offices

\* As at the end of 2022

## Our values

mBank Group’s activities are based on the model of values focused on the benefit of our stakeholders. We identify their real needs and implement appropriate solutions in order to meet the existing and future requirements.

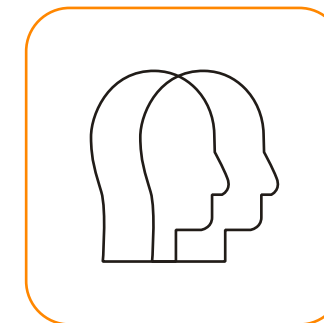
mBank’s values are: authenticity, empathy, courage, responsibility and cooperation. They guide our employees, facilitate the achievement of both personal and team results, and contribute to the satisfaction of our customers. These are the foundations on which we build an organisational culture based on trust and good intentions.



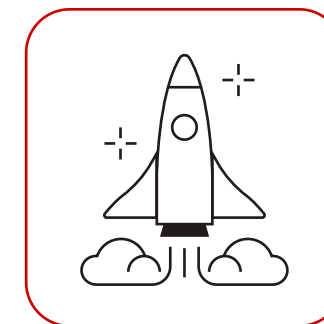
### Our work is guided by the following values:



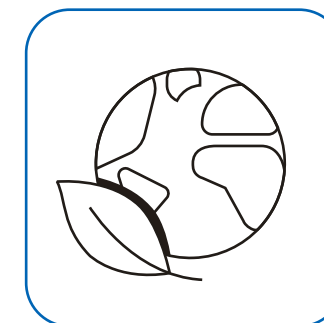
**Authenticity** – our employees know their strengths and talents, work on them and grow them. We respect and value people’s differences;



**Empathy** – we treat others with respect. We demonstrate sensitivity to the needs, opinions and emotions of our employees, clients and the public;



**Courage** – we act ethically and responsibly, we keep our word. We care for the environment and are socially aware;



**Responsibility** – we take bold decisions. We openly express our opinions while respecting the other person. We are able to admit our mistakes and learn from them;



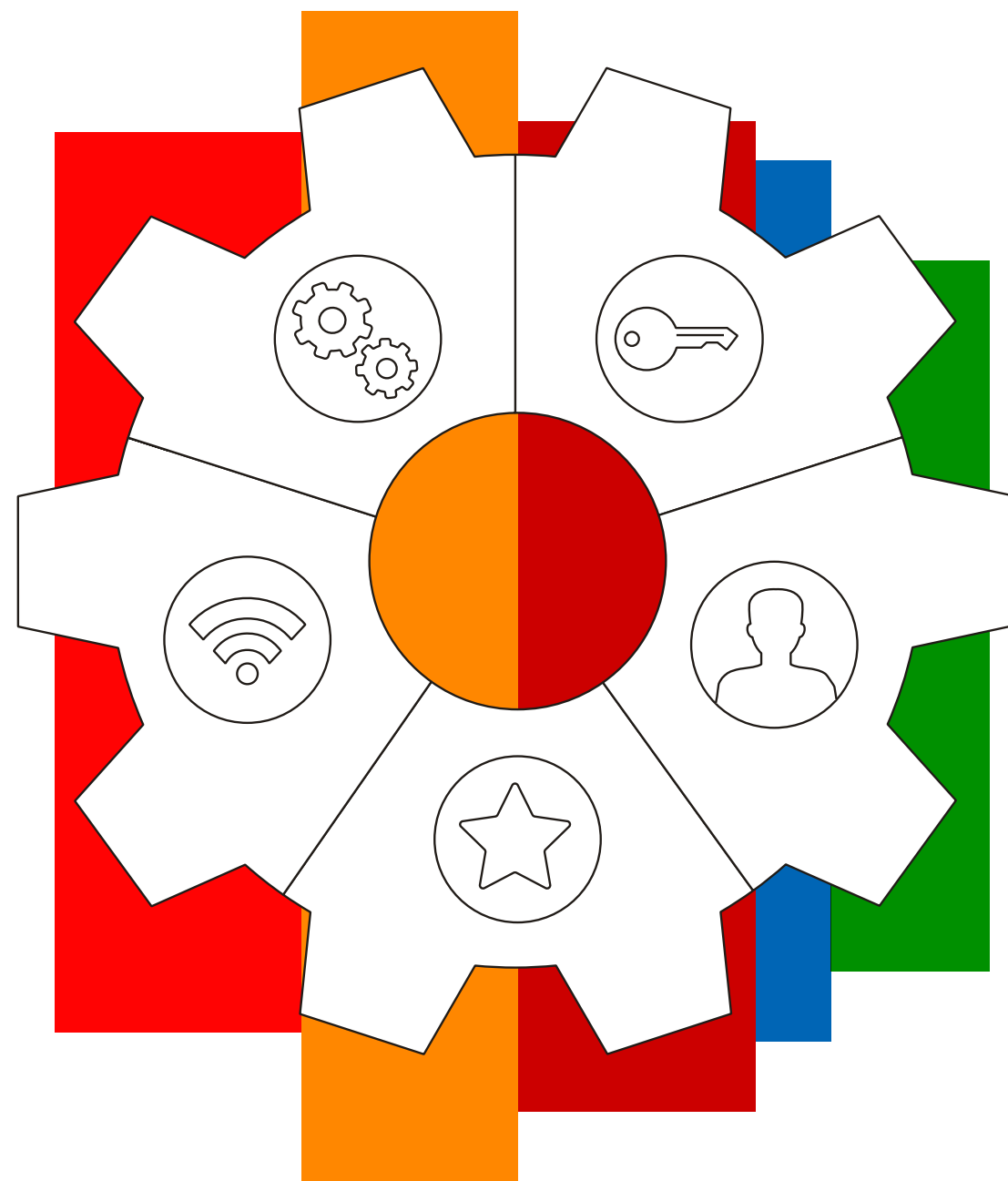
**Cooperation** – we are open to cooperation. We assume that others have good intentions. We take into account different points of view and opinions. We are looking for the best ways to achieve common goals.

## Strategy for 2021-2025

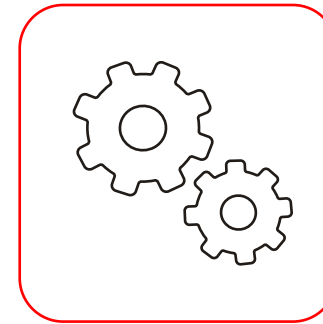
In 2022, we followed the Strategy of mBank Group for 2021-2025 titled “From an icon of mobility, to an icon of possibility”, adopted by the management board and approved by the supervisory board in Autumn of the preceding year.

### Our mission:

Convenient, secure, focused on your future... mBank – more than a mobile bank.



### Pillars of the mBank Group’s strategy for 2021-2025:



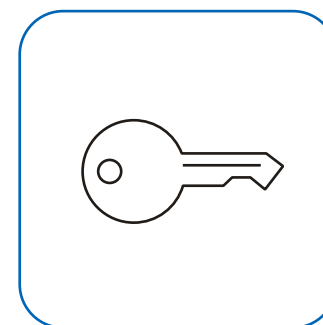
Leading retail banking franchise integrated with client life cycle



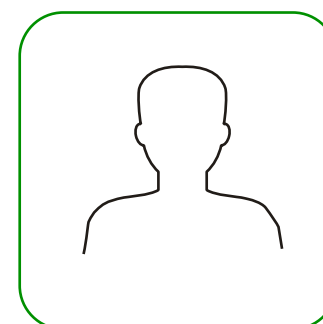
The first-choice bank for e-commerce market participants



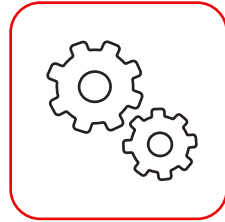
Best digital corporate banking for high-potential companies



Technology, security and data as a source of advantage

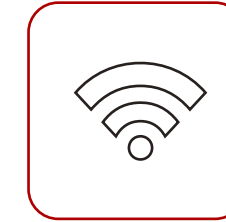


Distinctive people and organisational culture



**Leading retail banking franchise integrated with client life cycle**

We have released new personal financial management (PFM) functionality for customers to better monitor and plan their budgets. The extent of digital sales and service, with the proportion of cash loans granted via mobile devices increasing to 55%. We have expanded the range of additional services with new features available in mBank’s mobile app (parking, applying for social programmes). We have enabled full remote access to public administration services using online banking data for greater customer convenience.



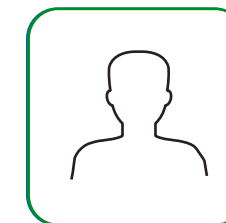
**Best digital corporate banking for high-potential companies**

We have established and strengthened cooperation with companies in prospective industries and continue to support the energy transition. Our focus is on client relationships that meet our profitability and capital efficiency target (AROR). We enhanced mBank’s mobile and online solutions for corporate clients, including further development of payment and transfer modules. We have made progress in redesigning the credit process for corporate clients, including the roll-out of a new organisational and operational model.



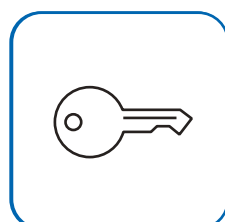
**The first-choice bank for e-commerce market participants**

The value of deposits made through the Paynow gateway grew dynamically (+143% YoY).



**Distinctive people and organisational culture**

We have developed a best-in-class hybrid working model, supported by exemplary practices in managing distributed teams, advanced technology and digitised HR processes.



**Technology, security and data as a source of advantage**

We have been developing a multi-layered cybersecurity defence model, constantly looking for weaknesses in mBank’s infrastructure and eliminating vulnerabilities before they can be exploited.





To find out more about our strategy, see the Management Board Report on Performance of mBank S.A. Group in 2022 available [HERE](#).



## 1.2. mBank Group in 2022

[GRI 2-6] [PRB 1.1]

### Universal financial services

Our clients	Our employees	Mobile application	Transactions
 <p><b>5,642 thou.</b> retail clients <b>33 thou.</b> corporate clients</p>	 <p>More than <b>7 thou.</b> FTEs in mBank Group</p>	 <p><b>3.3 million</b> users in Poland, the Czech Republic and Slovakia</p>	 <p><b>12.4%</b> market share by number of non-cash card transactions</p>

### Mobile banking at its best

Active users of mBank's services in Poland	Growing importance of digital channel in daily banking	Paynow	Personal Finance Manager (PFM)
<p>Number of monthly active users increased to <b>3,239 thou.</b>;</p> <p>active users of BLIK increased to <b>1,685 thou.</b></p>	<p><b>82%</b> of processes in retail banking area are initiated by the clients in digital channels;</p> <p><b>86%</b> of corporate customers have at least one user of mBank's mobile application</p>	<p><b>Online payment gateway</b> – platform for e-commerce;</p> <p>volumes processed by Paynow increased by <b>143% YoY</b></p>	<p><b>New personal financial management</b> (PFM) functionalities for customers to better monitor and plan their budgets.</p>

## Key results and indicators

Revenues	Cost to income ratio	Total assets growth	Total capital ratio
PLN 7,842 million	42.3%	+5.8% year on year	16.4%

## Basic facts for investors

Market capitalisation	Share price	Member of the WSE indices, including	mBank ratings
<b>PN 12.6 billion</b> (EUR 2.7 billion)	<b>PLN 296.0</b> (as at 30.12.2022)	<b>WIG20</b> <b>WIG ESG</b> <b>WIG bank</b>	<b>Fitch: BBB-</b> <b>Standard &amp; Poor's: BBB</b> <b>Sustainalytics: low ESG risk</b> <b>MSCI: A</b>



## Financial performance

In 2022, mBank Group reported a net loss of PLN 702.7 million. The performance was significantly negatively affected by legal risk costs related to the FX mortgage portfolio, which amounted to PLN 3.1 billion, public burdens of PLN 1.9 billion and banking tax of PLN 684.2 million.

### At the same time, we have posted superior operating financial performance:

- profit before tax adjusted for the impact of one-off factors at the level of PLN 4.9 billion,
- net profit of the core business (mBank Group excluding FX Mortgage Loans segment) at PLN 2.5 billion,
- net ROE of the core business reached 22.1%, demonstrating robust performance of mBank Group’s operating model.

Total revenues earned by mBank Group in 2022 were at its highest level in history. They reached PLN 7.8 billion (+28.3% year on year), despite the burden of “credit holidays” in the amount of PLN 1.3 billion. Net interest income increased by 43.2% year on year to PLN 5.9 billion, driven by interest rate increases and focus on the profitable client business. Interest margin improved significantly to 3.7% (excluding the impact of “credit holidays”). Net fee and commission income increased by 13.5% year on year, benefiting from higher customer activity and transactional turnover.

Annual cost dynamics, adjusted for the contributions to the Borrowers Support Fund and protection scheme, was below the average inflation rate and stood at 10.7%, and the cost to income ratio adjusted for the impact of the non-recurring contributions and “credit holidays” at the level of 34.3%.

Prudent risk management reflected in a high portfolio quality. The NPL ratio stood at 4.0% and the cost of risk declined to 68 bps.

With the recognition of further provisions in 2022, the coverage of the CHF mortgage portfolio by legal risk provisions reached 54.3% and was significantly higher than the market average. mBank Group’s capital ratios at the end of 2022 were well above regulatory requirements: the common equity Tier 1 capital ratio was 13.8% and the total capital ratio 16.4%. Buffers above the PFSA capital requirements stood at 3.4 p.p. for the Tier 1 capital ratio and 3.5 p.p. for the total capital ratio. This means that they remained at a similar level to that of the previous year, despite the significant impact of one-off factors, thanks to a profitable core business and management actions. In 2022, mBank carried out two synthetic securitization transactions referencing a total portfolio volume of PLN 12.6 billion. They improved year-end TCR of mBank Group by 0.9 p.p. Liquidity ratios of mBank Group were significantly above the regulatory minima: LCR at 201% and NSFR at 150%.



Summary of financial results of mBank Group:

PLN million	2021	2022	Change in PLN M	Change in %	2022 adjusted
Interest income	4,454.0	9,265.8	4,811.8	108.0%	10,588.2
Interest expenses	-327.7	-3,356.6	-3,028.9	924.3%	-3,356.6
<b>Net interest income</b>	<b>4,126.3</b>	<b>5,909.2</b>	<b>1,782.9</b>	<b>43.2%</b>	<b>7,231.6</b>
Fee and commission income	2,692.6	3,026.1	333.5	12.4%	3,026.1
Fee and commission expense	-824.9	-906.0	-81.1	9.8%	-906.0
<b>Net fee and commission income</b>	<b>1,867.8</b>	<b>2,120.1</b>	<b>252.3</b>	<b>13.5%</b>	<b>2,120.1</b>
<b>Core income</b>	<b>5,994.1</b>	<b>8,029.3</b>	<b>2,035.3</b>	<b>34.0%</b>	<b>9,351.7</b>
Dividend income	5.0	5.2	0.2	3.8%	5.2
Net trading income	96.9	97.2	0.3	0.3%	109.2
Other income	103.6	-111.2	-214.8	+/-	-111.2

PLN million	2021	2022	Change in PLN M	Change in %	2022 adjusted
Other operating income	232.4	265.2	32.8	14.1%	265.2
Other operating expenses	-320.9	-443.6	-122.7	38.2%	-443.6
<b>Total income</b>	<b>6,111.1</b>	<b>7,842.1</b>	<b>1,731.0</b>	<b>28.3%</b>	<b>9,176.5</b>
Net impairment losses and fair value change on loans and advances	-878.6	-834.5	44.1	-5.0%	-834.5
Costs of legal risk related to foreign currency loans	-2,758.1	-3,112.3	-354.2	12.8%	0.0
Overhead costs and depreciation	-2,456.9	-3,319.2	-862.3	35.1%	-2,720.2
<b>Operating profit or loss</b>	<b>17.6</b>	<b>576.2</b>	<b>558.6</b>	<b>3174.4%</b>	<b>5,621.8</b>
Taxes on Group balance sheet items	-608.6	-684.2	-75.5	12.4%	-684.2
<b>Profit before income tax</b>	<b>-591.0</b>	<b>-108.0</b>	<b>483.0</b>	<b>-81.7%</b>	<b>4,937.6</b>
Income tax expense	-587.8	-594.5	-6.7	1.1%	-

PLN million	2021	2022	Change in PLN M	Change in %	2022 adjusted
Net profit	-1,178.8	-702.5	476.3	-40.4%	<b>adjusted results excluding:</b> <ul style="list-style-type: none"> <li>■ credit holidays</li> <li>■ Borrowers' Support Fund (BSF)</li> <li>■ payment to the Protection Scheme (IPS)</li> <li>■ costs of legal risk related to CHF loans</li> </ul>
- attributable to Owners of mBank S.A.	-1,178.8	-702.7	476.1	-40.4%	
- non-controlling interests	-0.1	0.2	0.2	-/+	
ROA net	-0.6%	-0.3%	-	-	
ROE gross	-3.6%	-0.8%	-	-	
ROE net	-7.2%	-5.3%	-	-	
Cost / Income ratio	40.2%	42.3%	-	-	
Net interest margin	2.16%	3.70%	-	-	
Common Equity Tier 1 ratio	14.2%	13.8%	-	-	
Total capital ratio	16.6%	16.4%	-	-	
Leverage ratio	6.3%	5.4%	-	-	

**Core income**

– calculated as the sum of net interest income and net fee and commission income.

**Other income**

– calculated as gains or losses from derecognition of financial assets and liabilities not measured at fair value through profit or loss and gains or losses from non-trading equity and debt securities mandatorily measured at fair value through profit or loss.

**Total income**

– calculated as the sum of net interest income, net fee and commission income, dividend income, net trading income, other income, other operating income and other operating expenses.

**Overhead costs and depreciation**

– calculated as the sum of total overhead costs and depreciation.

**Net impairment losses and fair value change on loans and advances**

– calculated as the sum of impairment or reversal of impairment on financial assets not measured at fair value through profit or loss and gains or losses from non-trading loans and advances mandatorily measured at fair value through profit or loss.

**Net ROA**

– calculated by dividing net profit/loss attributable to the owners of mBank by the average total assets. The average total assets are calculated on the basis of the balances as at the end of each month. Net profit/loss attributable to the owners of mBank is annualised based on the number of days in the analysed period (the annualisation ratio is calculated as the quotient of the number of days in a year and the number of days in the analysed period).

**Gross ROE**

– calculated by dividing pre-tax profit/loss by the average equity (net of the year’s results). The average equity is calculated on the basis of the balances as at the end of each month. Pre-tax profit/loss is annualised based on the number of days in the analysed period (the annualisation ratio is calculated as the quotient of the number of days in a year and the number of days in the analysed period).

**Net ROE**

– calculated by dividing net profit/loss attributable to the owners of mBank by the average equity (net of the year’s results). The average equity is calculated on the basis of the balances as at the end of each month. Net profit/loss attributable to the owners of mBank is annualised based on the number of days in the analysed period (the annualisation ratio is calculated as the quotient of the number of days in a year and the number of days in the analysed period).

**Cost/Income ratio**

– calculated by dividing overhead costs and depreciation by total income (excluding tax on balance sheet items of the Group).

**Net interest margin**

– calculated by dividing net interest income by average interest earning assets. To calculate the margin, net interest income was calculated without factoring in the result from the non-substantial modification which, in 2022, includes the cost of the credit holidays. Interest earning assets are the sum of cash and balances with the Central Bank, loans and advances to banks, debt securities (in all valuation methods) and loans and advances to clients (net; in all valuation methods). The average interest earning assets are calculated on the basis of the balances as at the end of each month. Net interest income is annualised based on the number of days in the analysed period (the annualisation ratio is calculated as the quotient of the number of days in a year and the number of days in the analysed period).

mBank Group's total assets increased by 5.8% year on year. The net volume of loans increased by 2.1% year on year. This was caused by the slowdown in the retail credit market and negative adjustments due to the "credit holidays" and allowances on CHF loans. Corporate loans went up by 9.1% YoY despite selective approach and focus on capital efficiency. Retail loans, on the other hand, posted negative dynamics (-2.4%) due to negative adjustments and a decrease in new sales as a result of increased interest rates.

Amounts due to customers increased by 10.9% year on year in 2022. The environment of the highest interest rates in the market for years resulted in a clear change in the dynamics of individual categories of liabilities. Funds in current accounts fell by 9.1% in 2022, while term deposits more than tripled compared to 2021.





**Changes in particular items of mBank Group's assets:**

PLN million	31.12.2021	31.12.2022	Change in PLN M	Change in %
Cash and balances with the central bank	12,202.3	16,014.3	3,812.1	31.2%
Loans and advances to banks	7,229.7	9,806.3	2,576.6	35.6%
Securities held for trading and derivative instruments	2,548.7	2,484.9	-63.7	-2.5%
Net loans and advances to customers	117,677.5	120,183.1	2,505.7	2.1%
Investment securities	52,675.7	54,350.8	1,675.1	3.2%
Intangible assets	1,284.0	1,391.7	107.8	8.4%
Tangible assets	1,542.3	1,484.9	-57.3	-3.7%
Other assets	3,213.4	4,176.0	962.6	30.0%
<b>Assets of mBank Group</b>	<b>198,373.4</b>	<b>209,892.1</b>	<b>11,518.7</b>	<b>5.8%</b>

**Net loans and advances to customers**

– the sum of loans and advances to customers measured at amortised cost, non-trading loans and advances mandatorily measured at fair value through profit or loss, and loans and advances classified as trading assets.

**Investment securities**

– the sum of financial assets measured at fair value through other comprehensive income, debt securities measured at amortised cost, and non-trading equity and debt securities mandatorily measured at fair value through profit or loss.

**Other assets**

– the sum of fair value changes of the hedged items in portfolio hedge of interest rate risk, non-current assets and disposal groups classified as held for sale, investment properties, current income tax assets, deferred income tax assets and other assets.

**Changes in liabilities and equity of mBank Group in 2022:**

PLN million	31.12.2021	31.12.2022	Change in PLN M	Change in %
Amounts due to other banks	5,266.2	3,270.2	-1,996.0	-37.9%
Amounts due to customers	157,071.7	174,130.9	17,059.2	10.9%
Liabilities from debt securities in issue	13,429.8	9,465.5	-3,964.3	-29.5%
Subordinated liabilities	2,624.5	2,740.7	116.3	4.4%
Other liabilities	6,263.4	7,569.7	1,306.4	20.9%
<b>Total liabilities</b>	<b>184,655.5</b>	<b>197,177.1</b>	<b>12,521.6</b>	<b>6.8%</b>
<b>Total equity</b>	<b>13,717.9</b>	<b>12,715.0</b>	<b>-1,002.9</b>	<b>-7.3%</b>
<b>Liabilities and equity of mBank Group</b>	<b>198,373.4</b>	<b>209,892.1</b>	<b>11,518.7</b>	<b>5.8%</b>

**Other liabilities**

– the sum of financial liabilities held for trading and hedging derivatives, lease liabilities measured at amortised cost, fair value changes of the hedged items in portfolio hedge of interest rate risk, liabilities included in disposal groups classified as held for sale, provisions, current income tax liabilities, deferred income tax provisions and other liabilities.

To find out more about our financial performance, see the Management Board Report on Performance of mBank S.A. Group in 2022 available [HERE](#).

## Awards and distinctions

Our business is regularly recognised by academia, the industry, the media and customers. In 2022, we have received recognition on a number of occasions, including in the following initiatives:

### Leaders of the Banking and Insurance World competition

mBank has been recognised as the most innovative bank in the Leaders of the Banking and Insurance World competition. The jury acknowledged mBank’s contribution to the development of the financial market, in particular its wide range of mobile payments and other innovations, which set trends for the whole market.

### Mobile Trend Awards

mBank received three Mobile Trends Awards. The mBank Junior app won the main prize in MTA 2021 and the first place in the Banking and Finance for Children category. In addition, the mBank app was ranked second by votes of clients.

### e-Commerce Polska Awards 2022

We won the main prize in the Best Adaptation to New Digital Reality B2C category of the 2022 e-Commerce Polska Awards. The jury recognised mBank for its mobile onboarding process, which enables clients to easily open an account in the app without the need to visit a branch or call the bank’s helpline. mBank was the first bank in Poland to use the e-ID and PIN in an effort to improve the security of the remote process for opening a bank account. The solution is available to clients in Poland, the Czech Republic and Slovakia.

### Best Private Bank for client acquisition, CEE

mBank was also named the Best Private Bank for Client Acquisition, CEE, in the international contest organised by Professional Wealth Management, a magazine published by the Financial Times Group. The magazine is yet another institution to appreciate mBank’s remote onboarding process using the e-ID, as well as our modern model of cooperation with clients based on digital solutions. The jury decided that we are also distinguished by our care for the quality of service and the international style of investment management. The contest organised by Professional Wealth Management was open to institutions from the Central and Eastern Europe.

### Fintek.pl readers’ choice, Fintech Awards 2022 gala

We received the “Fintek.pl Readers’ Choice” award during the second edition of Fintech Summit Poland. Readers appreciated additional functionalities of MojeID tool which is integrated with public administration services. Thanks to the new implementation, mBank clients can remotely confirm their identity in public services via a solution provided by KIR



**World’s Best Corporate Digital Bank in Poland 2022**

Global Finance magazine named mBank the best digital bank in Poland in the World’s Best Corporate Digital Bank in Poland 2022 contest. For the ninth time the international jury appreciated mBank’s efforts to ensure customer satisfaction and offer diverse product range and top quality service. Over the last few years the international magazine has hailed mBank the best bank in Poland or even in the Central and Eastern Europe (in 2020).

**The Best Annual Report**

For the tenth time in a row mBank won a special prize “The Best of the Best” in the Best Annual Report contest organised by the Institute of Accountancy and Taxes (IRiP) for the best annual report in the category of financial institutions. In the recent years mBank’s reports have been appreciated by market commentators, who stress their practical usefulness for shareholders and investors.

**“The Deal of the Year” at the SCI Capital Relief Trades Awards**

mBank’s inaugural synthetic securitization transaction “Projekt K2” received an honorable mention at the SCI Capital Relief Trades Awards gala. The K2 project is a breakthrough transaction for the credit risk transfer market in Poland. This is the largest SRT (Significant Risk Transfer) transaction completed so far in Central and Eastern Europe.

For the full list, see the Management Board Report on Performance of mBank S.A. Group in 2022 available [HERE](#).

**Awards related to our ESG activities received in 2022:**

- Stars of Banking – with a score of 96.7 points out of 100 mBank triumphed in the ESG category in the competition organised by Dziennik Gazeta Prawna daily and PwC Polska.
- Diversity IN Check 2022 – mBank was named on the Diversity IN Check 2022 list. The list compiled by the Responsible Business Forum covers employers that are most advanced as regards inclusion and diversity management in Poland.
- The main prize of the Diversity Charter – mBank won the Diversity Charter in the DEI (diversity, equity, inclusion) category in business, in the employee volunteering subcategory. mBank’s initiative “mBank helps victims of war in Ukraine” was awarded.
- CSR Leaves – in the competition, Polityka weekly, Deloitte and the Responsible Business Forum granted mBank a Silver Leaf and a special prize for best practices as regards support for Ukraine.
- Climate Awareness Survey 2022 – mBank’s commitment to the fight against global warming was recognised by the organisers of the Climate Awareness Survey 2022. mBank ranked 9<sup>th</sup> out of 152 Warsaw Stock Exchange listed companies included in the survey.
- Ranking World’s Most Socially Responsible Banks 2022 – mBank was ranked 10<sup>th</sup> out of 175 banks from 35 countries in the US Newsweek ranking. With an overall score of 82.3, we became one of the highest rated banks in the world and the highest rated bank from Poland.

## Membership of trade organisations

**[GRI 2-28]**

As a Group, we are a member of dozens of Polish and international organisations promoting best business practices in the world of finance.



**Selected organisations:**

- ACI Polska – the Polish Financial Markets Association
- CFA Institute
- Executive Club Sp. z o.o.
- Allerhand Institute Foundation
- Institute of International Finance
- International Swaps and Derivatives Association Inc
- IPFA The Project Finance Association
- ITFA International Trade & Forfeiting Association
- E-commerce Chamber
- Polish Business Roundtable
- Polish Council of Shopping Centres
- Polish National Committee of the International Chamber of Commerce
- Polish Private Equity and Venture Capital Association
- Polish-German Chamber of Industry and Commerce
- Polish-Swiss Chamber of Commerce
- The Institute of Internal Auditors
- Polish Bank Association
- SHOKOKAI Employers’ Association

## 1.3. Business built on values

We are aware of our responsibility towards the environment, society and the proper governance of our organisation. Corporate social responsibility and sustainability form the foundation of mBank Group's business.

Our strategy for 2021-2025 includes environmental, social and governance (ESG) activities. It is an integral part of our organisation's business strategy and mBank implements

ESG-related commitments together with its subsidiaries such as mLeasing, mFaktoring, mBank Hipoteczny and mFinanse.

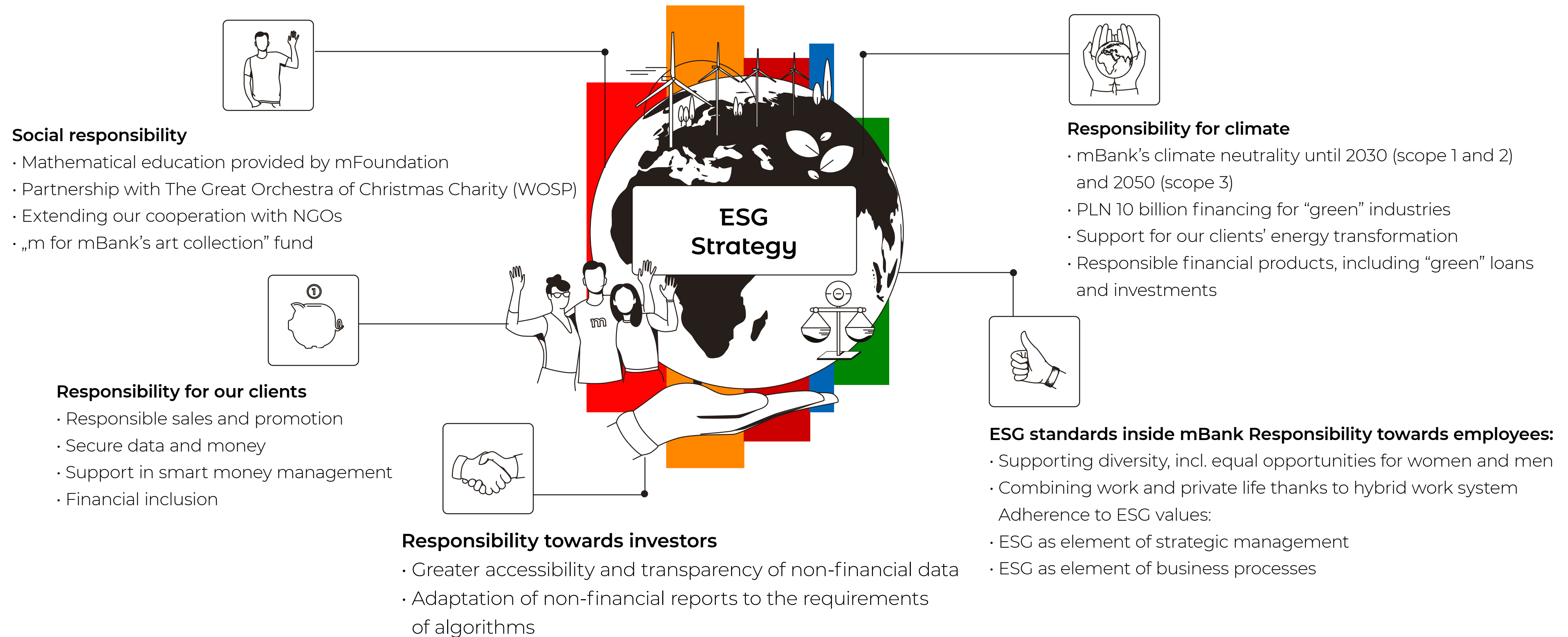
**Within our strategy, we support 13 of the 17 UN Sustainable Development Goals. Our ESG activities are focused on the following aspects:**



## Strategic ESG goals

In 2022, we have made significant progress in implementing and delivering our ESG strategy. Our major achievements are described in the following chapters of this report. We also described the implementation of the strategy in Chapter 3.3 of the Management Board Report on Performance of mBank S.A. Group. “ESG in the strategy of mBank Group” The report is available [HERE](#).

In our ESG activities, we focus on five aspects:



## Management of the ESG area at mBank

[GRI 2-12, 2-13, 2-14] [SDG 16]

Strategic, directional decisions on ESG are taken by mBank’s Management Board. They are preceded by consultations and arrangements with various stakeholders within the organisation. We also engage with external consultants who help us to develop the best solutions in terms of calculating the carbon footprint or methodologies related to the measurement and management of physical risks. Senior executives at mBank are also involved in the reporting process.

[GRI 2-17, 2-18]

In December 2020, the bank appointed the mBank Group Sustainable Development Committee . It oversees the implementation of the ESG strategy, identifies the main directions of activities and proposes them to the Management Board, organizes the ESG management system and supervises the course of initiatives in this area. The Committee issues decisions and recommendations regarding ESG policies and guidelines. Moreover, it coordinates the work of various organisational units of mBank Group and is a platform for dialogue on sustainable development. The Committee is chaired by the vice-president of the management board, Chief Risk Officer, and is composed of representatives of all mBank areas and Group subsidiaries. In 2022 there have been seven sittings of the Committee.

**At its meetings in 2022, the Committee approved, among other things:**

- a map of ESG goals for the organisation;
- mBank’s green bond allocation and impact report;
- criteria for a marketing ecosymbol;
- criteria for sustainable financing for corporate clients transactions;
- mBank’s ethical programme;
- ESG criteria in a product process.

Every quarter, mBank’s Management Board discusses ESG topics with the Supervisory Board. Also, the Risk Committee of the Supervisory Board regularly deals with ESG issues. Management Board members and senior executives expand their knowledge and competences in the field of sustainability. Competence in this area is enhanced through, among other things, participation in training courses, analysis of good practice and market trends, or attendance at conferences and industry events. In addition, Professor Agnieszka Słomka-Gołębiowska, Chairwoman of the Supervisory Board of mBank, is a member of the Board of Chapter Zero Poland, a programme to develop the competencies of management and supervisory bodies of companies, under the auspices of the Responsible Business Forum.



## ESG risk

We manage risks, including ESG risk, on the basis of regulatory requirements and best market practice by developing risk management strategies, policies and guidelines.

The risk management process is conducted at all levels of the organisational structure, starting at the levels of the Supervisory Board (including Risk Committee) and the bank’s Management Board, through specialised committees and organisational units responsible for risk identification, measurement, monitoring, control and reduction, down to each business unit.

### Risk management roles and responsibilities are organised around the three lines of defence scheme.

- The first line of defence is Business (business units), whose task is to take risk and capital aspects into consideration when making all business decisions, within the risk appetite set for the Group;
- The second line of defence, mainly the organisational units of the risk management area, Security, Data Protection Inspector and Compliance function, creates framework and guidelines concerning managing individual risks, supports and supervises Business in their implementation and independently analyses and assesses the risk. The second line of defence acts independently of the Business.
- The third line of defence is Internal Audit, which independently assesses risk management activities performed by the first and the second line of defence.

For more information on risk management at mBank, see the following Chapters of the Management Board Report on Performance of mBank S.A. Group: 9. “Risk management” and 12.4. “Key risks and risk management”. The report is available [HERE](#).

### [GRI 2-18]

The bank’s ESG risk management is overseen by the mBank supervisory board, among others through the Risk Committee appointed by the supervisory board. The supervisory board approves management strategies for individual risks in the mBank Group.

### The Management Board of mBank is responsible for:

- the development of non-financial risk management systems;
- their implementation and their consistency with the business strategy;
- their proper functioning in the organisation.

There is a Business and Risk Forum of mBank Group in place, which is a platform for decision-making and dialogue of organisational units of the business lines and the risk management area in the Group.

### The Forum includes:

- the Retail Banking Risk Committee,
- the Corporate and Investment Banking Risk Committee, and
- the Financial Markets Risk Committee.

Catalogue of sensitive areas

Climate and environmental risks (E)	Social risks (S)	Corporate governance risks (G)
Direct climate and environmental impact of mBank Group's activities.	<ul style="list-style-type: none"> <li>■ sprawy sporne z klientami</li> <li>■ portfel kredytów hipotecznych indeksowanych do walut obcych (w tym szczególnie CHF)</li> </ul>	<ul style="list-style-type: none"> <li>■ pranie pieniędzy i finansowanie terroryzmu</li> <li>■ naruszenie globalnej polityki sankcji (sankcji finansowych i embarg handlowych)</li> <li>■ naruszenie przepisów antymonopolowych naruszenie przepisów w zakresie MiFID i MAR</li> </ul>
Indirect climate and environmental impact of mBank Group's activities along the value chain.	<p>Obsługa kontrowersyjnych obszarów i branż, w tym takich jak:</p> <ul style="list-style-type: none"> <li>■ pornografia,</li> <li>■ radykalne ideologie,</li> <li>■ hazard,</li> <li>■ handel bronią,</li> <li>■ branża tytoniowa.</li> </ul>	<ul style="list-style-type: none"> <li>■ nieuprawniony dostęp do danych osobowych (w tym danych klientów, partnerów biznesowych), danych finansowych i specjalistycznych lub innych danych podlegających ochronie</li> <li>■ awarie systemów IT, ataki hakerskie</li> </ul>
Komunikować się w sposób jasny i używać prostego języka	Oczekiwania klientów, które nie wynikają bezpośrednio z relacji umownych lub przepisów prawa.	<ul style="list-style-type: none"> <li>■ niewystarczający poziom różnorodności (np. pod względem płci, wieku)</li> <li>■ dyskryminacja (w tym stanowiskowa i płacowa)</li> <li>■ naruszenia prawa do zrzeszania się</li> </ul>

Climate and environmental risks (E)	Social risks (S)	Corporate governance risks (G)
	Oczekiwania społeczne wobec banku jako instytucji zaufania społecznego. Oczekiwania wobec banków wynikające z narracji podmiotów zewnętrznych, których bank nie może spełnić.	Odpowiedniość władz przedsiębiorstwa (zgodnie z wymogami regulacyjnymi nadzorca).
	Skomplikowana i złożona oferta banku, która rodzi niezrozumienie po stronie klientów. Język komunikacji niedostosowany do poziomu wiedzy klientów i ich rozumienia produktów bankowych.	<ul style="list-style-type: none"> <li>■ zmiana właściciela banku</li> <li>■ ochrona banku przed wrogim przejęciem</li> </ul>
	Skutki społeczne katastrof naturalnych.	Opóźnienia/braki raportów niefinansowych, które bank powinien publikować.
	Pandemie i ich skutki społeczne.	Publikacja nazwy banku jako nierzetelnego płatnika w wyniku nieterminowej zapłaty faktury, powstania zatoru płatniczego u dostawcy.

**[GRI 2-23] [GRI 2-24] [GPW G-P2] [SDG 16] [PRB 5.1] [PRB 5.3]**

Incorporation of ESG into risk management, including climate risk, is reflected in mBank’s policies and procedures. mBank’s ESG-relevant internal policies include those on employee and customer relations, responsible investment financing, data security and privacy, ethical business and corporate governance. A detailed description of these is available [HERE](#).

For a summary of the implementation of the commitments contained in the policies, see the Management Board Report on Performance of mBank S.A. Group (Chapter 12. “Non-financial information”). The report is available [HERE](#).

## Partnerships for sustainable development

### [GRI 2-28]

We are a member, partner and signatory of important initiatives that support sustainable development.

- In December 2022, we signed the Commitment to Financial Health and Inclusion. This is an initiative of UNEP-FI organization, which belongs to the UN family. According to the declaration, within 18 months of its adoption, we will set goals related to supporting the financial health of our clients and inclusive banking.
- In 2022, we joined the Science-Based Targets initiative (SBTi). We committed to develop, within two years, a trajectory to reduce our greenhouse gas emissions. It will cover a period of 5 to 15 years. SBTi will check if this trajectory is consistent with the scientific evidence on climate change. This will ensure that the rate of decarbonisation of our business is in line with the target for the Earth's surface to warm by no more than 1.5°C.
- SBTi works with the Partnership for Carbon Accounting Financials (PCAF), which we joined in 2022. PCAF methodology enables us to reliably measure the carbon footprint associated with the financing we provide to our clients. Loan portfolios are the largest source of greenhouse gas emissions related to our operations. Reducing them is therefore a key step on our way to mBank Group's full net climate neutrality by 2050.
- Since 2021, we have been a member of the United Nations Environment Programme Finance Initiative (UNEP-FI) and a signatory to its Principles for Responsible Banking. In line with these principles, we analyse our social and environmental impact. We set ambitious targets regarding this impact and report regularly on our progress in achieving them. This commitment confirms that we support the UN Sustainable Development Goals and the ambitions related to Paris Agreement.
- In 2019, we signed an agreement with the CFA Society Poland to introduce and promote the Statement of Investor Rights. It emphasises mBank's commitment to the ethical aspects of financing. We are the first institution in Poland to have established this type of cooperation with one of the world's leading organisations that certifies investment management professionals.
- Since 2018, we have been a signatory of the Diversity Charter, an international initiative for social cohesion and equality, led in Poland by Responsible Business Forum. As participants in this initiative, we implement a policy of diversity and inclusion which is overseen by a management board plenipotentiary. We create an organisational culture that ensures respect for diversity. We prevent discrimination and mobbing. We implement concrete solutions to create equal opportunities for different groups of mBank employees.
- We have been a signatory to the Ten Principles of the UN Global Compact since 2016. We are committed to supporting and implementing values covering human rights, labour standards and environmental practices wherever we have impact. As part of the UN Global Compact Poland Foundation, we are a partner in the Climate Positive Programme. In 2022, as a member of the group, we engaged in initiatives and discussions with other business partners, central and local government entities, as well as experts and specialists in the area of green finance, hydrogen, wind energy, climate education and green transport, among others. The group's work has resulted, among other things, in a number of sector reports - mBank specialists co-wrote the Green Finance report.

# 1.4. Responsible management

## Corporate governance

mBank’s corporate governance principles, stem from market regulations and standards which include, in particular:

- the Commercial Companies Code,
- the Banking Act,
- regulations governing the functioning of the capital market,
- “Best Practice for GPW Listed Companies 2021”,
- “Principles of Corporate Governance for Supervised Institutions”.

**[GRI 2-9] [GRI 2-11] [GPW G-P1] [PRB 5.1]**

The Management Board of mBank must be composed of at least three members appointed for a joint term of 5 years. At least half of the Members of the Management Board, including the President of the Management Board, must hold Polish citizenship, be habitually resident in Poland, speak Polish, and have experience on the Polish market which can be used while managing the bank. Members of the Management Board manage selected areas of the bank’s operation within the scope determined by the President of the Management Board. The division of powers of Members of the Management Board has been described in detail in the Management Board’s resolutions.

**In 2022, the composition of mBank’s Management Board remained unchanged and included:**

- Cezary Stypułkowski – President of the Management Board, mBank Chief Executive Officer
- Andreas Böger – Vice-President of the Management Board, Chief Financial Officer
- Krzysztof Dąbrowski – Vice-President of the Management Board, Head of Operations and Information Technology
- Cezary Kocik – Vice-President of the Management Board, Head of Retail Banking
- Marek Luszczyn – Vice-President of the Management Board, Chief Risk Officer
- Adam Pers – Vice-President of the Management Board, Head of Corporate and Investment Banking

In March 2023, we announced plans to establish the position of Vice-President of the Management Board, Chief People & Regulatory Officer. The bank’s supervisory board recommended Julia Nusser, a managing director from Commerzbank, for the role. Julia Nusser assumed her position from 1 May 2023.

Members of the Management Board are jointly liable for the overall operations of the bank. The Management Board manages the bank’s business, represents the bank and defines the guidelines for the bank’s operations, especially for the areas subject to risks, including the credit policy, the investment policy, the bank’s assets and liabilities management policy, and the guarantee policy. The Management Board also makes strategic decisions on the implementation of the bank’s ESG principles

<sup>1</sup> On 17 January 2023, Andreas Böger, Vice-President of the Management Board, Chief Financial Officer, resigned from his function, effective as of 30 April 2023, to take up the position of the Divisional Board Member – Group Finance at Commerzbank AG. The Executive and Nomination Committee of the Supervisory Board recommended Pascal Ruhland, the Divisional CFO for the corporate clients segment at Commerzbank AG, for the position of the Vice-President of the Management Board, Chief Financial Officer. His appointment as a Member of mBank’s Management Board by the Supervisory Board depends of the positive assessment of the candidate’s suitability

**[GRI 2-10]**

Members of the Management Board are appointed and removed by the Supervisory Board in accordance with the provisions of the Banking Act and taking into account the relevant qualifications. The Polish Financial Supervision Authority approves two Members of the Management Board of the bank: the President of the Management Board and the Board Member responsible for developing and implementing the bank’s credit policy and risk management. A Member of the Management Board may also be dismissed or suspended by the General Meeting.

The Supervisory Board acts on the basis of the adopted Rules and performs the functions provided for in the By-laws of mBank, the Code of Commercial Partnerships and Companies, and the Banking Law. The Supervisory Board consists of not less than five Members elected by the General Meeting for a joint term of three years.

**Throughout 2022, the composition of the Supervisory Board remained unchanged:**

- Agnieszka Słomka-Gołębiowska – Chairwoman of the Supervisory Board
- Bettina Orlopp – Vice-Chairwoman of the Supervisory Board
- Armin Barthel – Member of the Supervisory Board
- Tomasz Bieske – Member of the Supervisory Board
- Marcus Chromik – Member of the Supervisory Board
- Mirosław Godlewski – Member of the Supervisory Board
- Aleksandra Gren – Member of the Supervisory Board
- Arno Walter – Member of the Supervisory Board



<sup>2</sup> Dr. Armin Barthel resigned as Member of the Supervisory Board of mBank as of 31 December 2022, without stating the reason for his resignation. Under a resolution of the Supervisory Board of mBank dated 9 December 2022, dr. Hans Georg-Beyer was appointed Member of the Supervisory Board, as of 1 January 2023.

## Ethics Programme

[GRI 2-23] [GPW G-P2] [SDG 16] [PRB 5.1] [PRB 5.3]

The Management Board is responsible for ethical standards and oversight of its implementation.

In 2022, the Sustainable Development Committee approved the mBank Ethics Programme. In this way, we have gathered in one place the basic guidelines that help us build a culture of ethical business conduct and implement the commitments and aspirations described in the ESG strategy.

All policies, products, services and procedures must include ethical considerations. The same applies to how we offer products to our customers and our relationship with them.

Compliance with ethical standards is overseen by the Ethics Officer. The Ethics Officer’s work plan is approved by the Sustainable Development Committee, and the report on the activities of the Ethics Officer is presented to the Bank’s Management Board once a year. Twice a year, the topic of ethics is obligatorily discussed at a meeting of the Sustainable Development Committee. Violations of ethical standards and procedures are reported to the president of the Management Board.



**support** for ethical business conduct by top management



**integrity of actions** – consistency between declarations and reality



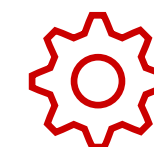
ethics in the bank’s **relations with customers** when implementing new policies and products, services and procedures



ethical violations **reporting system**



**response** to ethical violations



an employee responsible for **managing ethical issues** and its position in the organization



ethics as a criterion for **evaluating** each employee



employee **education**

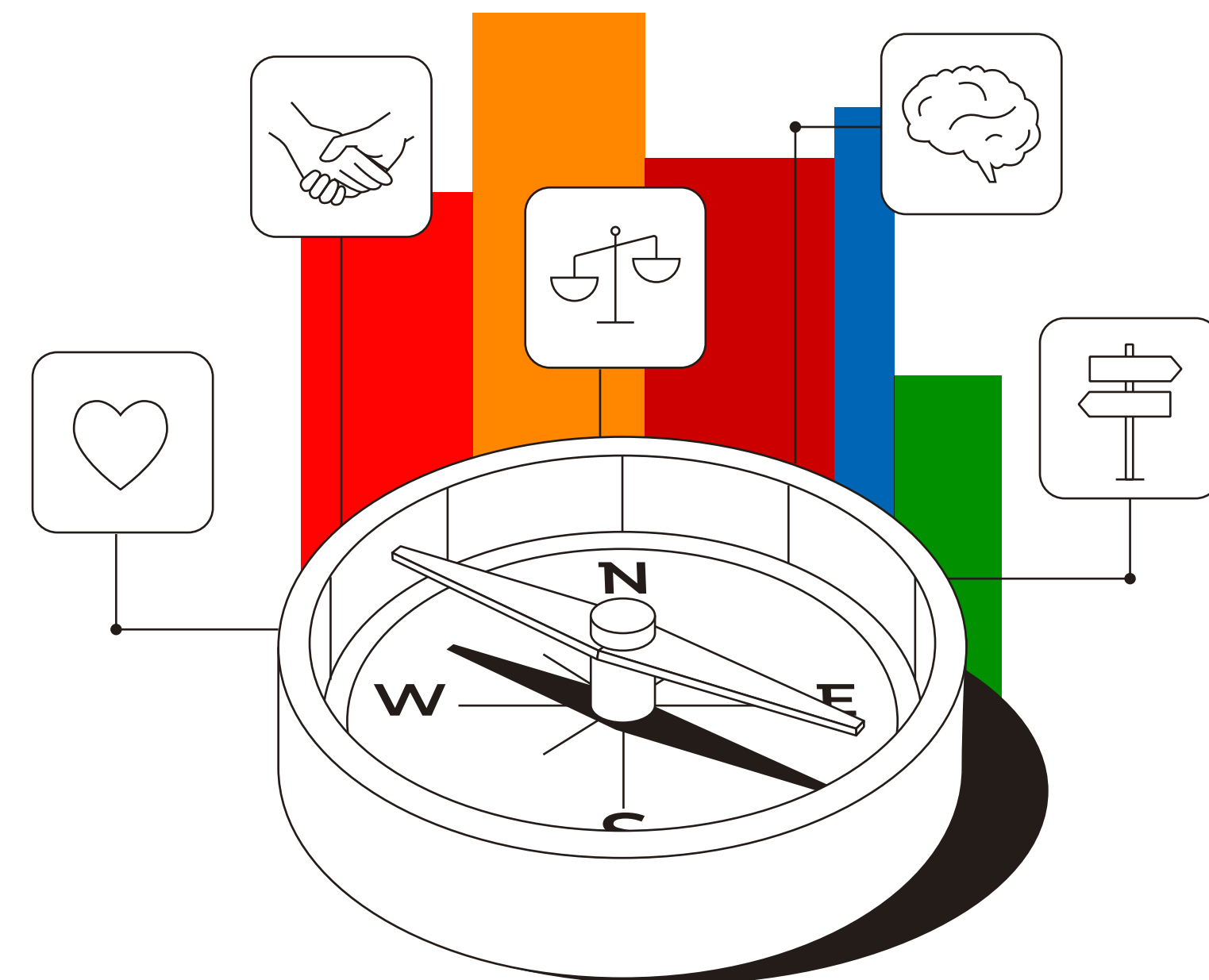
**The principles of ethics at mBank are described in:**

- the Code of Ethics of the Polish Bank Association, a compendium of ethical principles and behaviours required to be implemented and observed by affiliated banks,
- Code of Conduct – our internal regulation, which defines our rules of conduct, the standards that underpin good relations with customers, business partners and between employees,
- mBank Ethics Programme – a list of regulations, standards of conduct and basic obligations of the bank and employees,
- mKanon, the standard of simple communication,
- mBank’s model of values and behaviours, which form signposts that lead us to a culture of trust and good intentions,
- policies that form a coherent ethics management system, including: mBank Policy on preventing mobbing, discrimination and other unacceptable behaviour, mBank Group Reputational Risk Management Strategy, Diversity and Inclusion Policy, Conflict of interest management policy, Anti-Corruption Policy, Policy on handling of reputation risk-sensitive industries, Fraud prevention policy, Policy for managing incidents of employee misconduct, etc.

Ethical elements are addressed during induction training, as well as in training on anti-money laundering, fraud and corruption prevention, sanctions, anti-mobbing, GDPR and information protection. In 2022, we also developed the concept of mandatory ethics training for all new and current employees. The e-learning training, which we create based on the Polish Banks Association (ZBP) guidelines, will complement the educational offer regarding regulations and internal policies that are part of the Ethics Programme. As of

2023, each bank employee is obliged to undergo ethical training once a year (new employees – within 3 months of employment). In 2022, we also launched “ethics dialogues” – cyclical webinars held as part of the “Development Fridays” programme for employees

In late 2022 and early 2023, we developed a concept for an ethics standards audit. We did this in collaboration with the UN Global Compact Network Poland, in partnership with the Business and Human Rights programme. It supports the implementation of the ESG goals that are part of the mBank Group’s strategy for 2021-2025. The first audit was completed in March 2023.





[GRI 2-16] [GRI 2-25] [GRI 2-26] [GPW G-P4] [SDG 16]

At mBank, we have mSygnał, an electronic whistleblowing system. It can be accessed by both employees and customers, from any device with internet access.

mSygnał is available at all times, 24/7. It ensures anonymity, if you choose to do so. The whistleblower can set up an anonymous mailbox where he/she receives feedback on the follow-up to his/her report and can provide additional information.

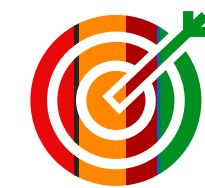
Any form of reprisal, discrimination or unfair treatment of the employee who reports suspected misconduct is prohibited, even if the information is not confirmed. No retaliatory action may be taken against the whistleblower.

Any information – both provided in the report, as well as the information obtained in the course of the investigation – is treated as confidential and protected. Reports are reviewed and analysed, in an objective, fair and impartial manner, by authorised persons from the Employee Development and Organisational Culture Department, foreign branches, the Ethics Officer team and the Compliance Department. Representatives of the Management Board can also access the mSygnał system.

Reports are investigated within 30 calendar days of receipt. If the violation is confirmed, the matter is pursued in accordance with the law and the bank’s internal regulations.

In 2022, in our regular Pulse Check employee survey, we saw an increase in knowledge of the ways to report unacceptable behaviour by 8 pp.

We act in an ethical manner not only within the organisation. We place equal emphasis on ethical customer service. One of the key elements here is transparent communication, which is facilitated by mKanon. This is our communication standard, according to which we use plain, intelligible language and avoid incomprehensible phrases and illegible messages when communicating with customers. Content that does not comply with the mKanon standards cannot reach them.



**strategic objective**

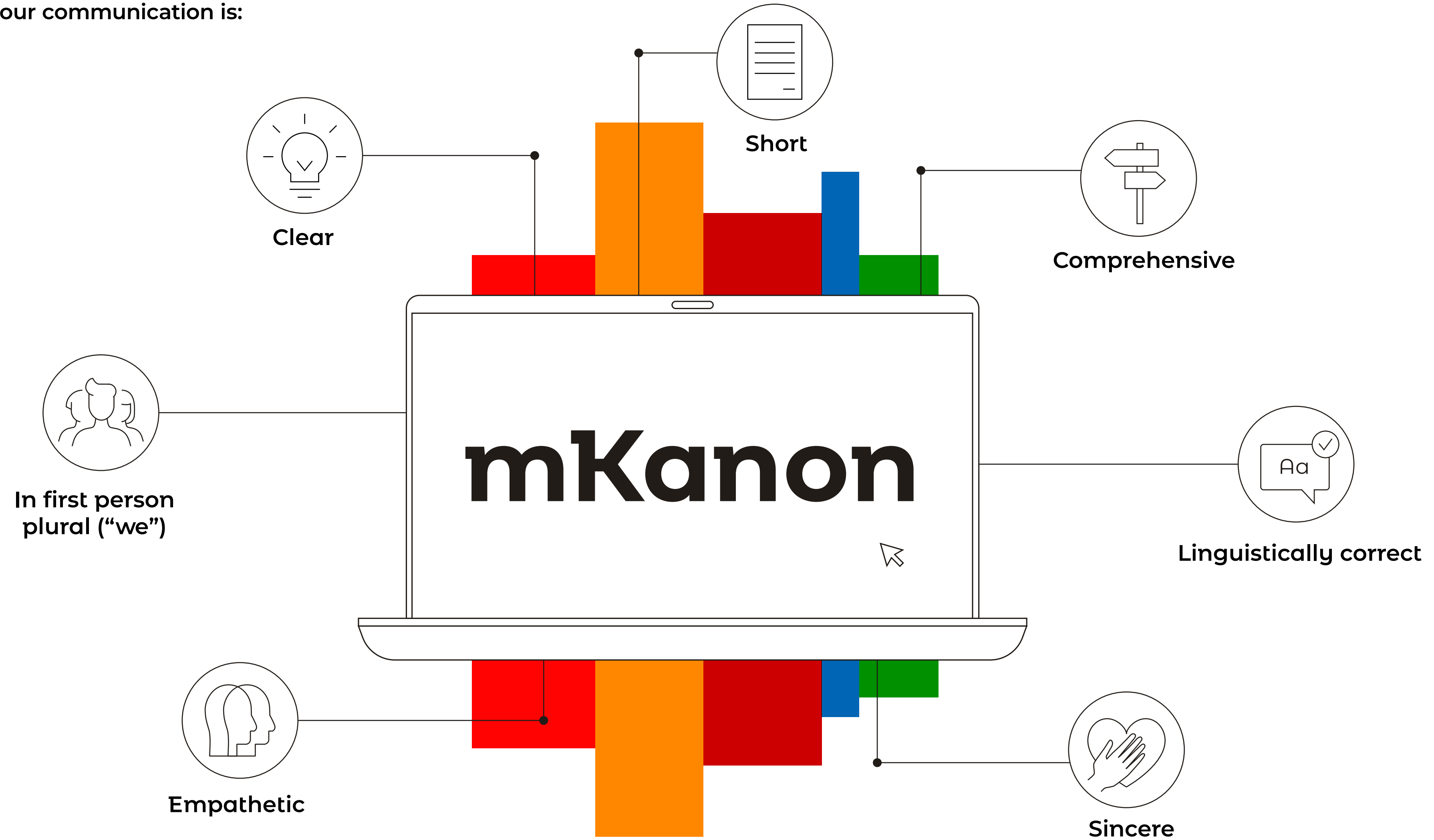
We continue to develop mKanon - we train employees, appoint ambassadors, perform audits and carry out internal certification in simple communication. We have also developed a special application that checks bank texts for comprehensibility and friendliness. The algorithm also suggests what to do to make the messages clearer.

In 2022, we held more than 50 mKanon training sessions, consultations and workshops, attended by 315 people.

We are supported in our activities by the Foundation of the Polish Language (FJP). In 2022, the foundation certified another group of mKanon ambassadors. These are people from various units of the bank who ensure that our communication is compliant with mKanon. In total, we have 34 people in this group. The FJP also awarded a ‘Language Quality Mark’ certificate to our debt collection help page.

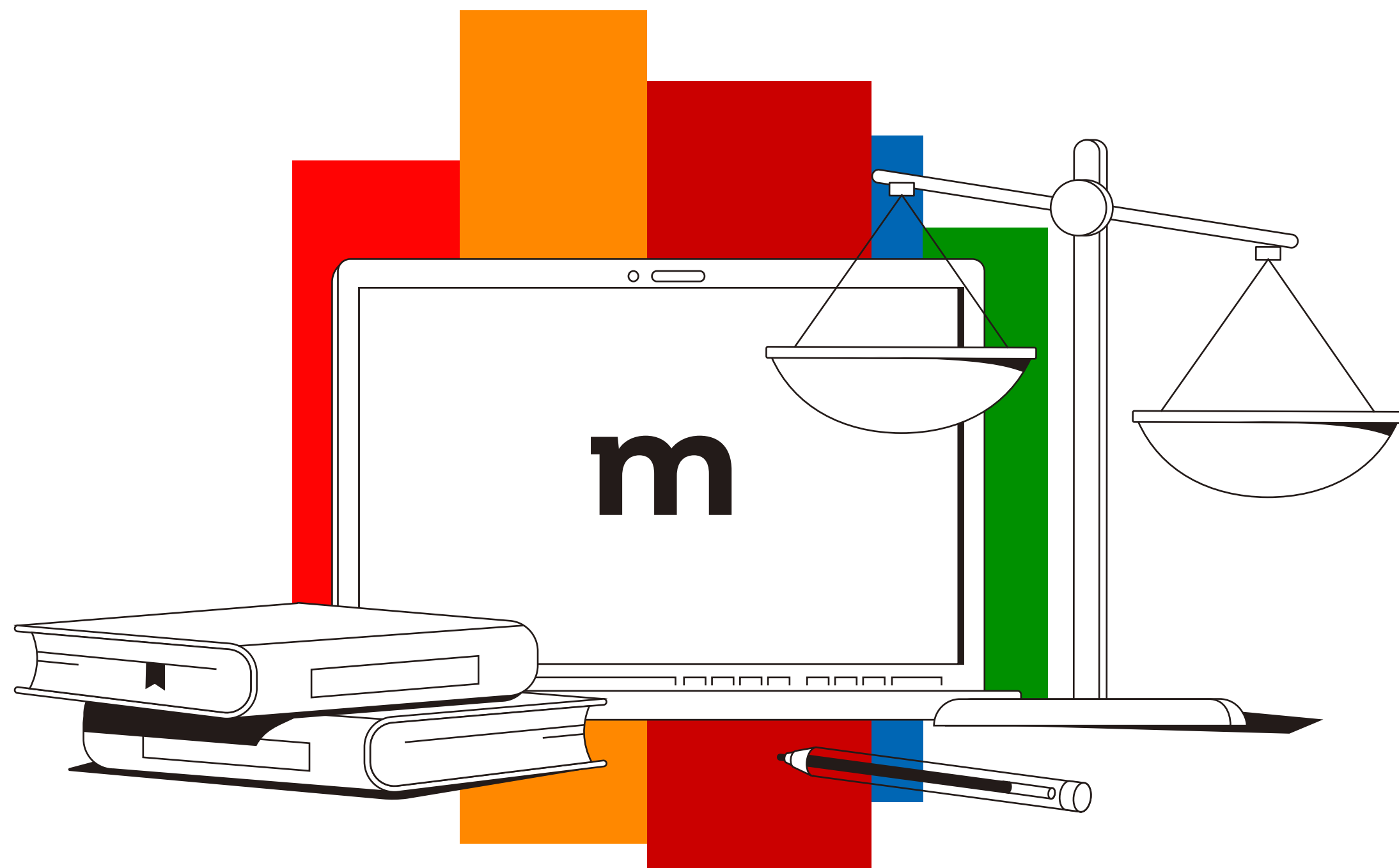
We are an active member of the Simple Communication Working Group, which has been at the Polish Bank Association since 2020.

Owing to the standard, our communication is:



## Compliance policy

The policy contains general principles for ensuring compliance of mBank’s activities with laws, internal regulations and market standards. This also applies to compliance with the recommendations and advice of the Polish Financial Supervision Authority (KNF) and other public authorities relevant to the bank’s business.



- The implementation of compliance activities is the responsibility of all employees of the bank, in accordance with their responsibilities and the powers vested in them. mBank employees identify, assess, control and monitor the risk of non-compliance with laws, internal regulations and market standards.
- Directors of our organizational units are obliged to monitor and analyse the regulatory environment, identify changes in the law that affect the operations of the managed unit and implement them in internal regulations. Compliance Partners appointed by them collaborate with the Compliance Department in the compliance process. Directors of our organizational units are responsible for organising work in such a way that employees follow the compliance policy.
- The bank’s Management Board is responsible for the effective management of the bank’s compliance risk. The Management Board assesses compliance risks based on reports from the Compliance Department and submits annual reports on this topic to the Supervisory Board and the Audit Committee. The Management Board determines corrective or disciplinary measures for violations in the compliance risk area and, in the event of material misconduct, notifies the Supervisory Board without delay. The Supervisory Board assesses the adequacy and effectiveness of compliance risk management. It also oversees the Management Board’s performance of compliance obligations in both the control and compliance risk management functions.

The Compliance Department plays a key role in the compliance risk management process. Its tasks include:

- introduction of risk identification procedures and methodologies,
- defining and applying selected risk control mechanisms,
- designing and implementing procedures and methodologies for monitoring compliance risk,
- comprehensive reporting to the level of the bank’s authorities in terms of risk identification, assessment, control and monitoring.

The bank’s organisational units are supported in the monitoring of legislation and its implementation into internal regulations by a special GRC Manager application. The application enables effective supervision and co-ordination of the compliance risk management process from a regulatory perspective. Thanks to the continuous upgrade of the application we have improved the reporting function in 2022.

**[GRI 2-27] [GRI 3-3]**

In 2022, mBank paid one fine of PLN 4.3 million imposed by the Polish Financial Supervision Authority for a lack of adequate controls, as a result of which the funds measured their assets incorrectly. No non-monetary sanctions were imposed on the bank.

We took a number of measures to change existing processes and introduce new ones, verifying the activities of the investment funds for whom mBank acts as depositary. We have implemented processes to monitor the activity of the quotation markets which are used as a source of securities prices to assist in the valuation of investment fund assets. As regards the securitisation funds identified in the statement of reasons for the sanctions, the bank is committed to restoring reporting and resuming correct valuations of their assets. To this end, we verify the activities performed by fund managers. We examine whether they comply with the law and the articles of association of these funds, both in respect of current operations and historical periods.

**[GRI 206-1] [SDG 16]**

**4** – Number of legal actions pending during the reporting period regarding anti-competitive behavior in which the organization has been identified as a participant.

**1** – Number of legal actions completed during the reporting period regarding anti-competitive behavior in which the organization has been identified as a participant.

**0** – Number of legal actions pending during the reporting period regarding violations of anti-trust and monopoly legislation in which the organization has been identified as a participant.

**0** – Number of legal actions completed during the reporting period regarding violations of anti-trust and monopoly legislation in which the organization has been identified as a participant.

## Internal audit

Internal audits assess the adequacy and effectiveness of the risk management and internal control systems within the audited processes. Each audit also verifies the compatibility of our internal regulations and processes with external requirements.

In 2022, we conducted 25 audits. We included 31 audit objects from 18 risk areas in the audits. 5 audits were related to processes and products, 17 to supervisory requirements and risk management, and 3 audits to the IT area.

We rate audited areas on a five-point scale (good, satisfactory, fair, not satisfactory, and deficient). In 2022, 16% of the audits were rated satisfactory, 60% fair, and 8% not satisfactory). The remaining audits closed without a rating.



## Fraud prevention

mBank has a Fraud Prevention Policy in place. We have a zero tolerance policy against anyone who commits fraud or financial crime. Consequences may include criminal prosecution, disciplinary measures under employment law or pursuit of civil claims.

### Fraud risk management:

- **fraud prevention** – risk assessment, early identification, and clear rules and mechanisms mitigating risk;
- **fraud detection** – implementation of fraud controls, monitoring systems and reporting channels;
- **fraud management** – every case of suspected crime to the detriment of mBank or its client is investigated and necessary steps are taken, including legal measures;
- **response** – clear rules for mitigating loss or damage, corrective mechanisms, lessons learned.

Anonymous whistleblowing is enabled by the electronic mSygnal system, which is accessible to both employees and people outside mBank. The mechanism is described in the Ethics Programme section of the report.

We prevent the recurrence of malpractices. We define standards and guidelines of conduct in internal regulations, conduct training, issue recommendations for corrective actions and carry out inspections.

In 2022, 72 fraud cases were reported. In each case of the reported case, the explanatory proceedings have been conducted. In cases of confirmed employee abuses, the sanctions stipulated in the Labor Code and Work Rules have been applied, as well as the cases have been reported to law enforcement authorities. Recommendations were also issued to correct identified gaps in processes and systems. Corrective measures have been taken to avoid similar situations in the future.



## Anti-corruption measures

At mBank, we have adopted an Anti-Corruption Policy that sets out the main principles of conduct and responsibilities in this area. As with fraud, we follow the policy of zero tolerance for all forms of corruption, including accepting, offering, requesting, granting and giving consent for additional benefits, objects or payments in order to:

- exert an undue influence on a decision,
- gain or secure an unlawful business advantage,
- achieve personal gain.

The Management Board and employees of mBank are required to avoid conflicts between their private and professional interests. Offering any undue benefits, especially to central and local government officials, civil servants as well as politicians, is strictly prohibited.

In line with the mBank Anti-Corruption Policy, we do not provide financial support in the form of donations to political parties and politically oriented organisations. The policy also regulates minimum requirements for the prevention of corruption in relation to lobbying and contacts with public officials and politicians. The Bank avoids any activity that improperly influences political activists or could create a conflict of interest.

In the case of organisations of which mBank is a member, the application for joining the organisation and for paying membership fees is checked and registered each time.

In 2022, the donations made, included in the Financial Report under “other operating expenses”, amounted to PLN 6.3 million, of which the largest amounts went to the mBank Foundation and the Great Orchestra of Christmas Charity. PLN 2.7 million was used to fulfil the statutory tasks of the mBank Foundation. In line with the “m for mathematics” (“m jak matematyka”) strategy, mBank Foundation’s (mFoundation’s) efforts have been focused on supporting educational programmes and promoting mathematics. In addition, mBank donated PLN 2.2 million to the Great Orchestra of Christmas Charity Foundation. mBank is a banking partner of the WOŚP Foundation.

**[GRI 205-1] [GPW G-P3] [SDG 16]**

We have identified areas particularly prone to corruption risks (e.g. in establishing relationships with business partners, purchasing goods and services, sponsoring activities, accepting/giving gifts). The anti-corruption system in place at the bank is based on elements such as: internal regulations (anti-corruption policy, anti-fraud policy), inspections of organisational units, defining the rules and verification of gifts received and given, training, verification and risk assessment of counterparties and outsourced functions.

Incidents of corruption can be reported to the line manager or directly to the Compliance Department. Reports can be submitted anonymously through the mSygnał system. Each time, the circumstances of the incident are clarified and evidence is secured. If a crime is suspected, the director of the unit involved passes the evidence to the Security Department, which notifies the law enforcement authorities, if suspicions are confirmed.

**[GRI 205-3] [GPW G-P3] [SDG 16]**

We identified no cases of corruption in the Group in 2020, 2021 and 2022.

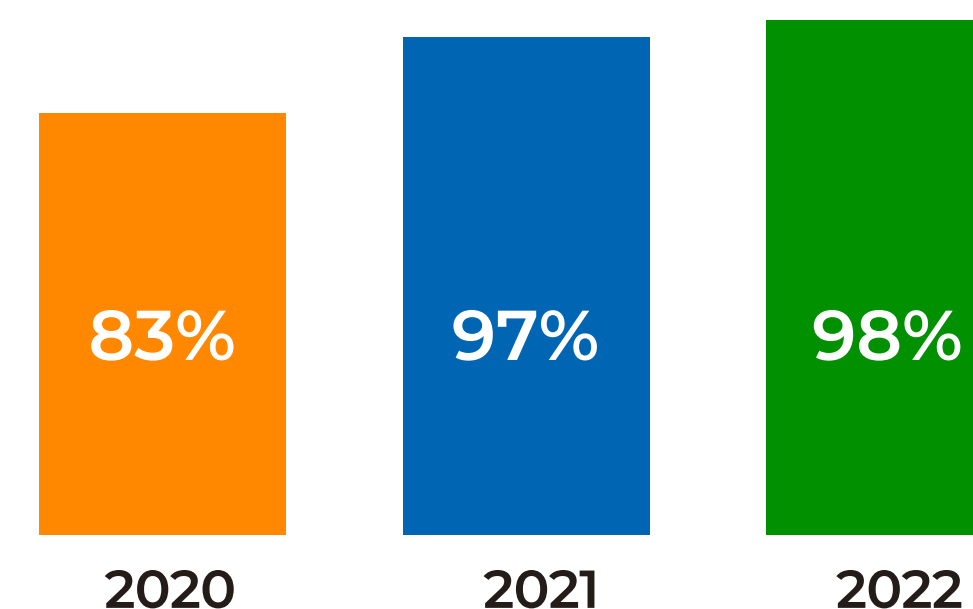
The Compliance Department maintains a register of proceedings in corruption cases. It submits periodic reports on the implementation of the anti-corruption policy to the bank’s Management Board and Supervisory Board as part of its compliance risk management reports. It may also independently, irrespective of reports from organisational units, take steps to detect corrupt activities. The Compliance Department conducts regular assessments of compliance risks, including corruption risks, and carries out scheduled and ad-hoc audits in areas of the bank that are particularly exposed to the risk of corruption. This applies in particular to cooperation with the bank’s business partners.

The Anti-Corruption Policy also sets out the rules for giving and receiving gifts by mBank employees. Among other things, it is forbidden to accept or give money or gifts in any form if they could be considered as influencing the integrity of the performance of the processes entrusted. Employees of mBank are also not allowed to give gifts to officials in connection with their function. The Compliance Department keeps a register of gifts received and given. It regularly checks that the rules of accepting and giving gifts are complied with.

**[GRI 205-2] [GPW G-P3] [SDG 16]**

Our employees regularly receive training on anti-corruption and gift acceptance/giving. Such annual training is mandatory for all full-time employees of the bank, as well as for contractors who have access to protected data. The training is concluded with a knowledge test with a mandatory passing threshold. In addition, the Compliance Department conducts training for narrower target groups, which is tailored to their specific area of activity and level of exposure to corruption risks. In 2022, 98.2% of employees and 96.7% of managers were trained.

**Percentage of employees trained (mBank S.A.)**





## Conflict of interest

### [GRI 2-15]

We effectively address conflicts of interest. This is governed by mBank’s Conflict of Interest Management Policy, which sets out clear principles for identifying, avoiding and managing conflicts of interest. We have adopted the principle of equal treatment of clients in this regard - neither mBank nor our employees can gain advantages or avoid losses at the expense of clients.

Proper management of conflicts of interest is part of the corporate culture and it is the responsibility of mBank employees at all levels of the organisational structure. It is particularly important that members of the Management Board and the directors of organisational units take part in:

- identification of conflicts of interest,
- identification of appropriate measures to avoid conflicts of interest, or resolving such conflicts when they arise.

In addition, the senior management of our organisation – the Management Board and the Supervisory Board – are subject to specific rules on conflicts of interest. Members of the Management Board and Supervisory Board are obliged to disclose the occurrence or potential occurrence of a conflict of interest and to refrain from taking part in discussions and voting on matters that may give rise to such a conflict in their relationship with an mBank client or mBank itself.

### The area of conflict of interest prevention is overseen by the Compliance Department, which is responsible for:

- the implementation of internal regulations and IT solutions,
- consultations provided to organisational units,
- control and training activities, and issuing recommendations.

The Compliance Department analyses reported conflicts of interest, issues recommendations on how to proceed in a given case and monitors the implementation of the recommendations. The Compliance Department reviews the policy to assess its adequacy and effectiveness at least once a year.

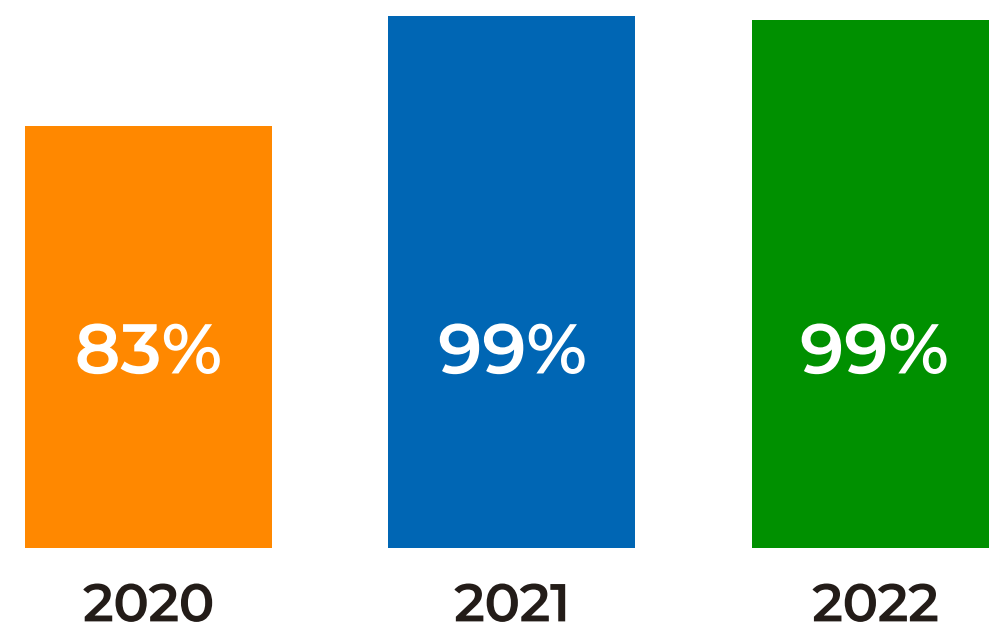
There is a dedicated module concerning conflict of interest in the training on fraud prevention and corruption. The e-learning training is obligatory for all employees and must be completed annually. The training is concluded with a knowledge test with a compulsory passing threshold.

In addition, bank employees providing clients with information on investment services or providing investment advisory services take part in a webinar on conflict of interest. In 2022, we trained 70 people, which is 100% of the target group.

## Anti-money laundering (AML) and counter-terrorism financing regulations

As regards preventing money laundering and terrorist financing, we follow internal regulations and policies of the Commerzbank Group at mBank. The Director of the Financial Crime Prevention Department, supervised by the Managing Director of Regulatory, Legal and Customer Relations, is responsible for ensuring compliance with anti-money laundering and counter-terrorist financing regulations. The President of the Management Board is responsible for implementing the statutory obligations under the Anti-Money Laundering Programme.

### Percentage of employees trained (mBank S.A.)



### In accordance with the principles set out in the Anti-Money Laundering and Countering the Financing of Terrorism Programme:

- we identify and verify the identity of our clients and their beneficial owners,
- we identify the risk of money laundering and terrorist financing, and we apply financial security measures appropriate to the identified risk,
- we identify and verify our clients and their beneficial owners for holding politically exposed positions (PEP, RCA),
- we refuse to engage with and we terminate customer relationships where we have identified a risk of money laundering or terrorist financing or an inability to comply with financial security measures,
- we monitor our clients' transactions to protect mBank from money laundering and terrorist financing,
- we regularly train our employees on the prevention of money laundering and terrorist financing.

## Global sanctions policy

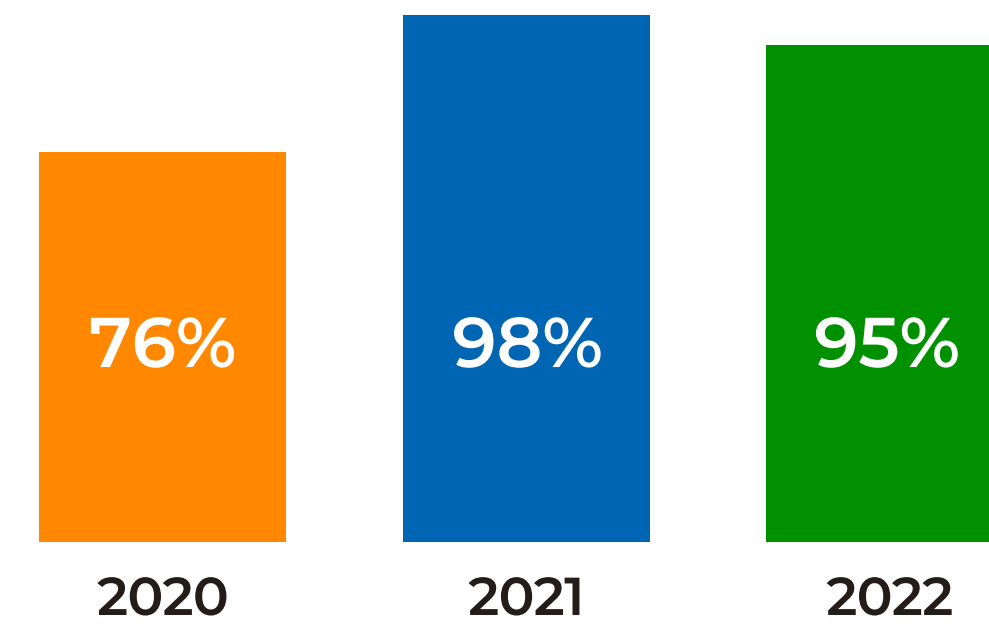
We verify and monitor the transactions of our clients and their beneficial owners for their presence on European Union, US and UN sanctions lists. This is to comply with the applicable legislation on specific restrictive measures.

We refuse to process transactions that violate sanctions. We also inform clients about the sanctions regulations.

It is the responsibility of every employee to be familiar with the content of the sanctions regulations and to apply them without any exception. The policy is the responsibility of the Financial Crime Prevention Department which:

- adopts guidelines and instructions,
- informs departments and subsidiaries of sanction-related restrictions affecting business policy,
- advises on the implementation of such restrictions and monitors compliance with them.

### Percentage of employees trained (mBank S.A.)



The sanctions risks associated with the outbreak of war in Ukraine and the adoption of the first so-called Polish sanctions act with the publication of the first Polish sanctions list became an additional challenge in 2022. In response to the new regulations, we have developed compliant procedures and processes relating to, among other things, asset freezing.

## Supplier principles

We are a large organisation and an attractive business partner for many companies. We want to use our influence to promote standards and values that are close to us. All companies wishing to cooperate with mBank are obliged to comply with the law, labour law, human rights law, anti-corruption law, protect the environment, and not to discriminate. Each supplier taking part in the procurement procedure or performing contracts with mBank undertakes to act in accordance with, among others:

- Universal Declaration of Human Rights,
- International Labour Organisation standards,
- OECD Guidelines (especially on the fight against corruption),
- The Rio Declaration on Environment and Development – Agenda 21,
- United Nations Convention against Corruption.

In 2022, all new suppliers and companies with whom we have extended our cooperation have declared that they have read and comply with the “Supplier Principles”. Since 2022, mBank has been applying the “Sustainability Code for suppliers and partners”. Every contractor who wishes to enter the purchasing procedure is required to sign a representation based on it. mBank also collects signed representations from existing suppliers. In this manner we ensure that they comply with basic ESG standards.



**good practice**

We have published an ESG guide for suppliers. The material is available free of charge to all interested parties [HERE](#). In it, we explain ESG issues and encourage entrepreneurs, including small and medium-sized companies, to build their competitive advantage by implementing ESG principles. The Code and the Guide also prepare suppliers for the increasing ESG requirements that their business customers will be making in the coming years. These requirements will arise, among other things, from the increasing number of regulations that govern this area, such as the EU Taxonomy or the CSRD and CSDD. The aim of mBank’s educational activities is to equip companies with knowledge that they can turn into business opportunities.

## Stakeholder relationship

Universal and equal access to information is ensured by the Information Policy adopted in 2021. We want to provide information that is up-to-date, reliable, useful, consistent and comparable between banks. We present it in a clear and transparent manner.

[GRI 2-29] [PRB 4.1]

We engage in an honest, transparent and respectful dialogue with our stakeholders. We treat their expectations, needs and opinions as a valuable voice and guidance for our actions and plans. We talk to them, tailoring the channel and frequency of communication to the needs of key stakeholder groups. We consider responsible communication as one of the key ways to build trust from the market.

### Inwestorzy

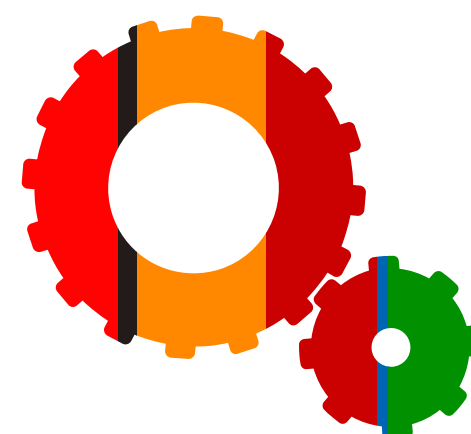
- Commerzbank (inwestor strategiczny) ■
- inwestorzy instytucjonalni ■
- inwestorzy indywidualni ■
- Giełda Papierów Wartościowych w Warszawie ■
- agencje ratingowe i domy maklerskie ■

### Pracownicy

- aktualni pracownicy ■
- potencjalni pracownicy ■

### Partnerzy biznesowi

- dostawcy i partnerzy biznesowi ■
- organizacje gospodarcze, do których należy bank, w tym ZBP ■
- konkurenci ■
- spółki zależne, w których bank ma udziały mniejszościowe ■



Who are our stakeholders?

### Społeczeństwo

- Fundacja mBanku i jej beneficjenci
- przedstawiciele organizacji społecznych
- WOŚP, jej beneficjenci i wolontariusze

### Klienci

- klienci indywidualni
- przedsiębiorstwa, w tym mikroprzedsiębiorcy
- klienci korporacyjni
- instytucje rynku finansowego

### Otoczenie instytucjonalne

- Komisja Nadzoru Finansowego (KNF)
- Narodowy Bank Polski (NBP)
- Rzecznik Finansowy
- Urząd Ochrony Konkurencji i Konsument – w (UOKiK)

## How do we communicate with our stakeholders?

### Clients

With the exception of situations where applicable laws, contractual provisions or product regulations stipulate an obligation to communicate in a specific form, e.g. via recorded channels, we communicate with customers in the manner of their choice. To communicate, we use:

- direct contact and telephone contact by bank employees, including branch staff,
- Contact Centre and external companies contracted by the bank,
- online and mobile banking,
- text messages,
- traditional mail and e-mail,
- the bank's website,
- social media,
- advertising materials.

### Society

We communicate with the society by means of, among other things:

- websites, including the main mbank.pl website,
- social media,
- media publications,
- events and activities organised.

### Investors

- We provide information via the Electronic Information Transfer System (EIB/ESPI).
- We operate an online 'for investors' service. Here we publish, in accordance with the law and good practice, information on investor relations.
- We hold meetings, conference calls and video conferences with stakeholders – face-to-face, one-on-one or in groups.
- We hold investor conferences, press conferences and thematic seminars.
- We also communicate with the bank's shareholders during the General Shareholders' Meetings, by means of electronic communication (e-General Meetings).

### Employees

- We use the intranet (thematic sites and posts) for daily communication.
- The most important information is communicated via emails and in an e-newsletter.
- We hold quarterly meetings with the Management Board.
- The company regularly holds departmental meetings, status meetings, thematic meetings, etc.
- We conduct the Pulse Check employee engagement survey once a quarter.

## Business partners

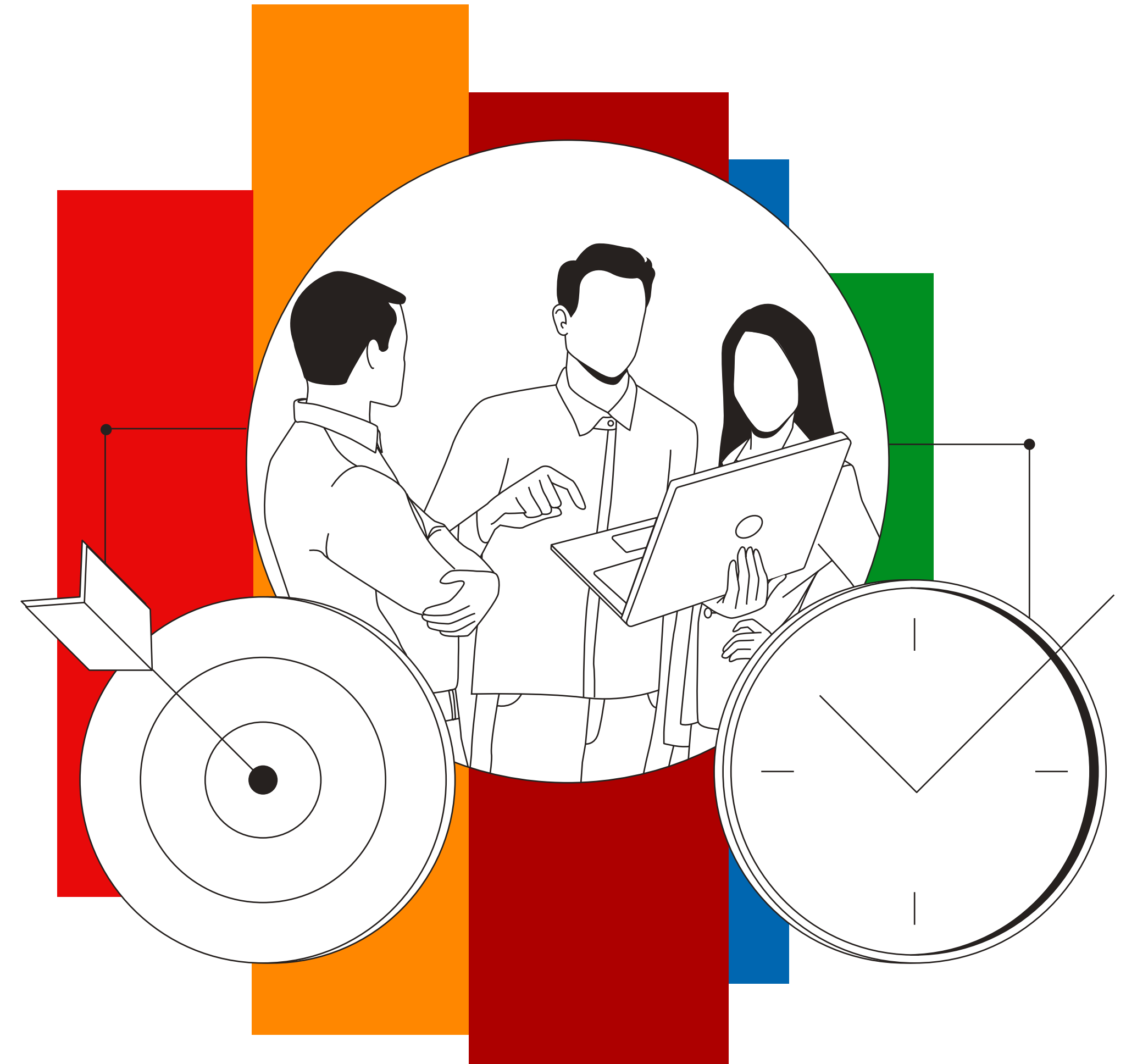
Our employees maintain regular communication with business partners through:

- electronic procurement system,
- e-mail,
- periodic working meetings,
- industry meetings and events.

## Institutional environment

We are in regular contact with representatives of industry organisations and market regulators. We communicate via email and traditional mail, attend work meetings and official events, prepare reports, and undergo mandatory inspections.

We have been engaged in a stakeholder dialogue process since 2021. It has resulted in the development of a so-called materiality map. For more information, see “About the report”.



# 2. Responsibility towards our clients

## Our promise:

We support customers in safe and convenient banking as well as making conscious financial decisions.

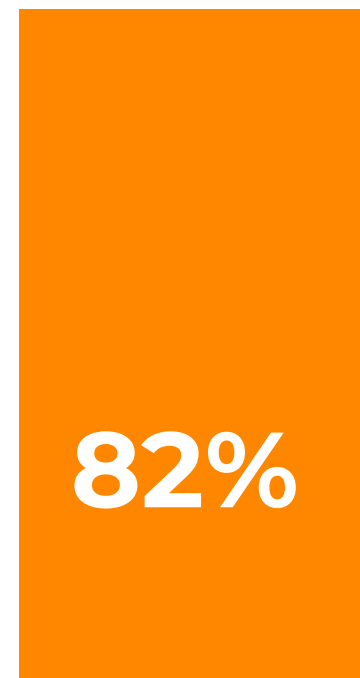
## Selected strategic objectives:

- Develop the personal finance management (PFM) functionalities
- Continue educational campaigns on safe finances, including one cybersecurity campaign in each year of strategy implementation
- Use clear communication and plain language
- Adapt all branches to the needs of people with disabilities
- Certify our buildings, customer service and internet websites by 2023





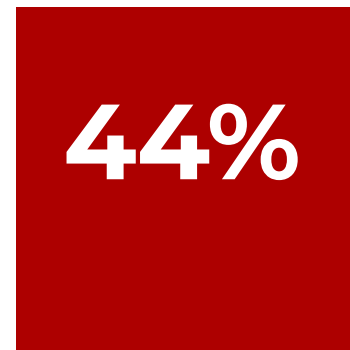
## 2.1. Convenient digital banking



Retail clients of mBank initiate 82% of their banking matters in digital channels



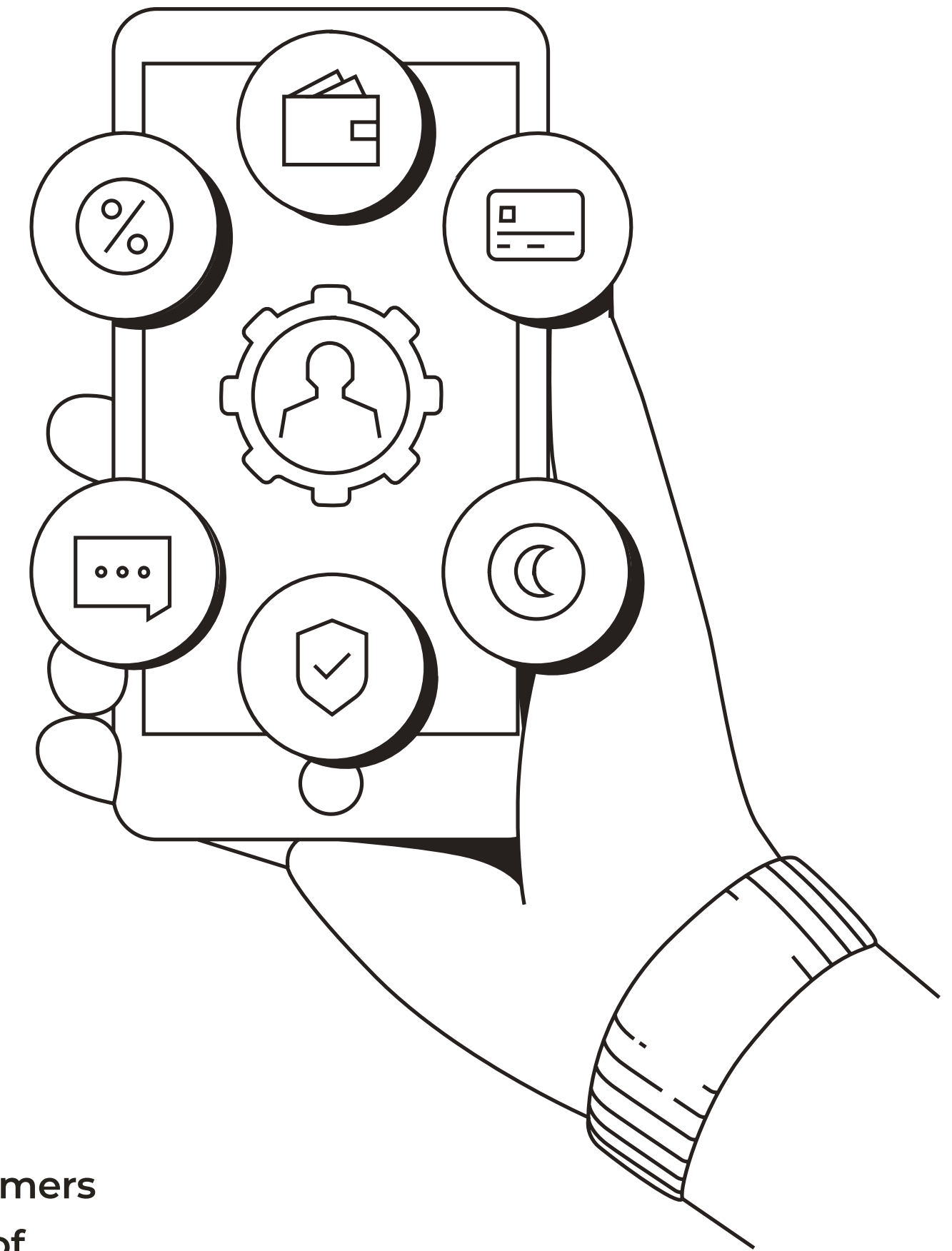
80% of retail client applications for unsecured loans are initiated through digital channels



44% of companies' applications for unsecured loans are initiated through digital channels



86% of corporate customers have at least one user of mBank's mobile application



## Retail banking area

mBank’s Retail Banking segment serves more than 5.6 million individual clients and micro-enterprises in Poland, the Czech Republic and Slovakia. Our focus is on promoting self-banking. Contact with an employee of the bank is reserved for challenging situations and issues that clients cannot solve on their own. Advisers in branches and in the Contact Centre are equipped with digital tools for remote interaction with clients.

In 2022, considerable efforts have been devoted to the development and promotion of remote account opening - customers, including those with disabilities or who live far away from branches - can open an account at any time, e.g. with an e-ID or in a ‘selfie account’ offer. The process guarantees convenience while helping to take care of the environment. In 2022, 32 thousand people had already opened accounts using their selfie (21 thousand in 2021).



good practice

We respond to all government social programmes available online and enable new e-government services. In 2022, we collected more than 200 thousand such applications from our clients.



good practice

Marek, our voicebot, is doing increasingly well and successfully answers calls from customers. In 2022, Marek solved more than ¼ of cases in the voice channel and 16% of cases in the chat channel.



The significance of the mobile channel continues to rise: The mBank app is already used by more than 3.3 million users in Poland, the Czech Republic and Slovakia. In 2022, our clients logged in to the app more than 1 billion times.

**Number of mBank’s mobile app users (Poland and foreign branches)**

	2020	2021	2022
Number of mBank’s mobile app users	<b>2.58 million</b>	<b>2.96 million</b>	<b>3.34 million</b>



**strategic objective**

We help clients manage and control their spending on an ongoing basis. In 2022, we implemented the Finance Manager (PFM) which enables the analysis of personal budgets. With the 'history analysis' function, the mobile app’s users can compare expenses and income from recent months and check their details. The data is presented in a graph, with a summary of each spending and income category (e.g. daily spending, entertainment, salary) displayed underneath. The manager also enables detailed analyses of expenditure by category, helps to plan the budget, set limits for each category and suggests what to do to make the budget more stable. At the end of 2022, more than 1.5 million clients per month were already using this function.



## Corporate and investment banking area

The Corporate and Investment Banking segment serves 33 thousand clients. The offer of products and services for corporate clients focuses on traditional banking products and services (including corporate accounts, domestic and international money transfers, payment cards, cash services, and liquidity management products), corporate finance products, hedging instruments, equity capital market (ECM) services, debt capital market (DCM) instruments, mergers and acquisitions (M&A), leasing and factoring.

In 2022, we concluded more than 3.4 thousand Integrated Bank Account Agreements (ZURBs), and 73% of these, on average, were opened digitally. We also launched a new generator of ZURB documentation, including documentation to be signed using the qualified signature. We extended the process by enabling the servicing of clients operating under other legal forms, while at the same time optimising and automating operational processes. In the coming year, apart from making new services and products available in digital ZURB onboarding, we are also planning to further automate the process.



**good practice**

In 2022, we launched a new Online Assistant service that can be used when working in mBank CompanyNet. The Assistant enables quick, secure and convenient communication with the bank via text chat. In addition, the client can share their screen with the banking system and the Customer Centre consultant will suggest what to do and highlight the relevant functions on the screen.



**good practice**

The Virtual Branch is an integral part of the mBank CompanyNet system. Clients can use it to submit electronic applications pertaining to the key areas of cooperation with the bank and handle most of their matters. In 2022, we digitalised an additional six of the most labour-intensive processes in the Virtual Branch. Currently, more than 40 key client-bank processes are fully digital. In 2022, the number of issues handled digitally increased by 22% compared with 2021 (net of one-off events related to the handling of the Polish Development Fund's (PFR) programme in 2021 and in early 2022).

Over 86% of our corporate clients use the mobile app; the number of individual users went up by 33.2% over 12 months. In 2022, we worked intensively, among other things, on the development of the payment module, we enabled the possibility of entering the most frequently used transfer types, and we supplemented the transfer entry functionality with the option to quickly send money to the originator of an incoming transfer and making a transfer again

## Digital transformation of our clients

We support entrepreneurs in moving or developing their business online. We are the only bank in Poland to offer a solution that integrates the payment management panel with the bank’s online banking platform. Paynow is the first payment integrator to use cloud-based solutions. It is also the fastest: the money is visible in the account immediately after the customer’s payment. The service has been designed to be convenient on mobile devices.

As compared to the previous year, we doubled the transaction volume in 2022. We created a team of Paynow Mobile Advisors, which provides comprehensive services and full support to our clients in implementing the gateway and tailoring it to their own needs. We also improved buyers’ experience by introducing new functionalities that increase store conversion.



**good practice**

In June 2022, mBank launched the third edition of Digital Revolutions. The focal point of the campaign was the website [cyfrowerewolucje.pl](https://cyfrowerewolucje.pl) – a comprehensive step-by-step guide on how to move a business online. The website offered entrepreneurs a free tutorial on effective sales and inspiring case studies of companies that are already successful on the Internet.

Another component of the campaign was a digital revolution contest, in which the contestants could win prizes worth PLN 400,000 in total. The contestants were asked to present their idea of an online business and justify why it had the potential to succeed in e-commerce. Both companies with long-standing experience and newly established businesses could participate in the contest. The award package included tools will help the winners set up an online store, master email marketing, tackle legal issues, reach clients, deal with logistics and online payments. The winning companies were also offered expert knowledge during training courses organised by DIMAQ and mentor support. MasterCard was the strategic partner of the contest.

For information on the full range of mBank’s offerings and activities supporting the digital transformation of our clients, see chapters 6. “Retail banking area” and 7. “Corporate and investment banking area”, see the Management Board Report on Performance of mBank S.A. Group in 2022 available [HERE](#).

## 2.2. Data and money security

### Policy on information security and cybersecurity

[GRI 3-3]

We maintain the confidentiality, integrity, availability and authenticity of the information resources we hold. Information security is safeguarded by the “Policy on Information Security”, which is implemented and adhered to. In accordance with the policy:

- information security management is treated as an important part of bank management,
- we apply security standards developed on the basis of the experience of mBank employees, Commerzbank Group standards, international standards and global best practice,
- we involve all employees and raise their qualifications and awareness of information security,
- we ensure adequate resources for the execution of security processes and addition of new security features,
- we educate customers on how to behave safely in a digital environment,
- we develop and improve the information security management system.

The system for protecting the IT security of services, internal and external activities is described in our “Cybersecurity Policy”.

**In line with the document, we are obliged, among other things, to:**

- match the necessary level of cybersecurity with innovative business;
- continuously raise employee and client awareness of information security;
- manage the risk of cyber threats through a system of early detection, response, lessons learned and risk assessment;
- manage incidents;
- manage cooperation with suppliers and business partners.

To ensure the required level of security, we continuously educate and raise security awareness among our employees. Once a year, every mBank employee in Poland is obliged to complete a mandatory cybersecurity training on an e-learning platform. In addition, in 2022 the Security Department has completed the first edition of the Security Academy, dedicated to mBank employees. Under this initiative 113 trainings were held for over 10,000 participants. They were designed for IT developers, IT administrators, customer service and contact centre employees, office workers and managers.

[GRI 3-3] [MB-DB-1] [MB-DB-2]

**How do we manage cybersecurity at mBank?**

- Actions necessary to ensure the required level of security are coordinated by employees of the Security Department, led by the Department Director who has the role of CSO (Chief Security Officer). All actions are supervised directly by a member of the Management Board, who has the role of COO, and by the formally established Security Committee, composed of representatives of different areas of the bank. The Committee has powers and decides on important actions related to: protection of information, including protection of information in IT systems, banking crime, physical and technical protection, as well as ensuring the continuity of the bank’s operations.
- A dedicated Security Operations Center (SOC) team is part of the Security Department. With the SOC, we are able to effectively carry out activities related to monitoring of security and handling of cyber incidents and payment incidents 24/7/365.
- We also have our own CERT team, affiliated with the European Trusted Introducer organisation, working closely with other teams of this type. Since 2017, mBank’s CERT has held Accredited status, confirming its high organisational maturity and agility.
- The Information Security Management System we have implemented is compliant with the ISO 27001 standard. It is also an important part of the requirements imposed on the bank under the National Cybersecurity System Act. The degree of compliance with these requirements is confirmed regularly, once every two years, as part of a compliance audit. The most recent such audit took place in Q4 2021.
- In our operations, we use a range of security monitoring solutions from recognised vendors. With these services, we are able to effectively and proactively prevent many threats and respond to cyber incidents, in particular at the time of increased criminal activity in cyber area, triggered by the war in the Ukraine.
- We constantly search for weaknesses in our infrastructure and address vulnerabilities before they are exploited. In line with a defined frequency, we conduct comprehensive Red Team tests, verifying the organization’s security level and its resistance to emerging cyber threats.
- We are implementing the Stop Scams Programme, under which we will build a fraud prevention system for retail customers.
- We review our security activities and the current actual security level of processes, IT systems and provided services by means of security audits, compliance audits, advanced security tests, penetration tests, and Red Team cross-sectional tests. These activities are performed in accordance with an annual plan, which is updated and extended depending on identified risks. Detected vulnerabilities and irregularities are used in conclusions and recommendations. Their implementation allows for continuous improvement of the security level of services provided by the bank.



strategic objective

We regularly host cybersecurity awareness programmes. In 2022, as part of the “Ludzie są niesamowici” (“People Are Awesome”) campaign, we raised awareness of the most common mistakes people make while browsing the Internet that may lead to the loss of data or money. The campaign was broadcast on TV, radio and online. The focal point of the campaign is the [www.ludziesaniesamowici.pl](http://www.ludziesaniesamowici.pl) website, where people could test their cybersecurity knowledge. In 2022, the campaign reached nearly 17 million unique users. We also reminded our clients that they can use the free-of-charge service CyberRescue that helps minimise the consequences of cyberattacks.

The key benefit of the campaign is that it raised people’s cybersecurity awareness and taught them to be more cautious while browsing the web „[Samoobrona w sieci](#)”.





## Security of personal data

### [GRI 3-3]

At mBank, we are committed to the security of all the personal data we process. It is treated as formally protected information, encrypted and anonymised according to best market standards. In this respect, we act in accordance with ISO 27001, Recommendation D issued by the Polish Financial Supervision Authority (KNF), and Information Security Forum (ISF) guidelines.

We have in place a Personal Data Security Policy and a Policy for Personal Data Management over Time (retention). These policies describe the rights of personal data subjects as well as the obligations of mBank as controller. They define how we implement the principles and obligations under the GDPR such as, among others, data confidentiality, minimisation of the scope of processed data, processing for a strictly defined purpose. These policies also define how and for how long we process personal data and the deadlines after which we anonymise or delete personal data.

Training on data protection rules is provided annually to all employees of mBank and mBank Group companies. We have also appointed a Data Protection Officer who can be contacted by any data subject at: [inspektordanychosobowych@mbank.pl](mailto:inspektordanychosobowych@mbank.pl).

### [GRI 418-1] [GPW G-S1] [SDG 16]

mBank’s data protection officer confirmed 145 breaches of GDPR at the bank. After analysis and estimation of the risk of violation of rights and freedoms, we notified 58 violations to the President of the UODO. We informed the affected persons about the incidents and potential actions to minimise the adverse consequences of these incidents for them.

In 2022, we received 22 new complaints from the Office for Personal Data Protection (UODO). We also continued correspondence with the UODO regarding the complaints from previous years. The complaints concerned the bank’s processing of personal data of, among others, our clients and potential clients.

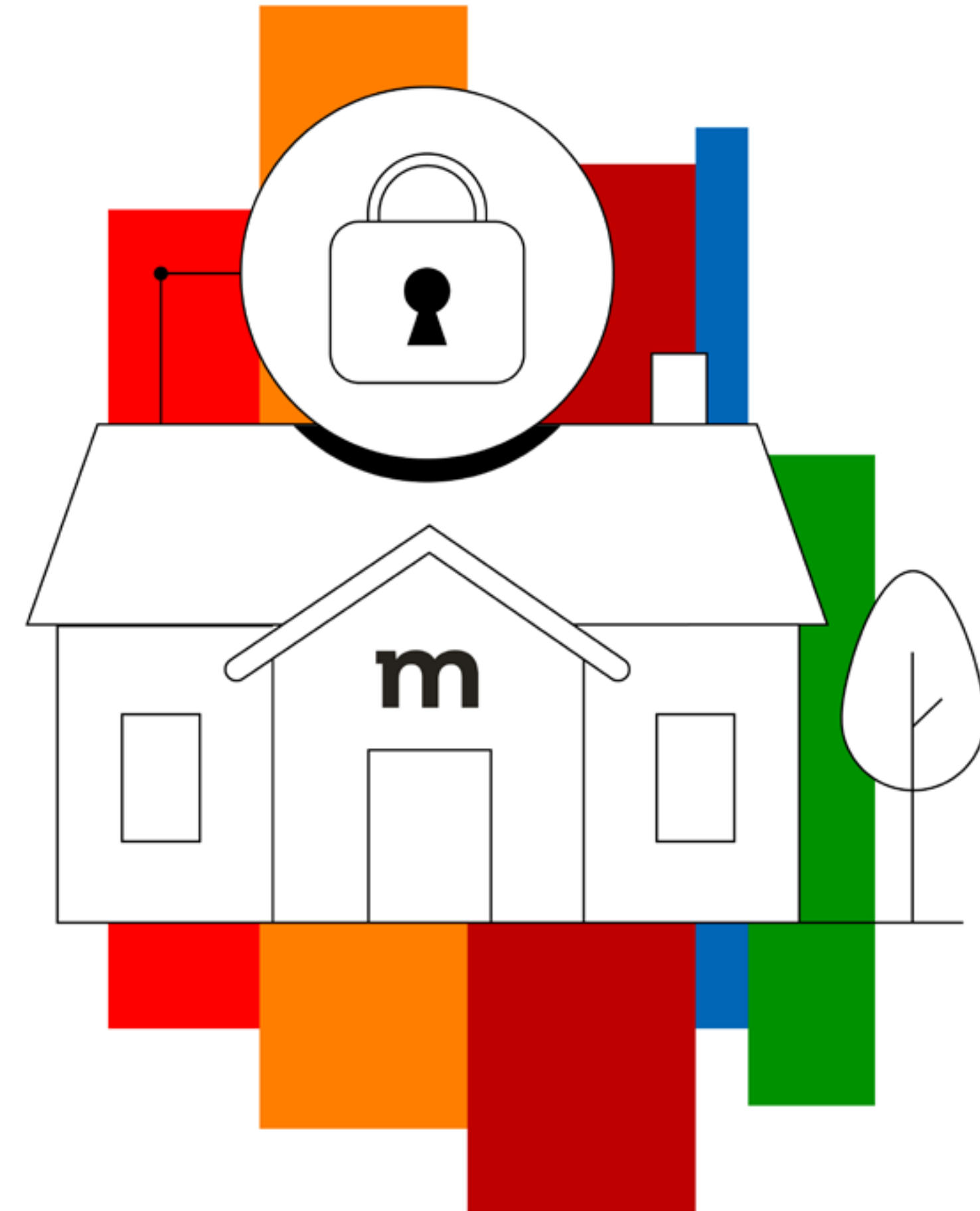
## Bank secrecy

We observe bank secrecy in accordance with the Banking Act. The rules and procedures for providing answers covered by bank secrecy on the basis of a written request from authorised state authorities are set out in an Order of the President of the Management Board. This process is centralised in a special unit within the bank.

Cases of disclosure of bank secrecy are duly investigated and, if violations by employees are confirmed, they are liable as provided for in the Labour Code or work regulations. In justified cases, we file notices of suspected criminal offences

### How we observe bank secrecy:

- mandatory employee training,
- education on the intranet,
- consultations for employees held by the Compliance Department,
- monitoring cases of potential disclosure,
- Consequence Management policy which addresses, among other things, breaches of bank secrecy regulation.



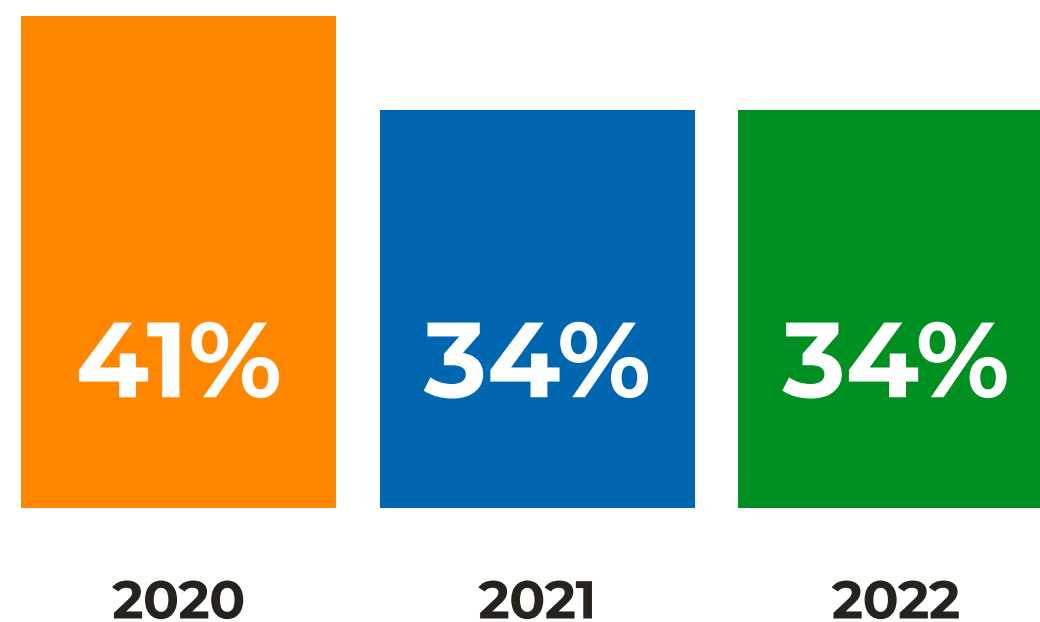
## 2.3. Client-centricity as our philosophy

### Surveying customer satisfaction

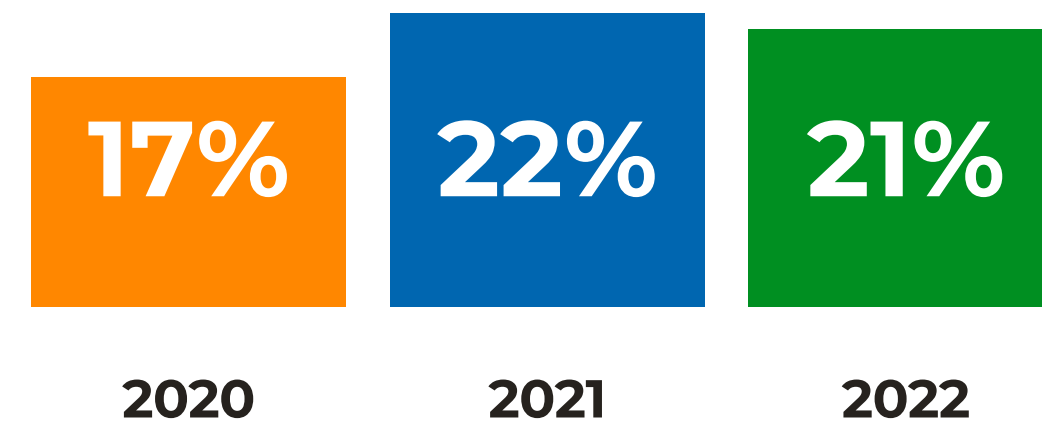
For years, we have been monitoring opinions about mBank in cyclical customer satisfaction surveys (NPS), both in the corporate and retail segments. We check which solutions are welcomed and for which there is still some room for improvement. Findings are used, among other things, by teams managing 'customer touchpoints', i.e. places and channels that drive the satisfaction of those who use our services and products.

#### Key performance indicators

NPS (corporates)



NPS (retail)



We also carefully review all survey results, suggestions and customer complaints reaching us through various channels. We regard them as a valuable input to help us improve our processes and be more responsive to our clients' needs.

#### Our efforts to increase customer satisfaction include:

- the mLab project, i.e. customer participation in research, workshops and testing of our products. With mLab, we can find out which services and products that are being designed address our customers' needs,
- Freeze-frame (Stopklatka) – a special tool that asks questions before we implement a product: how will customers be impacted by the idea, design, process, product, decision, attitude (CX, or Customer Experience criteria)? Answering all the points on the Freeze-frame checklist allows us to make sure that all the criteria for building top customer experience are met.
- Client's Friend programme, where we collect ideas, change proposals and suggestions concerning the broadly understood mBank offering and analyse them in search of the most desirable changes. Clients can share their ideas through the online banking service, in service channels (mLinia, branch, email, chat) and via social media (Facebook, Twitter). We also take note of employee initiatives –we have made a special form available on the intranet for submitting ideas and comments,
- the Eye to Eye (OKO w OKO) initiative, a series of meetings between employees of the Corporate Client Department and entrepreneurs and people planning to open their own business. This allows us to better understand their needs and expectations.

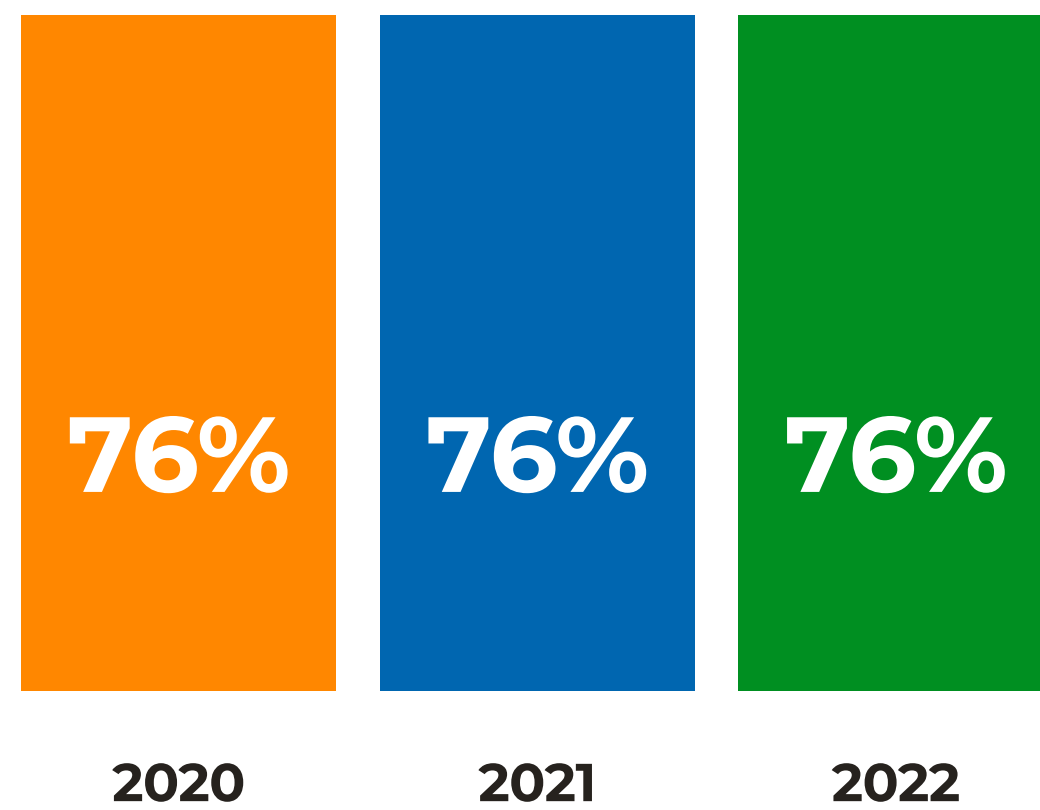
## Complaints handling

We carefully review the complaints we receive. Complaints are a natural source of knowledge as to what elements of our offer may cause dissatisfaction among clients. mBank has a programme in place to identify the causes and reduce the number of complaints. The complaints handling process is overseen by dedicated customer experience officers.

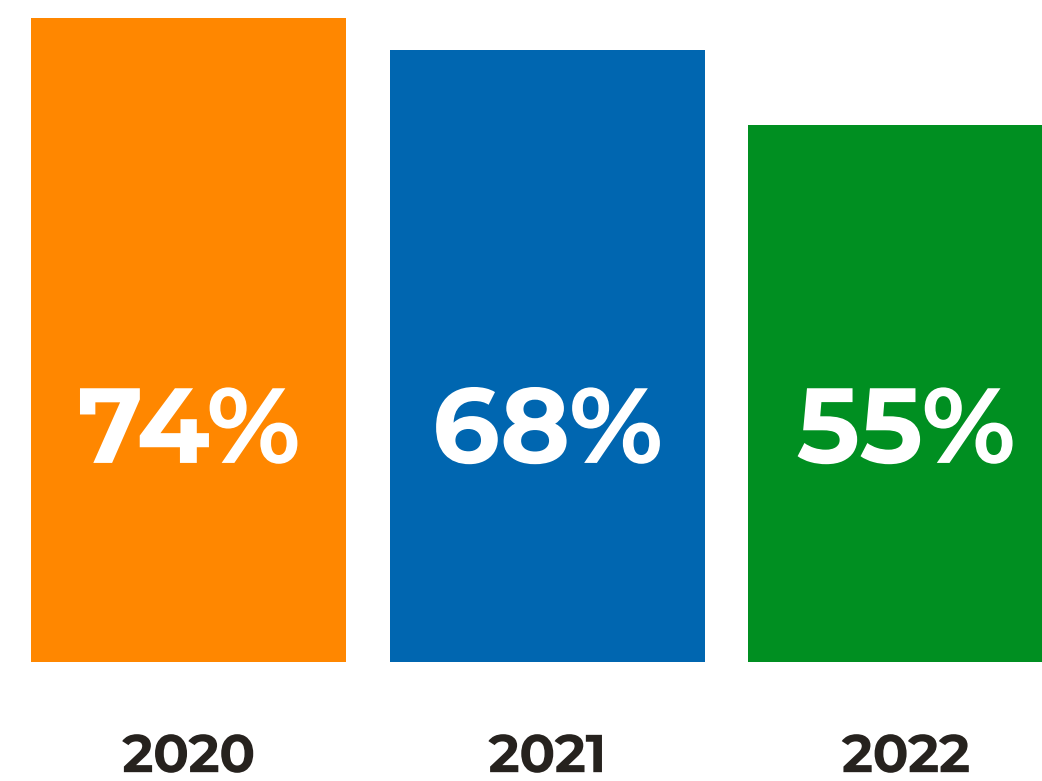
In 2022, we recorded 271,511 complaints from retail clients. We resolved nearly 55% of complaints within 1 business day. We also processed 3,874 complaints from corporate clients – 36% of them within 5 business days. The average time for processing of a complaint was less than 10 days.

### Percentage of complaints resolved in favour of the client (mBank SA)

Retail Banking



Corporate Banking



**good practice**

We handle all complaints submitted by corporate clients in accordance with the law and our internal regulations. Although we are not obliged to do so by external regulations, we have introduced the option for corporate clients to appeal a complaint decision. The appeal is always handled by a different person than the one who handled the case in the first place. If the complaint concerns an employee of the bank, it is handled by that employee’s supervisor

## 2.4. Responsible products and sales

### Healthy finances

[GRI 3-3]

In December 2022, we were the first financial institution in Poland to sign the Commitment to Financial Health and Inclusion. This is an initiative of UNEP-FI organization, which belongs to the UN family.

By signing the Commitment, we pledged to ensure that different client groups have wide and equal access to our services. At the same time, we assist them in managing their liabilities in a smooth way and securing their financial future.



**strategic objective**

We have launched an educational website [www.twojaspokojnaglowa.pl](http://www.twojaspokojnaglowa.pl), where clients can identify their priorities for healthy finances and benefit from guidance materials. These issues are arranged according to six rules. They assume that a person who has healthy finances:

- uses Internet safely,
- consciously spends his/her money,
- keeps financial cushion,
- indebts himself/herself only for absolutely necessary things,
- cares for his/her own and relatives' safety, insures what's the most precious for him/her,
- invests for the future.



**good practice**

In 2022, we became the general partner of the programme entitled "Porwani przez ekonomię" ("Captivated by Economy"). It is an educational project led by the Warsaw Institute of Banking developed on the basis of a book authored by Professor Witold Orłowski "Ekonomia dla ciekawych" ("Economy for the Curious"). The project is addressed to upper primary and secondary school students. Its objective is to explain economy, its problems and mechanisms to young people in an interesting and inspiring way. The project began on 22 November with a special online class entitled "Dlaczego nie lubimy inflacji?" ("Why do people dislike inflation?"), which was attended by nearly 7,900 students from 250 schools across Poland. The ultimate goal of the project is to organise lessons for school students from all over Poland

## Products matched to customers' needs

### [GRI 3-3]

The New product introduction policy sets out the general rules for the process of introducing new products to mBank's offering and modifying existing products. It ensures that the products we deliver are:

- consistent with mBank's strategy and values, including empathy and the client-centric philosophy we follow;
- safe for clients and for us, including, but not limited to, taking into account our safety standards;
- compliant with generally applicable laws and our internal strategies and policies.

The products are evaluated according to defined acceptance paths, depending on the scale of the change and the level of risk involved. Thanks to this approach, we limit the risk of introducing products that have a negative impact on ESG aspects, do not match the needs of customers, and have a negative impact on mBank's reputation. By developing our offer in the spirit of ESG, we not only limit potential risks, but also make better use of emerging business opportunities.

The product introduction policy defines the rules of compatibility of mBank's financial products with clients' needs and rights. We monitor the match of offered products with the needs of their users by reviewing the sales process, and analysing complaints and claims submitted by clients. The product introduction policy sets out a zero tolerance rule against misselling of products:

- misleading, negligent and unprofessional product selling;
- distorting the character of individual products;
- misselling – selling products which are not intended for a particular customer group.



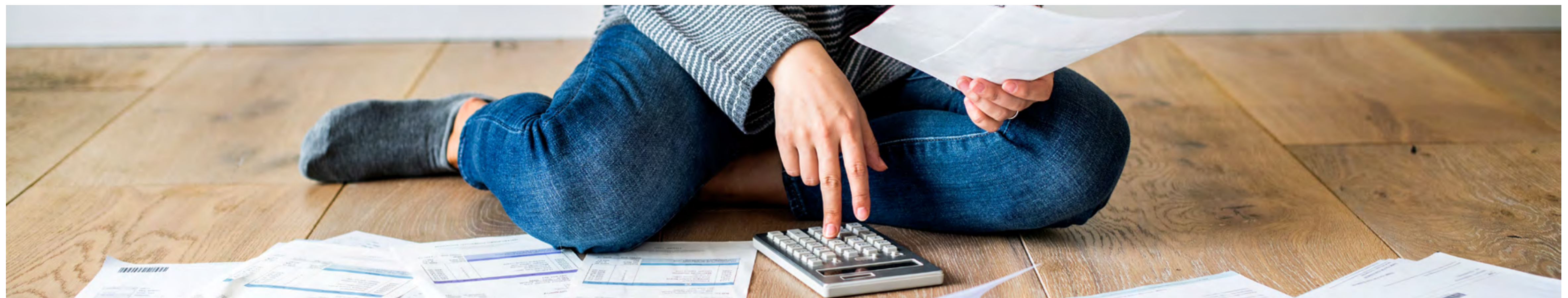
**strategic objective**

In 2022, we fulfilled our commitments declared in the “ESG Strategy of mBank Group for 2021-2025” and assess each new product against ESG factors, i.e., its impact on social and environmental goals

[GRI 3-3]

**How we prevent misselling?**

- we comply with all legal regulations and guidelines,
- we have implemented rules that oblige advisers, irrespective of the sales channel, to carefully examine customers' needs, address them during customer contacts and offer customers products that are relevant to their needs with fair information on costs,
- based on our quality standards, we have prepared sales call scenarios for salespeople,
- we do not pay commission to advisers if their sales are subject to critical error including misselling,
- if clients, on their own initiative, want to purchase a bank product which, based on our analysis, does not meet their needs, then the employee is obliged to read them a statement to this effect,
- we tailor marketing campaigns to the individual needs of their recipients, profiling recipients where possible,
- when we offer investment products, we check whether clients have completed the Mi-FID questionnaire. The questionnaire is prepared on the basis of the European Union regulations to help make the right investment decisions,
- for clients who apply for loans, we have prepared a clear, transparent and easy-to-read loan application which helps to understand the rules for granting loans.



## Clear communication and ethical marketing

At mBank, we prove that financial services can be presented in a simple way. Our product descriptions are clear, concise and include all relevant features that make them useful and attractive. We always communicate the risks. Changes in our price lists are communicated to customers well in advance. We do not hide any fees, we do not hide behind financial jargon, and we do not expect clients to be proficient in accounting matters. We apply the principle of transparency of information, defining its scope in such a way as not to breach the trust our clients have placed in us.

[GRI 417-3] [SDG 16]

In 2022, we did not identify a single instance of non-compliance with regulations and voluntary codes governing marketing communications.



strategic objective

We communicate with our customers based on mKanon – the standard for plain, understandable language. For more information on mKanon, see Chapter “Responsible management”.





## Borrowing wisely

In the creditworthiness examination process, we follow the nationwide recommendations and guidelines issued by the Polish Financial Supervision Authority and the pan-European recommendations developed by the European Banking Authority. In addition, we have implemented special rules for assessing the creditworthiness of clients built on years of experience.

### Good practice at mBank:

- We always fairly inform clients about the terms of the contract, the costs of the loan and the real amount of the instalments.
- We make clients aware of the potential risks associated with excessive debt and encourage them to broaden their knowledge and borrow money wisely.
- Our communication is based on building awareness of rational and informed credit decision-making. We alert clients to the need to tailor the monthly loan instalment to their needs and financial capacity. We emphasise that clients should only borrow the amounts of loans they really need.
- For clients who are interested in a mortgage, we address an offer with a periodic fixed rate. For a significant part of 2022, they bore a lower interest rate than the variable rate offer. In addition, we do not create barriers to exit from such a loan as we do not charge any fee for early repayment, whether partial or full.

- We offer variable rate mortgages. However, we do not incentivise our sales network in any special way to entice clients to a certain type of interest rate. Our focus is on providing clients with as much clear and understandable information as possible so that they can make their own decision.

In the last quarter of 2022, we rolled-out a settlement programme to CHF borrowers. We offer the conversion of the existing loan from CHF to PLN and a reduction in the outstanding principal. This is an efficient way of reaching settlement which does not burden the borrowers with excessive formalities. The settlement conditions are set individually and subject to negotiation.

The converted loan can bear either variable interest or fixed interest for a period of time. The fixed rate offered by the bank as part of the settlement is much more attractive than the typical offer for new loans. At the time of drafting this report, the fixed rate interest amounts to 4.99%. The settlement will allow the clients to eliminate the FX risk once and for all and interest rate risk for up to 5 years (in the future the interest may change depending on the market conditions).

The programme is shaped based on the experiences gathered during the pilot stage. Various settlement solutions have been tested with the representative sample of clients during the pilot programme. The pilot programme has proved that the clients are interested in an individual approach to the loan conversion.

mBank launched a dedicated website with a detailed description of the proposed settlement programme.

More information on the settlement programme can be found in Note 34 of mBank S.A. Group Consolidated Financial Statements for 2022, available [HERE](#).

## Responsible debt collection

Customers who do not pay their debt on time are subject to the debt collection process. Our activities are guided by the principles set out in the law, recommendations of the Polish Financial Supervision Authority, regulations of the European Parliament, as well as in our internal debt collection policy and the detailed procedures and instructions derived from it.

A key value in the debt collection process is respect for the dignity of our clients. The sources of our ethical principles include: The Code of Banking Ethics of the Polish Bank Association (ZBP), the Code of Conduct and our internal regulation, which sets out detailed rules of ethical conduct for debt collection employees. We exercise special care in our work to ensure that all clients' rights under consumer protection legislation are respected. We rely on the following principles:

- respect and mutual trust,
- honesty and sincerity of intent,
- partnership and dialogue,
- friendly and helpful communication

Our debt collection process is based on two pillars – debt collection and restructuring. The debt collection process can include: pre-debt collection, payment monitoring, amicable debt collection, court and enforcement collection and the sale of credit claims. At each stage of the debt collection process, the client is offered the opportunity to restructure – to amend or re-arrange the terms of repayment of the loan.

### Our principles:

- Personalised approach – the client has an adviser assigned to him or her, which allows for a personalised approach, good communication and a relationship with the client while ensuring a positive financial outcome.
- All our debt collection calls, communications by mail, SMS and email follow the principles of simple and empathetic communication, i.e. the mKanon. We provide clients with information that is important to them in a transparent and understandable manner, including information on the consequences of non-payment and the next steps we can take.
- We operate on business days, from 8 a.m. to 8 p.m.; we do not call customers on holidays or non-working days.

Thanks to a personalised service, we can offer the client the solution most suited to their current and projected financial situation while respecting the applicable lending requirements. If the customer cannot declare repayment of the entire amount due, we agree with them a repayment schedule and partial repayment or repayment at a later date to avoid serious consequences (such as termination of the contract). We also suggest to clients that they take advantage of the assistance tools available from the bank:

- deferral of payments,
- extension of the lending period,
- restructuring product,
- consolidation of debt,
- repayment support from the Borrower Support Fund.

We ensure that our team has the right qualifications, subject matter expertise and skills. Employees participate in mBank’s development programmes and in-house training and workshops on debt collection and restructuring.

In 2022, we have made special training paths available to employees to help them acquire, refresh and update the knowledge and skills they need for their work in areas such as:

- security and personal data protection,
- plain and empathetic communication,
- negotiation skills,
- forms of client assistance,
- internal regulations and procedures.

In order to ensure the highest quality, our employees’ calls with customers are monitored periodically. We assess the compliance of the calls with, among other things, the security of customer data, the debt collection policy and applicable procedures, and communication standards.

We have developed our own recruitment process, during which we pay particular attention to the candidates’ personality predispositions: customer approach, empathy and communication skills. Newly recruited employees undergo induction training to acquire information and practical skills on, among others, ethics in the job of a debt collection advisor and the bank’s values.



**good  
practice**

Our Ukrainian clients who were in arrears with their debts were provided with a special service in 2022. We approached them with an offer of repayment support. For clients who responded to our proposal, we launched the assistance tool on a simplified basis, without additional formalities



good practice

In 2022, we launched the [Problem ze spłatą](#). (Problem with Repayment) service on our website.

**Here, our clients will find information on:**

- solutions they can use if they anticipate financial problems (content to prevent falling into debt),
- actions they can take if they are in arrears with their debts to the bank (content to help them get out of debt),
- the available forms of debt repayment assistance (including the absence of additional costs associated with the launch of assistance tools and the conditions for repayment of the debt once the client has benefited from the support).



## 2.5. Inclusive banking

To ensure that everyone has equal access to banking services, we offer free products:

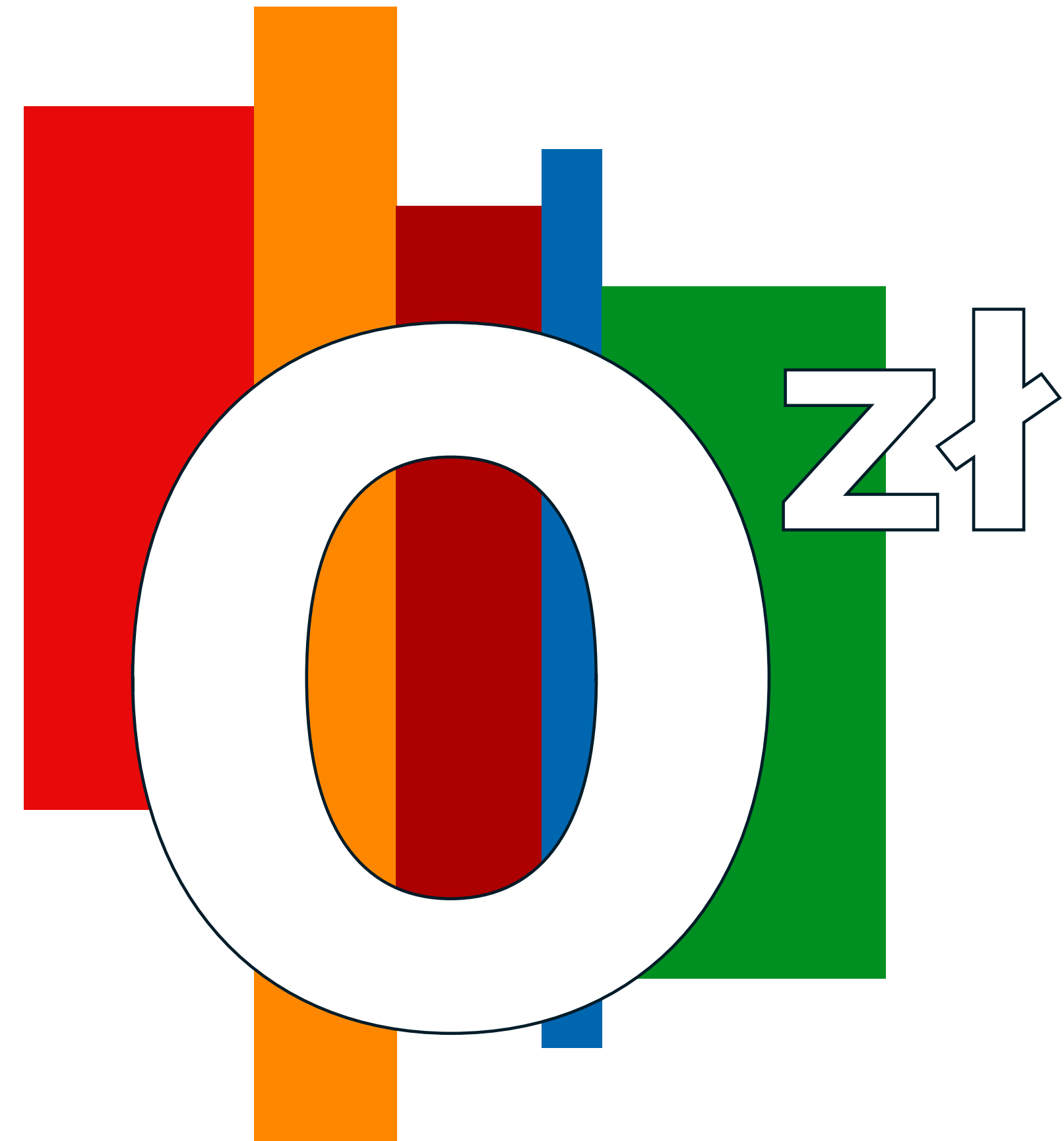
- Junior account with a card and mobile app for children up to the age of 13,
- a basic payment account, i.e. an account which supports basic banking operations (cash withdrawals and deposits, contactless and mobile payments).

Conditionally free of charge are, among others cards, issued for the personal account eKonto and ATM cash withdrawals.



good practice

Immediately after Russia invasion of Ukraine, transferring funds to Ukrainian banks became exempt from fees. Transfer fees were returned automatically, up to two weeks after the transaction was completed. In April, we launched the eKonto UA personal account for citizens of Ukraine. A simplified procedure for opening an account based on an Ukrainian ID card or passport was introduced. Both the account and the card attached are free-of-charge. We also launched a special helpline where we assist clients in the Ukrainian language. In addition, key information about mBank and its product offering is available on mBank's website in Ukrainian



## Solutions for clients with disabilities

We want mBank to be a bank that is accessible to every client, regardless of their level of functional ability. Our openness is fostered by digitalisation and the ability to handle the vast majority of banking matters by phone or computer. Digital service channels offer full flexibility in terms of geography and time, with access to banking services guaranteed from anywhere at any time. More than 80% of matters at mBank are initiated through digital channels.

We maintain the model for serving clients with disabilities introduced in 2018. Such clients are guaranteed the right to express their consent to the processing of data regarding their disability. Clients with hearing loss are offered video calls in the Polish Sign Language. They are redirected to the bank’s employees who know the Polish Sign Language, so no assistance from external interpreters is needed

In 2022, we signed agreements with the Integracja Foundation covering an architectural audit of selected bank branches and a survey of customer contact channels with the bank using the mystery shopper method.

As for digital accessibility, in 2022 we started cooperation with the Widzialni (Visible) Foundation. Together with the Integracja Foundation, the Widzialni Foundation forms a consortium placed on the list of entities granting accessibility certifications referred to in Article 17 of the Act of 19 July 2019 on Providing Accessibility to People with Special Needs.

In 2022, the Widzialni Foundation conducted a digital accessibility audit at the bank. We received detailed reports on the level of accessibility of our mobile app, online banking, application system, system design and information websites. For 2023, we have planned an analysis of the audit findings and measures to improve accessibility.



**strategic objective**

We also strive to make mBank services available to as many clients as possible, including those with special needs. This is why we cooperate with the Integracja (Integration) Foundation, which shares its 30 years worth of knowledge and experience



**good practice**

In December 2022, we once again took steps to raise awareness around disabilities among our employees. We organised internal workshops on how to communicate with and address the needs of people who are deaf, held by our employee from the Contact Centre. On our diversity page, our employee wrote a series of posts debunking myths surrounding people with disabilities. We also shared an interview with an mBank employee who works for an accessibility foundation.

Our employees received a savoir-vivre guide on how to interact with people with disabilities. We also shared a guide on how to write and refer to people with disabilities. Additionally, we prepared a short information booklet for our employees, presenting basic definitions of disabilities, describing their severity levels and types and clarifying the procedure to receive a disability certificate.



# 3. Responsibility towards employees

**Our promise:**

We walk the talk. We first accomplish and then communicate. We build corporate culture based on values and incorporate ESG into our daily life.

**Selected strategic objectives:**

- Ensure gender balance in the succession programme, with a proportion of participants of a given gender at minimum 45%.
- Implement a hybrid work system that will meet the needs of the employer and employees.
- Have 90% of employees with a possibility to fulfil their jobs in a flexible manner by 2023.





## 3.1. Distinctive people and organisation culture

More than 8 thousand people work every day across the Group to earn the trust of our clients. The vast majority of mBank employees, more than 7 thousand people, are employed in full-time positions under contracts with no fixed term. Our employees are relatively young: 37% are below the age of 35. They are also well-educated – 85% are graduates of higher education institutions. Many employees undertake post-graduate and MBA studies

The basic document that defines the rights and obligations of employees and the employer at mBank is the mBank S.A. Work Rules. It is available to all employees on the intranet. To remove the language barrier, employees of mBank’s foreign branches have work regulations available in Czech and Slovak.

[GRI 2-7]

### Total number of employees by employment contract and by gender

Type of employment contract	mBank Group*			mBank S.A.**		
	Women	Men	TOTAL	Women	Men	TOTAL
fixed term	646	421	1,067	509	326	835
no fixed term	3,633	2,474	6,107	3,239	2,285	5,524
<b>TOTAL</b>	<b>4,279</b>	<b>2,895</b>	<b>7,174</b>	<b>3,748</b>	<b>2,611</b>	<b>6,359</b>

### Total number of employees by employment type and by gender

Type of employment	mBank Group*			mBank S.A.**		
	Women	Men	TOTAL	Women	Men	TOTAL
Full time	4,139	2,864	7,003	3,650	2,594	5,934
Part time	140	31	171	98	17	115
<b>TOTAL</b>	<b>4,279</b>	<b>2,895</b>	<b>7,174</b>	<b>3,748</b>	<b>2,611</b>	<b>6,359</b>

[GRI 2-8]

At the end of 2022, in mBank Group we employed 1,525 workers on the basis of a contract of mandate. Most of them are employees mFinanse network.

\* mBank with foreign branches, mFactoring, mFinanse, mBank Hipoteczny, mLeasing

\*\* mBank with foreign branches in Czech Republic and Slovakia

[GRI 401-1] [GPW S-P3]

**Total number and rate of new employee hires and total number and ratio of employee turnover during the reporting period**

**Total number of new employee hires**

**New employee hires ratio**

Gender	mBank Group*	mBank S.A.**
Women	733	467
Men	646	444
<b>TOTAL</b>	<b>1,379</b>	<b>911</b>

Gender	mBank Group*	mBank S.A.**
Women	10.2%	7.3%
mężczyźni	9%	7%
<b>TOTAL</b>	<b>19.2%</b>	<b>14.3%</b>

Age	mBank Group*	mBank S.A.**
Up to 30 years	594	387
30-50 years	725	493
Over 50 years	60	31
<b>TOTAL</b>	<b>1,379</b>	<b>911</b>

Age	mBank Group*	mBank S.A.**
Up to 30 years	8.3%	6.1%
30-50 years	10.1%	7.8%
Over 50 years	0.8%	0.5%
<b>TOTAL</b>	<b>19.2%</b>	<b>14.3%</b>



\* mBank with foreign branches, mFaktoring, mFinanse, mBank Hipoteczny, mLeasing

\*\* mBank with foreign branches in Czech Republic and Slovakia

## Total number of employee turnover

Gender	mBank Group*	mBank S.A.**
Women	1,464	456
Men	1,200	360
<b>TOTAL</b>	<b>2,664***</b>	<b>816</b>

Age	mBank Group*	mBank S.A.**
Up to 30 years	940	303
30-50 years	1517	440
Over 50 years	207	73
<b>TOTAL</b>	<b>2,664***</b>	<b>816</b>

## Employee turnover ratio

Gender	mBank Group*	mBank S.A.**
Women	20.4%	7.2%
Men	16.7%	5.7%
<b>TOTAL</b>	<b>37.1%***</b>	<b>12.8%</b>

Age	mBank Group*	mBank S.A.**
Up to 30 years	13.1%	4.8%
30-50 years	21.1%	6.9%
Over 50 years	2.9%	1.1%
<b>TOTAL</b>	<b>37.1%***</b>	<b>12.8%</b>



\* mBank with foreign branches, mFactoring, mFinanse, mBank Hipoteczny, mLeasing

\*\* mBank with foreign branches in Czech Republic and Slovakia

\*\*\* A significant difference in employment between 2022 and 2021 results from a change in the form of employment in mFinanse.

## 3.2. Employee motivation

[GRI 2-19] [GRI 2-20]

The incentive system plays a key role in shaping the mBank Group’s corporate culture. The incentive system plays a key role in developing our corporate culture and builds our competitive advantage by acquiring and retaining competent employees. It includes:

- Employee remuneration policy,
- Risk Takers Remuneration Policy,
- intangible elements (e.g. career development opportunities).

### The remuneration policies:

- define principles of remuneration,
- determine the fixed and variable components of remuneration,
- support sound and effective risk management,
- ensure that decisions made do not entail excessive risk (i.e. risk exceeding the risk appetite accepted by mBank’s supervisory board),
- support the application of the strategy,
- support the capital management,
- limit conflicts of interest,
- conform to the gender neutrality,
- comply with relevant laws and regulations.

The lowest remuneration in our organisation is nearly double the national minimum wage. Managers provide employees with comprehensive information and justification for their salary decisions. The variable part of the remuneration depends on the qualitative and quantitative objectives achieved by the organisation as a whole and by individual employees. This includes the bonus awarded to members of the management board and employees.



**[GRI 2-19] [GRI 2-20]**

In 2022 mBank Group applied Incentive Programme for the Management Board Members and Employees with Significant Influence on the Risk Profile of mBank Group. Eligible persons under the programme include persons holding positions identified as having a material impact on the bank’s risk profile, referred to as: Risk Taker I – member of the management board of mBank, or Risk Taker II (excluding Risk Takers II – members of the management board of mBank Hipoteczny S.A., which applies a separate incentive programme) – an employee holding a position having a material impact on the bank’s risk profile. Also a member of the management board of a subsidiary of mBank.

To find out more about our Remuneration policy, including remuneration, see the Management Board Report on Performance of mBank S.A. Group in 2022 available [HERE](#).

In 2022, as a result of lower variable part of remuneration, the salary of the highest paid person declined by 5.35% compared with 2021. In the period under review, the median of the growth of the total remuneration of all employees excluding the highest paid person, amounted to 5.71%.

To calculate the annual total compensation ratio, we used the the organization’s highest-paid individual, i.e. the President of the Management Board of mBank, and the median annual total compensation, excluding the highest-paid person. Remuneration the highest-paid person is the sum of the value of fixed and variable remuneration, paid in 2022, which was reported in the „Report on remuneration of the Management Board Members and Supervisory Board Members of mBank S.A. for 2022”, available [HERE](#).

**[GRI 2-21]**

**Annual total compensation ratio**

The ratio of the annual total compensation for the organization’s highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual)	mBank S.A.
	48,7

**[GRI 202-1] [SDG 1] [SDG 5] [SDG 8]**

**Ratios of standard entry level wage by gender compared to local minimum wage**

Ratio of the pay of the lowest-level employees to the minimum wage with breakdown per category	mBank Group*	mBank S.A.
Women	204%	189%
Men	204%	189%

\* mBank without foreign branches, mFactoring, mBank Hipoteczny, mLeasing

[GRI 405-2] [GPW S-P2] [SDG 5] [SDG 8] [SDG 10]

**Ratio of basic salary and remuneration of women to men per employee category**

Ratio of the basic salary of women to men	mBank Group*	mBank S.A.**
Senior management	71%	76%
Middle management	86%	82%
Other employees	79%	77%

Ratio of the remuneration of women to men	mBank Group*	mBank S.A.**
Senior management	67%	69%
Middle management	83%	81%
Other employees	77%	75%

\* mBank without foreign branches, mFactoring, mFinanse, mBank Hipoteczny, mLeasing

\*\* mBank without foreign branches

A remuneration policy based on the principle of equal treatment on the grounds of gender. The same job or job of equal value is determined by the employee's position on the job map. We run a job evaluation system. We evaluate a job based on the scope of duties and challenges associated with it, as well as the required competences. For this we use the best practices and methodology of an international consulting company. At least once a year external consulting companies conduct payroll research for us. The results are the basis for decisions on changes in the approach to remuneration, especially in relation to the competences most sought after on the market.

One of the goals in our diversity and inclusion policy is process neutrality conducted in the bank in terms of gender. One of the assumptions is reducing the wage gap in the peer groups (grade / job family) to a maximum of 5%.



[GRI 401-2] [SDG 3] [SDG 5] [SDG 8]

Remuneration is accompanied by an extensive package of non-financial benefits available to all employees, regardless of whether they are full-time or part-time employees of mBank.

**In 2022, these included:**

- life insurance,
- health care,
- co-financing of the Multisport card,
- co-financing of the development and support of the passions of employees associated in clubs,
- co-financing of holidays from the Company Social Benefits Fund,
- Christmas subsidy from the Company Social Benefits Fund,
- two extra free days of childcare for parents of children up to 14 years of age.



## 3.3. Dialogue with employees

[GRI 3-3] [MB-DHR-11]

We regularly organize meetings between employees and the management board. For several years, meetings have been held primarily remotely. Participants can submit their questions before the meeting or post them on a live chat.

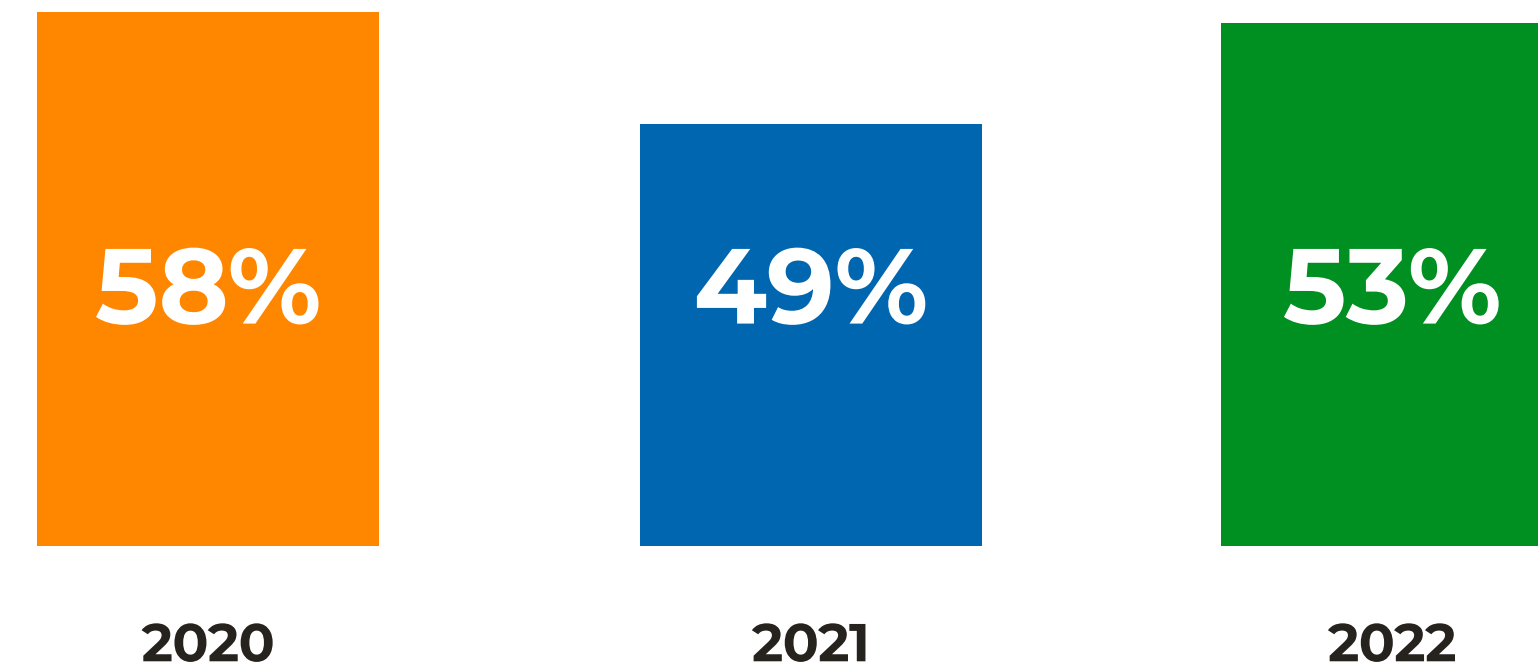
In 2022, we organized three virtual meetings and answered over 400 questions. Each meeting was attended by ca. 3,000 employees. In 2022, four additional meetings were held in the bank’s business divisions. They addressed the Group’s strategy. On average, each of them was attended by 1.3 thousand employees. In addition, in December 2022 we inaugurated the “It’s good to meet” series. It is a series of meetings with employees of regional retail and corporate sales networks to discuss current projects.

We capture employee feedback and engagement levels through Pulse Check surveys. In 2022, we conducted two Pulse Check surveys at mBank Group:

- the first one took place in April. 82% of mBank employees and 81% of main subsidiaries employees participated in it. In the survey, we investigated, among other, the organisation’s readiness to introducing a new value model, perception of remuneration level and development opportunities available to employees. We asked about wellbeing and level of stress in the context of current political and economic situation,

- another Pulse Check survey was conducted in October. The survey was completed by 84% of mBank and main subsidiaries employees. We paid a lot of attention to the hybrid model in the organisation, diversity and cooperation between Group companies.

Employee engagement ratio in mBank Group





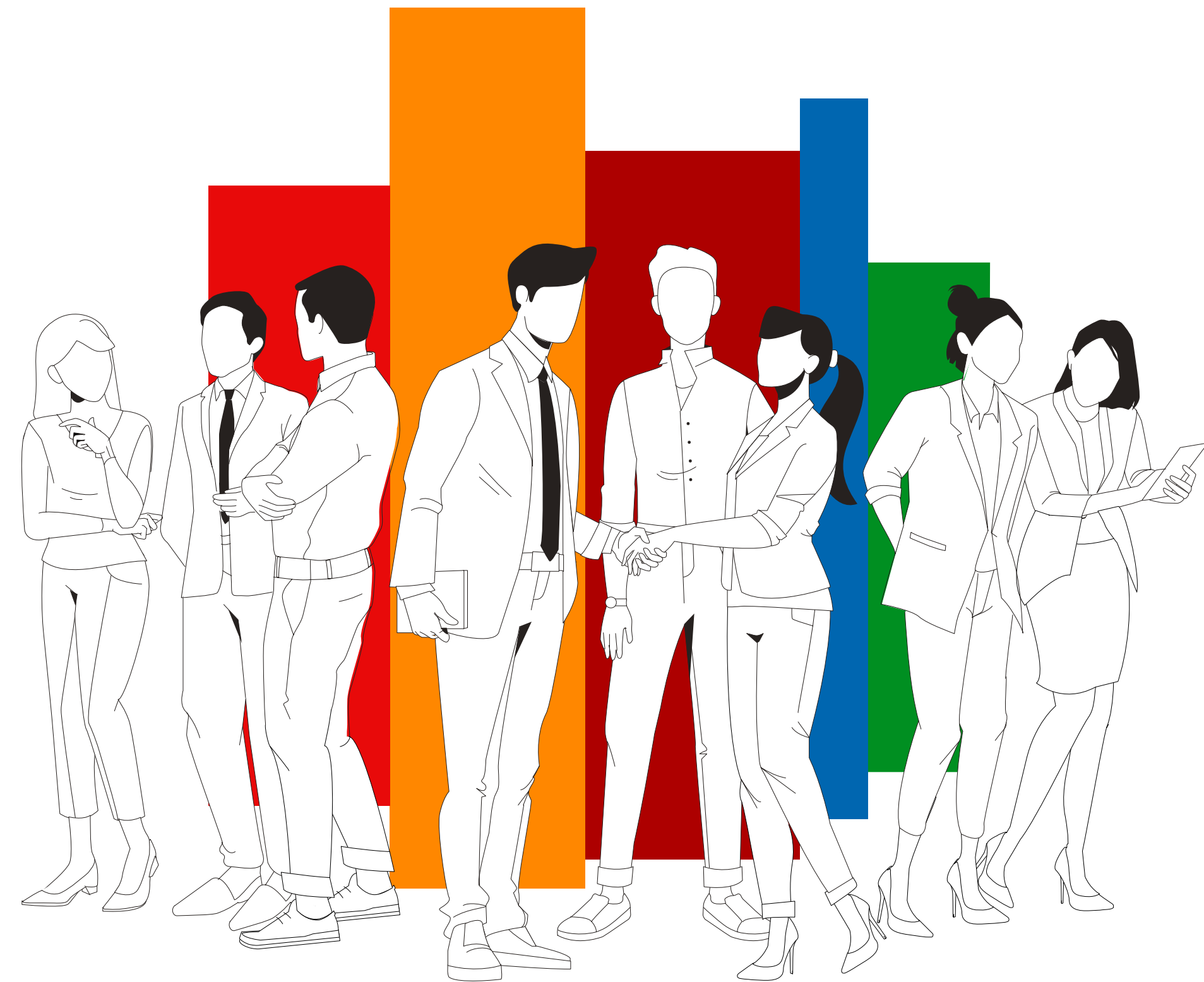
mBank employees are represented by the Workers' Council established under the Act of April 7, 2006, on employee information and consultation. The Workers' Council is comprised of 7 members elected by all employees for a term of four years. Its responsibilities include consulting the employer on: status quo, structure and expected changes of employment, and matters which could cause significant changes to the organisation or the basis of employment.

The Workers' Council operates under an agreement with the bank. The Workers' Council meets with HR partners and the president of the Management Board of the bank in order to express its opinion concerning the quality of cooperation between the Council and the bank. We treat these meetings as a way to identify issues requiring possible change. In 2022, the topics discussed with the Council concerned: the approach to remuneration, spending funds from the Social Benefits Fund, changes planned in the bank.

Employees of mBank are guaranteed freedom of association by the laws in force in Poland, set out, among other regulations, in the Labour Code, the Act on Trade Unions and the Act on Employers' Organisations. There is also an Independent Trade Union of mBank Employees at mBank. We are open to cooperation with this organization to the extent specified by law.

[GRI 2-30] [GPW S-P4] [SDG 8]

There is no collective bargaining agreement at mBank.



## 3.4. Employee development

[GRI 3-3]

Our goal is to build a learning organisation approach. We enable all employees to individually choose their development path in our company and participate in selected development activities. This is enabled owing to free access to multimedia resources and training/learning platforms and by organising big development events. This way, we seek to avoid situations where employees feel they cannot develop valuable skills in their current jobs and thus leave the company, which is a serious challenge faced today by numerous companies.



good practice

We place a high value on remote development tools. Their broad thematic scope allows our employees to gain knowledge from various areas at any time. The tools include, in particular:

- **LinkedIn Learning** – access to an up-to-date collection of over 20,000 courses in various forms, including videos, lectures, audio tutorials, presentations, animations and tests.
- **Legimi digital libraries** – this solution allows our employees to freely choose from more than 60,000 e-books and audiobooks. In 2022, more than 3,600 users borrowed more than 325 thousand books.
- **development page and knowledge base** – in a dedicated section of the intranet we gather and present development information, materials and recordings from the selected training courses and workshops.
- **training zone** – access to an up-to-date collection of over 22,000 e-learning courses, including: IT, business and soft skill courses, etc.

[GRI 404-2] [SDG 8]

We build employees' skills through ongoing programmes in, for example, managerial and expert skills. These include:

- **mBank Academies.** Training sessions, conferences, workshops and other development initiatives that support substantive competence in various areas. They are supplemented by expertise on the latest market trends. In 2022 these included, among others, the following: Data Academy, Agile Academy, Risk Academy, Security Academy.
- **Leaders in a New Reality.** The programme is divided into five stages. It is addressed to all newly promoted managers of the Group. The aim of the programme is to provide knowledge and tools connected with new team management and communication methods. In 2022, 62 “fresh” managers took part in the programme. A new module called “Diversity in a Team” was added to the programme.
- **Individual diagnostic and development programme** for Top100 managers, including the management board. This is an individual executive development programme conducted by external experts. In 2022, 15 managers (including 5 women) took part in the programme. We also organised a similar managerial diagnosis programme for line managers, with 29 participants in 2022.
- **Postgraduate courses.** In the academic year 2021/2022, we financed postgraduate courses of 38 employees. The courses covered the following fields of knowledge: Data Science – analysis and processing of large data sets, compliance analytics, visual data analytics, project management.

- **Develop Your English.** This is a bank-wide language learning programme (levels B2, C1 or C2). In 2022, 1,030 employees participated in the programme.
- **Individual training.** One of the key categories is regulatory training related to i.a. risk management and capital adequacy change management, ESG implementation in financial institutions, crime financing prevention or liquidity management. In 2022, 1,137 employees took part in individual training sessions.
- **Development Fridays.** The project is addressed to all employees of mBank and its subsidiaries. It includes cyclical events (presentations, lectures, workshops, webinars, consultations, remote courses). They are run by both external experts and our own employees following the concept of knowledge sharing. In 2022, we organised over 500 different activities.

In 2022, 85% of employees participated in at least one development activity (excluding obligatory training). The training courses organised at mBank are open to all employees working based on employment contracts (both part-time and full-time staff) and other types of agreements.

## Competences of the future

In 2022, we continued the programme designed to incorporate the skills of the future in our organisation; these include:

- database skills,
- cybersecurity,
- critical thinking,
- artificial intelligence and machine learning,
- robotisation,
- cloud solutions and
- creativity/innovation.



**good practice**

In 2022, we focused specifically on developing creativity and innovation. To this end, we organised the “Mission Innovation” contest and invited all mBank Group employees to participate. The participants were required to present an innovative project implementing a new technological solution at the bank. The assessment criteria also included the use of the bank’s databases and diversity of the competing teams. The contest participants submitted 243 innovative ideas. The contest was accompanied by two days of meetings and debates with the promoters of innovation in Poland and in mBank Group.



## Organization based on strengths

2022 was the next phase of building a strengths-based organisation, based on Gallup’s Talent methodology (CliftonStrengths survey).

- We used off-site team-building meetings as a platform to integrate teams, promote mutual understanding and rebuild relationships on talent-based workshops. This way teams discovered their individual talents, team talents and had the chance to see themselves from a new perspective.
- In July and August, we launched a special programme “Summer full of talents”. The purpose was to enable all employees to individually work on their talents.
- We also continued the onboarding programme “A strengths-based start” for new employees. Every new mBank employee is given access to the online talent assessment. The programme comprises the Clifton Strengths 34 report.

In 2022, for the very first time, we made available to all interested employees and managers an option to thoroughly discuss their strengths reports. The cyclical weekly sessions started in September 2022 and are held by certified strengths coaches. The strengths coach community comprises 12 HR experts who were awarded a certificate from the Gallup Institute or a local Strengths Community firm. All the certificates were financed by mBank.



**good practice**

We run mentoring programmes for our employees:

**MANAGERIAL PROGRAMME** – experienced managers provide support in leadership skills.

**SPECIALIST PROGRAMME** – subject matter experts, coordinators, product trainers and more experienced employees assist in building specific competences.

**DEVELOPMENT PROGRAMME** – support to take on a specific role in the organisation or to build long-term development goals. The more experienced employees, coaches and development professionals can be mentors in the process.

**STRATEGIC PROGRAMME** – is the process that prepares individuals to take responsibility for strategic functions in the organisation. Mentors are selected on a case by case basis depending on the objective.

In 2023, we will launch a certification programme for 35 mentors to support managerial and specialist mentoring. We also plan to organise regular meetings that will become a forum for knowledge sharing. Our mentors can also benefit from the support of supervisors from the Businesswomen’s Leadership Foundation.

## Management by Objectives

Since 2011 mBank has been operating a Management by Objectives system, which helps employees focus on the implementation of the Organisation’s Key Objectives. The OKR approach is based on the following pillars:

- **PRIORITIES:** we focus on what is most important. We decide what business value we want to achieve by the end of the quarter and monitor the implementation of strategy on an ongoing basis.
- **EFFICIENCY:** the quarterly cycle makes it possible to identify threats to objective accomplishment. Under the new approach, we can react quickly and operate more efficiently.
- **ENGAGEMENT:** employees see the bigger picture of their work and how their work contributes to the priorities of their areas and the organisation.
- **COOPERATION:** We are organised around tasks and challenges, and not around the organisational structure. We give up the silo approach and choose active cooperation.
- **TRANSPARENCY:** Objectives are visible to other employees. Work goes smoother when information circulation is transparent and we know our coworkers’ priorities.

The basis for the planning of objectives in 2022 were the priorities set by the Management Board members. They were reflected in managers’ and employees’ objectives. We encourage mBank employees to set ambitious team goals. Thanks to that, employees develop their competences and strengthen cooperation between departments.



### strategic objective

ESG issues are one of the elements that we take into account when we assess the performance of the management staff, including the members of the management board. In 2022, we defined and settled ESG goals with a weight of 10% for TOP 100 mBank managers. Each of the directors also defined tasks to complete in scope of ESG and metrics to measure progress on a quarterly basis.

## 3.5. Employee wellbeing

### Hybrid work system

[GRI 3-3] [MB-DHR-4]

In 2022, after the pandemic situation stabilised, we enabled the vast majority of our employees to work in the hybrid model. The pandemic period has demonstrated that such a model is effective and helps to combine work and private life. The hybrid working system also reflects the needs of employees, who indicated the model as their preferred one.

We made sure that the rules governing the new work model are transparent to every employee. That is why in April 2022, we introduced the “Hybrid-model working rules”. It regulates work in the hybrid model and sets forth security and information protection requirements as well as occupational health and safety rules. We provided more information explaining the rules in the email communication and in a dedicated section in the Intranet. In response to our employees’ needs, we also introduced rules for working from abroad.



**strategic objective**

On average, over 90% of the staff now work in this model. In mBank’s head offices, the hybrid working mode is usually three days in the office and two days working remotely. In sales, contact center, operations and IT networks, the hybrid working model has been adapted to the specifics of these areas. We are flexible, so if employees do not work to a strict working time schedule, they can agree a more suitable approach with their manager. 83% of employees admit that the hybrid working arrangement allows them to manage work and personal commitments flexibly (Pulse Check survey Q4 2022).



**good practice**

To help employees return to the office after two years of working remotely, we have developed the “It’s great to be in the office” programme. The programme encouraged integration, rebuilding relationships, and demonstrated the benefits of working in offices. At our offices in Warsaw and Łódź, we organised, among other things: healthy breakfasts, thematic workshops related to employees’ passions, cinema screenings, morning exercise, Nordic walking and yoga, breathing workshops. With managers in mind, we run the “ODnowa” (REnew) programme, which supports employees in managing their team in remote and hybrid environments. The programme was launched during the pandemic and continued in 2022.

## Energized for Healthy Life

We create a work environment that promotes a healthy lifestyle, encourages working at mBank, reduces stress, inspires employees, and encourages engagement. This reduces staff turnover, increases productivity and innovation, and makes it easier to attract talent.



The foundation for developing a strategy for employee well-being activities is to systematically ask about their needs. We examine both the psycho-physical condition of employees, their habits and their expectations in terms of support by the employer.

This is how our flagship programme “Energized for Healthy Life” was developed – activities that promote healthy lifestyles, improve wellbeing and build mental resilience. The programme offers a diversity of topics and actions. We encourage employees to take part in lectures, webinars, online courses as well as consultations and fitness training sessions. We also provide crisis intervention support delivered by psychotherapists.

The “Energized for Healthy Life” programme is free of charge and available to any employee, regardless of working time or form of employment. All events are financed by the bank and some are also open to employees’ families. The scope of the programme is updated based on conclusions from the analysis of Pulse Check results and a special follow-up survey. In 2022, we organised over 200 different activities within the programme.





**good practice**

A particular area of activity in 2022 was cancer prevention. We have organised breast, thyroid, testicular and abdominal ultrasound examinations at our offices. We also invited employees to three cycles of self-examination workshops on breast and testicular phantoms, and provided around 200 free vouchers for cancer marker tests during the year. mBank also joined the Pink October and Movember campaigns as part of World Cancer Day. We held webinars to raise awareness of cancer prevention and support for those affected by cancer.



**good practice**

From September to December 2022, we ran the “Autumn of Psychological Support” campaign. The activities aimed mainly at combating fatigue and bolstering mental wellbeing. We provided our employees with strategies for dealing with emotions, increasing their emotional efficiency, stress tolerance and resilience to emotional overload, as well as helping them understand that they need to work out their own methods of coping with stress. We invited our employees to take part in lectures, workshops and consultations with experts in this field.

85% of employees believe that mBank cares about their health. In 2022, approximately 16,500 participants took part in various educational and diagnostic activities.



## 3.6. Diversity and inclusion

[GRI 3-3]

In 2022, we adopted the Diversity and Inclusion Policy. The policy focuses on four areas:

- raising and fostering employees’ awareness about diversity,
- counteracting discrimination,
- gender neutrality in the processes implemented at mBank,
- increasing the number of employees with disabilities.

**The diversity policy is supported by a number of other documents. Such documents include, in particular:**

- **mBank Code of Conduct** – a set of minimum standards and behaviours which mBank expects from its employees. The most important of these principles are as follows:
  - everyone has the right to respect and to be treated equally and fairly,
  - we recognise and appreciate that different skills, experiences and opinions build an atmosphere of cooperation and contribute to strengthening our competitiveness,
  - equality means that each person or group of people is given the same resources or opportunities.

- **Remuneration Policy**, which is based on the gender equality principle. We operate a job evaluation system. We value them based on the responsibilities and challenges involved and the competences required. At least once a year, external consultancies conduct salary surveys for us. Their results underpin decisions on changes to the approach to remuneration, particularly in relation to the most marketable competences.
- **Policy on Preventing Mobbing, Discrimination and Other Unacceptable Behaviour** described in detail in the following chapter of the report.
- **Model of Values and Behaviours**, according to which we do not accept any form of discrimination and expect behaviour in line with the adopted Model. The management and HR team of our bank are particularly responsible for their promotion and evaluation.



**good practice**

Procedures supporting diversity at mBank are supervised by the Management Board Representative for Diversity and Inclusion. She is responsible for building a diverse workplace, coordinating initiatives planned in and arising from the policy. She presents recommendations and results of activities taken to the Management Board, Supervisory Board and the Sustainable Development Committee.



**good practice**

In September 2022 we introduced a mandatory training course in diversity and inclusion. It was completed by 1,465 employees by the end of the year. The scope of the training covers the basics of microaggression, unconscious biases and the prevention of exclusionary practices. In addition, we conduct workshops related to our value model and meetings focusing on the subject of diversity, equality and inclusion in individual departments - adequate topics answer the question of how to prevent discriminatory behaviour. We also organise meetings addressing this issue in departments and teams in different areas of the bank.



Diversity is part of mBank's management competence model. We expect our managers to support us in building diverse teams within the organisation by, among other things, using diverse perspectives, combating stereotypes and prejudices and encouraging their own ideas and solutions.

Diversity issues are taken into account when appointing mBank's Management Board and Supervisory Board. This is regulated in the special Policy on the assessment of qualifications (suitability). The fulfilment of the diversity criteria for the members of the supervisory board and the management board is verified annually by the Appointments Committee of mBank's Supervisory Board and the bank's General Shareholders' Meeting.

[GRI 405-1] [GPW S-P1] [SDG 5] [SDG 8]

Diversity of governance bodies and employees per employee category by gender and age group

	mBank Group*	mBank S.A.**
<b>Management Board</b>		
Women	19%	-
Men	81%	100%

	mBank Group*	mBank S.A.**
<b>Supervisory Board</b>		
Women	24%	38%
Men	76%	63%

	mBank Group*	mBank S.A.**
<b>Management Board</b>		
under 30 years	-	-
30 to 50 years	75%	83%
over 50 years	25%	17%

	mBank Group*	mBank S.A.**
<b>Supervisory Board</b>		
under 30 years	-	-
30 to 50 years	67%	50%
over 50 years	33%	50%

	mBank Group*	mBank S.A.**
<b>Senior management</b>		
Women	26%	21%
Men	74%	79%

	mBank Group*	mBank S.A.**
<b>Middle management</b>		
Women	44%	42%
Men	56%	58%

\* mBank without foreign branches, mFactoring, mFinanse, mBank Hipoteczny, mLeasing

\*\* mBank without foreign branches

	mBank Group*	mBank S.A.**
<b>Other employees</b>		
Women	62%	61%
Men	38%	39%

	mBank Group*	mBank S.A.**
<b>Senior management</b>		
under 30 years	-	-
30 to 50 years	75%	74%
over 50 years	25%	26%

	mBank Group*	mBank S.A.**
<b>Middle management</b>		
under 30 years	1%	1%
30 to 50 years	78%	79%
over 50 years	21%	20%

	mBank Group*	mBank S.A.**
<b>Other employees</b>		
under 30 years	19%	19%
30 to 50 years	69%	69%
over 50 years	12%	12%



\* mBank without foreign branches, mFactoring, mFinanse, mBank Hipoteczny, mLeasing

\*\* mBank without foreign branches



**strategic objective**

In line with the Diversity Policy, we aim to ensure candidates of both genders are included in the recruitment process, internal appointments and succession planning for key functions within the bank. Already 44% of our management team at mBank are women. In 2022, we have defined a succession list for managerial and director positions in line with the gender ratio. We also constantly monitor succession to director positions and report on the percentage ratio of women and men in leadership recruitment on an ongoing basis. In 2022, we achieved our goal of equal representation of both genders in recruitment and promotion processes (52% of recruited and promoted managers were women).



**good practice**

We organise expert meetings where we address the topic of diversity and equal opportunities for women. At the end of 2022, during the CFA Society Poland meeting in the bank's Warsaw headquarters, we held a panel entitled "Parity: Trend or Necessity?", which addressed the issue of diversity. The meeting was inaugurated by Professor Agnieszka Słomka-Gołębiowska, Chairwoman of the Supervisory Board of mBank, and Professor Krzysztof Jajuga, CEO of CFA Society Poland. The panel was attended by the representatives of investment companies, law firms and advisory firms.



[GRI 401-3]

Parental leave

	mBank Group*			mBank S.A.**		
	Women	Men	Total	Women	Men	Total
Total number of employees that were entitled to parental leave in the reporting period	444	153	597	364	147	511
Total number of employees that took parental leave in the reporting period	444	153	597	364	147	511
Total number of employees that returned to work in the reporting period after parental leave ended	228	150	378	190	144	344
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	117	109	286	117	102	219
Employee return ratio	51%	98%	<b>63%</b>	52%	98%	<b>65%</b>
Employee retention ratio	74%	87%	<b>78%</b>	82%	87%	<b>85%</b>

The „Hello Mom, Hello Dad” programme supports employees returning from parental leave, as well as those who are planning parenthood or are already raising children. We educate how – In accordance with Polish law – parents can share the leave. We promote partnership parenthood and we care about equal opportunities for women and men in the workplace.

\* mBank with foreign branches, mFactoring, mFinanse, mBank Hipoteczny, mLeasing

\*\* mBank with foreign branches

In 2022, mBank was included on the list of Poland’s most advanced companies as regards diversity and inclusion management. The list was compiled by the Responsible Business Forum, the coordinator of the Diversity Charter, which was signed by mBank in 2018. The level of diversity management at mBank was assessed in the Diversity IN Check survey.

In January 2022, mBank also became a member of the Bloomberg Gender-Equality Index for the second time. The index comprises 418 companies from 45 countries across 11 sectors. The companies included in it are assessed in terms of their commitment to gender equality and transparent disclosures. Bloomberg’s experts appreciated our involvement in transparency and setting a new standard in reporting gender diversity data. On the other hand, in the results published in January 2023, we scored visibly better in the categories relating to equal pay for men and women, as well as an inclusive work culture.

We are also committed to ensuring that our employees with disabilities have equal opportunities. In 2022, by way of a public tender, we selected an organisation that will help us employ more people with disabilities. They still face various barriers on the labour market that we wish to reduce as a socially responsible organisation.



**good practice**

There is an employee group at mBank at the initiative of people with a particular interest in diversity. The group was formed from the bottom up – with events, consultations and training, dozens of people came forward wanting to get involved in diversity projects. Employees in this group work towards, among other things, gender equality and women’s networking, mental health promotion, countering age discrimination, supporting the LGBT+ community, people with disabilities or neurodiversity education. We also regularly post material on diversity and inclusivity on our intranet pages, accessible to all employees.



**good practice**

In December 2022, we once again took steps to raise awareness around disabilities and special needs among our employees. We invited external experts to talk about practical ways to be more inclusive of people with disabilities. We organised internal workshops on how to communicate with and address the needs of people who are deaf, held by our employee from the Contact Centre. On our diversity page, our employee wrote a series of posts debunking myths surrounding people with disabilities. Additionally, we prepared a short information booklet for our employees, presenting basic definitions of disabilities, describing their severity levels and types and clarifying the procedure to receive a disability certificate.



## 3.7. Preventing mobbing

[GRI 2-23]

Our aim is to create a workplace free of mobbing, discrimination and other unacceptable behaviour, both from superiors and colleagues. Such behaviour is described in the “Policy on preventing mobbing, discrimination and other unacceptable behaviour”.

Any employee who considers that they have experienced unacceptable behaviour has the right to make a complaint. This can also be done anonymously via the mSygnal app, described in the chapter “Responsible management”.

### The policy provides as follows:

- we at mBank we do not accept mobbing, sexual harassment, other forms of discrimination and illegal or unethical behaviour that violates the rules of social coexistence. We define such behaviour comprehensively as unacceptable behaviour. We describe them and introduce clear action plan in the Policy in case they occur;
- that every employee, including managers and Management Board members, is required to avoid unacceptable behaviour towards other employees, co-workers, client, suppliers;
- that if someone creates a situations that encourages unacceptable behaviour or behaves in such a way, he or she is in breach of basic employee duties. mBank as an employer may then draw consequences in accordance with labour law and the bank’s work regulations.

Employee complaints are investigated by the Unacceptable Behaviour Committee. It is made up of directors or their appointed representatives from the following departments: HR Department, Compliance Department, Legal Department, Communication and Marketing Strategy Department, mBank’s Ethics Officer and Data Protection Officer. Persons, whose legal or factual relations with the complainant could affect their objectivity and impartiality, are recused from the Committee. The Committee investigates the matter and recommends what solutions should be applied and what should be done to avoid such situations in the bank in the future.

[GRI 406-1] [SDG 5] [SDG 8]

In 2022, the Committee reviewed 7 cases, of which 3 applied to mBank S.A. (all under investigation), and 4 applied to other subsidiaries of mBank Group (3 cases closed, 1 under investigation).



good practice

In 2022, we made available to all employees a new version of the training on counteracting mobbing, discrimination, sexual harassment and other unacceptable behavior. During the training, we remind employees what mobbing is, we familiarize them with examples of stories of people who have become victims of mobbing and discrimination, and we present statistics that describe the situation in Poland. In 2022, we trained 539 people in anti-mobbing and discrimination training. Since 2023, the training is mandatory for all employees.



## 3.8. Employee security

We create safe workplaces and, as an organisation, we comply with all legislation and internal OHS procedures. We prevent and minimise risks and the implemented mBank Health and Safety Policy ensures safe and ergonomic working conditions for every employee.

### How we ensure safety at work:

- we implement effective fire precautions,
- we follow the recommendations of the occupational medicine service, including medical examinations,
- we deliver occupational health and safety training under framework training programmes,
- we ensure appropriate working conditions and mitigate emerging risks,
- we provide appropriate documentation: Occupational Risk Assessments and Occupational Health and Safety Manuals which define risks at the workplace and ways of preventing accidents,
- we ensure ergonomics of work with a computer.

### [GRI 403-2] [SDG 8]

We update the health and safety risk assessment every two years or more frequently and make it known to every new employee. Occupational risks are assessed by health and safety specialists in consultation with bank employees.

The health and safety management system is based on the general provisions of the Labour Code and includes, among other things:

- involvement of all employees in the development and implementation of the health and safety policy, identifying hazards, assessing occupational risks,
- monitoring health and safety conditions and analysing the causes of accidents at work, periodic reviews and inspections of facilities,
- induction and periodic training on health and safety at work which includes among other things information on the possibility of abandoning the workplace if the employee's health or life is at risk.

Accidents and near misses are reported to health and safety experts. Their contact details are communicated to all employees in a dedicated health and safety tab on the intranet.

# 4. Responsibility for climate

## Our promise:

By 2050 we will become a fully climate-neutral bank. By 2030 we will reach climate neutrality in scope 1 and 2.



## Selected strategic objectives:

- conducting an external audit of our carbon footprint by 2022
- no new diesel-powered vehicles in mBank's fleet starting from 2023
- 80% of consumed energy from renewable sources by 2023
- 100% of no longer used, well-functioning equipment to be reused
- having 100% of mBank's debit cards for individual clients with a digital equivalent (mobile card) by 2025
- providing PLN 10 billion of funds for RES segment by 2025
- increasing the share of corporate clients with ESG products to 5% of total portfolio by 2023
- rising share of SME's investments backed by eco-compliant real estate to 10% by 2025
- granting PLN 25 billion of housing loans collateralized on residential buildings that meet CO2 emission reduction norms resulting from the low carbon trajectory in 2022-2025
- selling PLN 1 billion of eco-mortgage loans for real estates that meet the increased emission requirements confirmed by the Nearly Zero Energy Building Certification (NZEB) in 2022-2025
- financing PLN 1.7 billion of eco-investments of small firms by 2025 .

In October 2022 we joined the Science Based Targets Initiative (SBTi). It is a leading organisation that assists companies in setting ambitious decarbonisation targets that are in line with current climate change science. It was established through a collaboration between CDP, the UN Global Compact, the World Resources Institute (WRI) and WWF.

By joining SBTi, we obliged ourselves to determine a decarbonisation path for the next 5 to 15 years within the next two years. Our action plan will support the Paris Climate Agreement targets. It means that the progress in reducing our own carbon footprint and footprint of institutions, whom we finance, will be consistent with the pace the whole world should maintain in order to keep the global temperature increase under 1.5 – 2 Celsius degrees. The organisation will verify whether the decarbonisation path we have set out is consistent with the scientific evidence on global warming.



# 4.1. Reducing our own environmental impact

## mBank Group’s greenhouse gas emissions<sup>1</sup>

As in the previous year, we have counted mBank Group’s greenhouse gas emissions in 2022 in a broad approach, including all three emission scopes:

- **Scope 1**  
direct emissions from the combustion of fuels in company-owned sources, as well as from escaped refrigerants,
- **Scope 2**  
emissions from the consumption of externally purchased or supplied energy,
- **Scope 3**  
other indirect emissions arising in the value chain:
  - Category 1 “Purchased goods and services” – emissions resulting from the consumption of office and marketing paper, purchased payment cards and car fleet cards, as well as courier services,
  - Category 2 “Capital goods” – emissions arising from purchased IT equipment (printers, printers with scanner, laptops, PC towers, PC monitors, marketing campaign displays, smartphones, mobile phones, tablets),

Category 3 “Energy and fuel-related emissions not included in Scope 1 and 2” – emissions resulting from electricity and heat transmission losses and well-to-tank emissions upstream in the energy and fuel production chain,

Category 7 “Employee commuting” – includes emissions from the transportation of employees between their homes and their worksites during the reported period using the vehicles that are not owned as well as operated by the company (in 2022 we added this category for the first time).



<sup>1</sup> The reported data cover mBank (including the Czech and Slovak branches), mBank Hipoteczny, mLeasing, mFinanse and mFaktoring, Asecum, LeaseLink and mElements.

In Scope 1, we have included emissions from refrigerants escaping from air-conditioning units, as well as 100% of the fuel paid for by mBank consumed by company cars, even if the employee used the vehicle for private purposes. The emissions, expressed in CO2 equivalent (CO2e), also include other greenhouse gases: methane (CH4), nitrous oxide (N2O), sulphur hexafluoride (SF6), perfluorocarbons (PFCs), hydrofluorocarbons (HFCs), and nitrogen trifluoride (NF3).

For Scope 2, we use a market-based methodology, i.e. an emissions factor provided by energy supplier, and a location-based methodology, i.e. a national factor.

When calculating our carbon footprint, we apply GHG Protocol standard. We use emission indicators developed by:

- DEFRA (for car petrol and natural gas consumption),
- the National Centre of Emission Balancing and Management (KOBiZE; for electricity consumption),
- the Energy Regulatory Office (URE, for heating in buildings),
- European Environment Agency (EEA, for electricity consumption in the Czech Republic and Slovakia).




[GRI 305-1] [GRI 305-2] [GRI 305-3] [GPW E-P1] [SDG 3] [SDG 12] [SDG 13] [SDG 14] [SDG 15]

[GRI 305-4] [GPW E-S1] [SDG 3] [SDG 12] [SDG 13] [SDG 14] [SDG 15]

Emission scope according to GHG methodology	Emission category	Emissions (tonnes of CO <sub>2</sub> e)		Change in emissions (%)	Emissions intensity (mBank Group)		
		2021	2022	2022/2021		2021	2022
Scope 1	Combustion of fuels in mobile sources	2,936.75	3,030.99	3.2%	Scope 1 + 2 emissions per employee (Mg CO <sub>2</sub> e/person)	2.34	1.86
	Combustion of fuels in stationary sources	295.77	413.56	39.8%			
	Leakage of refrigerants	62.90	109.47	74.0%			
	<b>TOTAL:</b>	<b>3,295.42</b>	<b>3,554.03</b>	<b>7.8%</b>			
Scope 2 (market-based)	Thermal energy – district heating	4,352.20	3,807.94	-12.5%	Scope 1 + 2 emissions per PLN 1 million of income (Mg CO <sub>2</sub> e/ PLN 1 million of income)	3.96	2.45
	Thermal energy – electric energy	17.94	n/a	n/a			
	Electric energy	8 279.83	757.95	-90.8%			
	<b>TOTAL:</b>	<b>12,649.97</b>	<b>4,565.89</b>	<b>-63.9%</b>			
Scope 2 (location-based)	Electric energy	18,116.52	17,518.22	-3.3%			
	Thermal energy – district heating	4,150.67	3,881.45	-6.5%			
	<b>TOTAL:</b>	<b>22,267.19</b>	<b>21,399.67</b>	<b>-3.9%</b>			



Emission scope according to GHG methodology	Emission category	Emissions (tonnes of CO <sub>2</sub> e)		Change in emissions (%)
		2021	2022	2022/2021
Scope 3	Category 1: purchased goods and services	137.22	102.73	-25.1%
	Category 2: capital goods	1724.56	1879.64	9%
	Category 3: energy and fuel-related emissions not included in Scope 1 and 2	6413.36	5896.93	-8.1%
	Category 7: employee commuting	n/a	3189.85	n/a
	TOTAL:	8275.14	11 069.15	n/a
Scopes: 1, 2 (market-based), 3	TOTAL:	<b>24 220.53</b>	<b>19 189.06</b>	<b>n/a</b>
Scopes: 1, 2 (location-based), 3	TOTAL:	<b>33 837.75</b>	<b>36 022.84</b>	<b>n/a</b>
Scopes: 1, 2 (market-based), 3 (excl. category 7)	TOTAL:	<b>24 220.53</b>	<b>15 999.21</b>	<b>-33.9%</b>
Scopes: 1, 2 (location-based), 3 (excl. category 7)	TOTAL:	<b>33 837.75</b>	<b>32 833.00</b>	<b>-3%</b>



**strategic objective**

In 2022, mBank's calculations of its carbon footprint in scope 1 and 2 have been audited by the Foundation Climate Strategies Poland.

## Energy consumption

### What do we do to reduce energy consumption?

- In 2021, we used electricity from renewable energy sources only in the largest buildings of the bank’s headquarters in Warsaw (Wieża mBank) and Łódź (Przystanek mBank), as well as in one of our data centres. From January 2022, electricity produced from renewable energy sources, purchased directly from the supplier, has been used also in all mBank branches. As at the end of 2022, electricity from RES accounted for 100% of the bank’s electricity consumption (either directly or from a guarantee of origin).
- We regularly modernise technical installations at the bank’s branches, mainly change light sources to LEDs or old air conditioning and ventilation appliances to appliances based on eco-friendly cooling technology and energy-saving systems (recuperation, inverters).

[GRI 302-1] [GPW E-P2] [SDG 7] [SDG 8] [SDG 12] [SDG13]

Energy consumption (mBank Group)	2021	2022
Electric energy (GWh)	26.2	23.2
including renewable energy sources (GWh)**	13.3	21.9
Gas (thousand m <sup>3</sup> )	145.1	203.1
Central heating (thermal energy, TJ)	43.2	38.0
Gasoline (thousand L)	1,174.0	1,280.2
Diesel fuel (thousand L)	144.3	62.7



strategic objective

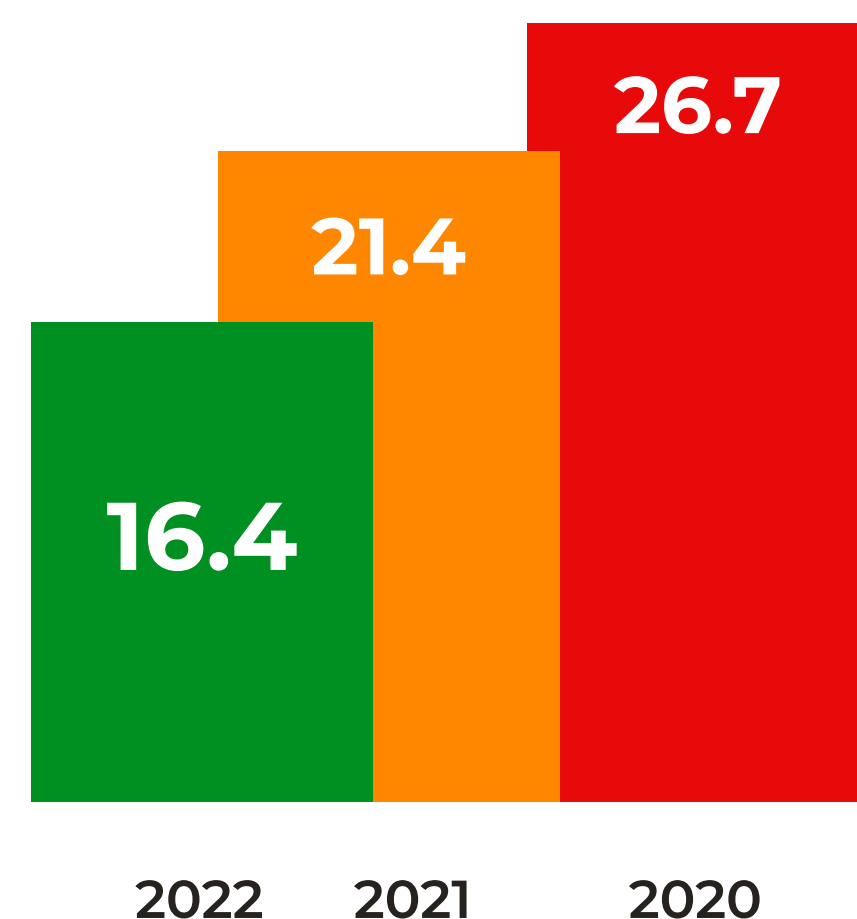
In 2022, we stopped buying diesel cars.

\* The data include use of electricity in mBank which was produced from renewable energy sources or has a guarantee of origin.

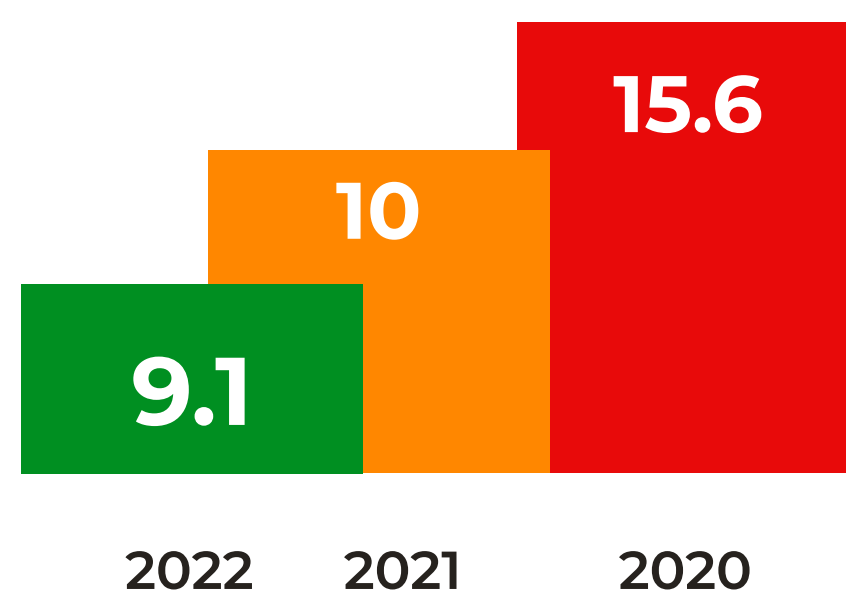
## Green practices

With each passing year, we have been moving more and more internal processes, procedures and documents into the digital world. In 2022, we implemented, among others, a remote corporate client onboarding process, which allows companies to sign the account agreement completely online. Thanks to this process, we saved nearly 300 reams of paper.

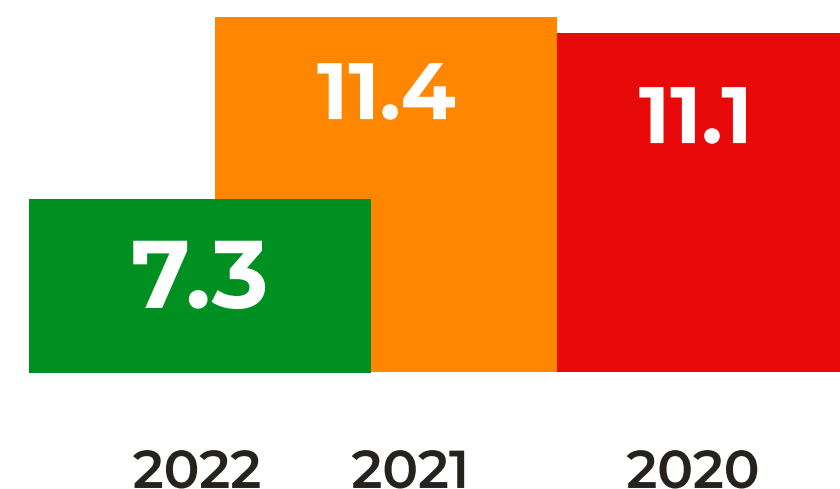
### Printing paper consumption in mBank Group\*



mBank Group\*\*



mBank Polska



Subsidiaries and foreign branches (Czech Republic and Slovakia)



strategic objective

Both mBank’s headquarters – in Warsaw and Łódź – are located in state-of-the-art buildings, allowing us to save energy (including that needed for heating and cooling) and water (thanks, among other things, to appropriate taps with aerators). The buildings are certified with BREEAM International 2013 New Construction at the „Excellent” level. It is one of the world’s most recognised sustainability rating systems for buildings. It factors in a number of issues that characterise a building or rental space, including but not limited to: the quality of the indoor environment, energy efficiency, accessibility to public transport, construction materials, management of building operations, water and waste management.

\* A4 paper sheets (millions)

\*\* mBank, including foreign branches, mLeasing, mBank Hipoteczny, mFaktoring, mFinanse

From 2020 onwards, we do not print leaflets and present information about services to clients electronically. This decision enables us to save 5 tons of paper annually. In addition, continuous digitalisation, the launch of a print management system and the smooth transition of most employees to hybrid working allowed us to save approx. 5 million sheets of paper, compared with 2021.



**strategic objective**

In 2022, we entered into a partnership with Zero Waste. In this way, we offer a second life to unwanted furniture and white goods, consumer electronics and IT equipment. On a dedicated second-hand shopping platform, we post items that we do not need anymore but which may find a new owner.



**good practice**

We promote pro-environmental behaviour among employees and foster awareness of environmental protection and the fight against climate change.

- We have launched an awareness campaign to promote food waste reduction and proper waste management in our offices in Warsaw and Łódź.
- In February 2022, we organised a lecture on reducing and recycling waste.
- In April 2022, to celebrate the Earth Day, we organised a webinar about climate depression. Experts were invited to talk about managing emotional toll and anxiety related to climate change.
- mBank's offices were visited by Professor Szymon Malinowski, one of the most renowned experts on climate change in Poland. We discussed, among other things, the most important reasons for global warming and the sources of emissions, how climate change is linked to other environmental issues and how we can fight climate change collectively as a bank and individually.
- We encourage our employees to commute to work by bicycle and to use the state-of-the-art cycling facilities at our head offices.

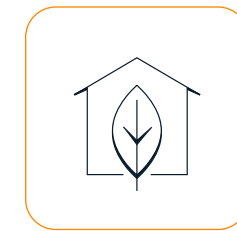
## 4.2. ESG financing and products

**[GRI 3-3]**

The primary impact of our bank on the climate derives from decisions to grant financing to clients in different industries. We believe that we can and should reduce our indirect impact mainly by reducing financing for clients in high-emission industries. We implement our environmental responsibility by ‘redirecting’ investment capital from carbon-intensive to ‘green’ industries. That is why we provide funding for eco-investments such as renewables or electromobility.

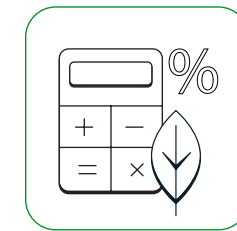
In 2022 mBank, as the first Polish bank, joined the Partnership for Carbon Accounting Financials (PCAF). This alliance will allow us to determine the carbon footprint of our credit portfolio in line with the best standards. The decision was a necessary step towards reaching climate neutrality by 2050. PCAF brings together over 240 financial institutions all over the world. The organisation has developed a harmonised global approach for the financial sector to assess and disclose the greenhouse gas (GHG) emissions. The PCAF methodology measures the GHG emissions associated with corporate loans, securities, mortgages and motor vehicle loans.

**Our products that support ESG objectives include:**



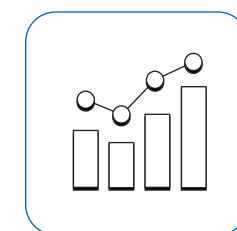
for **retail clients:**

eco-mortgage loan for a house or apartment



for **enterprises:**

secured eco-loans and eco-advances for companies  
 photovoltaic leasing, i.e. simple financing of photovoltaic panels  
 electric cars leasing subsidized from the programme “My electric car” (“Mój elektryk”)



for **corporates:**

sustainable investment loans

## Eco-mortgage loan

In 2022, we offered retail clients an eco-mortgage loan to finance a house, flat in a block of flats or a single-family house with low energy consumption. If the property meets certain energy efficiency conditions, we offer lower financing costs (no loan origination fee and partial early repayment and a reduced margin).

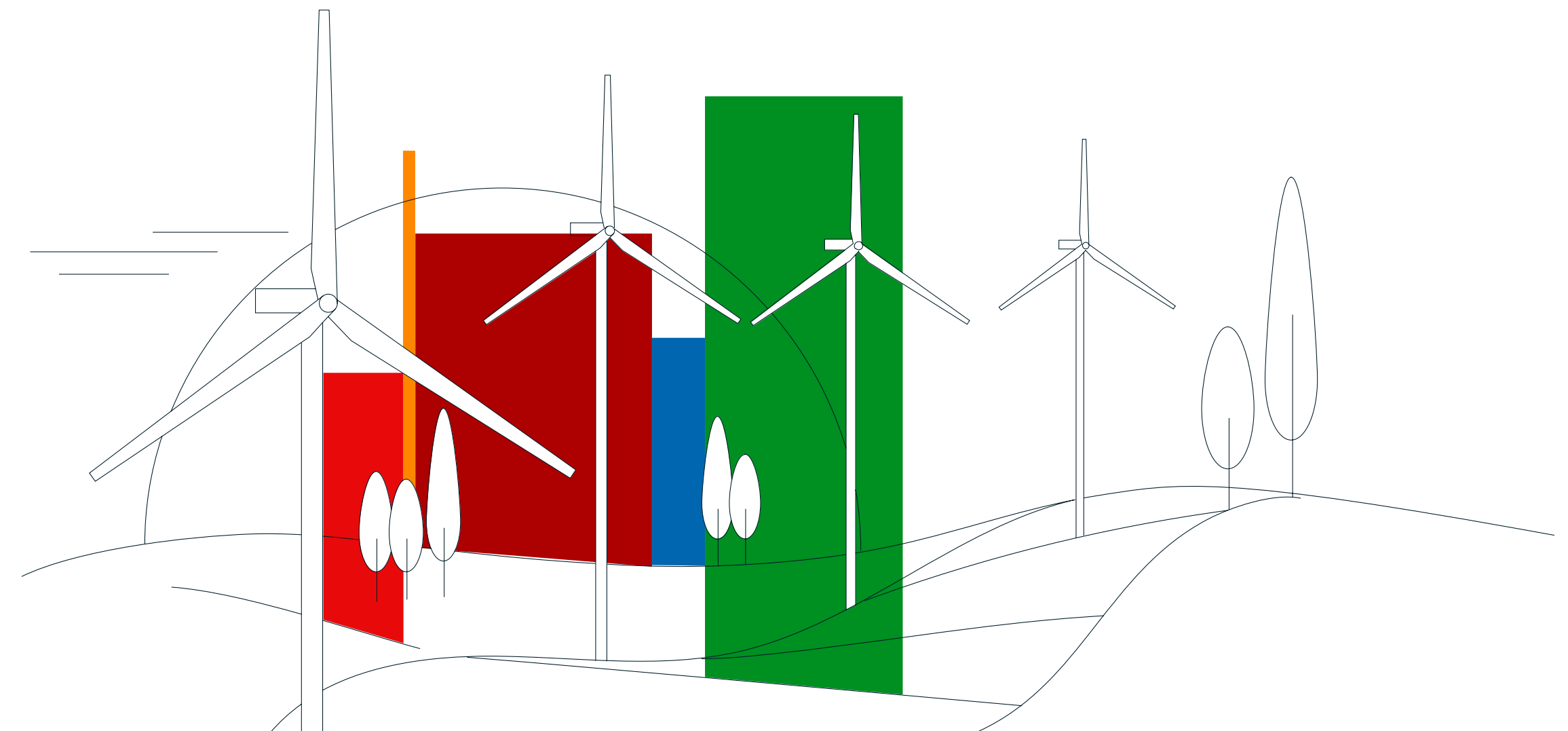
With this product, customers can take care of the environment now and for the future. Energy-efficient buildings are also less expensive to maintain and rely less on growing prices of raw materials and energy.

In the retail banking segment in 2022, we granted eco-mortgage loans worth PLN 314 million in 2022.

## Cash loans dedicated to ecological purposes

In June 2022, we offered its corporate clients preferential conditions for cash loans dedicated to ecological purposes. We have waived commissions and reduced margins on loans from PLN 30 to 200 thousand. The condition is to provide documentation which proves that money has been spent on environmentally-friendly purposes. Corporates can use the loan, amongst others:

- to purchase renewable energy sources,
- heat recuperation systems,
- purchase of electric or hybrid cars, motorcycles and scooters,
- purchase of water treatment stations (private intake), rainwater recovery systems and sewage treatment plants.



## Payment cards from recycled plastic

In April 2022, mBank clients received first cards made in 85% from recycled plastic. Thanks to this change, mBank saved over 2 tons of plastic for the environment. We have systematically replaced the new plastic with recycled plastic for more card types. In the coming years we are planning to move to cards from 100% recycled plastic and popularise digital cards.

In 2022, on the occasion of the 30th Finale of the Great Orchestra of Christmas Charity, we offered our customers a card without plastic with the image of the Great Orchestra of Christmas Charity (Mastercard Mobile) for the first time. Every sixth WOŚP card issued and every fourth card issued on the occasion of the Pol'and'Rock Festival is a mobile card. The move to mobile cards enabled us to save another 682 kilogrammes of plastic.

Last year, we issued 695 thousand cards made in 85% of recycled plastic and 136 thousand digital-only cards. This saved nearly 3.7 tonnes of plastic.

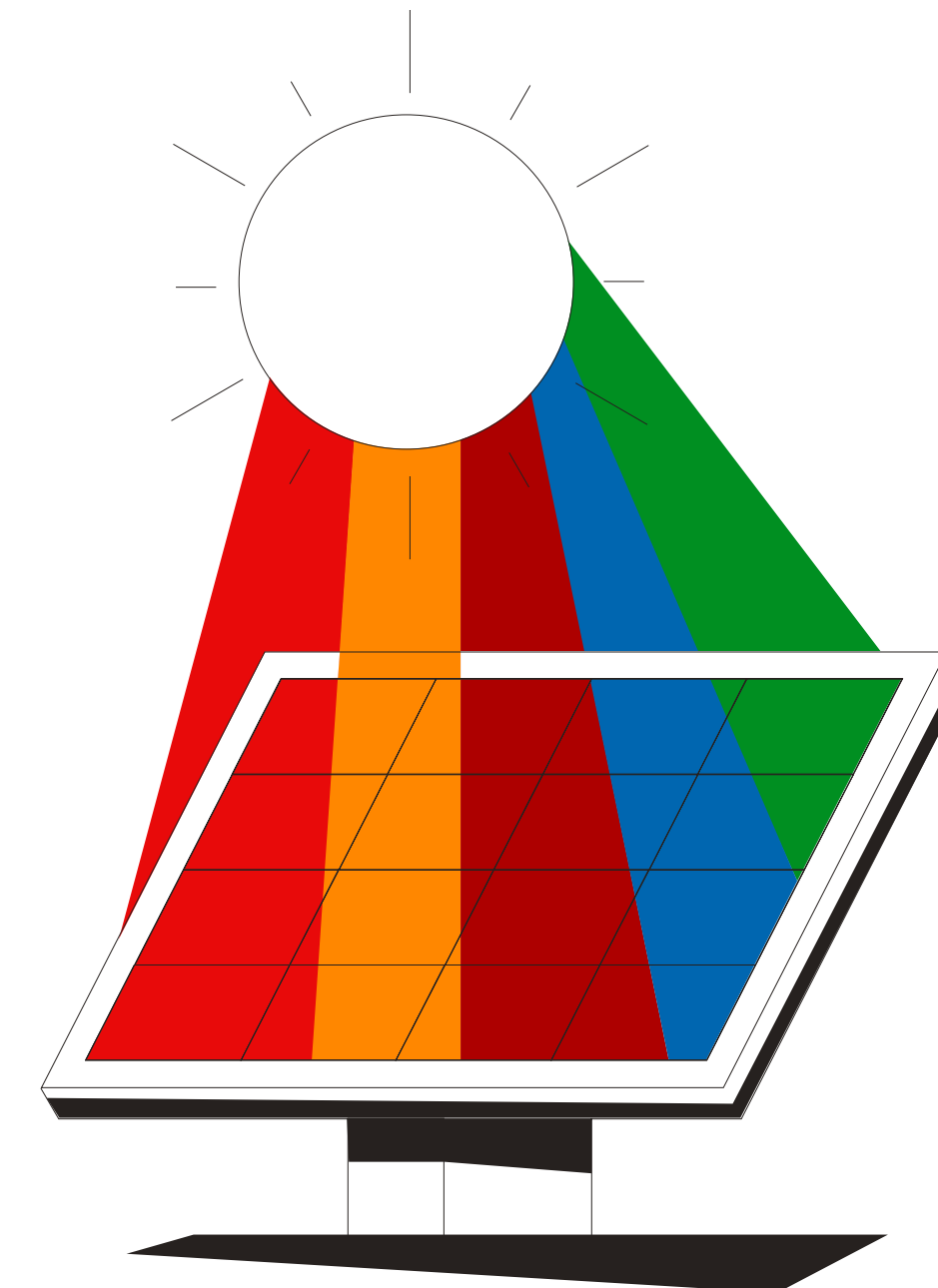


## Planet-friendly leasing

Financing for photovoltaic installations was introduced by mLeasing as early as 2019. Initially, the subsidiary financed only micro-installations with a capacity of up to 50kW. Since September 2022, mLeasing has been financing photovoltaic installations regardless of their capacity, provided that the generated electricity is used for internal purposes of the company. The maximum financing period is seven years and the minimum contribution of the company is 10% of the investment value, provided that the financing is granted under a simplified procedure. In Q3 2022, the subsidiary added the financing of energy storage and heat pumps.

Throughout 2022, mLeasing financed a total of 368 installations and devices worth jointly PLN 61 million.

Also in 2022, mLeasing joined the “Mój elektryk” programme (“My Electric Car”), which offers subsidies on electric cars of up to PLN 70,000 to business clients.



Compared with the previous year, zero or low emission cars (electric or hybrid cars) accounted for 22.5% of the total number of financed vehicles in 2022, which represents an increase by 1 p.p. In value terms, it marks a hike by 7 p.p. (up to 26.5%). The number of financed electric (zero emission) cars more than doubled, with their value up by 2.6 times compared with 2021.



## Responsible credit policies

### [MB-DPR-1]

We protect the climate with credit policies. Each industry has a selected set of ESG factors based on external research, guidance from external entities (e.g. SASB) and expert knowledge of the specifics of the Polish economy.

Our policies treat investment in wind or photovoltaic farms as preferable. In 2022, we have expanded the financing options for smaller RES installations. At the same time, mBank is limiting its lending options for climate-damaging investments. Our “Credit Policy for Industries Relevant to EU Climate Policy” explicitly prohibits the financing of development of coal-fired power generation, construction of hard coal and lignite mines and expansion of the production capacity of the existing mines. We also provide no financing to entities whose core activity involves shale gas exploration and extraction. In the energy and heating industry, we are additionally not allowed to finance entities operating coal-fired power generating units or modernisation projects connected with coal-fired boilers and power units. We also do not provide financing to new clients whose share of electricity from hard coal or lignite (measured by production capacity) is more than 50%.

We update our approach to financing carbon-intensive industries on an annual basis.

## RES financing

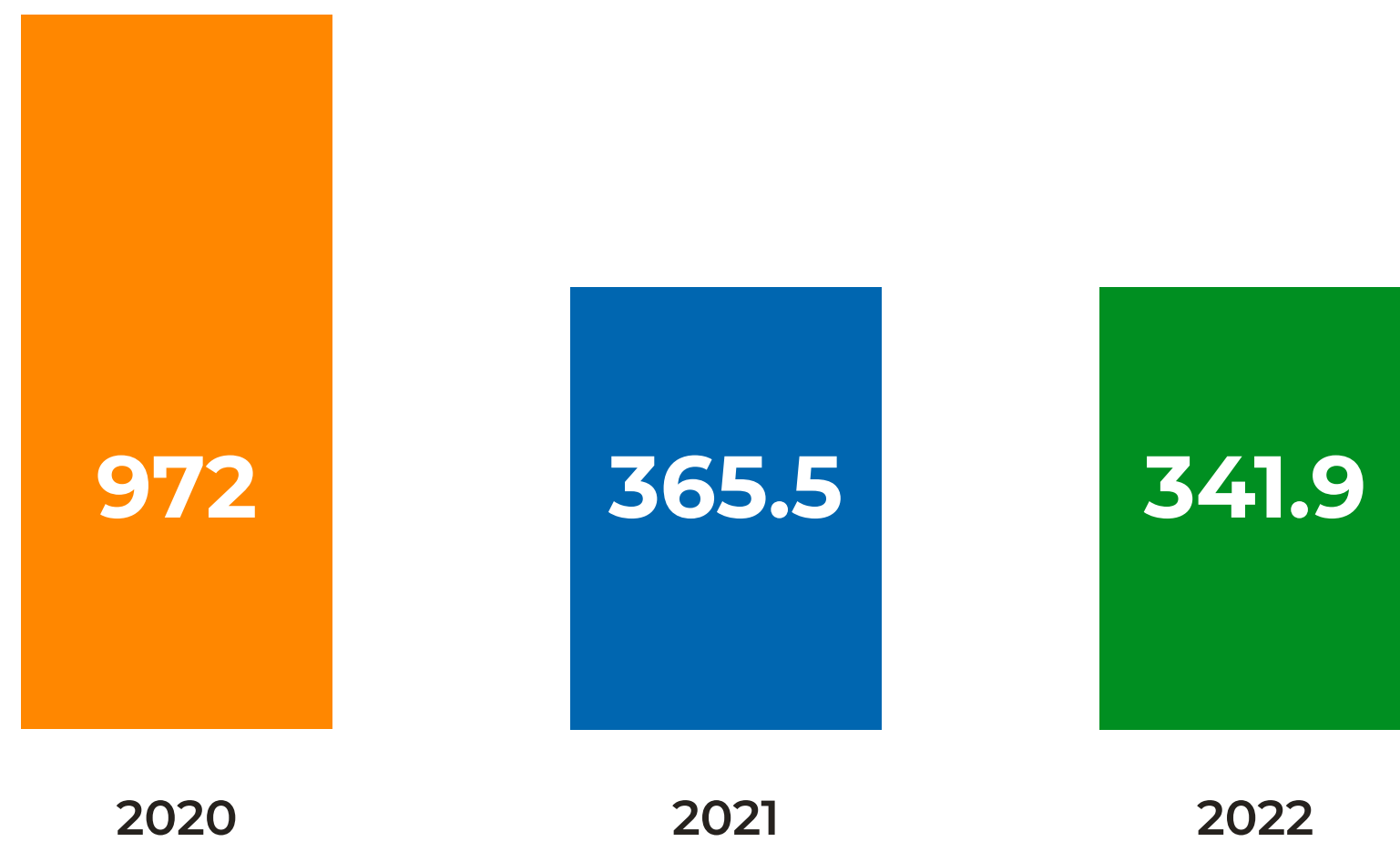
In accordance with the Strategy of mBank Group for 2021-2025 the Group will earmark PLN 10 billion for the financing of investments supporting the energy transition of our clients. One of the key actions in this area is the financing of investments in renewable energy sources (RES). Over the last several years, mBank has been consistently increasing its share in the financing of these projects. When introducing its credit policy on the financing of RES installations in December 2018, mBank earmarked PLN 500 million for this purpose. Since then this amount has been raised several times to reach PLN 4 billion in 2020.

At the end of December 2022, mBank’s RES portfolio reached PLN 3.4 billion, with 85% utilisation of the RES limit. In 2022 alone, mBank financed seven investments in photovoltaics and four investments in wind farms. Almost PLN 636.5 million was allocated to this purpose.

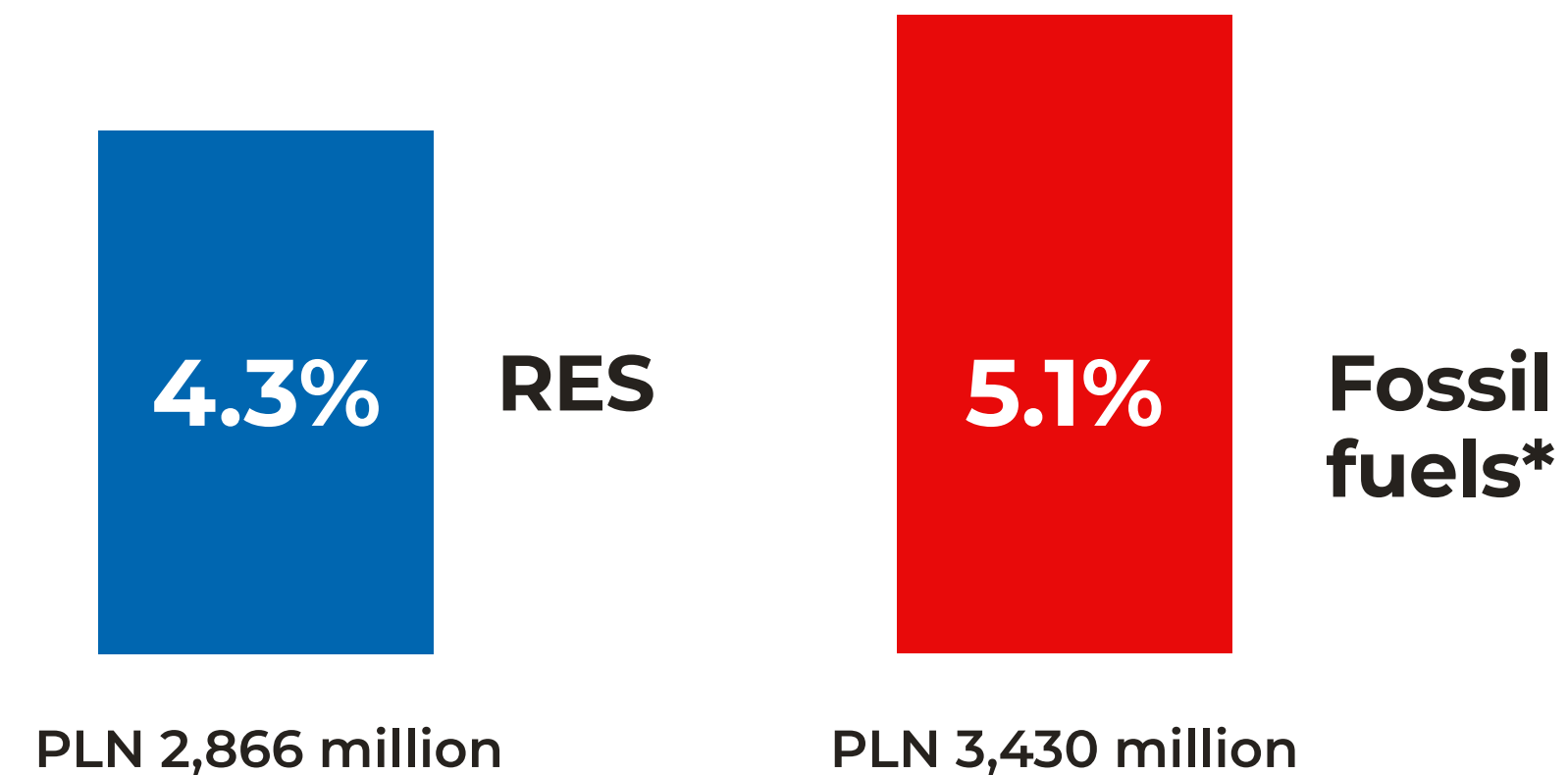


In 2022, we financed the construction of wind and photovoltaic farms with a total capacity of more than 340 megawatts.

**Investments in large-scale RES systems (mW)**



**Share of RES and fossil fuel sectors in mBank’s corporate loan portfolio at the end of 2022**



\* It includes, among other things, the extraction of coal and other fossil fuels, the production and processing of coke, petroleum products, electricity and the trading and distribution of fuels.

## ESG investing

Private banking clients can invest responsibly in line with the ESG standards. As part of each model investment strategy in the portfolio management and investment advisory service, we assumed that at least half of the assets within the managed portfolios or for which we issue recommendations will consist of financial instruments that take into account sustainable development factors.

We offer our clients access to investment funds from external investment fund companies (TFIs), as well as our own asset management and investment advisory services. The mTFI team, which handles analysis and investment, reports to the Chief Investment Officer, who is a member of the mTFI Management Board. mBank’s Brokerage Office has established committees responsible for the selection of financial instruments for investment portfolios, taking into account the impact of investments on sustainable development objectives. This allows us to exclude the most harmful assets from an ESG perspective, and apply positive asset selection (“best-in-class” approach).

In accordance with the “Strategy for Sustainability Risks in the Investment Advisory and Portfolio Management Service at mBank Brokerage Office”, the Brokerage Office has appointed individuals and units responsible for overseeing the application of the strategy within its operations. This responsibility lies particularly with managers. The head of the wealth management department reports on all ESG activities, including advisory and asset management, to the private banking and brokerage services managing director, who reports directly to the management board member for retail banking.



**strategic objective**

In 2022, the value of assets in the management service in ESG model investment strategies, designed for mBank’s private banking clients, decreased by 20% to PLN 153 million as of end of 2022. At the same time the share of the above-mentioned strategies in the total assets in model investment strategies for this group of clients increased from 29% to 32%.

We monitor the ESG risks of investment products on a regular basis. For this we use:

- MSCI ratings,
- issuer data and ratings provided by MSCI ESG Manager,
- Morningstar Sustainability ratings,
- disclosures and ratings provided by Bloomberg and Refinitive.

We require our business partners to define and explain ESG factors in the investment policies of individual products. We verify that such products meet the criteria imposed by the SFDR, i.e. enable or promote sustainable investing. We minimise the risk of greenwashing by additionally conducting our own ESG assessment of individual investment products.



**good practice**

We also broadly promote ESG factors in other mBank’s investment services, including not only the management service but also the investment advisory service, with webinars for clients and continuous training for front-line employees. On the mBank and mTFI websites, we publish educational materials ([link](#)) as well as our policies and rules of operation ([link](#) and [link](#)). Just like in the case of model investment strategies in the portfolio management service, our investment advisory service is based on the assumption that sustainable financial instruments comprise at least half of the assets recommended by us.

In 2022, all portfolios managed under the asset management service had an average MSCI ESG rating of at least BBB. At the same time, only two strategies had unsatisfactory asset coverage with ratings, below 50%. The low rating coverage is mainly related to the lack of data for small and medium-sized companies from the Polish market.

## Green bonds

We finance pro-environmental investments among others by issuing green bonds. In 2021, we placed our first issue of green bonds worth a total of EUR 500 million. The instruments, which have a maturity of six years, were issued at a nominal price. mBank built a diversified book including orders worth a total of over EUR 1.2 billion. This made it possible to close the transaction 25 basis points below the initial margin. The bonds were taken up by institutional investors and are listed on the Luxemburg Green Exchange. This was both the first issue of non-preferred senior bonds and the first EUR benchmark green bond issue placed by a Polish financial institution.

In accordance with the issue rules, in order to confirm compliance with market standards for green bonds, we will source certificates for debt instruments that meet the requirements set by the Climate Bonds Initiative. In 2022, we maintained the full allocation of proceeds from the 2021 green bond issue in green assets. These are residential properties that meet specific conditions.

This is confirmed by the “mBank SA Green Bond Allocation and Impact Report”, available [HERE](#).

In February 2022, we published an update to the mBank SA Group Green Bond Framework. The document now meets the Green Bond Principles 2021 guidelines issued by the International Capital Market Association (ICMA). It has been confirmed by Sustainalytics, an internationally renowned independent rating agency.

mBank is also involved in arranging ESG bond issues of its corporate clients. In 2022 we signed two contracts for conducting green bonds issuance for the clients and one contract for issuance of bonds with ESG profile. We also conducted four green bonds issuances totaling PLN 275 million.

## 4.3. Taxonomy disclosures

For the year 2022, we publish indicators regarding environmentally sustainable activities according to the EU Taxonomy. This way we fulfil the obligations of Article 10 of Delegated Regulation (EU) 2021/2178<sup>1</sup>. These are the KPIs that must be reported by credit institutions in the transition period as obligatory disclosures. They reflect mBank Group’s assets as at 31 December 2022. They refer to two environmental objectives described in Regulation (EU) 2020/852<sup>2</sup>:

- climate change mitigation;
- climate change adaptation.

The remaining four environmental objectives are not yet fully regulated. Therefore we have not included them in this year’s disclosures.



<sup>1</sup> Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation

<sup>2</sup> Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, Articles 10 and 11

## Taxonomy-eligibility indicators

We report information on mBank Group’s exposures to economic activities that are Taxonomy-eligible and Taxonomy non-eligible. When calculating the values of these indicators, we take into consideration financing for both corporate and individual clients.

In the corporate segment, we included financing for mBank Group customers who are subject to the Non-Financial Reporting Directive (NFRD).<sup>3</sup> This covers both financial and non-financial undertakings. We defined this group by:

- comparing the list of our clients with reference lists published on the websites of the Reporting Standards Foundation and the InStrat Foundation (as at 2 January 2023),
- screening the list of our clients to precisely determine which of them meet the criteria set in Article 49b and Article 55 of Polish Accounting Act<sup>4</sup>.

In this group of undertakings, we determined Taxonomy-eligible assets based on the use of proceeds or the client’s main area of activity in line with PKD code<sup>5</sup>. We checked if they correspond with the list of economic activities described in Annexes I and II to Regulation (EU) 2021/2139<sup>6</sup>. In the case of general-purpose financing (with unknown use of proceeds), we did not take into account the EU Taxonomy-eligibility Revenue and CapEx KPIs, which our corporate clients published in their 2021 reports. In such instances we recognized the entire value of financing for a given client as Taxonomy-eligible. To recognize Taxonomy-eligible assets in case, when the use of proceeds is determined, we checked whether it corresponds with the economic activities included in the abovementioned Annexes. The value of these indicators takes into account financing granted in the form of loans and advances, debt securities, leasing and factoring. This approach is in line with prudential consolidation.

<sup>3</sup> Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups.

<sup>4</sup> Accounting Act of 29 September 1994

<sup>5</sup> Polska Klasyfikacja Działalności 2007; Kody PKD transponują statystyczną klasyfikację działalności gospodarczej w UE (Nomenclature statistique des Activités économiques dans la Communauté Européenne, NACE).

<sup>6</sup> Polish classification of activities (PKD) 2007; PKD codes transpose the statistical classification of economic activities in the EU (Nomenclature statistique des Activités économiques dans la Communauté Européenne, NACE).

In retail banking segment, we only took into consideration mortgage loans for households. In case of car loans, in accordance with the provisions of Annex V to Regulation EU 2021/2178, only those granted after 1 January 2023 should be taken into account. Therefore, we have not included them in the indicators for 2022.

The numerator and denominator of these indicators cover the gross carrying amount of these assets.

The value of these Taxonomy-eligibility KPIs is:

Type of assets		Proportion in total assets
Exposures to Taxonomy-eligible economic activity	Financing for corporate clients	0.75%
	Financing for households	20.44%
	Financing in total	21.19%

Rodzaj aktywów		Proportion in total assets
Exposures to Taxonomy-non-eligible economic activity	Financing for corporate clients	0.54%
	Financing for households	0%
	Financing in total	0.54%



## Other quantitative indicators required under the EU Taxonomy

We also report other indicators required under Article 10 of the Delegated Regulation (EU) 2021/2178. These indicators measure the proportion in mBank Group’s assets of exposures which are not assessed in terms of Taxonomy-eligibility:

Type of assets	Proportion in total assets
Exposures to central governments, central banks and supranational issuers	0,75%
Derivatives	20,44%
Exposures to undertakings not subject to the NFRD	21,19%
Trading portfolio	0,54%
On demand inter-bank loans	0%

The trading portfolio in this table consists of securities held for trading. We distinguished derivatives from the trading portfolio.

## Qualitative Taxonomy data

Implementation of the EU Taxonomy in our processes (incl. crediting), procedures and financial products is one of the objectives of mBank Group’s business strategy for 2021-25. In accordance with our strategy, we finance investments in renewable energy sources (RES) and other “green” industries, such as recycling or electromobility, which is consistent with the assumptions of the EU Taxonomy. In the years 2021-25, we want to allocate PLN 10 billion for this purpose. More information on our investments in RES can be found in the chapter 7.3 “Corporate and Investment Banking of mBank”.

In striving to meet the goals of the EU Taxonomy we adjust our credit process and the IT systems supporting it. We want to be able to verify the Taxonomy-alignment of a given activity already at the time of granting financing and record the results of the verification in our systems for reporting purposes.

In 2022, we introduced the EU Taxonomy as a reference point when examining the environmental impact of banking products that we introduce to the market or modify. We assess their impact on ESG factors, and in the environmental area we check how they can affect the objectives included in the EU Taxonomy. Moreover, in 2022 we were conducting a pilot launch of ESG-linked corporate loans. In this case, the EU Taxonomy was one of the reference points to determine the criteria according to which we qualify a loan as supporting environmental objectives.

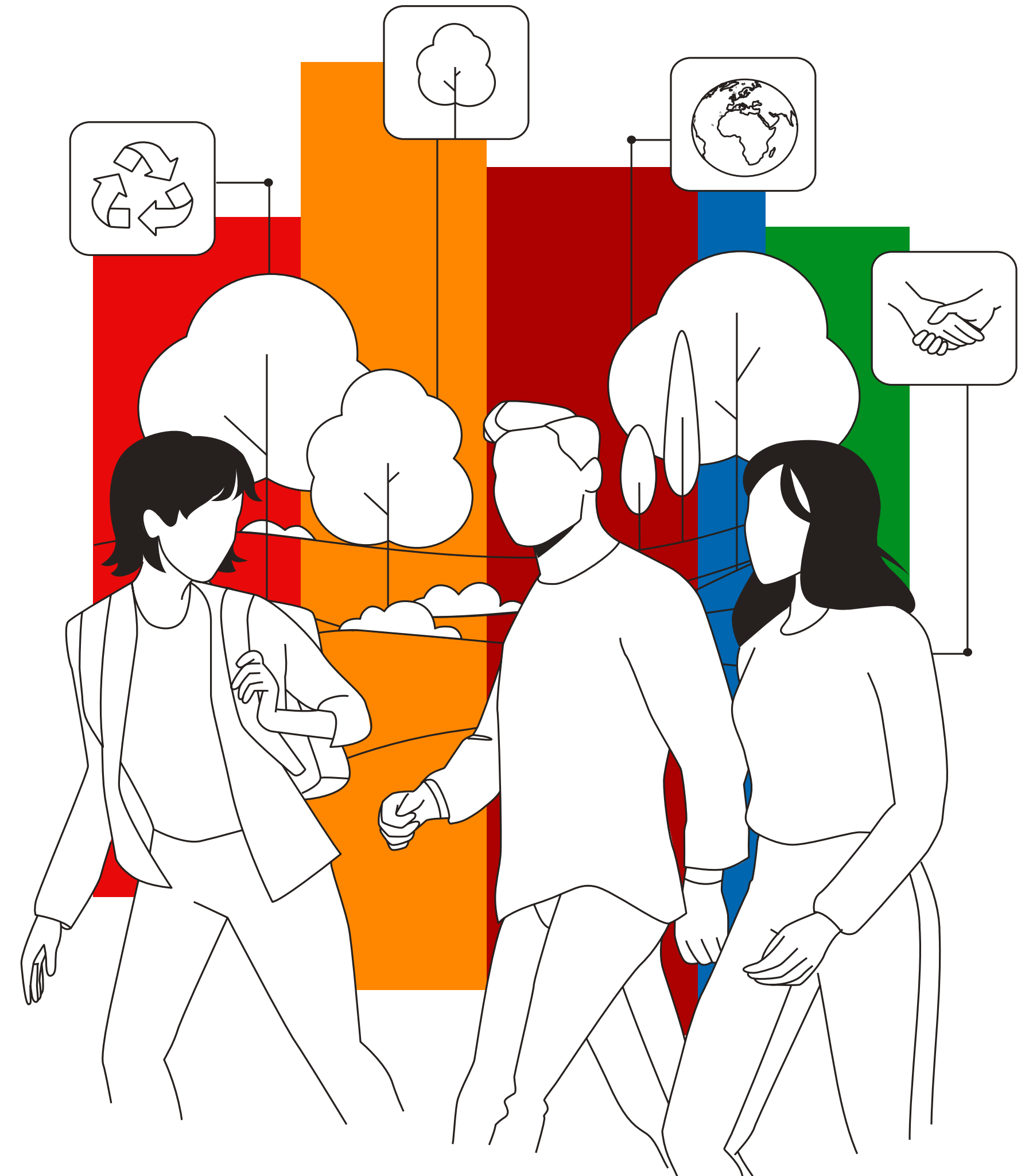
# 5. Social responsibility

## Our promise:

We will contribute to social well-being. We will be a responsible corporate citizen.

## Selected strategic objectives:

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



## 5.1. Maths is everywhere!

We want to develop mathematical skills in society, which is why we set up the mBank Foundation (mFoundation) in 2013 and have been implementing the “m for mathematics” („m jak matematyka”) strategy. This way, we contribute not only to individual professional success on a micro level, but – on a macro level – to the economic development of the country.



Mathematics provides the foundation for logical thinking and is vital to understanding the world around us. It helps in everyday life, is essential for making informed decisions, including those related to finances, and is vital in professional life. A good mathematics education contributes to a high level of competence among graduates, professionals, especially in the sciences and economics, and this is one of the foundations of the country’s economic development. Understanding and mastering mathematics is a ticket to a successful life.

As part of the mBank Foundation’s activities, we support people with passion – teachers, social workers and parents – in fostering mathematical thinking in children and young people, and also engage in activities aimed at students. We run grant, subsidy and scholarship programmes, a competition for the best student paper in mathematics, support valuable mathematical initiatives of partners, publish and distribute books and ebooks.



**good practice**

In 2022, mFoundation continued its partnership with the Gdynia-based Hevelianum science center on the “Thinking counts” programme. It is a nationwide programme for maths and science teachers in grades 4-8 of primary school. Its goal is to popularise modern teaching methods based on interdisciplinary transfer of knowledge and mathematical thinking. From September 2022 to June 2023, teachers participated in five theoretical and practical webinars which are free of charge. Each is about a different, innovative teaching method.

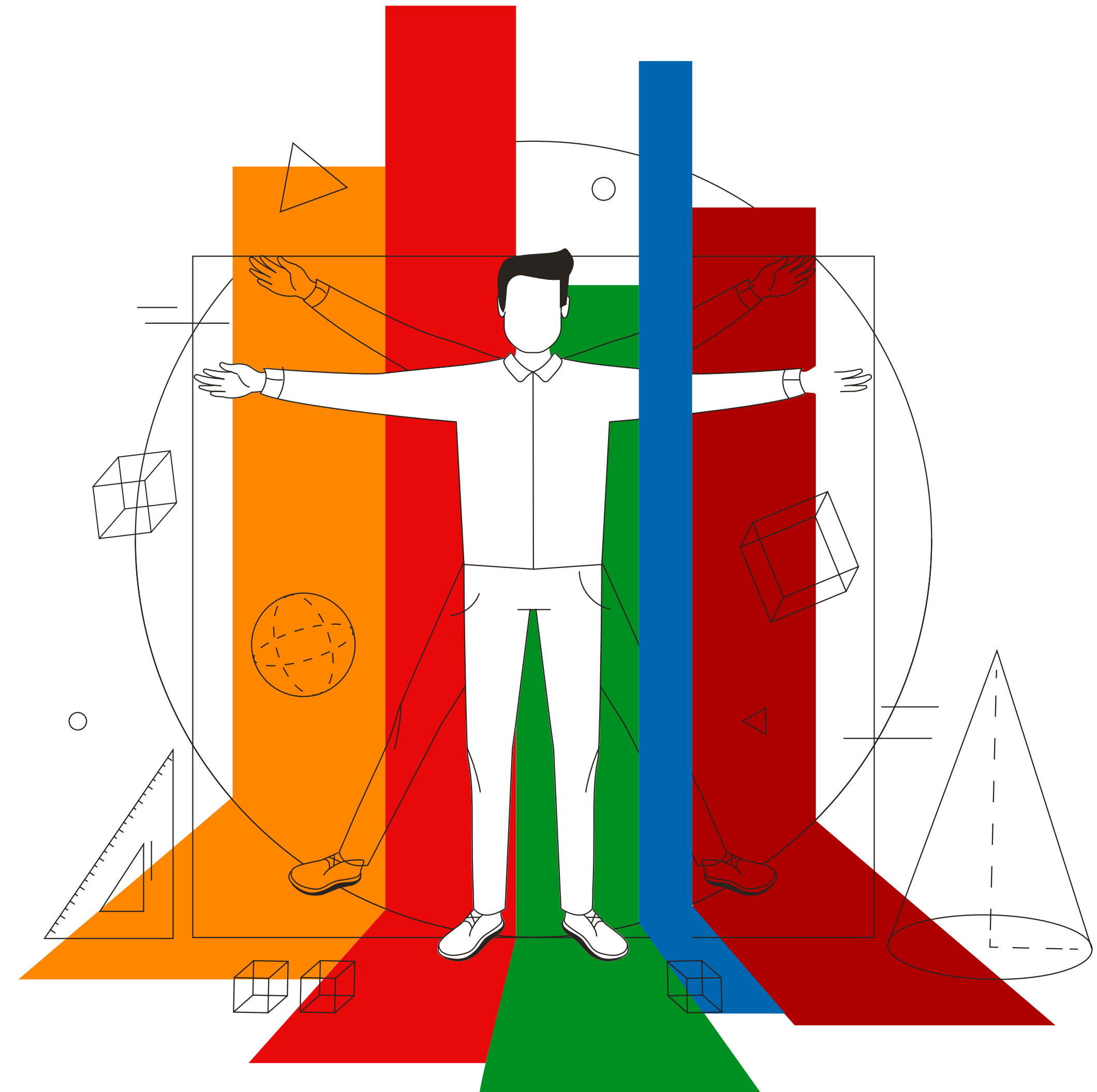
More information about the programme is available on the [Hevelianum](#) science centre’s website.

More information about the mBank Foundation’s activities is available at its website. The full report for 2022 is available [HERE](#).

In 2022, we allocated nearly PLN 2.7 million for the implementation of mFoundation’s statutory goals. Subsidies for educational projects have been granted to 270 entities: public school and kindergartens, non-governmental organizations, universities, libraries and science centers.

**The mBank Foundation in 2022:**

- More than 31 thousand copies of the new book „Maths in Green” distributed
- A new resource for teachers – an ebook on teaching aids entitled “Means to the Goal” (“Środek do celu”)
- PLN 51 thousand for 38 winners of the Mathematics Olympiad and Junior Mathematics Olympiad, i.e. the recipients of the “Masters of Mathematics” (“Mistrzowie matematyki”) scholarship programme
- More than 630 thousand for 114 projects awarded in the 9th edition of the “mPower” (“mPotęga”) grant programme
- PLN 40 thousand for the winner and runners-up of the contest for the best student thesis in mathematics, “A Step in the Future” (“Krok w przyszłość”)
- 137 projects selected in the 2nd edition of the grant programme for kindergartens “Growing with Maths” (“Rosnę z matematyką”) The total amount of subsidies is PLN 664.5 thousand.
- A new edition of the grant programme – from October 2022, we select and award grants to the best projects that combine mathematics education with ecology





good practice

What do mathematics and environmental protection have in common? On 22 April 2022, Earth Day, we introduced the new book “Maths in Green” (“Matematyka na zielono”), which uses numbers, figures and operations to help learn about nature and understand our role in protecting the planet. It also encourages family discussions about changing habits and living a greener life.

We printed it in a limited edition of 50,000 copies, on FSC®-certified paper. This means that the paper comes from sources which manage resources in a sustainable way. Producers have to follow strict rules in the manufacturing process.

Like all mFoundation publications, “Maths in Green” has been made available free of charge. It was available to order on the campaign website and to pick up at a selected mBank branches. Over 31 thousand copies were distributed in this way. The rest of the volume went to education entities, including schools, libraries, science centres, NGOs, etc. From October, the book in an e-book format can be downloaded from the website [ww.mjakmatematyka.pl](http://ww.mjakmatematyka.pl).

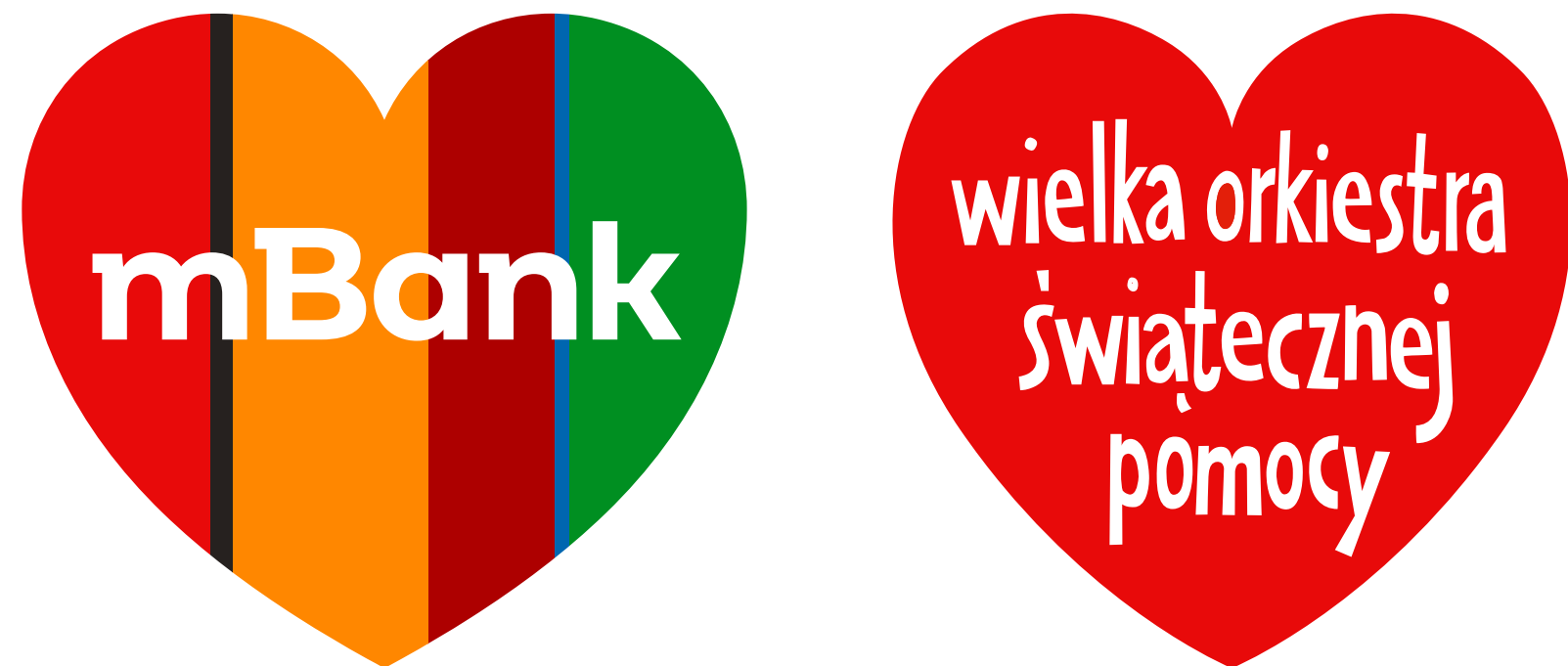
The new publication served as an inspiration for a series of educational films. In cooperation with the “Nauka. To Lubię” Foundation 7 short films were created, the scripts of which are based on the content of the book. The premieres of the films coincided with the dates of ecological holidays, such as World Oceans Day or World Bee Day.



## 5.2. Social engagement

### Partnership with the Great Orchestra of Christmas Charity (WOŚP)

In 2022, we supported the WOŚP for the fifth time. In the five years of playing together with the Orchestra, the bank has donated nearly PLN 17 million on its own and PLN 90 million together with its clients. Over 4,000 employees of the bank worked at the Grand Finales.



# Gramy razem

In 2022, during the 30th Finale of the WOŚP, funds were raised to ensure the highest standards of diagnosis and treatment of eye diseases and disorders in children. On this occasion we prepared:

- another collectible card designed by Jurek Owsiak in a limited edition of 50 thousand pieces. The card was also available in a fully mobile version,
- the „PLN 100 thousand from mBank” campaign, which recorded at least 100 donations to the WOŚP through our channels,
- solutions to facilitate contributions – a special heart for quick donations has appeared in the mobile app as well as a special button in the online banking service for those logging into the bank on computers. We set up an online payment gateway at [mBank.pl/WOSP](https://mBank.pl/WOSP). Contributions were also possible on the WOŚP website at [wplacam.wosp.org.pl](https://wplacam.wosp.org.pl),
- a special offer supporting the WOŚP fundraising, prepared by mLeasing. mLeasing donated PLN 10 to the Foundation for every picture posted on Instagram or Facebook with a dedicated filter and the hashtag #GramyRazem2022.
- „W rytmie WOŚP” campaign, which we ran from January to the end of February 2022 for new corporate clients with full accounting. The campaign for the WOŚP managed to raise PLN 226 thousand.



**good practice**

Two WOŚP headquarters in Łódź and Warsaw were joined by 170 mBank employees. In addition, around 1,000 employees from mBank branches across Poland joined the 30th WOŚP Final. They ran the fundraising via payment terminals and supported local WOŚP headquarters with cash handling. In total, around 1,200 people, almost one in five mBank employees, were involved in the 2022 WOŚP Finale. mBank volunteers from just two WOŚP headquarters in Łódź and Warsaw raised a total of PLN 153 thousand.

In addition, the bank's employees were also involved in the annual auctions, with proceeds of PLN 12.3 thousand being donated in full to the WOŚP.

In addition, thanks to a special option in the mobile app and online banking, clients can support the WOŚP all year round in two ways: a small amount after each payment or a fixed amount every month, transferred to a special savings goal.

In 2022, the WOŚP Foundation raised more than PLN 220 million, with around 10% contributed by mBank and mBank clients.



## Together for Ukraine

In 2022, following Russia invasion for Ukraine, we developed a comprehensive, long-term strategy to support people in refugee crisis.

### Cooperation with the Polish Center for International Aid Foundation (PCPM) Foundation

As early as March, we facilitated donations to PCPM. To date, our clients have been able to deposit funds quickly through online banking, the mobile app and the [www.mbank.pl/ukraina](http://www.mbank.pl/ukraina), website, using the “Pomagam” (“I help”) button, developed together with Paynow.

By the end of 2022, mBank clients donated nearly PLN 13.8 million to PCPM. The Foundation allocated these funds to, among others, humanitarian aid in Ukraine and to refugees in Poland. Importantly, the funds raised will be used to rebuild destroyed Ukrainian cities, schools, hospitals and other critical infrastructure so that refugees can return to their homes.





We provided care for refugees and education for Ukrainian children in Poland. We arranged temporary accommodation for refugees in Warsaw and Zbeniny, where 60 people found shelter. Together with PCPM, we opened an Educational and Creative Center in mBank’s office building on Królewska Street in Warsaw. Up to 100 people use it every day. It offers short-term childcare, as well as numerous activities for big and small, such as Polish language lessons, ceramics workshops, rehabilitation, movie nights and board games for young people. The facility is also a meeting place for refugees to help them build a network of mutual support. In the same location, during the first months of the war, there was also a Ukrainian Materynka school with 8 classes for a total of about 120 pupils.

November 2022 saw the launch of another venture at our offices in the Zebra Tower building in Warsaw - a PCPM-run education centre where more than 220 children and young people from Ukraine can undertake a full curriculum. Young people aged between 7 and 17, divided into 11 classes, attend lessons in Ukrainian. The oldest students also attend classes to prepare for the Ukrainian matriculation exam, after which they can apply to universities in Poland. The classes are taught by teachers who, like their pupils, are refugees. Students are also offered extra-curricular activities, including language and cultural activities. After school, they can stay in the day care centre so their parents can work full time.

### Employee engagement

The mBank volunteers were very involved in helping the war victims. Among other things, they transported refugees from the border, with the assistance of mLeasing. The company provided free rental vehicles and insurance coverage as well as fully paid-up fuel cards. Employees were also engaged in organising a temporary home, and organised collections of clothing, cleaning products and food, toys and school supplies for our wards.

For helping the victims of the war in Ukraine, we were awarded the Diversity Charter Grand Prize in the DEI (diversity, equity, inclusion) category in business, in the employee volunteering subcategory. The Diversity Charter Award recognizes employers who support DEI area. The competition is organized by the Responsible Business Forum. In its justification, the jury wrote that it awards the prize: “for listening to the voice of male and female volunteers, quickly and effectively supporting their grassroots initiatives, harnessing the competences of its employees and involving their families and other external volunteer groups, using the strength of the company’s brand to reinforce activities for those in need. Development of the support programme from ad hoc measures to systemic support in line with identified needs”.

## 5.3. „m for mBank’s art collection” fund (“m jak malarstwo”)

Thanks to our special fund established in 2020, we are creating a collection of artworks authored by the most promising young Polish artists. The artworks are selected on behalf of mBank by a committee composed of renowned representatives of the art market and a representative of the founder.

When selecting individual works, the committee responsible for art purchases is guided by both their artistic worth and prospective valuation in the longer term. This may include both single artworks from individual artists and larger collections. Between 2020 and 2022, we bought 98 artworks authored by 62 contemporary Polish painters. Some of the paintings from the bank’s collection were exhibited at the beginning of 2023 at the ASP Rondo Sztuki Gallery in Katowice.

Our initiative revitalises the Polish art market and supports the most talented young artists. We expect that in the future mBank’s collection will pave the way for a new generation of artists, and the “m jak malarstwo” fund will operate like a perpetual motion machine supporting artists.

The entire collection of paintings can be viewed [HERE](#).



# 6. Responsibility towards investors

## Our promise:

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

## Selected strategic objectives:

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



## 6.1. Transparent communication

At the beginning of 2022 we introduced a new Disclosure policy for communications with investors, the media and clients. It defines the scope of disclosures and how the policy is implemented. It also takes into account the needs of all stakeholders and provides them with universal and equal access to information in line with the highest market standards and applicable laws.

The policy is available [HERE](#).

When implementing the information policy, we comply with requirements arising from information confidentiality and security laws, which we must abide by as a public company and a supervised institution.

Aside from the information published on the company's website, the main tools we apply in our information policy with regard to investor relations include:

- current and periodic reports; the timeline of publication of periodic reports enables investors to familiarise themselves with the financial results of the company as soon as possible after the end of a reporting period;
- quarterly presentations of financial results for investors and analysts, during which Members of the Management Board of the bank comment on financial and business results of the group, events having an impact on the group's operations and prospects for the future, and answer questions;
- individual and group meetings, tele- and video-conferences of representatives of the Management Board and the Investor Relations team with investors and analysts;
- ongoing contact by phone, email, and via Microsoft Teams with analysts and investors, including sending newsletters on a monthly basis and, if necessary, other information materials;
- participation of our representatives in domestic and foreign investor conferences, and cycles of meetings with investors in Poland and abroad (roadshows).

On the company's website, we present the Group's strategy objectives. The Management Board Reports on Performance of mBank Group for a given year provide information on the achievement of the strategy objectives.

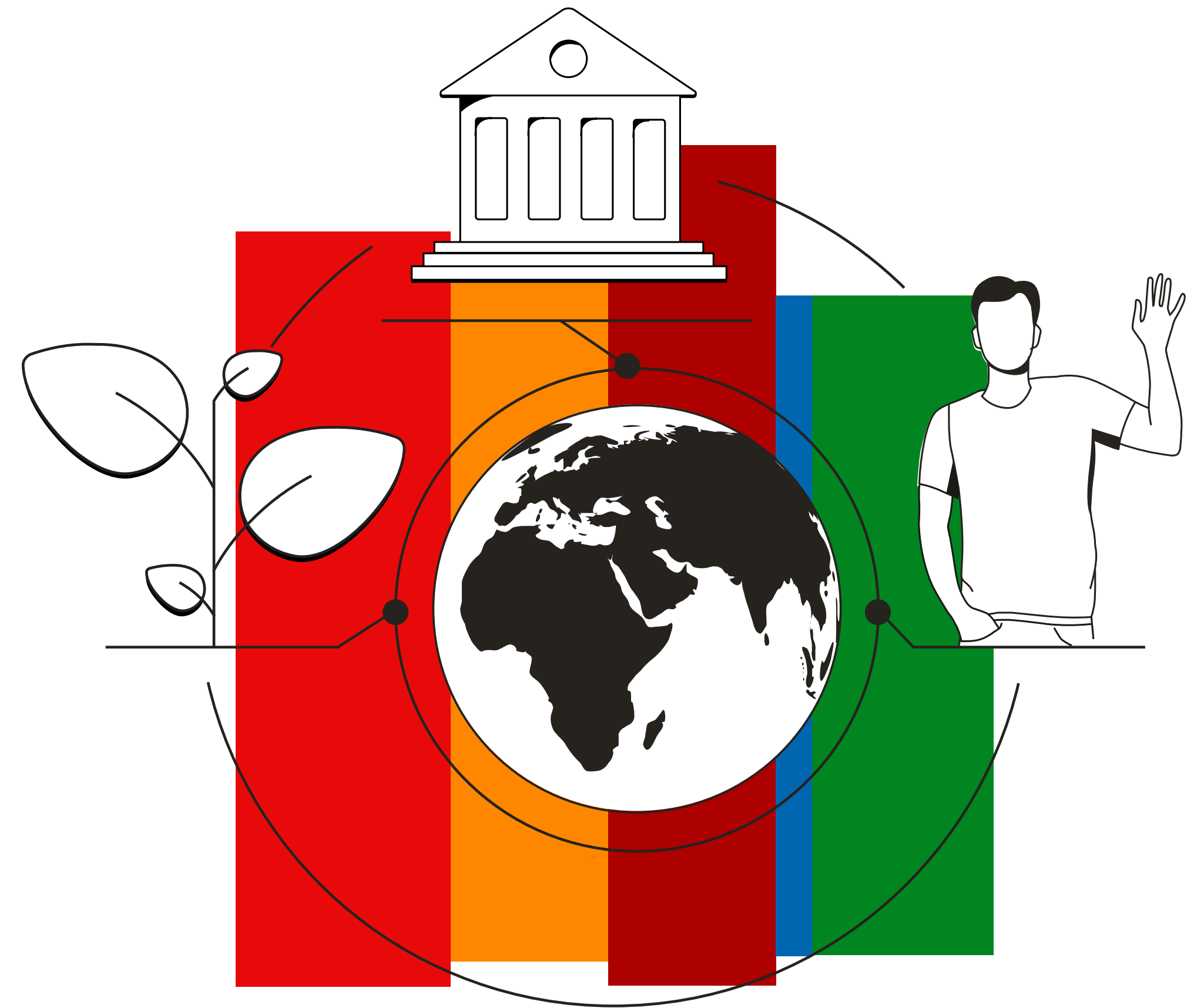
In 2022, as in the previous two years, there were no cases of financial penalties for non-delivery, untimely delivery or delivery of an unreliable report.



good practice

In 2022, we launched a new website about our ESG activities. It is available in Polish and English. We have designed the website for all those who are interested in the sustainability activities we carry out in the Group, especially clients, business partners, investors and rating agencies. This website contains: annual ESG reports, documents describing our sustainability standards, news, information on our commitments, as well as on our ESG achievements.

The website is available [HERE](#).



## 6.2. ESG ratings and indices

### Sustainalytics

The renowned research agency Morningstar Sustainalytics has once again rated mBank Group's ESG risk profile as low in 2023. We improved our score by 2.5 points to 12.3 and achieved one of the best ratings among Polish banks. Among over 400 diversified global banks that are assessed by Sustainalytics we achieved the 10th position. This rating relates to the exposure and management of ESG risks, related to the environmental, social and corporate governance aspects. The Sustainalytics agency assessed that we manage it well in all areas:

- corporate governance,
- product management,
- human capital management,
- privacy and data security,
- business ethics,
- integration of financial and ESG aspects.

Summary of ESG Risk Rating for mBank Group issued by Sustainalytics is available [HERE](#).

### MSCI ESG Rating

In 2022, MSCI ESG Ratings upgraded mBank's rating to A from BBB (on a scale of AAA to CCC). According to MSCI, the upgrade is driven by improvements in mBank's talent management initiatives as well as governance initiatives. Furthermore, MSCI considers mBank to be a global leader in corporate governance, notably ownership and control.

More information on the rating and the disclaimer are available [HERE](#).

### WIG-ESG

mBank is a member of WIG-ESG index on the Warsaw Stock Exchange since the beginning of its quotation, meaning September 2019. This means that we are one of the companies listed in WIG20 and mWIG40 recognised as sustainable, i.e. obeying rules for social responsibility in particular in scope of environment, social, economic and governance issues. In the previous years, we were a member of Respect Index, which was replaced by WIG-ESG.

More information on the index is available [HERE](#).

## Bloomberg Gender-Equality Index 2023

In January 2023, mBank for the third time became a member of the Bloomberg Gender-Equality Index 2023. The index tracks the performance of publicly listed companies that actively support gender equality in the work environment. Our efforts to ensure equal pay and women’s access to promotion, to facilitate women’s return to work after maternity or childcare leave, as well as our extensive policy for preventing unacceptable behaviour were recognised by Bloomberg experts.

mBank is one of the 484 companies from 45 countries which were distinguished in this year’s Bloomberg GEI edition. The organisers of this initiative analyse the performance of listed companies whose value exceeds USD 1 billion, that provide data on the gender of their employees. Gender equality in the work environment is measured in five areas: female leadership and talent pipeline, equal pay and gender pay parity, inclusive culture, anti-sexual harassment policies and pro-women brand. Only companies with a score that meets or exceeds a globally defined threshold are eligible for the index.

More information about the index can be found [HERE](#).



# About this report

## [GRI 2-2] [2-3]

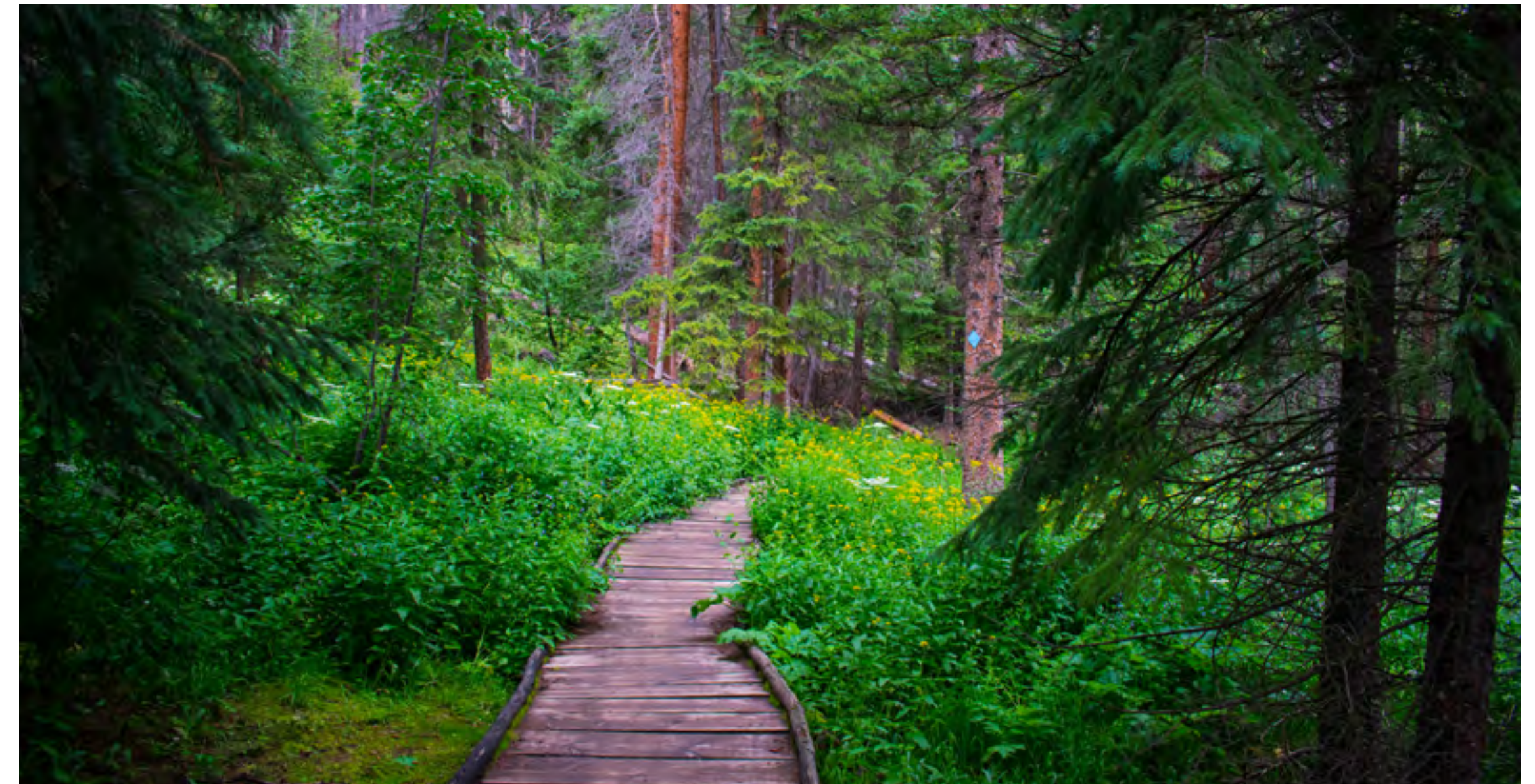
We have prepared this report in accordance with the GRI Standards methodology. It covers mBank Group with its branches in the Czech Republic and Slovakia and selected mBank Group subsidiaries: mLeasing, mFaktoring, mBank Hipoteczny, and mFinanse. We selected those companies on the basis of employment size. The report covers the period from 1 January 2022 to 31 December 2022, unless a different period is indicated in the text. mBank Group reports on an annual basis. The report is also our Communication on Progress report required by the UN Global Compact. We have also mapped the GRI indicators to the relevant UN Sustainable Development Goals (SDGs) based on the document “Linking the SDGs and the GRI Standards” published by the Global Reporting Initiative and updated in May 2022.

## [GRI 2-4] [2-5]

The report 2023 does not contain restatements of disclosures published in our 2022 Integrated report. For selected indicators in Chapters 3 and 4, the presentation of data has been changed. Data are presented by mBank Group and mBank with foreign branches. This report has not been subject to external assurance.

## [GRI 3-1]

In 2021, we held a dialogue session for our key stakeholder groups. We asked for feedback on the most material topics related to our sustainability, both in terms of our organisation’s impact on the topic and its impact on the organisation. Preparing the current report, together with external consultants, we verified the list of topics identified in 2021 – the list was considered valid also in 2022.





## [GRI 3-2]

List of most material topics indicated by our stakeholders:

- Responsible promotion and sales (responsible financial products which are understandable and tailored to needs, responsible communication and marketing, no misselling)
- Cyber-security
- Security of customers' money
- Security of customers' personal data
- Employee rights
- Sustainable finance (financing of investments in line with social/ environmental objectives)
- Employee education and development
- Employee wellbeing
- New forms of working (remote working, etc.)
- Diversity and equal treatment

## [GRI 2-3]

If you have any questions and comments related to mBank ESG Report for 2022 please contact mBank ESG Team: [csr@mbank.pl](mailto:csr@mbank.pl)



# GRI Index

Statement of use	Grupa mBank S.A. has reported in accordance with the GRI Standards for the period 01.01.2022-31.12.2022
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REQUIREMENT(S) OMITTED	REQUIREMENT(S) OMITTED
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	18			
	2-2 Entities included in the organization's sustainability reporting	152			
	2-3 Reporting period, frequency and contact point	152, 153			
	2-4 Restatements of information	152			
	2-5 External assurance				
	2-6 Activities, value chain and other business relationships	25			
	2-7 Employees	89			

**GRI 2: General Disclosures 2021**

2-8 Workers who are not employees

89

Disclosed data relate only to mandate contracts

There is no comprehensive data collection system on the required information in mBank Group

The organization will start collecting suitable data in subsequent years

2-9 Governance structure and composition

45

2-10 Nomination and selection of the highest governance body

46

2-11 Chair of the highest governance body

45

2-12 Role of the highest governance body in overseeing the management of impacts

40

2-13 DDelegation of responsibility for managing impacts

40

2-14 Role of the highest governance body in sustainability reporting

40

2-15 Conflicts of interest

57

2-16 Communication of critical concerns

49

**GRI 2: General Disclosures 2021**

2-17 Collective knowledge of the highest governance body	40
2-18 Evaluation of the performance of the highest governance body	40, 41
2-19 Remuneration policies	92, 93
2-20 Process to determine remuneration	92, 93
2-21 Annual total compensation ratio	93
2-22 Statement on sustainable development	4, 7
2-23 Policy commitments	43, 47
2-24 Embedding policy commitments	43
2-25 Processes to remediate negative impacts	49
2-26 Mechanisms for seeking advice and raising concerns	49
2-27 Compliance with laws and regulations	52

<b>GRI 2: General Disclosures 2021</b>	2-28 Membership associations	37, 44			
	2-29 Approach to stakeholder engagement	61			
	2-30 Collective bargaining agreements	97			
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	152			
	3-2 List of material topics	153			
<b>Employee wellbeing</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	103			
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	90, 91			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	95			

<b>GRI 403: Occupational Health and Safety 2018</b>	403-2 Hazard identification, risk assessment, and incident investigation	115				
<b>Diversity and equal treatment</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	106				
<b>GRI 202: Market Presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	93	Data for foreign branches as well as mFinanse are not included	The entities do not collect the required information	The organization will start collecting suitable data in subsequent years	
<b>GRI 401: Employment 2016</b>	401-3 401-3 Parental leave	111				
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	108				
	405-2 Ratio of basic salary and remuneration of women to men	94	Data for foreign branches are not included	The entities do not collect the required information	The organization will start collecting suitable data in subsequent years	
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	114				

<b>Employee education and development</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	98			
<b>GRI 404: Training and education 2016</b>	404-2 Programs for upgrading employee skills and transition assistance programs	99			
<b>New forms of working (remote working, etc.)</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	103			
<b>mBank Own Disclosures</b>	MB-DHR-4 New forms of working and work-life balance	103			
<b>Employee rights</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	96			
<b>mBank Own Disclosures</b>	MB-DHR-11 Dialogue with employees	96			

<b>Responsible promotion and sales (responsible financial products which are understandable and tailored to needs, responsible communication and marketing, no misselling)</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	52, 77, 78, 79			
<b>GRI 206: Anti-competitive Behavior 2016</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	52			
<b>GRI 417: Marketing and Labeling 2016</b>	417-3 Incidents of non-compliance concerning marketing communications	80			
<b>Sustainable finance (financing of investments in line with social/ environmental objectives)</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	125			
<b>mBank Own Disclosures</b>	MB-DPR-1 ESG factors in credit process	129			



<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	122							
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	120							
	305-2 Energy indirect (Scope 2) GHG emissions	120							
	305-4 GHG emissions intensity	120							
<b>Cyber-security</b>									
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	70, 71							
<b>mBank Own Disclosures</b>	MB-DB-1 Responsibility of Security Committee	71							
	MB-DB-2 Responsibility of the Management Board for security	71							
<b>Security of customers' money</b>									
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	73							

<b>mBank Own Disclosures</b>	MB-DB-1 Responsibility of Security Committee	71			
	MB-DB-2 Responsibility of the Management Board for security	71			
<b>Security of customers' personal data</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	73			
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	73			
<b>Anti-corruption measures (issue not included in the list of material topics)</b>					
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	56			
	205-2 Communication and training about anti-corruption policies and procedures	56			
	205-3 Confirmed incidents of corruption and actions taken	56			

Warsaw, 2023

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