



# 2021 Non-Financial Statements



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# I. Letter of the President of the Management Board

[GRI 102-14]

Dear Sir/Madam,

during the unprecedented conflict in Ukraine, the corporate social involvement has stood up to the test. We are thinking about all the affected people in everything we do. The Citi Handlowy Leopold Kronenberg Foundation immediately launched aid programs for child refugees from Ukraine and became involved with humanitarian aid for evacuees and people in Ukraine. We have waived the fees for individual and corporate transfers to Ukraine until further notice. Knowing how much help is needed, we are going to take more action in this challenging humanitarian situation.

This is yet another year when we are facing challenges together. In 2021, we continued to experience the consequences of the COVID-19 pandemic. Our priority was to ensure the safety of our employees as well as uninterrupted, top-quality services for our clients. We stood by our clients during this volatile time, sharing our knowledge, during regular webinars on the current market situation for example. As a partner of the Deloitte Technology Fast 50 Central Europe 2021 ranking, we supported innovative tech companies on their growth path. We continued to implement the CyberStrong School program aimed at improving the well-being of students. The high number of program participants – over 2,000 people – demonstrates just how important such initiatives are.

We want to address the biggest social challenges of our times. One of our priorities is to support clients in the transformation of their business models toward sustainable development. Our plan is to have PLN 1 billion worth of green assets on the bank's balance sheet. We are implementing green solutions and products. We have ambitiously committed to reducing our carbon footprint by 50% by 2024 as compared to 2019 levels.

We support women in pursuing their careers – the bank remains the leader in terms of gender parity both on its management board and in managerial positions. We revise equality of pay every year and we have virtually eliminated the pay gap for equivalent positions. Our employees can engage in the issues that are dear to them by joining a number of networks sponsored by the bank as an institution. We are proud of our volunteers – despite the obstacles related to the pandemic, last year our employees, their loved ones and our clients were engaged in volunteering projects on more than 31,000 occasions! It is thanks to them that we were named a “Socially Sensitive Bank” in the 12th edition of the Golden Banker ranking by the “Puls Biznesu” daily.

We are striving to change the general perception of disability. For the past 3 years we and the Polish Paralympic Committee have been partners. During last year's Paralympic Games, we highlighted the talent and achievements of Paralympians and encouraged everyone to cheer them on in a global campaign organized under the slogan “It's ok, you can stare.”

We are also carrying out our mission of building a more integrated society through other initiatives. For the first time, Citi Handlowy was the title sponsor of the Ironman race in Poland. Together with our clients and employees, we experienced the sporting excitement and fulfilled our passions under the banner of “overcoming obstacles”, and accompanied athletes with different levels of ability on the challenging triathlon distance!

We proved once again that we consistently adhere to the highest ethical requirements in our business activity. Citi Handlowy was yet again named a “SuperEthical Company” in a Puls Biznesu survey of corporate operating standards.

Citi Handlowy realizes that its talented employees are its greatest asset. In celebration of the 150th anniversary of Bank Handlowy w Warszawie S.A., one hundred bank employees received medals of the National Bank of Poland and the Polish Bank Association for their contribution to the development of banking in Poland.

It was another year when we showed our social responsibility. Yet again, we are ready to take immediate aid actions as well as effectively implement long-term programs. By displaying a responsible attitude toward our investors and shareholders, we support communities and one another.

Your faithfully,

Elżbieta Czetwertyńska  
President of the Management Board Citi Handlowy



Elżbieta Świątopelk  
- Czetwertyńska  
President of the  
Management Board

## II. About Citi Handlowy

### 1. History and the present

Bank Handlowy w Warszawie S.A. [GRI 102-1] is the only global bank on the Polish market, combining the experience and traditions of Polish banking with a modern way of handling finances. The Bank was established in 1870 and is the oldest commercial bank in Poland and one of the oldest continuously operating banks in Europe. Based on its long tradition and global footprint, Citi Handlowy supports breakthrough ideas and spectacular undertakings that refine a picture of the constantly changing contemporary world.

Over 150 years of its existence, Citi Handlowy has distinguished itself, among others, by introducing:

- the first Polish credit card accepted abroad,
- launching the first Polish 24/7 telephone banking,
- CitiFX Pulse – a ground-breaking platform in Poland for foreign exchange,
- SpeedCollect – providing solutions for mass payment services,

thus indicating directions of development in Polish banking. The history of Citi Handlowy is available on the website: [www.citihandlowy.pl](http://www.citihandlowy.pl).

Since 2001, the Bank has been a part of the Citigroup global financial institution and has been operating in Poland under the Citi Handlowy brand, offering banking products and services to business entities, local government units and the public sector (the Institutional Banking segment) and to individual clients, micro enterprises and natural persons conducting a business activity (the Consumer Banking segment). [GRI 102-2]

Presently, Citi Handlowy is the leader in providing customer services to global clients operating in Poland, in treasury and investments, transaction services and custody services, and has a leading position in brokerage activity, while in the consumer banking segment, it leads the credit card market and Wealth Management services.

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

Both Citi Handlowy and DM Citi Handlowy (Brokerage House) are based in Warsaw, Poland. [GRI 102-3] Some operations are also conducted in Olsztyn and Łódź. [GRI 102-4]

The mission of Citi Handlowy is to be a trusted partner for its clients, to support their growth and to offer them responsible financial services. The goal of the Bank is to ensure that all those activities lead to economic growth and development. To accomplish this, the Bank uses the knowledge and experience of global Citi network, building its value on the basis of the best market experts and top-class know-how. What distinguishes Citi Handlowy from its competitors is top-quality services and relentless efforts to create banking solutions that precisely meet clients' needs and enable them to carry out their plans.

### 2. Shareholding structure

Citi Handlowy is a joint stock company (spółka akcyjna) listed on the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie) since 1997. [GRI 102-5] Citibank Overseas Investment Corporation (COIC) is the major and strategic shareholder of Citi Handlowy. COIC is the Bank's sole shareholder with at least 5% of shares in the Bank's share capital and at the Bank's General Shareholders Meeting. The remaining shares, which represent 25% of the share capital, are the Bank's freefloat with the lion's share of capital belonging to financial investors (Polish and foreign pension funds and investment funds).



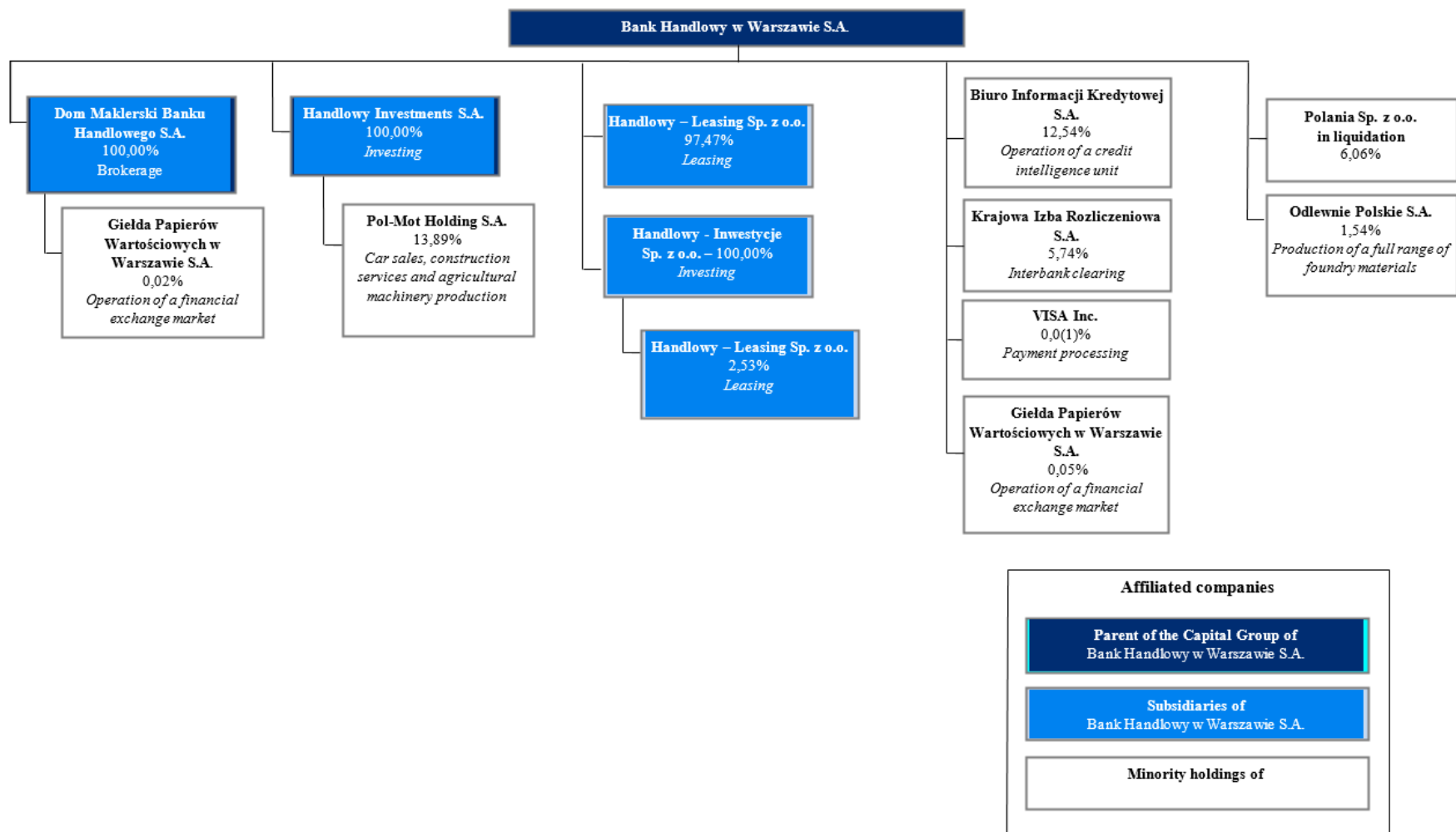
In 2021, there were no significant changes in the shareholding structure. [\[GRI 102-10\]](#)

### 3. Structure of the Capital Group

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

Citi Handlowy is the Group's parent company with Dom Maklerski Banku Handlowego S.A. operating under the Dom Maklerski Citi Handlowy (DM Citi Handlowy) brand as Citi Handlowy's most crucial subsidiary, whose activities are complementary to the Bank's product offer and give the Bank a competitive edge on the Polish financial services market. The remaining entities do not conduct an activity which would be significant from the Group's perspective. Given the above facts, in addition to the information about Citi Handlowy, only DM Citi Handlowy was additionally presented in the report. [\[GRI 102-45\]](#)

Structure of the Citi Handlowy capital Group as at 31 December 2021



## 4. Value-building model

GRI [103-1] [103-2] [103-3]

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





## 5. Business model

GRI [103-1] [103-2] [103-3]

Citi Handlowy is strategically focused on its defined target market.



### Bank's competitive position

The Bank is in the group of 10 largest banks in Poland in terms of balance sheet total and it holds a special strong competitive position in institutional client banking and, specifically in:

- providing services to global enterprises and enterprises involved in international trade;
- foreign exchange products and trade finance products;
- securitization transactions;
- cash management;
- custody and brokerage services.

In consumer banking, the Bank retains its strong market position:

- on the credit card market ;
- in a complex Wealth Management offer for affluent clients (CPC, Citigold segments).

The group is characterized by above-average strong capital position, high liquidity and good-quality credit portfolio, which offers a convenient environment for the Group to take actions aimed at driving increases in key areas. Moreover, its global reach and unique offer for institutional clients running international business activity give the Bank a crucial competitive edge. The strong position of the Bank also results from its unique experience in handling even the most complex transactions and top-quality technology solutions, which ensure smooth and solid provision of services to demanding businesses.

### Business scale

[GRI 102-7]

Both Citi Handlowy and DM Citi Handlowy conduct their operations domestically and they do not have subsidiaries abroad [GRI 102-6]. Products and services are offered to clients through 18 branches in the 8 largest Polish cities, online and mobile banking systems, via telephone banking, as well as in the network of 44 own ATMs (including 35 multi-currency ATM's) and over 21,000 ATMs and 9,000 cash deposit machines belonging to other operators.

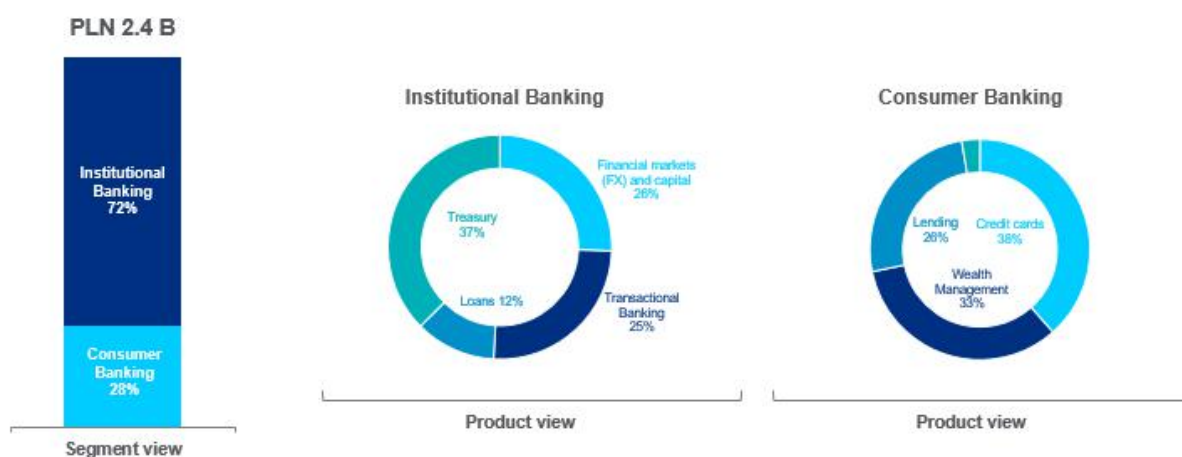


## 6. Financial results

[GRI 201-1]

SELECTED FINANCIAL DATA (PLN '000)	GROUP		BANK	
	2021	2020	2021	2020
Interest and similar income	824,249	1,118,882	824,319	1,118,478
Fee and commission income	742,899	645,163	672,915	590,588
Total expenses	1,202,575	1,221,991	1,173,501	1,195,808
Cost/Income ratio	51%	59%	51%	59%
Cost of risk	(38,784)	(190,267)	(38,962)	(190,541)
Net profit	950,936	317,277	942,926	298,706
Profit before tax	717,468	172,395	715,972	158,085
Total comprehensive income	(40,781)	506,312	(42,374)	491,502
Increase/decrease of net cash	2,046,917	722,779	2,046,962	722,777
Total assets	61,862,771	60,941,538	61,681,601	60,632,397
Loans (clients)	21,327,600	21,914,223	21,187,157	21,673,755
Deposits (clients)	43,507,474	43,393,906	43,495,543	43,411,106
Credit/Deposit ratio	50%	51%	49%	50%
Equity	7,383,395	7,580,967	7,316,040	7,515,205
Share capital	522,638	522,638	522,638	522,638
Number of shares ( in pcs)	130,659,600	130,659,600	130,659,600	130,659,600
Book value per share (PLN/EUR)	56.51	58,2	55.99	57.52
Common Equity Tier 1 Capital ratio (in %)	20.1%	22.6	19.8	22.3
Earnings per share (PLN/EUR)	5.49	1.32	5.48	1.21

### GROUP'S REVENUE STRUCTURE IN 2021



IN 2021, CITI HANDLOWY CONTRIBUTED TO THE POLISH BUDGET:

<p><b>PLN 212</b> million in corporate tax income</p>	<p><b>PLN 29</b> million in personal tax income</p>	<p><b>PLN 59</b> million in value added tax</p>	<p><b>PLN 7</b> million in dividend tax</p>	<p><b>PLN 156</b> million in banking tax</p>
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## 7. Citi Handlowy Strategy

In 2021, Citi Handlowy continued the implementation of the strategy for 2019-2021 (“the Strategy”) developed in 2018, while taking actions appropriate to the situation resulting from the COVID-19 pandemic and the economic lockdown.

In April 2021, Citigroup, the main shareholder of the Bank (“Citi”) decided to exit from its consumer segment in 13 countries, including Poland. By doing that, Citi strives to focus on the very strong, priority institutional business. At the same time, Citi wants to develop its Wealth Management services focused across four centers located in Singapore, Hong Kong, UAE and London. Citi Handlowy intends to continue its operations in consumer banking without any changes until the final decision to exit consumer business, and will make every effort to maintain the satisfaction level of individual clients and top quality of the offered products and services, while striving to preserve the business value for the shareholders.

For the last twelve months of the Strategy, the Bank achieved the following results furthering the implementation of its long-term goals:

- supporting international activity of domestic companies, higher FX volumes by 32% YoY among global clients and commercial banking clients;
- higher number of global clients – client number increased by 3% YoY;
- development of the offer for business in the e-commerce industry and higher transaction volumes of the Bank accompanied by a growth in the scale of activity of these businesses, foreign transfers were up by 4% in 2021 vs. the prior year period;
- participation in the largest transactions in the capital market. In 2021 DMBH acted as a Local Co-Bookrunner in the IPO on Euronext Amsterdam worth EUR 3.2 billion, also DMBH acted as a Global Coordinator of the Pracuj.pl Group IPO on the WSE;
- conducting the largest public issue of Climate Awareness Bonds for the European Investment Bank supporting sustainable growth in the amount of PLN 1.25 billion, dedicated to Polish investors;
- progress in further process automation: 37% of bank account agreements in 2021 were signed electronically, the Bank processed approximately 33 million transactions electronically.

Despite the announcement of its strategic decision to exit consumer banking, the Bank also managed to have the following achievements in the consumer segment:

- increase in the average balance of investment products assets by 4% YoY and increase in the number of affluent clients (CPC) by 23% YoY;
- development of the FX offer for individual clients - introduction of a Currency Card and 10 new currencies on the foreign currency account - an increase in the volume of FX by 20% YoY.
- launch of BLIK mobile transactions;

At the same time, the Bank maintains a high level of capital security: high quality assets and capitals, total capital ratio (TCR) at 20.1%, i.e. 9.4 p.p. above regulatory requirements. Due to a stable financial position, the Group was able to distribute as dividend almost 100% of profit for 2020 – the highest dividend rate for 2020 among banks listed on the WSE, which confirms the Bank’s strong commitment to delivering on its obligations to its shareholders.

## Development prospects

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

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

The Bank wants to achieve the following financial goals:

- Increase in revenues from clients by an average of 9% annually;
- Return on capital (ROE) >12% in 2024;
- Maintained cost discipline (C/I < 50%);
- Increase in client assets by an average of 6% annually over 3 years;
- Continued dividend payout of at least 75% of net profit, subject to regulatory approval.

In Institutional Banking, the Bank strives to continue to be **the bank of choice for the biggest international corporations active in the Polish market and Polish businesses actively operating in foreign markets**. This will be achieved thanks to a broad experience, a customized package of services and products as well as top-quality technology solutions and also by following the latest trends crucial for the clients' development. Therefore, the Bank wants to **be active in the transformation of its clients** consisting in adjusting their business model to the challenges of the new, post-pandemic reality. In this area, a great emphasis will be placed on **solutions supporting green transformation regarding not only the power sector, but also the entire economy**. What will be crucial in the segment of Institutional Banking are services for companies from industries undergoing intense digitization and those which experienced important shifts in the international supply chain. The Bank's focus remains on financial institutions and big public and local government institutions. The Bank will make efforts to propose a top-quality offer to each of the above groups, including, among others, **transformation and consolidation financing products, trade financing products and hedges against the risk associated with running an international business, and also a comprehensive offer of liquidity services, and finally services related to handling the most complex transactions in the capital and debt market**.

## Sustainable growth management

Activities in sustainable development are a part of Citi Handlowy's business strategy. The Bank has continuously been among the most socially responsible WSE-listed companies for years. This is confirmed by the presence of Citi Handlowy in the WIG-ESG Index, which launched its quotations in September 2019. Citi Handlowy was also present in the RESPECT Index continuously from 2009 to 2019, i.e. for the entire duration of the index.

In December 2021, Citi Handlowy adopted a new Strategy for the years 2022 - 2024. Its important component is supporting clients in undertaking transformation initiatives in the areas of **Environmental, Social, Governance (ESG)**. The new ESG strategy is based on three pillars:

Our sustainable strategy goal is to support our clients in the transformation their business model towards sustainability and incorporate social and environmental aspects into the Bank's decision making



The main objective of the above activities is to responsibly provide financial services to clients to enable their economic growth and development while taking into account environmental and social factors in the credit processes undertaken by the Bank.

The Bank's employees are also addressees of ESG activities. In addition to stability and attractive employment conditions, Citi Handlowy constantly works on the creation of an organizational culture where diversity is respected and support is provided in balancing work and private life. Through the Bank's Kronenberg Foundation, by way of employee volunteering and a range of programs in financial education, promotion of entrepreneurship, protection of cultural heritage, and local development, Citi Handlowy pursues its mission of modern philanthropy.

The Bank's Management Board and organizational units of the Bank, within the competencies of which include the individual goals set out in the Strategy, are responsible for the implementation of the ESG objectives.

## 8. Management structure

[GRI 102-18]



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

**The Supervisory Board** supervises the Bank’s activity, including the operation of risk management systems and internal control. Its authority, in addition to the rights and duties envisaged in the legal provisions, includes, among other powers, the appointment and dismissal of the President, Vice Presidents and members of the Management Board of the Bank and the definition of remuneration for them.

The Supervisory Board may establish **permanent or ad-hoc committees** to perform specified activities. The Supervisory Board’s standing committees include: the Audit Committee, the Nomination and Remuneration Committee and the Risk and Capital Committee. The Supervisory Board may, by a resolution, appoint committees other than those listed above, consisting exclusively of members of the Supervisory Board (this is how the Strategy and Management Committee was established). A respective resolution of the Supervisory Board determines the scope of authority of such a committee. Most members of the Audit Committee, including the Chairperson, are independent within the meaning of the provisions of the Act on Auditors, Audit Firms and Public Supervision.

The Supervisory Board is composed of 8 members (4 men and 4 women). Four members of the Supervisory Board, including its Chairperson, are Polish citizens. Four members of the Supervisory Board are not related to shareholders holding at least 5% of the Bank’s shares. The term of the Supervisory Board is joint and lasts 3 years.

**The Management Board** of Citi Handlowy directs the Bank’s overall activity and represents the Bank. It defines the Bank’s organizational structure, rules of the Bank’s operation and work organization, and principles of the Bank’s human resources policy. In addition, the Management Board is responsible for, among others, the preparation and presentation of reports and other documents concerning the functioning of the Bank to the Supervisory Board and General Shareholders Meeting, calling a General Shareholders Meeting, the enactment of internal regulations, and the appointment of committees authorized to monitor specified issues on an ongoing basis.

The Management Board of Citi Handlowy is composed of 7 members (3 men and 4 women). Five members of the Management Board are Polish citizens. Members of the Management Board are appointed for an individual three-year term.

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

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





## 9. Risks related to the Bank's activity

[GRI 102-15, GRI 102-11, GRI 102-30]

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

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

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

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

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

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

## 10. Corporate Governance

Citi Handlowy, being an institution operating on a regulated market, abides by legal regulations applicable to banks. It ensures a high sense of business and social responsibility, observes corporate governance principles adopted by the Warsaw Stock Exchange (WSE) in the form of the document "Best Practice of GPW Listed Companies 2016" (DPSN) which can be found on the website [www.gpw.pl](http://www.gpw.pl), being an official site of the WSE dedicated to corporate governance issues of companies listed on the Main Market of WSE and New Connect.

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

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

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

With regard to the three principles, the decision not to apply them was made with respect to:

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

On October 9, 2020, the Polish Financial Supervision Authority unanimously adopted Recommendation Z on the principles of internal governance in banks addressed to banks.

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

Recommendation Z is a collection of good practices in the field of internal governance principles. The internal governance includes in particular: the bank's management system, the bank's organization, principles of operation, powers, duties and responsibility as well as mutual relations between the supervisory board, management board and key functions in the bank. Recommendation Z is a supplement, more detailed and further development of internal governance issues in banks, which have already been regulated in the law and documents of the Polish Financial Supervision Authority.

In 2021, the Bank adopted the principles resulting from the Recommendation Z of the Polish Financial Supervision Authority regarding the principles of internal governance in banks.

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

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

## 11. Stakeholders

[GRI 102-40, 102-42, 102-43]

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

STAKEHOLDERS	HOW THE BANK IS INVOLVED?	2021 EXAMPLES
<b>Investors (strategic investor, institutional and individual investors, rating agencies and brokerage houses, WSE)</b>	Group meetings and teleconferences (quarterly publications of results, investor conferences)  Face-to-face meetings	Participation in 22 meetings with investors that were attended by the President of the Management Board and CFO
<b>Employees (FTEs, students, trade unions, work inspection, former employees, subcontractors' employees incl. outsourcing)</b>	Intranet Emails Town Halls Citi Collaborate social platform Voice of the Employee (VoE) survey People Board	10 Town-Hall meetings with the President of the Management Board  People Strategy Newsletters "Puls Citi Handlowy"  Diversity IN Check - Citi in Poland among employers with the most developed diversity policy  Employee Networks - Women's Network Poland Citi Pride, CitiDiversity, Families Matter Network Poland
<b>Clients (clients, consumer organizations, UOKIK – Polish Office of Competition and Consumer Protection)</b>	Contact form on the Bank's website  Social media – Facebook, including the Messenger application  Citi Handlowy Magazine YouTube  Meetings/Workshops with clients	7,500 customer inquiries via social media  188 Citi Handlowy posts in social media (viewed 32 million times)  16 webinars for clients on YouTube (attended by 5,000 clients)  397 cases received by the Client Spokesperson  Project "CyberM@cna Szkoła" - workshops for teachers attended by 643 people.

## Membership in Organizations

[GRI 102-13]

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

In 2021, Citi Handlowy belonged to the following associations, chambers of commerce and foundations:

- American Chamber of Commerce (AmCham)
- Polish Donors Forum
- Responsible Business Forum (FOB)
- French Chamber of Industry and Commerce in Poland (CCIFP)
- Warsaw Institute of Banking Foundation
- Institute of International Finance
- Lewiatan Confederation
- Polish Association of Private Employers and Financial Institutions
- Malopolski Employers' Association LEWIATAN
- Podkarpacki Business Club
- Polish Factors Association
- Polish Business Roundtable – the Club
- Polish Committee for Standardization, Technical Committee no. 273 for Mechanical Protection Device

- Polish and Chinese Chamber of Commerce
- Polish-German Chamber of Commerce (AHK)
- Polish Private Equity and Venture Capital Association
- Pomeranian Employers
- Wielkopolska Capital Club
- Scandinavian-Polish Chamber of Commerce (SPCC)
- Polish Association of Listed Companies (SEG)
- ACI Polish Financial Markets Association
- Polish Bank Association (ZBP)
- Center for Strategic Thoughts
- Polish Fish Processors Association,
- Chamber of Industry and Commerce in Krakow,
- Tarnow Association of Entrepreneurs.

In 2021, DM Citi Handlowy was a member of the following organizations:

- Izba Domów Maklerskich (Chamber of Brokerage Houses),
- Polskie Stowarzyszenie Inwestorów Kapitałowych (Polish Private Equity and Venture Capital Association).

## **12. Awards and Accolades**

In 2021, the Bank, DM Citi Handlowy and the Kronenberg Foundation at Citi Handlowy were awarded prestigious titles and rewards:

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

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

### **Citi Handlowy again named "SuperEthical Company"**

In a Puls Biznesu survey of corporate operating standards, Citi Handlowy has confirmed its consistent adherence to the highest ethical requirements. The Bank has been regularly awarded in the competition since its beginning. Citi Handlowy has retained the title of the "SuperEthical Company", which is conferred every three years. It is the only bank among only nine laureates awarded in this year's survey and one of two banks entitled to use this prestigious title.

### **First place in the "Socially Sensitive Bank" category in the 12th edition of the Golden Banker ranking organized by "Puls Biznesu" and Bankier.pl.**

Together with the Citi Handlowy Foundation, the bank was also named a "socially sensitive bank" for its #SilentHeroes campaign, a title that is very important and meaningful during the challenging time of the pandemic. These intervention activities are organized by 2,000 volunteers from Citi in Poland. They are a series of initiatives developed overnight to address the needs of the groups most affected by the pandemic. Healthcare professionals received nationally innovative medical equipment – mobile ultrasound devices and respirators, video laryngoscopes, PPE for doctors and training in using the new equipment. 7 ambulances were thus additionally equipped. During the first weeks of lockdown, volunteers prepared over 8,300 meals for the paramedics in Warsaw and Olsztyn to help them get through the most difficult time of chaos. Moreover, over 100 computers were donated to children to help them with remote education, while over 1,000 packages with basic necessities were delivered to the elderly.

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

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

### **Citi Handlowy tops Euromoney's Cash Management ranking, for the eighth time**

Transaction banking of Citi Handlowy topped the prestigious ranking of the Euromoney magazine again. In 2021, the votes of its clients elevated Citi Handlowy to the first place in both categories: "Market Leader" and "Best Service".

### **6th consecutive Golden Banker for the Citi Handlowy Credit Card in the 12th edition of the Golden Banker ranking organized by "Puls Biznesu" and Bankier.pl.**

For the sixth time, the Citi Handlowy credit card has won the Golden Banker ranking as the best product on the market in its category, thus confirming its position as a market leader. The Citibank-BP Motocard Credit Card was awarded for "zero issuance, renewal and maintenance fee, as well as access to a high limit and one of the market's longest interest-free periods," reads the justification.

### **Citi Handlowy named Poland's best investment bank according to Euromoney**

The British magazine Euromoney named Citi Handlowy "The Best Investment Bank in Poland" in the year 2020 in the prestigious Euromoney's Awards for Excellence. Last year, the Bank in cooperation with Citi supported Polish enterprises



in the largest international M&A transactions.

**Medals of NBP and ZBP for the 150th anniversary of Citi Handlowy**

During a virtual gala, presidents of the National Bank of Poland (NBP) and the Polish Bank Association (ZBP) presented merit medals for supporting the development of banking in Poland to 100 employees of Citi Handlowy. The awards for the employees were the culmination of the “150 years of progress” – celebrations of the anniversary of the oldest Polish commercial bank. 25 employees of Citi Handlowy received honorary badges of the National Bank of Poland, while 75 employees received medals of the Polish Bank Association. These are representatives of consumer, corporate and transactional banking, as well as employees of the risk and finance departments, support sectors and the Citi Handlowy Foundation.

**3rd place in the Institutional Investor 2021 ranking for analysts from the Analysis Bureau of the Brokerage House of Citi Handlowy.**

In the Institutional Investor 2021 Western Europe & Emerging EMEA research, the analysts from the Analysis Bureau of the Brokerage House of Citi Handlowy, jointly with the teams from the Czech Republic and Hungary, took the 3rd place as ones of the best analysis teams in the “CE3” category. As regards individual rankings, Piotr Dzięciołowski took 2nd place in the Utilities sector and Andrzej Powierża ranked 4th in the Financials sector, thus confirming their high positions. The research was carried out by the Institutional Investor, with over 10,000 votes cast in EMEA.

## III. How we do Business?

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

### 1. Code of Conduct

[GRI 102-16,103-1,103-2,103-3]

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

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

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

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

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

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

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

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

What is more, all Citi Handlowy employees are obliged to complete an annual training related to the Code of Conduct for Employees, which is designed to make them familiar with the basic internal regulations applicable at the Bank related to professional conduct at work and to provide them with some skills related to identification of dubious situations which have to be reported. [GRI 102-17]

Citi Handlowy maintains the title of "Super Ethical Company".

## Ethics Day 2021

In 2021, Citi Handlowy once again organized an Ethics Day for employees, covering the issues of employee conduct and values that the Bank should demonstrate in internal relations, on the market - among customers and suppliers, as well as in the communities in which it operates. The employees were informed about the amended Principles, which were approved by the Management Board and the Supervisory Board, and the practical issues related to reporting unethical behavior were also reminded. **[GRI 102-17]**



### 1.1. Counteracting discrimination and notification of breaches and unethical behavior

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

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

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

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

At Citi Handlowy, diversity is treated as an indicator of the organizational culture. It is about ensuring that the organization employs people with different length of working experience and of different ages, and that individuals in the minority due to origin, sexual orientation or views can feel good at Citi Handlowy and have the same opportunities to grow their careers. The bank perceives the diversity of employees as a value that creates capital and is a potential source of building its competitive advantage.

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

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

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

The Bank continuously makes efforts to ensure diversity in relation to all its Employees, through the implementation of appropriate HR procedures and practices ensuring and promoting a work environment consistent with the principle of equal treatment and free from any discrimination, in which every Employee has equal opportunities and can make full use of his or her abilities.

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

- making staff-related decisions, including remuneration, on the basis of performance assessment, professional knowledge and experience, skills and competences, ensuring employees with equal employment opportunities;
- respecting and promoting principles of equal treatment and prohibition of discrimination on grounds of sex, age, education, qualifications, professional experience, nationality, ethnic origin, religion, denomination, political beliefs, trade union membership, health, sexual orientation, family status, lifestyle, place of residence, form of employment;
- providing employees with equal treatment in terms of remuneration, including ensuring equal access to non-wage benefits;
- ensuring equal chances for employees in terms of access to development initiatives and trainings offered by the Bank;
- building diversified working teams;
- ensuring a friendly work environment and organizational culture based on mutual respect;
- familiarizing all employees with the Work Regulations of Bank Handlowy w Warszawie S.A. and with the Code of Conduct for Employees, which include information on principles of equal treatment in employment and prohibition of any practices which demonstrate elements of discrimination, molestation and mobbing, and oblige every employee of the Bank to respect the dignity of employees and colleagues, as well as information and educational activities in this regard;
- promoting and supporting employee initiatives, in particular the Citi Women Network, Disability Network, Citi Pride Network, charity activities and group sport activities;
- enabling employees to freely express their opinions, e.g. in the survey "Voice of Employee" or "Exit Interview"; and through "People Board";
- ensuring an internal early warning and ethical concerns reporting system;
- supporting employees in ensuring an appropriate balance between professional and private life;

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

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

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

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

Examples of the Bank's anti-discrimination activities:

### Information policy:

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



### Diagnostic actions

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

### Educational campaigns

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

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

2,645

employees completed the training

99%

of the target

### TRAINING: "UNDESIRABLE SITUATIONS IN THE WORK PLACE"

2,985

employees completed the training

97%

of the target

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

As part of secondary prevention, the Bank provides the possibility to submit complaints regarding undesired behavior by developing respective procedures [GRI 103-2]:

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

## 1.2. Notification of breaches and unethical behavior

### [GRI 102-17]

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

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

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

Anonymous reports are passed to the appropriate Member of the Management Board supervising the Risk Management Sector, by phone or mail via the Ethics Helpline: If a report concerns a Member of the Management Board, the report may be passed to the Chairperson of the Supervisory Board by mail or via electronic channels.

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

- the direct superior or a higher-level superior,
- an employee of the Compliance Division,
- a representative of the Human Resources Division,
- an employee of the Audit Department,
- an employee of the Legal Division if legal provisions have been infringed,
- a Member of the Management Board of the Bank supervising the Risk Management Sector.

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

- e-mail,
- mail.

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

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

In 2021, there were 7 cases of mobbing and discrimination reported by employees. Among the investigations carried out in compliance with the complaint procedure, in 6 completed investigations no undesirable incidents were found. One investigation is still pending. Should the undesirable situations be confirmed, the Human Resources Division will recommend adequate actions to be taken by the competent units, including HR actions, toward the employees who have engaged in unsound practices. [\[GRI 406-1\]](#)

### 1.3. Prevention of Conflicts of Interest

[\[GRI 102-25\]](#)

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

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

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

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

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

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

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

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

## 2. Responsible Customer Relations Management

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

### 2.1. Modern banking – responsible edition

#### Online banking

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

The clients of **Institutional Banking** use the CitiDirect BE system. In 2021, the Bank processed about 33 million transactions executed by nearly 5,100 active clients. Last year, the Bank focused, among other efforts, on improving the security of the system users through introducing smart payment verification – Citi Payment Outlier Detection. This tool enables identification of transactions that are substantially different from the previous trends. To this end, it uses advanced analyses, algorithms and machine learning to monitor payments in real time, and generates alerts so that the designated user can verify unusual payments in the CitiDirect BE electronic banking system.

The online platform dedicated to the clients of **Consumer Banking** is Citibank Online. There were 65.5% of active users of Citibank Online, 5.0 p.p. more than as at the end of 2020. In 2021, Citi Mobile application recorded an even greater increase in the number of active users thanks to, among others, the newly introduced BLIK payment method and a revamped design. The number of these users increased by nearly 13 p.p. YoY.

#### Secure banking

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

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

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

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

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

The Bank promoted online banking in response to the COVID-19 pandemic. Most things can be handled without leaving home or visiting a branch on the Citibank Online platform, which is available 24/7.

#### Client Data Protection

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

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

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

## Buildings without barriers, the availability of architectural

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

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

## 2.2. Customer satisfaction surveys

Citi Handlowy conducts regular customer satisfaction surveys among both institutional and retail clients. NPS (Net Promoter Score) is the key measure of quality. NPS measures clients' propensity to recommend the bank and thus their satisfaction regarding provided services. Surveys cover Citi Handlowy's key client segments, products and processes as well as the most important channels of communication (i.e. Citibank Online, CitiPhone, branches). Scores and comments are analyzed by a team which analyses clients' experience and the results of such analyses and proposed enhancements are discussed at a monthly meeting with the bank's management. In 2021, the results of the survey show an increase in the satisfaction of users of the CitiMobile banking application from 33% to 40%. It was related to the introduction of new application functionalities. Increases also occurred in the category of customers evaluating Smart branches (from 53% to 60%) and affluent customers from 36% to 44%.



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



## Citi Handlowy responds to customer needs

The Bank's sound position in providing customized solutions for clients was confirmed by many awards and recognitions won in 2021. One of them is the award granted in the 12th edition of the ranking prepared by Bankier.pl and Puls Biznesu for the Citi Simplicity credit card, which won the Golden Banker award for the sixth time in a row in the product category: "best credit card". The other awards were granted, among others, by the British financial magazine Euromoney, which named Citi Handlowy "The Best Investment Bank in Poland" in the prestigious Euromoney's Awards for Excellence and, for the eighth time in a row, recognized transaction banking of Citi Handlowy as the best on the Polish market in the "Market Leader" and "Best Service" categories. Citi Handlowy was also listed among employers with the most advanced diversity policy under **Diversity IN Check**, the first list of employers with the most advanced diversity management, prepared by the Responsible Business Forum. The Bank also took the **first place in the "Socially Sensitive Bank" category in the 12th edition of the Golden Banker ranking** organized by "Puls Biznesu" and Bankier.pl.



The Bank promotes the idea of high level of customer satisfaction not only through NPS tests. In 2021, the Bank continued the systematized approach to searching, recording and changing customer experience in relations with the Bank. Selected units not only analyze the clients' complaints, but also search for the information on customer experience in the NPS forms, comments posted in the social media or among the employees of the Bank who are also its clients. Every employee at the Bank is involved in building a new organizational culture predominantly for the client's interest and in delivering more and more revamped solutions. The growth of customer satisfaction level is among the Bank's key goals for 2022.

## Communication with clients

For more than nine years, Citi Handlowy has consistently pursued its transparent client communication strategy, systematically aligning its offer with client needs. As part of projects such as "Treating Customers Fairly", requirements were defined regarding communication, which were necessary for conducting product campaigns. Given the above, despite of dynamically changing market conditions, clients can be sure that they will be informed of the Citi Handlowy's products in a fair and transparent manner. At the same time, Citi Handlowy ensures that its agreements are explicit and information concerning costs, risks and potential advantages is transparent. All employees of the bank who are responsible for a product offer are also trained in transparent communication standards and are obligated to abide by them. In addition, the policy and standards of top-quality customer service, complaint processing and responsible marketing at Citi Handlowy are governed by internal regulations, including the Code of Ethics for Advertising and the Ethical Business Practices of Bank Handlowy w Warszawie S.A. **[GRI 103-2]**

## Citi Handlowy Webinars



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

15 LAT  
CITIFXPULSE

citi handlowy

23 lutego (wtorek), godz. 11:00 - 12:00

Gospodarka w 2021 roku  
- czy są powody do optymizmu?

Wideokonferencja z udziałem Piotra Kallsza, Głównego Ekonomisty Citi Handlowy

In 2021, in an effort to provide its clients with information, analyses and useful knowledge on an ongoing basis during the pandemic, Citi Handlowy continued a series of webinars – events, training sessions and meetings broadcast online on the Bank’s YouTube channel, on a dedicated website or via Zoom. Over the year, there were 16 such events for retail and corporate clients, for example:

- A great comeback of inflation? Impact of the pandemic on price dynamics as seen by experts from Citi Handlowy, with the chief economist of Citi Handlowy
- Outlooks for the metal market in 2022 – with Commodities Strategist, Citi Research and the chief economist of Citi Handlowy
- IBOR Transition – a series of training sessions organized in cooperation with a law firm on communication regarding the benchmarks reform
- Automate to grow faster! A training organized together with Comarch for corporate clients
- Business Culture behind the Great Wall. What should you know about Chinese partners? – in cooperation with market experts
- Brexit deal explained – what was agreed, what remains uncertain? – a webinar for companies being members of the Bank’s partner organization

The topics of investment webinars prepared by the Investment Advisory and Mutual Funds Bureau of Citi Handlowy included, among others:

- Market and economic outlooks in 2021
- Socially responsible investing. Are the factors of the environment and society a passing fad or a permanent trend in investing?
- FX possibilities within a wider range of currencies, FX market trends
- Investor’s Guide – how to be reasonable and effective in investing?
- Art market – what should you know as an investor?

The webinars organized by Citi Handlowy in 2021 were attended by a total of almost 5,000 clients.

Under the 2nd edition of the „CyberM@cna Szkoła” (“CyberStrong School”) project, designed in response to the challenges related to remote and hybrid education, the Foundation of Citi Handlowy organized workshops for teachers, with 643 registered participants. The opening lecture of the project, broadcast live on YouTube (on Citi Handlowy’s channel), had 11,556 views.

Invitations to webinars were sent out to the bank’s clients by email (corporate and consumer banking) and via text messages (consumer banking), and also announced on the bank’s profiles on Facebook, Twitter and LinkedIn. The summaries of the webinars were published, together with a link to the video recording, in the Magazine of Citi Handlowy, e.g. <https://magazyn.citibank.pl/165439-perspektywy-dla-rynku-metali-na-2022-r>.

## **2.3 Complaint management in Citi Handlowy**

### **Complaint management in the segment of institutional clients**

Information on the submission of claims and complaints filed by the institutional clients of Citi Handlowy is available on the bank’s website in the “Complaints” tab. [www.citihandlowy.pl](http://www.citihandlowy.pl)

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

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

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

An important quality-related element is the time taken to respond. The key indicators applicable to client claims and complaints are presented on a monthly basis at the quality meeting of the Regional Payment Center and quarterly to the Council for Corporate Customer Experience. Based on the prepared analyses, corrective action plans are specified to reduce errors on the part of the bank. **[GRI 103-2, GRI 103-3]**

**Standard response time to corporate clients complaints (working days) in 2018-2021**

Response time	2021	2020	2019	2018
<5 working days	72%	73%	74%	61%
6-15 days	22%	20%	20%	24%
16-30 days	5%	6%	5%	8%
>30 days	1%	1%	1%	7%

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

	2021	2020	2019	2018
Total number of complaints submitted	1,084	1,343	1,383	1,615
% of complaints resolved in favor of the client	94%	94%	95%	91%
The number and % of complaints related to violation of privacy or loss of client's data	0 (0.00%)	2 (0.15%)	1 (0.10%)	Data not available

**Complaint management in the segment of consumer clients**

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

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

In 2021, the time of response to client queries was 1 working day. This enables clients and the bank to continue being engaged in a dialog and provide answers in the shortest possible time.

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

**Standard response time to consumer clients complaints (working days) in 2021**

1 working day Citigold and Citigold Private Clients	4 working days Other segments
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The time required to process a complaint was the same in 2020.

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

	2021	2020	2019	2018
Total number of complaints submitted	46,866	59,572	54,619	62,034
% of complaints resolved in favor of the client	24%	23%	12%	15%

The Bank logs every case of dissatisfaction and lack of consistency identified by clients as complaints. 76% of cases involved queries, explanations or complaints where the root of error was outside the bank. Analyses of complaints and client comments, manners of handling them and drawing conclusions for the needs of the bank's operations, are presented at meetings of the Consumer Bank's Customer Experience Council held on a monthly basis. Based on the prepared analyses, corrective action plans are specified to reduce errors on the part of the bank in consecutive months.

In 2021, Citi Handlowy took another step toward digitalization of its processes in line with client expectations. The bank

continued the development of the communication channel via social media (Messenger). During the year, customers submitted almost 7,500 inquiries using this channel. It is about 1 thousand more inquiries compared to 2020. Customers also have a Chat available on the official Citi Handlowy website. A specialized group of advisers responds online to the inquiries of the Bank's clients.

## **Complaint management in the segment of DM Citi Handlowy clients**

Information on possible submissions of claims, complaints and grievances is made available on DM Citi Handlowy's website: [www.dmbh.pl](http://www.dmbh.pl)

DM Citi Handlowy clients can submit comments:

- in writing (by letter) to the address of the headquarters,
- in person through the customer service unit or the Order Acceptance Point at DM Citi Handlowy,
- by telephone,
- in electronic form, using electronic communication methods, e.g. electronic mail.

If a complaint is not submitted by letter, DM Citi Handlowy provides at the client's request, confirmation of the submission of complaint in a form agreed with the client. Complaints submitted to DM Citi Handlowy are considered without delay and no later than within 30 days of their receipt.

## **2.4. Client Spokesperson**

### **Institutional Client Spokesperson**

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

Clients may also send their opinions and comments to the Corporate Client Spokesperson, which help us to improve the products and services offered by Citi Handlowy. In 2021, one such submission was made directly to the Corporate Client Spokesperson.

### **Consumer Bank Client Spokesperson**

The function of Client Spokesperson was created in 2009 to both strengthen cooperation between the bank and clients and increase client satisfaction as far as the products and services offered by Citi Handlowy are concerned. The bank invites its clients to engage in dialog through contact with the Client Spokesperson. Clients are able to share their opinions, comments and suggestions about the functioning of the bank, and are provided with another opportunity to have their unsuccessful complaint examined again. Clients can contact the Client Spokesperson by sending an enquiry to the Client Spokesperson. In 2021, the Client Spokesperson received 397 issues for consideration.

### **Client education**

A different type of activity, which is not obligatory but perfectly fits into the overall effort to provide security and accessibility of banking products, is financial education of existing and potential clients and programs developing entrepreneurship.

Through the Citi Handlowy Leopold Kronenberg Foundation, the Bank implements programs raising financial awareness of Poles and preventing financial exclusion. The activities of the Foundation focus on financial education, with a special emphasis on shaping digital skills, which seem necessary for secure use of banking given the progressing digital transformation of financial services. The support for entrepreneurship by preparing young people to establish their own businesses and enhancing the potential of existing companies – this is the Foundation's contribution to the development of the Polish economy. The Foundation pays particular attention to startups whose business model assumes international operations.

Gaining assurance that clients understand the mechanism of a product and that they know how to use it in the most suitable way, is also of importance to the Bank. For this purpose the Bank created on its sites the Most Frequently Asked Questions section. Also educational materials are prepared for clients, from which they can learn how to manage their credit and credit history, observe current credit repayment dates and why it is important.

Considering the situation caused by the pandemic, on its website the Bank published information on a safe use of its products and services without the need to leave the house, addressed to its clients.

In addition, Citi Handlowy develops its Internet sites to include the most important educational materials concerning transaction security and use of products and mobile access.

Educating clients on their products as well as knowledge on how to use them in the best possible way is also very important for the bank. For this purpose, Citi Handlowy created on its sites the Most Frequently Asked Questions section: [www.online.citibank.pl](http://www.online.citibank.pl)

### 3. Responsibility in the Supply Chain

Citi Handlowy cooperates with many local and global vendors. The bank attaches huge importance to ethical, social and environmental standards, and involvement in social activities constitutes a permanent part of our history and values. The objective of Citi Handlowy is to observe those principles also in cooperation with partners, including bank vendors. [GRI 102-9]

#### The Procurement Policy

[GRI 103-1, GRI 103-2, 103-2]

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

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

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

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

#### Selection Criteria of Vendors

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

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

#### Ethical and Environmental Standards

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

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

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

- business honesty, including compliance with the principles of anti-bribery policy;
- respect for human rights in the workplace;
- refraining from any activities considered to be unfair competition and commitment to ensure the observance of legal standards regarding protection of competition rules;
- compliance with Labor Code regulations with respect to employment, working time, remuneration, occupational health and safety;
- ensuring timely payment of contributions for health, social and pension insurance;
- counteracting discrimination and behavior of a violent nature;
- respecting the ban on child and compulsory labor;
- environmental protection – environmental policy, optimized use of materials and goods, prevention of environmental pollution, recycling, reduction of pollutant emissions, sustainable management of resources, protection against hazardous materials and forest protection;



- striving to achieve top quality of the services provided;
- observance of confidentiality of all data of third parties;
- commitment to act in a socially responsible manner and to observe the laws of the country in which business is conducted.

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

The bank attaches considerable importance to the agreements it concludes with suppliers containing provisions compliant with Ethical Business Practices. 86% of agreements with suppliers concluded in 2021 contain ethical clauses (compared to 80% in 2020).

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

## **Communication with Business Partners**

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

## **Timely Payments**

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

## **Employment of Disabled Persons**

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

### **Employment of disabled persons at a sample vendor cooperating with Citi Handlowy in 2018-2021:**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Total number of disabled persons employed by the vendor	150	129	178	202
Number of disabled persons working on contracts at Citi Handlowy	24	25	32	39

## **4. Compliance risk management**

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

### **Compliance Division**

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

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

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

## Responsible Governance DM Citi Handlowy

DM Citi Handlowy is a member of the Chamber of Brokerage Houses (Izba Domów Maklerskich) and when conducting its activities it observes the “Code of Good Practice of Brokerage Houses” [“Code of Good Practice of Brokerage Houses”](#).

### Client Review

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

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

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

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

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

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

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

#### TRAINING: “COUNTERACTING MONEY LAUNDERING AND TERRORISM FINANCING”

2,604

employees of the Bank completed the training

99%

of the target

### Anti-Money Laundering and Combating Financing of Terrorism (AML) at DM Citi Handlowy

DM Citi Handlowy’s internal regulations are tasked with identifying and preventing various types of risk related to investment activities. Employees take part in regular training in fraud counteracting rules and client’s funds and data security. “Counteracting Money Laundering and Financing of Terrorism” regulations are considered by DM Citi Handlowy as one of the most important internal regulations. The Anti-Money Laundering and Combating the Financing of Terrorism Program followed in DM Citi Handlowy serves the purpose of identifying threats which the crime of laundering money can pose. As part of the program, the company applies financial security measures for clients, depending on how it assesses the money laundering risk, such as keeping registers, producing reports and logging suspicious transactions. Internal procedures and policies, organizational solutions and approaches as well as monitoring systems coupled with training organized for employees ensure the correct operation of the program in the company.

#### TRAINING: “COUNTERACTING MONEY LAUNDERING AND FINANCING OF TERRORISM”

112

employees of the DM Citi Handlowy completed the training

99%

of the target

## Sanctions and Embargos

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

### TRAINING ON "ECONOMIC SANCTIONS"

**2,621**  
employees of the Bank completed the training

**99%**  
of the target

**112**  
employees of the DM Citi Handlowy completed the training

**99%**  
of the target

## Corruption prevention

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

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

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

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

In 2021, no case of corruption in the bank's activity was recorded. [\[GRI 205-3\]](#)

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

**2,628**  
employees of the Bank completed the training

**99%**  
of the target

**111**  
employees of the DM Citi Handlowy completed the training

**100%**  
of the target

## IV. Care for the Environment

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

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

In its latest business strategy for the years 2022-2024 the Bank declared it would cut its own emission of greenhouse gases by at least 50% in 2024, as compared to 2019. For this purpose, the Bank strives to achieve the highest effectiveness of electricity management to limit indirect emissions (Scope 2), through increasing the share of power from renewable sources in its energy mix to the level of at least 50%, and through reducing its electricity consumption by at least 40% by the end of 2024. Simultaneously, the Bank shall strive to minimize its consumption of energy resources in the context of the reduction of non-polluting emissions (Scope 1), through the replacement of the vehicle fleet with hybrid cars and its reduction.

The Bank shall also actively support its corporate clients in the transformation of their business models towards low-emissions. The Bank, drawing upon the experience of its global shareholder – Citi, has prepared a full package of solutions for its clients: ESG consulting, financing (green credits), products in the area of treasury (e.g. hedging against interest rate risk), products in the area of transaction business (e.g. green deposits). At the same time, the Bank shall grant, over the coming 3 years, financing in the amount of PLN 1 billion for six sustainable projects of its clients: circular economy, clean technology, energy effectiveness, renewable energy, sustainable transport, water quality.

### 1. Sustainable financial solutions

#### 1.1. Green bonds: EBI – the largest issue of PLN-denominated Climate Awareness Bond

As a member of Citigroup, Citi Handlowy is an active participant of the capital market and supporter of the development of green and social bonds in Poland, by taking advantage of its unique international expertise and global resources.

In April 2021, Citi Handlowy acted as the Joint Lead Manager in the first public issue of green bond – the Climate Awareness Bond (CAB) – issued by the European Investment Bank (EIB) and designated in full for domestic investors. The value of the issue amounted to PLN 1.25 billion. Its maturity date is set for October 2026. The bond offers the investors a return rate of 1.028%.

The proceeds from the Climate Awareness Bond issue are allocated to the investments that contribute to climate change mitigation. The use of proceeds from the issue of Climate Awareness Bonds is linked to the EU Regulation establishing a framework facilitating sustainable investment (the so-called EU Taxonomy Regulation). This regulation came into force in July 2020 and assumes the establishment of a system of uniform classification of sustainable business activity for investment purposes.

The inaugural issue of the Climate Awareness Bond was an extremely important initiative, and it defines a direction that is worth following. Citi Handlowy for many years has been a partner of EBI in the most important benchmark issues of PLN-denominated bonds in the Polish market, which helped to finance investment projects in Poland. The issue of CAB was a special one for the Bank, as the proceeds shall be used for actions supporting sustainable development, in other words, goals forming part of the Bank's business strategy.

#### 1.2. Green Loan

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

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

**A loan for technological innovations** – a program that aims at supporting implementation of innovative technologies and is conducted by BGK in cooperation with commercial banks. The "loan for technological innovations" project is implemented under the Smart Growth Operational Program (sub-measure 3.2.2), financed from the funds of the European Regional Development Fund. The program consists in granting commercial loans for investments, which in part are repaid

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

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

## **2. Environmental risk management**

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

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

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

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

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

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

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



## Climate Risk Framework

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

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

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

In principle, the Bank does not get involved in financing transactions which carry a potential significant environmental or social risk and/or adversely and irretrievably affect the natural environment or society. However, Citi Handlowy focuses on financing transactions which carry no or minimal environmental or social risk.

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

Due to the broad scope, individual verification is also performed with respect to Social Risk and Risk regarding Management/Corporate Governance.

These risks result from the potential impact of management principles applied by the client or within the client's capital group. The assessment of Governance Risk should cover the element of management practices, including the quality of governance structures, employee relations, employee compensation policies and tax compliance.

The confirmation/verification of ESG risk is done on a case-by-case basis for each credit relationship, separately for Climate Risk, other environmental factors related to environmental degradation, Social Risk, as well as the Management/Corporate Governance Risk.

Out of concern for the environment, the Bank decided to refrain from financing new coal power assets or coal mining projects.

## 2.1. Taxonomy Related Disclosure

Pursuant to Art. 8 sec. 1 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment („Taxonomy”), undertaking which is subject to an obligation to publish non-financial information shall include in its non-financial statement on how and to what extent the undertaking’s activities are associated with economic activities that qualify as „environmentally sustainable” („Taxonomy”). In the light of Taxonomy, an economic activity shall qualify as „environmentally sustainable” if all of the following conditions are met: (i) contributes substantially to one or more of the environmental objectives set out in Taxonomy, (ii) does not significantly harm any of the environmental objectives set out in Taxonomy, (iii) is carried out in compliance with the minimum safeguards i.e. procedures implemented by an undertaking that is carrying out an economic activity to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights and (iv) complies with technical screening criteria that have been indicated in the relevant regulations delegated to taxonomy. As of 2021, Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 („Regulation 2021/2139”) was published and only applicable, which establish technical selection criteria in relations to only two environmental objectives: climate change mitigation and climate change adaptation.

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

Due to the fact that as at the date of publication of this annual report, disclosures of non-financial corporations regarding compliance with the Taxonomy are not available, and these disclosures are the basis for disclosures related to the Group’s Taxonomy, the Group made its own estimates based on internal customer data.

As a result of the estimates made in this way, the Bank states that as at December 31, 2021:

- The share in total assets of exposure to business activities eligible for taxonomy amounted to: 2.4%
- The share in total assets of exposure to non-taxonomic business activities amounted to: 43.1%

At the same time, as at December 31, 2021:

- The share in total assets of exposure to entities not subject to non-financial reporting obligation amounted to: 10.6%
- The share in total assets of exposures to central governments, central banks and supranational issuers was: 41.8%
- The share in total assets of derivative instruments amounted to: 12.7%
- The share in total assets of trading portfolios and interbank loans on demand was: 1.5%

The above ratios have been prepared according to the best knowledge of the Group, and some of these data are based on approximate estimates and are voluntary disclosures.

In the process of qualifying the activities for taxonomy, the Group analysed the portfolios of exposures to the customers of the Institutional Banking sector, and then checked whether the customer’s leading NACE qualifies for the taxonomy.

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

## 3. Environment Protection Management Systems

[GRI 103-1, 103-2, 103-3]

As early as 2007 Citi Handlowy introduced a comprehensive Environmental Management Plan. In the subsequent years, it introduced an Environmental Management System according to ISO 14001 and Energy Management System according to ISO 50001 for the main locations of the Bank. The integration of systems was based on the process approach, which enabled continuous system improvement, prevention of the occurrence of irregularities and monitoring of fulfilment of the set objectives. The system is subject to annual regulatory audits by an independent certification bureau. In 2021, another re-certification audit was conducted for the standards 14001: 50001:2018. The audits confirmed that the Bank fully implements the requirements of these standards, including operation of a system supporting the fulfilment of individual statutory, regulatory and contractual requirements.

The Bank ensures proper use and consumption of energy in order to reduce greenhouse gas emissions and mitigate climate change. The Bank adopted the **Energy Policy** and **Environmental Policy**, seeking to:

- reduce greenhouse gas emissions
- manage utilities consumption, in particular energy, as effectively as possible

- minimize consumption of energy and non-renewable energy sources
- support purchasing of energy-saving products and services as well as improve energy performance
- maintain correct waste sorting
- monitor noise pollution

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

The Environmental and Energy Management System (SZŚiE) assumes continuous improvement and streamlining of the existing processes to achieve improvement of general impact of the environmental and energy activity. Under SZŚiE, the Bank identified significant environmental aspects and specified the related risks and opportunities. **[GRI 102-11]**

## 4. Limiting the consumption of resources

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

Utilities consumption ***	2021**	2020*	2019	2018	Change 2020/2021
Electricity [MWh P] <b>[GRI 302-1, GRI 302-4]</b>	9,352	9,809	11,716	12,892	-5%
Heating [GJ] <b>[GRI 302-1, GRI 302-4]</b>	26,857	21,605	22,435	20,370	24%
Gas consumption [m <sup>3</sup> ]	36,832	29,570	41,128	47,385	25%
Fuel consumption for power generators [l]	5,432	5,503	5,389	4,607	-1%
Water consumption [m <sup>3</sup> ] <b>[GRI 303-5]</b>	14,522	15,532	30,440	32,059	-7%
Fuel used (petrol and diesel) in company cars (in liters)	161,147	246,165	520,142	636,582	-35%

\* Changes to the volumes of consumption in 2020 result from adjustments made after reporting deadline. **[GRI 102-49]**

\*\* Data for 2021 is incomplete (as at the publication date, the Bank didn't receive all the invoices for utilities consumption)

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

The Bank collects, monitors and analyzes data regarding its consumption of utilities: electricity and heat, gas and water, in order to plan a reduction of this consumption and thus to reduce the impact of the Bank's business on climatic changes. In 2021, the **Bank recorded a decrease in the consumption of electricity by about 5% as compared to 2020**, which was attributed to modernization and investment projects regarding building infrastructure, carried out during the previous years.

In order to reduce the Bank's negative impact on the environment, a new criterion was included in the tender for the purchase of electricity – **the requirement to purchase green energy from renewable sources**. For 2021, a **new product was contracted, "Naturally, energy"**, which requires that **50% of the volume of consumed energy must come from renewable resources**. The Bank decided to continue this trend, and **renewable energy contracted for 2022 shall**

**account for 55% of the total power purchased by the Bank.**

In 2021, the Bank recorded a 24% increase in thermal energy consumption compared to 2020, due to the prevailing thermal conditions (colder winter in 2020/2021 compared to winter in 2019/2020, which had one of the highest average temperatures). The consumption of gas rose for the same reasons – by 25% as compared to 2020.

In 2021, the Bank recorded **a reduction in water consumption by 7% as compared to 2020**. Since the beginning of the pandemic, the water consumption declined significantly with respect to the previous years; additionally, the employee facilities were equipped with modern dishwashers.

Citi Handlowy supports the small retention system through the collection of rainwater. One of our facilities has a rainwater reservoir with the capacity of 5000 liters. This reservoir is connected through a storm water drainage system with the building's roof, whose surface is about 2000 m<sup>2</sup>. During periods of drought, the Bank uses the collected rainwater to water the lawns on its property. In 2020, the installation of another reservoir was planned on the Bank's facilities.

The pandemic and the related restrictions, local and global alike, have significantly affected communication. With relation to the epidemiological situation, the Bank introduced remote work and limited the number of on-site business meetings. Most of these meetings were moved online, which in 2021 resulted directly in the **reduction of the volume of fuel used by company cars – by 35%, as compared to 2020**.

Citi Handlowy supports the environmental effort of building a world that is more environmentally friendly, by switching from the fossil fuel system to the hybrid system. **The Bank has initiated the process of replacing cars in its fleet with hybrid vehicles**, in line with the expiring contracts.

In addition, the Bank has implemented such initiatives as car pooling, car sharing, a system for booking dispatch cars, a system for booking parking spaces, and safe driving lessons for users of technical assistance cars.

## **4.2. Reduced consumption of materials**

Citi Handlowy optimizes and digitizes its processes. One of them is the Paperless project, finalized in 2021, whose main objective was to reduce the use of office paper and toner. Currently this project allows for:

- keeping a stable level of the following KPIs: print volumes, non-leased printers, external printing houses, internal archives, document shredding, mail and couriers, and marketing materials;
- use of ECO paper in printing;
- introduction of electronic stamp destruction protocols.

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

Year	2021	2020	2019	2018
Delivered/used sheets/cards	1,040,966	1,513,491	3,594,020	4,863,459

The Bank's efforts regarding the automation and introduction of electronic document circulation leads not only to the reduction of printed documents, but also of the volumes of mailed letters and bank statements. Each year, the Bank has consistently seen less correspondence sent in the traditional form.

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

Year	2021	2020	2019	2018
Number of letters and account statements sent	1,248,752	1,415,219	1,589,097	1,960,019

The Bank launched the Digital Office Project, which allowed the Bank to implement a system of economic printing in the offices, digitization of processes tied to document circulation as well as reduction of courier traffic between the Bank's locations.

## **4.3. Waste management**

The dynamic economic development is the direct reason for the generation of increasing volume of waste. Citi Handlowy launched efforts meant to reduce the volume of waste or its re-use, including through:

- offering the employees the opportunity to buy used computers owned by the Bank, through organizing an auction dedicated for the employees;
- introducing the Plasticless project, which aims to eliminate the use of plastic bottles in favor of using water from dispensers (most facilities have electric water dispensers connected directly to the water supply, so these offices do not use plastic bottles) and glass bottles;
- eliminating Styrofoam packagings in employee canteens and replacing them with biodegradable materials, cardboard cups, cup covers made of sugar cane and wooden cutlery;
- introducing to the vending machines products offered in glass packaging and cans, promoting a healthy and varied menu;
- using press containers to compact waste, which limits environment pollution related to waste transport.

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

**Paper delivered by Citi Handlowy for destruction and recycling (kg) [GRI 306-3]**

Year	2021	2020	2019	2018
Paper delivered for destruction and recycling (kg)	154,980	170,345	194,050	394,490

**4.4. Environmental noise protection**

The Bank cares about good neighborly relations, therefore it takes measures to reduce noise nuisances generated by the operation of building installations, e.g. through proper control of the operation time of these installations and their mechanical maintenance.

**5. Reduced ecological footprint**

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

The calculations of the Bank’s carbon footprint in 2021 were made according to the ISO 14067 standard and the GHG Protocol, which divide greenhouse emissions into three scopes.

Emissions data are given for the Bank, while electricity, heat and water consumption as well as waste management data are also given for Dom Maklerski (Brokerage House) of the Bank, because it is a part of the Bank’s headquarters. Considering that the other subsidiaries of the Citi Handlowy group do not conduct active operating activities and their contribution to the general emissions of the group is negligible, their emissions are not included in the calculations.

The ECOINVENT emission database, version 3.8, was used to calculate the carbon footprint for 2021. In addition, in line with recommendations of the GHG Protocol, range of the study was extended to include investments into fixed assets (under Scope 3 – 15: Investments).

**5.2. Greenhouse gas emissions**

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

Due to the ongoing COVID-19 pandemic, the interpretation of carbon footprint results must take into account the changing legal and socio-economic conditions. During the pandemic, one of the most common global trends was the shift to remote work, which greatly affected factors such as commuting, travel, waste, utility consumption, and more. Hence, it is often impossible to directly compare years (without proper data interpretation). Despite this, some patterns can be observed in the emissions results.

The results of carbon footprint emissions for Citi Handlowy in 2021 were measured using the *Location based* and *Market based* approaches. The first one allows one to indicate emissions for which the organization is directly responsible and which are tied to the energy it consumes, while the second approach allows one to take into account decisions made by the enterprise (e.g. purchase of energy certificates). Results under the *Location based* and *Market based* approaches amounted to, respectively: 15,811.59 tCO<sub>2e</sub> and 11,830.08 tCO<sub>2e</sub>. Which means that the **actions undertaken by Citi Handlowy made it possible to avoid potential emissions of CO<sub>2e</sub> in the volume of about 3,981.51 tCO<sub>2e</sub>.**

It should be stressed that the calculations under the Market based and Location based approaches were made for the first time. During the previous years, as there were no purchases of energy certificates and no investments into renewable energy sources demonstrated, it can be assumed that calculations under these two methods were equal.

**“Market based” method**

In 2021, the volume of emissions calculated with this approach amounted to **11,830.08 t CO<sub>2e</sub>**. Comparing these emissions to 2020 (**17,696.34 t CO<sub>2e</sub>\***), this represents a **decrease of emissions by about 33.15% (i.e. 5.87 thousand tons CO<sub>2e</sub>)**.

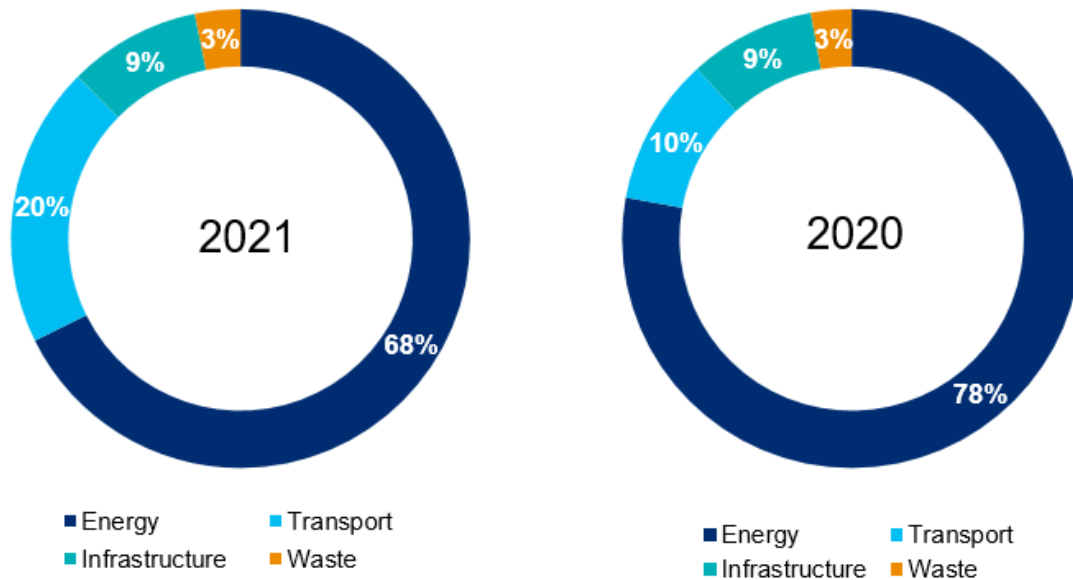
Analysis of emissions structure demonstrated that the largest percentage of emissions was tied to **generation of energy (about 68%**, as compared to 78% in 2020). This is the result of actions undertaken by Citi Handlowy, tied primarily to the purchase of low-emission energy certificates and investments into renewable energy sources (**the volume of avoided emissions amounted to 3.98 thousand t CO<sub>2e</sub> [GRI 305-5]**). These factors contributed also to **an increase in the share of transport in the emissions – the growth from about 10% in 2020 to about 20% in 2021** was attributed to the change in work schedules – limited remote work (more emissions tied to employees commuting to work). Among the other categories of emissions, change in the category of **infrastructure (slight increase)** was indicated, which resulted from changes to the calculation model (investment outlays were taken into account). Other emissions accounted for a relatively insignificant percentage.

As highlighted earlier, fluctuations in the emissions pattern were due to cooler temperatures and reduced hours of remote



operation in 2021, which directly contributed to higher emissions associated with transportation and waste. The structure of emissions in the years 2021 and 2020, broken down per category, is presented below.

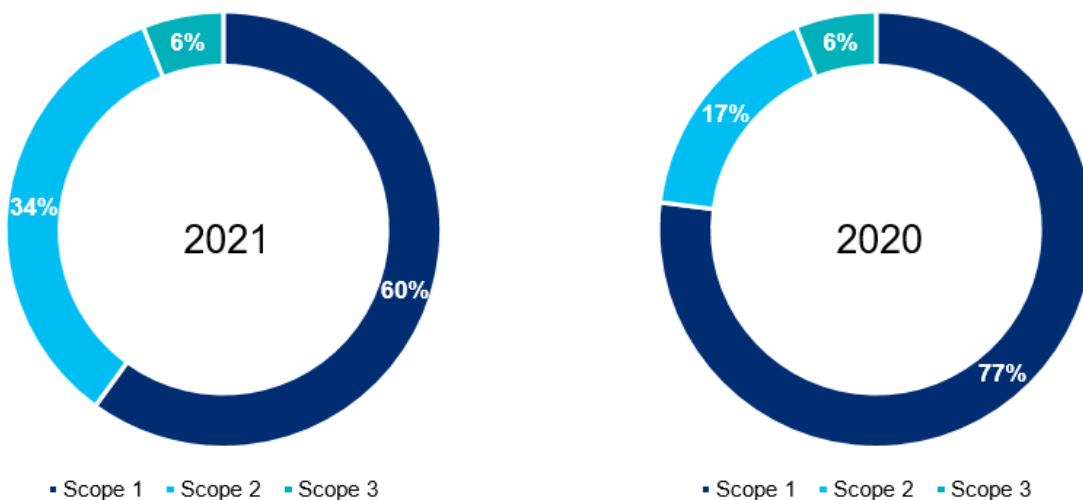
**Structure of carbon footprint emissions in 2021 and 2020 by category**



\* Changes to the volumes of consumption in 2020 result from adjustments made after reporting deadline [GRI 102-49]

Carbon footprint emissions are also presented per emission scopes. **The largest share was tied to indirect emissions (Scope 2)**, which are not controlled directly by the Bank. The share of these emissions was much lower in 2021 and amounted to **60%** (compared to 77% in 2020). Emissions of Scope 1 and Scope 3 amounted to, respectively: **Scope 1 – 5.5%** (vs. 6.3% in 2020), **Scope 3 – 34%** (vs. 17% in 2020). The differences in the volumes of emissions of the individual scopes need to be attributed again primarily to the effect of the COVID-19 pandemic, employees returning to offices, and with respect to indirect emissions – to investments into renewable energy sources and purchase of energy certificates from suppliers. The Market based approach emission structure, taking into account the scopes, is presented in the charts below.

**Structure of carbon footprint emissions in 2021 and 2020 by scopes**



## Explanation of the differences in the CO<sub>2</sub> emissions in 2021 versus 2020

### Detailed results of carbon emissions of Citi Handlowy in 2021 and 2020

Specification	2021				2020			
	Emissions by Scope [t CO <sub>2e</sub> ]				Emissions by Scope [t CO <sub>2e</sub> ]			
	Scope 1	Scope 2	Scope 3	Total	Scope 1	Scope 2	Scope 3	Total
ENERGY	111	7,104	790	8,005	96	13,682		13,778
TRANSPORT	469		1,871	2,340	798		1,040	1,838
INFRASTRUCTURE			1,107	1,107			1,575	1,575
WATER CONSUMPTION			4	4			4	4
OFFICE SUPPLIES			59	59			70	70
WASTE			241	241			191	191
OTHER							15	15
AIR CONDITIONING	74			74	225			225
<b>TOTAL</b>	<b>654</b>	<b>7,104</b>	<b>4,072</b>	<b>11,830</b>	<b>1,119</b>	<b>13,682</b>	<b>2,895</b>	<b>17,696</b>

Table: Inventoried data from the Bank's operations for 2021

Comments:

1. In 2021, the scope of the carbon footprint calculation in the Other category was changed from 2020 – the payment and identification cards item was moved to the office supplies category.
2. The differences between the emissions data for 2020 and the data provided in the report for 2020 result from the recalculation of these emissions due to higher consumption of some utilities recorded based on invoices received by the Bank after the publication date of the non-financial data report for 2020. [GRI 102-49]

The reduction of emissions in the Energy category by 42% compared to 2020 is the result of the Bank's investments in RES and the purchase of energy certificates [GRI 305-5], while the increase in emissions in the Transport category in 2021 by 27% compared to 2020 and Waste (an increase by 26% compared to with 2020) results from a change in the work model (more employees commuted to offices in 2021). Changes in the emissions in other categories result from remodeling the module and updating or changing the indicators used for calculations.

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

Ratio	2021	2020	Change YoY
GHG Emissions GHG Scope 1, 2, 3 (t CO <sub>2e</sub> ) / Group's revenues (PLN MM)	5.03	8.56	(41%)
GHG Emissions GHG Scope 1+2 (t CO <sub>2e</sub> ) / Group's revenues (PLN MM)	3.30	7.16	(54%)
GHG Emissions GHG Scope 1, 2, 3 (t CO <sub>2e</sub> ) / No. of Group's employees	3.92	5.55	(29%)
GHG Emissions GHG Scope 1+2 (t CO <sub>2e</sub> ) / No. of Group's employees	2.57	4.64	(45%)

### Offset of CO<sub>2</sub> emissions [GRI 305-5]

Limiting the impact on environment	Quantity	Measure
Planting trees during the “Forest Forever” campaign	1,075	No.
Environmental impact of tree planting	180,997.75	kg CO <sub>2</sub> e
<b>Total environmental impact, after accounting for tree planting</b>	<b>11,649,081.65</b>	<b>kg CO<sub>2</sub>e</b>

In 2021, Citi Handlowy continued the campaign initiated in 2020, “**Forest Forever**”, during which in 2021 more than a thousand of trees were planted, of the following species: Quercus robur (common oak), acer campestre (field maple), carpinus betulus (common hornbeam), betula pendula (silver birch), populus alba (silverleaf poplar), tilia cordata (small-leaved linden). Thus, **the Bank contributed to compensating CO<sub>2</sub>, reducing the emissions of its own carbon footprint by almost 181 tons of CO<sub>2</sub>e.**

#### 5.3. Pro-ecological investments

Locations of Citi Handlowy are monitored for their environmental impact on an ongoing basis in order to obtain ever better results in this respect. [GRI 103-2, 103-3]

In late 2020, a photovoltaic power station was launched on the roof of the building at ul. Goleszowska in Warsaw, with a capacity of 70 kW. In 2021, the installation produced **42,785 kWh of power (this corresponds to the annual power consumption of around 19 households of 4 persons). The Bank plans further photovoltaic projects for the years 2022-2023.**

For many years, during the modernization and renovation projects carried out at the Bank's facilities, lighting fixtures have been replaced with energy-saving LED fixtures (e.g. offices at Pstrowskiego street in Olsztyn, at Traugutta street in Warsaw, at Goleszowska street in Warsaw). The Bank plans to continue these activities in the coming years.

#### 5.4. Pro-ecological projects

In 2021, Citi Handlowy implemented pro-environmental initiatives to raise awareness about environmental protection among employees.

- **Earth Hour organized by WWF** – Citi Handlowy has been an active participant of this movement since 2011. In 2021, the Bank extinguished the lights in all its properties, thus drawing attention to the deteriorating condition of the Baltic Sea.
- **Earth Day** – Citi Handlowy has participated in this global campaign since 2009. It promotes pro-environmental activities and behaviors among employees. Due to the ongoing epidemic-related restrictions, in 2021 the Bank celebrated Earth Day through environment-focused messages, which distributed information on the Bank's carbon footprint and on the production of power in the Bank's photovoltaic power station.
- **Insect hotels** – the Bank builds insect hotels to encourage biodiversity and maintain ecological balance. These homes are installed on the trees at ul. Senatorska and ul. Goleszowska in Warsaw as well as on the rooftops of the buildings in Olsztyn and Warsaw. In summer, the hotels offer home and shelter to insects, which have also a place to hibernate in fall.
- **Black Storks Online** – the Bank participated in a tender to buy carbon credits as part of the Forest Carbon Farms project implemented by State Forests. Funds obtained on this purchase in 2021 were allocated to the Black Storks Online project, executed by the Regional Directorate of State Forests in Łódź. As part of the project, 18 GPS/GSM loggers were fitted on black stork chicks in the forests managed by the Regional Directorate of State Forests in Łódź. The loggers are used to monitor the migration routes of black storks and to analyze their flight routes. As many as 15 of these birds were observed on their way to Africa, their flight data and locations analyzed. The current observations of birds with locators suggest that young storks from Polish nest winter in the Subsaharan Africa, in the following countries: Chad, Central African Republic, Sudan, South Sudan, Kenya, Ethiopia, Eritrea. The migration of black storks and their nests can be watched online on an ongoing basis.

Moreover, **through Intranet communication**, Citi Handlowy promotes habits supporting reduction of natural resources consumption among its employees and providers. In 2021, in its Intranet, the Bank published communications on, i.a., the Earth Day, Environment Day, Water Day.

## V. Development of talents and respect for diversity

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

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

### 1. Diversity

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

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

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

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

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

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

The total gender diversity ratio in the Bank's management and supervisory bodies has been growing systematically and in 2021 it reached 53%. It increased to 50% in the Supervisory Board in 2021 as compared to 33% in 2020 and 25% in 2019, whereas the gender diversity ratio in the Management Board in 2021 increased to 57%.

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

	2021	2020	2019	2018	2017
Management Board	57%	43%	43%	50%	29%
Supervisory Board	50%	33%	25%	8%	8%
<b>Total (Management Board &amp; Supervisory Board)</b>	<b>53%</b>	<b>37%</b>	<b>32%</b>	<b>22%</b>	<b>16%</b>

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

In 2021, women represented

**57%**

of the Management Board of Citi Handlowy.



In October 2021 a woman was appointed as the President of the Bank's Management Board. This boosted the gender diversity ratio to 57% from 43% in 2020. Ms. Elżbieta Świątopek-Czetwertyńska is the 27th President of the Bank and the first woman in that position in the Bank's 150-year history. [\[GRI 405-1\]](#)

**Citi Handlowy's Management Board by age and gender in 2021** [\[GRI 405-1\]](#)

Year	Age	Female	Male	Total
2021	31-50	2	1	3
	> 50	2	2	4
<b>Total</b>		<b>4</b>	<b>3</b>	<b>7</b>

**Management Board of DM Citi Handlowy by age and gender in 2021** [\[GRI 405-1\]](#)

Year	Age	Female	Male	Total
2021	31-50	1	1	2
	> 50	0	2	2
<b>Total</b>		<b>1</b>	<b>3</b>	<b>4</b>

Gender diversity at Citi Handlowy in 2021: [\[GRI 102-30\]](#)

- share of female managers exceeded 49%
- share of women on the Bank's Management Board was 57%
- women and men holding equivalent positions receive remuneration corresponding to their competences, on comparable levels – the remuneration of women employed at Citi Handlowy is comparable to the aggregate remuneration\* of men and, as at the end of 2021, amounted to 93% of the remuneration of men (taking into account employees actively performing work, the areas where they are employed and their pay grades based on full-time equivalent – excluding child care leave, unpaid leave and long-term sick leaves). [\[GRI 405-2\]](#)  
*\*aggregate remuneration for 2021 understood as revenue of employees working as at 31/12/2021 for 2021, converted to full-time equivalent, excluding employees on child care leave, unpaid leave and on long-term sick leaves as at 31/12/2021).*
- the Management Board of the Bank is headed by a woman, and three key areas of the Bank's business, namely Risk, Finance and Operations & Technology, are led by female members of the Management Board of Citi Handlowy
- the average length of service at Citi Handlowy oscillates around 10.8 years; for women this average has been growing in recent years and in 2021 was over 11.7 years.

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

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



## Women's Network Poland

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

Women's Network Poland mission:

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

Women's Network inspires women to invest in themselves by taking part in training, mentoring, meetings with successful people and integration meetings. It organizes trainings for women in soft skills (presentation skills, the role of emotional intelligence, effective and efficient performance, etc.). It conducts mentoring for female colleagues who need friendly advisory in professional career development. It supports women in establishing new and close contacts, propagates a pro-feminine approach in the organization and outside the organization, helps women to find balance between work and private life.

In 2021, despite the ongoing COVID-19 pandemic, Women's Network Poland continued its uninterrupted work, organizing events primarily in the online form, such as a virtual Women's Day and workshop "The Power of Diversity", a virtual Mentoring Walk 2021 plus workshop "History of All Women". It also supported and got involved in pro-female initiatives, such as mentoring as part of the "Perspektywy" Educational Foundation (Women in Tech initiative), Entrepreneurial Women Foundation, or the subsequent Baba Fest festival in Olsztyn.

## Citi Pride Network Poland

Citi Pride Network Poland is already over 4 years old. It brings together all Citi Handlowy employees who believe that mutual respect and being open to different life experiences and ideas are important factors promoting diversity and social inclusion at Citi.

In 2021, one of the most important initiatives was a series of trainings for the Bank's managers on how to discuss LGBT+ issues at work. The network was also intensively engaged in volunteering projects. The most important one was the financial support for the "Po Drugie" foundation, which also included the provision of "Beginner's Packages" for the young people affected by homelessness.

Apart from these initiatives, the network members are constantly working on building an inclusive work environment and promoting diversity at Citi Handlowy through mentoring, networking and education promoting inclusion of members of the LGBT+ community. Some of these activities are addressed to all employees of the Bank. In 2021, educational campaigns were being organized, including as part of the International Day Against Homophobia, as part of the Pride Month, which is celebrated at Citi every year, or as part of the Coming Out Day in October. During the year there were also many initiatives to unite and bond the network members and their allies. These meetings included webinars with a psychologist, as well as online meetings focusing on issues relevant for the network.

The activity of the Citi Pride Network Poland in Citi Handlowy is one of many initiatives implemented by the Bank to build a friendly workplace where employees are passionate about their tasks, eager to work with others and are able to make the full use of their potential.

## Families Matter Network Poland

The initiative of Families Matter Network Poland brings together employees who are familiar with the subject of parenting, family and bringing up children as well as challenges faced by all generations nowadays. In 2021, the leading topics included, among others, support for families – children and parents during the coronavirus pandemic and beyond. Active participation in volunteering activities for the benefit of children was also very important for people organized around the network.

In 2021, the Families Matter Network encouraged all employees to participate in the charity drive "From a Family to a Family". Its objective was to support the State Orphanage in Pasym, where currently 41 children reside. The Orphanage received not only household appliances, but also basic necessities indicated by its employees, books, clothing, sports equipment and games donated by the Bank's employees or purchased from their voluntary contributions. At the beginning of the school year, the Families Matter Network organized also a fair, "Share With Others. Do Not Throw Away, Be Good to the Environment!", whose objective was to offer, exchange or share everyday items meant for learning, fun, sports and leisure for the children and families of employees. During this fair, the Network also organized a fundraiser for the purchase of new school items, such as notebooks, pens, paints, drawing blocks etc. for those in need.

During the pandemic, the Network engaged also in other initiatives meant to support the parents. It co-organized workshops for employees on anger and anger management. In cooperation with the Bank partners, the Network organized also discounts for employees for the purchase of computer equipment and auxiliary accessories.

## Citi DisAbility Network

Citi Disability Network is a space open to disability in any form – both that concerning employees and their families, and that experienced by Bank’s clients. At Citi Handlowy we care a lot about building awareness and bringing down stereotypes. Our activities are aimed at stimulating sensitivity and empathy – we want to actively influence the growth of social awareness which helps us understand the diverse world around us better.

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

This is why in 2021 Citi Disability Network co-created the following actions:

- **“Pay attention”** – an informational campaign carried out in cooperation with the Vis Maior Foundation, under which practical tips on how to behave in contacts with a blind person were developed. The Network also undertook to regularly share – in the form of a newsletter – interesting facts and useful tools which facilitate the daily functioning of people with different forms of disability – whether concerning us, our families or clients. This way, the Network is building not just social awareness but also broadly understood empathy. The culmination of the campaign was the workshop “The Disabled Person in the Big City”, during which we presented the everyday life of visually impaired people.
- **“Language Ethics”** – a training for employees of the Operations and Technology Sector (O&T), organized in cooperation with the O&T Academy of Excellence, an internal initiative for exchange of knowledge within the O&T Sector. The training provided guidance on how to speak about groups threatened with discrimination risk, including of persons with disabilities.
- **Citi Global Community Day** – we purchased sports and electronic goods for children from two Warsaw orphanages.
- **Summary of language issues** – guidelines, collected in a practical form, highlighting discriminatory phrases and hurtful terms.
- **Activy Project** – the sports activities of employees resulted in financial support for the Tęcza Association. The Association cares for visually impaired persons, children and adults alike.

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

### Employees with disabilities at Citi Handlowy

	2021	2020	2019	2018
Number of disabled employees at Citi Handlowy	25	23	21	23

## 2. Employee development

### [GRI 404-2]

Citi Handlowy follows Leadership Standards, which are a catalogue of attitudes and behaviors that an employee is expected to display and promote in their everyday work. These standards are the foundation for the Bank’s values and vision. One of these standards is continuous learning and improvement of employees’ competences. The Bank supports development in the form of partnership between an employee, a manager and an organization which provides opportunities for continuous professional and personal development, stimulated i.a. in compliance with the learning philosophy 70:20:10.

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

#### [GRI 404-2]

Citi Handlowy was able to implement a new approach which helps transfer the way of thinking of development from “training” to “campaigns”, from thinking of development only as participating in training conducted by a tutor to thinking of broadly understood development, including the acquisition of a “learning habit” which can be embedded in the organization’s and employees’ DNA. Its adoption was based on a campaign according to the 70:20:10 rule. This has given Citi Handlowy employees access to necessary resources whenever they need them and allowed them to do their job and improve their personal development.

Employees visibly more often use online resources as the variety of topics, formats and levels makes it possible for everybody to find the right path depending on individual needs. A growing number of development supporting technologies (such as mobile applications) enables the user to learn at any time and supports a learning culture and learning habit in the organization.

2021 was another year which brought complex and complicated challenges for the training function. Nearly 100 percent of training sessions offered to employees in 2021 were conducted remotely.

**Trainings completed by Citi Handlowy employees – traditional and electronic (in %)**

Form of training	2021	2020	2019	2018	2017
Class room	1%	0%	3%	5%	5%
e-Learning	99%	100%	97%	95%	95%

The Bank's business variety and specific needs determine directions and requirements concerning professional knowledge necessary to preserve best quality services for, be it, internal partners or external clients. Therefore, Citi Handlowy preserved the obligatory specialist training package for specialists and experts in a given area as part of their professional development path (e.g. Compliance, Risk or business). Every employee who undergoes an onboarding process at Citi Handlowy also undergoes "orientation" training, during which they become familiar with the organization, its values, culture, leaders as well as ethical and developmental aspects. This gives an employee a better understanding of the Bank, its structure, management approaches and attitudes, and the dynamics of the employee lifecycle. An all day long meeting on the first day allows the employee to familiarize themselves with many uncertainties, concerns or issues. **In 2021, 283 people participated in the Orientation training. As of 2021, all Orientation sessions for new hires were conducted online, with cameras on, in an open and friendly atmosphere.**

Employee development at Citi Handlowy has undergone a certain transformation. These are no longer training hours, these are development paths, individual development plans, limitless resources of knowledge every employee can exploit: applications, platforms, online training, articles and multimedia materials. All these resources are available to employees in a single location, on the Degreed platform.

Type of training	No. of person-training 2021	%	Total training hours
Classroom Learning	646	1%	1,870
Degreed	4,807	6%	5,418
External Learning	34	0%	19
On-the-Job	6	0%	6
Virtual Classroom	968	1%	4,030
Web Based Learning	72,752	92%	79,955
<b>Total</b>	<b>79,213</b>	<b>100%</b>	<b>91,297</b>

\* the number of person-training is the sum of the number of trainings carried out by all employees

Number of training hours	2021
Total	91,296
Per person	29.7

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

### **[GRI 404-2]**

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

Training for managers consists not only in acquiring new skills necessary for efficient employee management but it also includes meetings conducted by senior managers and leaders in the organization, which are to raise leadership awareness according to the three Leadership Principles promoted in Citi.

The special program, "Accelerate your team's performance", was an additional initiative organized during Q1 of 2021 for managers of Citi Handlowy by the HR Team. The objective of this program was to instruct the managers on how to motivate their employees and boost their effectiveness. The "Accelerate your team's performance" program was planned for a period of 4 weeks, during which 9 workshops were held, dedicated to the broad range of issues on managing remote work. The workshops focused on the following topics:

- Remote work
- Agile performance management procedure
- Panel discussions
- Work with employees whose results are unsatisfactory
- Presenting the best practices of teams that achieve the best work results

**A total of 1,020 managers participated in the program "Accelerate your team's performance".**

Another initiative launched by the HR Team of Citi Handlowy in 2021 was the development program for managers who are new in their roles, called "New Manager's Must-Have". The purpose of this program is to guide managers, beginning

their adventure of managing a team, through all the major HR processes they participate in during the year. As part of this program, the new managers become familiar with materials prepared by the HR Team as presentations and podcasts made available on the Degreed platform. The program was launched in July 2021 and is planned for 12 months. It covers more than 30 new managers.

### Leadership trainings

	2021	2020	2019	2018	2017
Number of participants	54*	993	48	48	26

\*the number of training participants in 2021 refers to the number of managers participating in the leadership trainings, excluding the "Accelerate your team's performance" and the "Manager's Must-Have" programs.

## 2.3. Talent Development Process

[GRI 404-2]

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

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

## 2.4. Assessment process in Citi Handlowy

Employee development is supported through such activities as: training, involvement in challenging projects as well as an assessment process, where employees gain information on their strong points and areas which need to be developed.

The particular advantage, which makes it possible to effectively support the development of employees, is the "feedback" function that is available at any time in the course of the year. Citi Handlowy employees may obtain feedback from colleagues and managers at any time during the year.

The assessment process looks at how goals were achieved ("What") and how they were achieved ("How") – based on the 3 Leadership Principles defined for three types of employees in the organization: executives, managers, and self-managing employees.

In 2021, employee assessment was obtained by 96% of eligible employees. Annual assessment does not cover employees with long-term absences during the year or employees for whom an annual assessment is not possible due to a short length of service at the Bank. [GRI 404-3]

## 2.5. Remuneration policy

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

The remuneration of women employed at Citi Handlowy is comparable to the aggregate remuneration\* of men and, as at the end of 2021, amounted to 93% of the remuneration of men (taking into account employees actively performing work, the areas where they are employed and their pay grades based on full-time equivalent – excluding child care leave, unpaid leave and long-term sick leaves). [GRI 405-2]

Each year, the Bank analyzes salaries in the context of wage equality as part of the annual remuneration review and does not rule out allocating additional funds for this purpose in subsequent years. In previous years, as well as during the annual remuneration review in 2022, the Bank allocated special funds to increase the equal pay of women and men under the so-called "pay equity".

### AVERAGE REMUNERATION AT CITI HANDLOWY (PLN)

	2021	2020	2019	2018
Total remuneration*	13,269	10,867	10,410	9,949

\*aggregate remuneration for 2021 understood as average monthly income of employees working as at 31/12/2021 for 2021, converted to full-time equivalent, excluding employees on child care leave, unpaid leave and on long-term sick leaves as at

31/12/2021). In previous years the total remuneration included the base pay and variable pay of employees who are on a bonus scheme and those that are not on a bonus scheme.

## 2.6. Awards and recognition

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

An important element of building a culture where employees express recognition for one another are initiatives implemented in the previous years under the People Strategy. Engagement of Members of the Management Board in the promoted concept of “thanking” is an important signal building support and gratitude culture at Citi Handlowy, and being part of organizational culture of the Bank.

## 3. Employment policy

**[GRI 103-1, 103-2, 103-3]**

### Recruitment

Stressing the importance of acquiring external talent, Citi Handlowy relies on a consistent recruitment policy while promoting talent within the organization.

In 2021, observing the requirements and recommendations related to the pandemic, the Bank continued to exercise its recruitment processes using available technological tools. This provided comfort and a sense of security to candidates throughout the process and consequently enabled and streamlined the hiring of over 700 people during the year.

In the recruitment area, similarly as in other areas of the Bank’s activity, the best practices of Citigroup are implemented, which constitute an important element of the company’s organizational culture. One of its important aspects is the diversity of the team. With this in mind, the Bank makes every effort to ensure that recruitment for all roles from specialist upwards takes into account the diversity parameter. It is good practice to include at least two female candidates at the interview stage of recruitment, which is the final stage of the process. This parameter is also respected when it comes to the composition of the evaluation panel, which in practice means the participation of at least 2 women. Promoting the values of diversity already at the recruitment stage is a strong foundation for building an organizational culture of diversity in the context of the Bank’s entire activity.

The consistent monitoring of recruitment in terms of the number of participating women resulted in women outnumbering men in the external recruitment processes, as recorded in the 2021 statistics. This data is also the result of the Bank’s care for effective access to talent. This allows us to attract a diverse pool of candidates for open positions.

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

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

Year 2021 was another year when external recruitments predominated. This was possible through consistently implemented recruitment strategy and the use of sourcing techniques. The undertaken activities translate into effective acquisition of talents from the market – both for key expert positions, as well as entry-level positions. This is very tangible evidence that the Bank continues to maintain its position as a stable, and therefore attractive, employer.

#### New employees at Citi Handlowy in 2018 - 2021 per source (%)

	2021	2020	2019	2018
External recruitment	54%	50%	65%	43%
Internal recruitment	46%	50%	35%	57%



## 4. Employment structure

The data presented for the employment structure refer to Bank Handlowy and separately to the Brokerage House of Bank Handlowy (DMBH). Bank employees working for DMBH are employed in both entities.

### TOTAL NUMBER OF CITI HANDLOWY EMPLOYEES \* (No., %) [GRI 102-8]

#### Citi Handlowy

Year	Female (No.)	Female (%)	Male (No.)	Male (%)	Total (No.)
2017	2,249	63%	1,321	37%	3,570
2018	2,139	63%	1,260	37%	3,399
2019	2,013	63%	1,161	37%	3,174
2020	1,942	63%	1,158	37%	3,100
<b>2021</b>	<b>1,806</b>	<b>62%</b>	<b>1,114</b>	<b>38%</b>	<b>2,920</b>

#### DM Citi Handlowy

Year	Female (No.)	Female (%)	Male (No.)	Male (%)	Total (No.)
2017	46	52%	42	48%	88
2018	49	51%	47	49%	96
2019	46	49%	48	51%	94
2020	44	48%	47	52%	91
<b>2021</b>	<b>45</b>	<b>46%</b>	<b>53</b>	<b>54%</b>	<b>98</b>

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

There are almost as many women in top management position as men.

### MANAGERIAL POSITIONS (NO., %) [GRI 102-8, GRI 405-1]

#### Citi Handlowy

Year	Female (No.)	Female (%)	Male (No.)	Male (%)	Total (No.)
2017	258	51%	249	49%	507
2018	251	51%	244	49%	495
2019	230	49%	236	51%	466
2020	223	49%	231	51%	454
<b>2021</b>	<b>225</b>	<b>49%</b>	<b>231</b>	<b>51%</b>	<b>456</b>

#### DM Citi Handlowy

Year	Female (No.)	Female (%)	Male (No.)	Male (%)	Total (No.)
2017	10	43%	13	57%	23
2018	15	54%	13	46%	28
2019	15	52%	14	48%	29
2020	15	52%	14	48%	29
<b>2021</b>	<b>13</b>	<b>48%</b>	<b>14</b>	<b>52%</b>	<b>27</b>

**Non-Financial Statements of Bank Handlowy w Warszawie S.A. and the Capital Group of Bank Handlowy w Warszawie S.A. in 2021**

**TRANSLATION**

At Citi Handlowy, 100% of employees have employment contracts, 91% of which were concluded for an indefinite period.

**TYPES OF WORK CONTRACTS (No. %) [GRI 102-8]**

**Citi Handlowy**

Year	Contract type	Female		Male		Total	
		No.	%	No.	%	No.	%
2017	fixed-term	154	52%	144	48%	298	8%
	for an indefinite period	2,078	64%	1,165	36%	3,243	91%
	substitute	17	59%	12	41%	29	1%
<b>Total</b>		2,249	63%	1,321	37%	3,570	100%
2018	fixed-term	115	53%	104	47%	219	6%
	for an indefinite period	1,996	64%	1,144	36%	3,140	92%
	substitute	28	70%	12	30%	40	1%
<b>Total</b>		2,139	63%	1,260	37%	3,399	100%
2019	fixed-term	94	53%	82	47%	176	6%
	for an indefinite period	1,905	64%	1,071	36%	2,976	94%
	substitute	14	64%	8	36%	22	1%
<b>Total</b>		2,013	63%	1,161	37%	3,174	100%
2020	fixed-term	86	46%	101	54%	187	6%
	for an indefinite period	1,839	64%	1,047	36%	2,886	93%
	substitute	17	63%	10	37%	27	1%
<b>Total</b>		1,942	63%	1,158	37%	3,100	100%
2021	<b>fixed-term</b>	<b>131</b>	<b>56%</b>	<b>105</b>	<b>44%</b>	<b>236</b>	<b>8%</b>
	<b>for an indefinite period</b>	<b>1,662</b>	<b>62%</b>	<b>1,001</b>	<b>38%</b>	<b>2,663</b>	<b>91%</b>
	<b>substitute</b>	<b>13</b>	<b>62%</b>	<b>8</b>	<b>38%</b>	<b>21</b>	<b>1%</b>
<b>Suma</b>		<b>1,806</b>	<b>63%</b>	<b>1,114</b>	<b>37%</b>	<b>2,920</b>	<b>100%</b>

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

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

**Non-Financial Statements of Bank Handlowy w Warszawie S.A. and the Capital Group of Bank Handlowy w Warszawie S.A. in 2021**

**TRANSLATION**

**DM Citi Handlowy**

Year	Contract type	Female		Male		Total	
		No.	%	No.	%	No.	%
2017	fixed-term	4	57%	3	43%	7	8%
	for an indefinite period	42	53%	38	48%	80	91%
	substitute	0	0%	1	100%	1	1%
<b>Total</b>		46	52%	42	48%	88	100%
2018	fixed-term	5	56%	4	44%	9	9%
	for an indefinite period	44	51%	42	49%	86	90%
	substitute	0	0%	1	100%	1	1%
<b>Total</b>		49	51%	47	49%	96	100%
2019	fixed-term	2	40%	3	60%	5	5%
	for an indefinite period	44	50%	44	50%	88	94%
	substitute	0	0%	1	100%	1	1%
<b>Total</b>		46	49%	48	51%	94	100%
2020	fixed-term	3	75%	1	25%	4	4%
	for an indefinite period	41	48%	45	52%	86	95%
	substitute	0	0%	1	100%	1	1%
<b>Total</b>		44	48%	47	52%	91	100%
2021	<b>fixed-term</b>	<b>6</b>	<b>60%</b>	<b>4</b>	<b>40%</b>	<b>10</b>	<b>10%</b>
	<b>for an indefinite period</b>	<b>39</b>	<b>44%</b>	<b>49</b>	<b>56%</b>	<b>88</b>	<b>90%</b>
<b>Total</b>		<b>45</b>	<b>46%</b>	<b>53</b>	<b>54%</b>	<b>98</b>	<b>100%</b>

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

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

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

**AVERAGE DURATION OF EMPLOYMENT (YEARS) [GRI 102-8]**

**Citi Handlowy**

Year	Female	Male	Total
2017	9.7	7.6	8.9
2018	10.0	8.0	9.3
2019	10.7	8.8	10.0
2020	11.4	9.2	10.6
<b>2021</b>	<b>11.6</b>	<b>10.0</b>	<b>10.8</b>

**DM Citi Handlowy**

Year	Female	Male	Total
2017	8.6	7.8	8.2
2018	8.8	7.5	8.2
2019	10.0	8.1	9.0
2020	9.2	8.8	9.0
<b>2021</b>	<b>9.1</b>	<b>7.8</b>	<b>8.4</b>

## Working time

According to data, most of the Citi Handlowy employees work on a full time basis. Women more often use shortened working time.

Some employees are employed by both the Bank and DM Citi Handlowy, which explains the high percentage of part-time employees of DM (Brokerage House) Citi Handlowy. The formula of combined employment in both companies makes it possible to use shared human resources to support operations of DM Citi Handlowy.

### WORKING TIME BY GENDER (IN NUMBERS AND %) [GRI 102-8]

#### Citi Handlowy

Year	Working time	Female		Male		Total	
		No.	%	No.	%	No.	%
2017	Full time	2,142	62%	1,293	38%	3,435	96%
	Part time	107	79%	28	21%	135	4%
Total		2,249	63%	1,321	37%	3,570	100%
2018	Full time	2,025	62%	1,225	38%	3,250	96%
	Part time	114	77%	35	23%	149	4%
Total		2,139	63%	1,260	37%	3,399	100%
2019	Full time	1,911	63%	1,135	37%	3,046	96%
	Part time	102	80%	26	20%	128	4%
Total		2,013	63%	1,161	37%	3,174	100%
2020	Full time	1,854	62%	1,127	38%	2,981	96%
	Part time	88	74%	31	26%	119	4%
Total		1,942	63%	1,158	37%	3,100	100%
2021	Full time	1,722	62%	1,075	38%	2,797	96%
	Part time	84	68%	39	32%	123	4%
Total		1,806	62%	1,114	38%	2,920	100%

#### DM Citi Handlowy

Year	Working time	Female		Male		Total	
		No.	%	No.	%	No.	%
2017	Full time	18	41%	26	59%	44	50%
	Part time	28	64%	16	36%	44	50%
Total		46	52%	42	48%	88	100%
2018	Full time	20	43%	26	57%	46	48%
	Part time	29	58%	21	42%	50	52%
Total		49	51%	47	49%	96	100%
2019	Full time	19	42%	26	58%	45	48%
	Part time	27	55%	22	45%	49	52%
Total		46	49%	48	51%	94	100%
2020	Full time	16	38%	26	62%	42	46%
	Part time	28	57%	21	43%	49	54%
Total		44	48%	47	52%	91	100%
2021	Full time	16	36%	18	64%	44	45%
	Part time	29	54%	25	46%	54	55%
Total		45	46%	53	54%	98	100%

## Work-Life Balance

Citi Handlowy offers flexible work conditions to its employees. It is a part of its business strategy, which allows employees to choose when and where they want to perform work. Citi Handlowy employees and their supervisors can work out Flexible Work Conditions Schemes, namely different approaches to how, when and where work can be performed. Thus, the Bank enables its employees to reconcile personal and professional duties.

Data show that over the last years ever more employees of Citi Handlowy have used such flexible forms of employment. This number is growing especially among women, who can thus reconcile working at Citi Handlowy with their private life.

### FLEXIBLE WORK CONDITIONS BY GENDER (%) [GRI 102-8]

#### Citi Handlowy

Year	Work conditions	Female		Male		Total	
2017	flexible	349	62%	215	38%	564	16%
	standard	1,900	63%	1,106	37%	3,006	84%
Total		2,249	63%	1,321	37%	3,570	100%
2018	flexible	379	62%	234	38%	613	18%
	standard	1,760	63%	1,026	37%	2,786	82%
Total		2,139	63%	1,260	37%	3,399	100%
2019	flexible	454	65%	248	35%	702	22%
	standard	1,559	63%	913	37%	2,472	78%
Total		2,013	63%	1,161	37%	3,174	100%
2020	flexible	534	67%	267	33%	801	26%
	standard	1,408	61%	891	39%	2,299	74%
Total		1,942	63%	1,158	37%	3,100	100%
2021	flexible	503	66%	255	34%	758	26%
	standard	1,303	60%	859	40%	2,162	74%
Total		1,806	62%	1,114	38%	2,920	100%

#### DM Citi Handlowy

Year	Work conditions	Female		Male		Total	
2017	flexible	0	0%	2	100%	2	2%
	standard	46	53%	40	47%	86	98%
Total		46	52%	42	48%	88	100%
2018	flexible	0	0%	4	100%	4	4%
	standard	49	53%	43	47%	92	96%
Total		49	51%	47	49%	96	100%
2019	flexible	0	0%	4	100%	4	4%
	standard	46	51%	44	49%	90	96%
Total		46	49%	48	51%	94	100%
2020	flexible	0	0%	3	100%	3	3%
	standard	44	50%	44	50%	88	97%
Total		44	48%	47	52%	91	100%
2021	flexible	0	0%	3	100%	3	3%
	standard	45	47%	50	53%	95	97%
Total		45	46%	53	54%	98	100%

\* total share (total) means the ratio of the number of type of work conditions to the number of all types in the year surveyed

\*\* flexible work conditions shall be understood as: task-based working time, teleworking, and equivalent working time system



Pandemic time has shown the importance of properly caring for the safety of our employees and their families. Citi Handlowy enabled remote work for most of its employees also in 2021. In offices and in branches, only the employees whose jobs demanded this by their nature worked there with the observance of the highest safety principles. In 2021, similarly as a year earlier, about 70% of the Bank's employees worked remotely.

Citi Handlowy is an organization which is concerned with building an environment in which every employee can create a balance between their personal obligations, development at the workplace, and fulfilment of their professional aspirations. Over the last four years, around 70% of employees on maternity-related absences have been returning to work.

**MATERNITY-RELATED ABSENCES [GRI 401-3]**

Year	Gender	Persons on maternity-related absences* during the period surveyed	Returns from maternity-related absences during the period surveyed (in numbers)	Returns from maternity-related absences during the period surveyed (in %)
2018	Female	399	260	65%
	Male	107	104	97%
	<b>Total</b>	<b>506</b>	<b>364</b>	<b>72%</b>
2019	Female	357	228	64%
	Male	98	96	98%
	<b>Total</b>	<b>455</b>	<b>324</b>	<b>71%</b>
2020	Female	316	197	62%
	Male	85	83	98%
	<b>Total</b>	<b>401</b>	<b>280</b>	<b>70%</b>
<b>2021</b>	<b>Female</b>	<b>288</b>	<b>168</b>	<b>58%</b>
	<b>Male</b>	<b>65</b>	<b>60</b>	<b>92%</b>
	<b>Total</b>	<b>353</b>	<b>228</b>	<b>65%</b>

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

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

**Non-Financial Statements of Bank Handlowy w Warszawie S.A. and the Capital Group of Bank Handlowy w Warszawie S.A. in 2021**

**TRANSLATION**

**EMPLOYEE AGE GROUPS BY GENDER (%)**

**[GRI 102-8, GRI 405-1]**

Most of our employees are persons aged 31-50.

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

**EMPLOYEE AGE GROUPS BY GENDER (NUMBER AND %)**

**Citi Handlowy**

Year	Age	Female		Male		Total	
		No.	%	No.	%	No.	%
2017	<= 30 yrs.	462	58%	338	42%	800	22%
	31 - 50 yrs.	1,618	64%	915	36%	2,533	71%
	> 50 yrs.	169	71%	68	29%	237	7%
<b>Total</b>		<b>2,249</b>	<b>63%</b>	<b>1,321</b>	<b>37%</b>	<b>3,570</b>	<b>100%</b>
2018	<= 30 yrs.	383	57%	288	43%	671	20%
	31 - 50 yrs.	1,585	64%	902	36%	2,487	73%
	> 50 yrs.	171	71%	70	29%	241	7%
<b>Total</b>		<b>2,139</b>	<b>63%</b>	<b>1,260</b>	<b>37%</b>	<b>3,399</b>	<b>100%</b>
2019	<= 30 yrs.	298	58%	214	42%	512	16%
	31-50 yrs.	1,546	64%	871	36%	2,417	76%
	> 50 yrs.	169	69%	76	31%	245	8%
<b>Total</b>		<b>2,013</b>	<b>63%</b>	<b>1,161</b>	<b>37%</b>	<b>3,174</b>	<b>100%</b>
2020	<= 30 yrs.	243	56%	188	44%	431	14%
	31-50 yrs.	1,522	63%	884	37%	2,406	78%
	> 50 yrs.	177	67%	86	33%	263	8%
<b>Total</b>		<b>1,942</b>	<b>63%</b>	<b>1,158</b>	<b>37%</b>	<b>3,100</b>	<b>100%</b>
<b>2021</b>	<b>&lt;= 30 yrs.</b>	<b>225</b>	<b>54%</b>	<b>188</b>	<b>46%</b>	<b>413</b>	<b>14%</b>
	<b>31-50 yrs.</b>	<b>1,388</b>	<b>63%</b>	<b>822</b>	<b>37%</b>	<b>2,210</b>	<b>76%</b>
	<b>&gt; 50 yrs.</b>	<b>193</b>	<b>65%</b>	<b>104</b>	<b>35%</b>	<b>297</b>	<b>10%</b>
<b>Total</b>		<b>1,806</b>	<b>63%</b>	<b>1,114</b>	<b>37%</b>	<b>2,920</b>	<b>100%</b>

**Non-Financial Statements of Bank Handlowy w Warszawie S.A. and the Capital Group of Bank Handlowy w Warszawie S.A. in 2021**

**TRANSLATION**

**DM Citi Handlowy**

Year	Age	Female		Male		Total	
		No.	%	No.	%	No.	%
2017	<= 30 yrs.	5	63%	3	38%	8	9%
	31 - 50 yrs.	30	46%	35	54%	65	74%
	> 50 yrs.	11	73%	4	27%	15	17%
<b>Total</b>		<b>46</b>	<b>52%</b>	<b>42</b>	<b>48%</b>	<b>88</b>	<b>100%</b>
2018	<= 30 yrs.	1	17%	5	83%	6	6%
	31 - 50 yrs.	36	51%	35	49%	71	74%
	> 50 yrs.	12	63%	7	37%	19	20%
<b>Total</b>		<b>49</b>	<b>51%</b>	<b>47</b>	<b>49%</b>	<b>96</b>	<b>100%</b>
2019	<= 30 yrs.	0	0%	3	100%	3	3%
	31-50 yrs.	34	49%	36	51%	70	74%
	> 50 yrs.	12	57%	9	43%	21	22%
<b>Total</b>		<b>46</b>	<b>49%</b>	<b>48</b>	<b>51%</b>	<b>94</b>	<b>100%</b>
2020	<= 30 yrs.	2	40%	3	60%	5	5%
	31-50 yrs.	32	48%	34	52%	66	73%
	> 50 yrs.	10	50%	10	50%	20	22%
<b>Total</b>		<b>44</b>	<b>48%</b>	<b>47</b>	<b>52%</b>	<b>91</b>	<b>100%</b>
<b>2021</b>	<b>&lt;= 30 yrs.</b>	<b>2</b>	<b>40%</b>	<b>3</b>	<b>60%</b>	<b>5</b>	<b>5%</b>
	<b>31-50 yrs.</b>	<b>33</b>	<b>45%</b>	<b>41</b>	<b>55%</b>	<b>74</b>	<b>76%</b>
	<b>&gt; 50 yrs.</b>	<b>10</b>	<b>53%</b>	<b>9</b>	<b>47%</b>	<b>19</b>	<b>19%</b>
<b>Total</b>		<b>45</b>	<b>46%</b>	<b>53</b>	<b>54%</b>	<b>98</b>	<b>100%</b>

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

Employee rotation is analyzed on a quarterly basis, and any alarming signals are escalated to the managerial staff of specific business units. Employee rotation is monitored from three perspectives: general rotation, rotation initiated by an employee and rotation among employees with above-average performance. The Bank supports employee development within Citigroup, therefore the analysis also covers the number of transfers from Citi Handlowy to Citigroup. Employment with Citigroup offers many employees of the Bank an excellent development opportunity on the managerial path, therefore the Bank observes a constant growth, year on year, of transfers from the Bank to Citi. *[GRI 102-15, GRI 102-11]*

**EMPLOYEE ROTATION TRENDS IN 2017-2021 (IN %)**

Year	Overall attrition	Voluntary attrition	High performers attrition	Transfer from Citi Handlowy to Citi
2017	18.3%	10.4%	4.7%	3.7%
2018	17.4%	10.7%	6.8%	7.5%
2019	16.4%	9.8%	5.9%	11.0%
2020	12.1%	6.7%	3.9%	11.1%
<b>2021</b>	<b>14.4%</b>	<b>9.2%</b>	<b>6.9%</b>	<b>13.1%</b>

Remuneration level is also subject to periodic analysis. The analysis covers both remuneration structure and level against market benchmarks.

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

The employee satisfaction results in the various categories reached in 2021 levels lower than a year ago. Particular attention should be paid to the decline in the “employee engagement” category. For this reason, in Q4 of 2021, the Bank's management planned a series of activities to address in 2022 the areas affecting the creation of an environment in the Bank where employees can have a higher sense of satisfaction and commitment. The People Board was involved in the “post VOE” activities as representation of the employees and their voice in meetings with the Management Board and senior management. In 2021, the Bank used VOE for the first time to analyze the three new Leadership Principles which are the basis for organizational culture implemented since 2021. The cultural change is based on three primary principles: “shared responsibility”, “work with pride” and “joint achievement of success”.

**VOE RESULTS IN 2018-2021 (%)**

	2018	2019	2020	2021
Response rate	81%	87%	91%	89%
Employee engagement	69%	69%	77%	71%
Manager effectiveness	83%	84%	88%	88%
Ethical culture	90%	90%	92%	92%
Diversity	83%	83%	88%	87%
We take responsibility	-	-	-	89%
We work with pride	-	-	-	90%
We achieve success together	-	-	-	89%

**Support for employees during the COVID pandemic**

2021 was another year of the COVID-19 pandemic, during which Citi Handlowy undertook a number of employee-focused actions that provide support for them in many forms, most importantly:

- in cooperation with our medical service provider, a COVID-19 vaccination campaign was organized for willing employees and their immediate family members. More than 500 employees and their family members signed up for the employer-organized vaccination
- employees were also offered a several-hour break to get vaccinated at a healthcare facility of their choice. The time for the vaccination was counted as working time and 574 employees took advantage of it
- the function of the COVID-19 Coordinator was appointed in each unit, to support managers and employees who are suspected of being infected or have been infected with COVID
- the medical telephone consultations with a psychologist and psychiatrist under the medical package were maintained
- the Employee Assistance Program for employees in a difficult life situation was continued
- with regard to social activity financed from the Company Social Fund (SCF): the spending plan for non-repayable material assistance was increased; significant increase in the amounts of the annual social allowance paid in November was approved

## Risks in the employee area

[GRI 102-15, GRI 102-11]

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

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

## 5. Concern for employees

### People Strategy

[GRI 102-30]

2021 was the third and final year of the People Strategy implementation. All groups operating under the People Strategy continued their work on projects initiated during the previous years. A great success of People Strategy was the fact that ideas promoted by particular working groups became firmly embedded in the bloodstream of the organization. The goal of People Strategy throughout its activity was to strengthen the employee-centered organizational culture. The activities carried out enabled the enhancement of employees' commitment, ensuring the comfort of their work, development and communication.

The People Strategy, operating since 2019, engages both HR employees and representatives of all of the Bank's areas. The actions under the People Strategy engage over 70 employees. The sponsor and coordinator of each group is a dedicated Member of the Management Board of Citi Handlowy.

In 2021, a year that was unique due to the challenges brought by the COVID-19 pandemic, teams operating under the People Strategy focused mostly on:

**People Board** – a group of 9 representatives of employees appointed in internal elections by the employees. In 2021, the employees elected their representatives to the second People Board, which commenced work in the spring of 2021. Their main task is to continue communication with employees through regular collection of their feedback and passing it on to the Management Board. People Board communications in 2021 also focused on communicating messages from the Bank's Management Board.

**Work-Life Balance** – the organization of time and space, choice of priorities, commitment to work while caring for yourself and your loved ones – such challenges accompany each and every one of us, and finding a way to combine all of these elements may be very difficult. This is why the Work Life Balance group focuses on supporting employees in their endeavor to achieve harmonious and satisfying life, both at work and outside of it. Its goal is to show that we not only want employees to carry out their tasks, but also to feel good, to know that their well-being is important and that each of them is an important member of the team. In 2021, the group continued its communication activities focused on supporting the employee's well-being in many varied aspects of their professional and personal life.

**Digital Natives** – the group, which represents all units of the Bank, cooperates with managers to ensure that the work environment at the Bank is as simple as possible and based on new technological solutions. Their goal was to create a very friendly work environment for employees that supports their commitment. A group of 80 Digital Natives carried out 8 general bank projects thanks to which we can work and communicate more effectively and digitally. A new intranet ("Źródło" – "Source") was created, addressing the current employee needs, Confluence – a platform for the project work was implemented, as was a repository for the most frequently drafted and searched for reports which help find and obtain necessary information. The process of submission of applications concerning authorizations and technological tools by employees has been simplified. The knowledge about ICT tools available at the Bank for the purpose of remote working and the method of their use was disseminated, which proved particularly useful during the pandemic.

**Beyond the Borders** – this group aimed at building an environment in which the Bank's employees can feel proud of working in a global organization, in an international environment that is open to diversity. Thanks to the initiatives implemented by the Beyond the Borders group, each employee actively participates in creating an international environment of Citi. By meeting and working with colleagues from other countries, Citi Handlowy employees may learn about other cultures and perfect their English, while working on projects in an international team and considering diverse perspectives allows them to arrive at the most effective solutions. In 2021, Citi Handlowy continued to provide all its employees with the opportunity to learn English through an interactive e-learning platform. The Toastmasters International Club continued its operations, enabling the employees to improve their public English speaking skills.

**Being the Best for the Client Academy** – the group supported building a culture oriented to clients' needs at Citi Handlowy. The activities conducted in 2021 by the group focused on enhancing the Be the Best culture in all areas of the Bank, and in particular in the support functions, such as the Compliance Monitoring, Legal Division, Finance, HR, Risk, Audit or Marketing. Managers of these functions took particular care to continue dialogue with their employees, meant to reinforce the employees' awareness concerning the way their work translates into business goals and affects Bank's clients. In 2021, business representatives were permanent guests at internal meetings, sharing information about the current situation and business plans with the support function employees. The creation of the business context proved to be very important during the COVID-19 pandemic, when employees from the support areas continued to be involved in



the development and implementation of support tools and programs for the Bank's clients. In 2021, the "Be the Best" group implemented at the Bank regular business meetings involving more than 60 managers from business, support and operating functions. The meetings are used to discuss, in an open atmosphere, the financial results, the crucial business projects and actions of the second line that ensure the achievement of business objectives. The meetings support information exchange and more efficient communication between teams. Most of all, they serve to celebrate the Bank's successes with the support and commitment of all its employees.

**Global Gratitude** – the group encouraged all employees to share positive feedback and show gratitude at work. Initiatives implemented by Global Gratitude encouraged employees to celebrate everyday success, whether it is small or big. The Global Gratitude group initiated at the Bank an idea of promoting saying "thank you" and expressing recognition for everyday tasks performed as part of our job. The action was initiated by Members of the Management Board, who thanked selected persons in their teams to show that expressing gratitude is the simplest and also the most powerful thing we can do for others. During the two years of the pandemic that brought about a number of challenges, the attention to appreciating even the smallest successes and support proved to be even more important. Therefore, the Bank not only encouraged employees through various initiatives to notice elements for which, despite the circumstances, we could be grateful, but also tried to appreciate employees during this challenging period in a financial way.

## Benefits

[GRI 401-2]

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

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

In 2021, as the threat from the COVID-19 pandemic continued, online workouts that allowed employees to exercise at home were maintained. Employees experiencing problems in their private and professional lives and needing support in a difficult life situation can benefit from free psychological, legal and financial assistance under the Employee Assistance Program (EAP). Members of the closest family of the Citi Handlowy's employees may also benefit from the EAP. The assistance is provided via a hotline and video chats.

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

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

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

In the fourth quarter of 2021, 2,789 Citi Handlowy employees logged in on the cafeteria platform.

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

## Social activity

[GRI 401-2]

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

Citi Handlowy, together with DM Citi Handlowy conducts a common social activity and pays in an annual contribution to CSF in the amount of 50% of the average monthly salary in the national economy in the previous year or in the second half of the previous year, if the average salary in that second half was higher.

Citi Handlowy calculates the base contribution without "freezing" the contribution at the level of the monthly average salary in the national economy from the year provided for in the law.

**Base contribution in 2021:**

Statutory	At the Group of Citi Handlowy
PLN 5,978,360.65 – 37% of the average monthly remuneration in the national economy in the second half of 2020	PLN 8,969,469.16 – 50% of the average monthly remuneration in the national economy in the second half of 2020

Citi Handlowy is involved in social activities almost in all forms provided for in the law, i.e. by co-financing different forms of leisure activity, cultural and educational events, sporting and recreation events, day-care centers and nurseries, granting non-refundable financial assistance and also refundable aid for housing needs on terms and conditions defined in a loan agreement. The Bank also co-finances individual and group recreation and sporting activities.

During the COVID-19 pandemic, as part of social activities financed from the CSF, the plan for non-repayable material assistance for entitled persons was increased. The amounts of the annual social allowance paid in November were also increased. The lowest allowance amounted to PLN 825, and the highest to PLN 4,785. 2,786 employees profited from the allowance.

### Social activity for pensioners

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

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

	2017	2018	2019	2020	2021
Number of pensioners and persons who use early retirement benefits, or CSF	864	947	827	1,045	886

Type of Benefit	Refunds	Senior Citizen's Day	Aid	Loans
Number of pensioners and persons who use early retirement benefits, or CSF in 2021	191	777	96	13

### Retirement gratuities

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

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

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

If an employment contract is terminated for reasons not related to the employees, Citi Handlowy provides a severance pay to the employees in a double amount of the amount referred to in the Act of 13 March 2003 on special principles for terminating employment with employees for reasons not related to employees. This rule was reflected in the Corporate Collective Labor Agreement at Citi Handlowy.

## Additional day off for job seeking

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

## Right of association

There are two trade organizations at Citi Handlowy: Trade union "Związek Zawodowy NSZZ "Solidarność" MOZ no. 871 at Bank Handlowy w Warszawie S.A." and "Independent Self-Governing Trade Union at Bank Handlowy w Warszawie S.A." The Bank cooperates with these trade unions in the scope laid down in the provisions of labor code and the Act on Trade Unions and, in particular, agrees with them, upon mutual consent, the normative acts and measures according to the adopted procedure. The Bank has in place a Corporate Collective Labor Agreement, which covers 100% of employees. In 2021, 40% of Bank employees were members of trade unions [\[GRI 102-41\]](#)

## Occupational safety and health

### Work accidents

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

The statistics of work accidents are the basic measure of effective functioning of the occupational safety and health system in an enterprise. They confirm the efficiency of eliminating the probability of occurrence of undesirable events related to the performed work and, in particular, adverse health-related effects for employees as a result of professional risks present in the work environment or related to the way the work is performed.

The decreasing number of work accidents and the low accident frequency ratio prove a high safety level ensured at Citi Handlowy. It is possible thanks to the measures taken at the Bank, such as: regular training for employees, designing and providing employees with permanent access to guidelines for safe work as well as information about professional risk related to the work they perform as well as rules of protection against risks, and quarterly audits of the facilities in terms of the work conditions. All these measures allow early identification of potential threats in order to take measures aimed at their liquidation. [\[GRI 103-1, 103-2, 103-3\]](#) [\[GRI 102-11\]](#)

	2021	2020	2019	2018	2017
Work accidents	5	3	7	10	18
Fatal accidents	0	0	0	0	0
Frequency ratio*	1.66	0.97	2.21	2.94	5.04
Severity ratio**	20.40	9.33	18.86	12.50	24.11

[\[GRI 403-9\]](#)

\* number of total accidents x 1,000/number of employees

\*\* number of days of incapacity for work/number of accidents – number of fatal accidents

### OSH trainings [\[GRI 403-5\]](#)

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

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

## Citi Alumni Network

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

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

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

## VI. Community development

### 1. Social involvement

Owing to the exceptional team of employees and partners as well as great market experience, Citi Handlowy supports the community development in Poland. Citi gets involved into matters that are important for its employees, clients and the environment in which the bank operates by expressing its support to equality, mutual respect and care for the environment and also by opposing discrimination and repressions. Citi Handlowy is proud to present the selected examples of activities in the area of social responsibility that support economic growth and local communities' development.

The bank fulfils the strategy of social responsibility via the Citi Handlowy Leopold Kronenberg Foundation, which, on the Bank's behalf, supports activities for a public good, and also with the support of the Citi Foundation.

The Citi Handlowy Foundation has been acting for entrepreneurship and financial education, cultural legacy and employee volunteering for years, at the same time being committed to the development of local communities. The Foundation was established in 1996 on the 125th anniversary of the founding of Bank Handlowy w Warszawie S.A. Since that time it has been among the largest and the most active non-government organizations in Poland. Drawing upon the legacy of Leopold Kronenberg, the foundation focuses its efforts on economic education, cultural heritage and local development. Since the beginning of its operations, it has allocated over PLN 100 million to its statutory operations in these areas, reaching more than 10 million Poles. The Foundation actively supports other Polish non-government organizations. The whole history of the Foundation's donations for NGOs and public institutions includes a total of more than PLN 26 million, more than 1300 projects in 200 Polish cities and towns. Currently, in cooperation with the US-based Citi Foundation, the Foundation offered almost PLN 1 million for the support of programs implemented by the Perspektywy Foundation, the Entrepreneurial Women Foundation, the ASHOKA Polska Foundation and the THINK! Foundation.

In 2021, the Foundation operated according to the established requirements for work during the COVID-19 pandemic. At the same time, it demonstrated great flexibility in pursuing its goals in order to better address the dynamically changing social needs – especially ones resulting from the persisting pandemic – and also to better overcome the challenge of the daily task management in the hybrid model, when work was interrupted by quarantine.

Most of the Foundation's activities were carried out online. As part of the Citi Global Community Day, the Foundation coordinated and financed the implementation of 79 projects, a majority of which were held online, and those that involved direct meetings had a limit of 30 volunteers per project (as long as the works were done in the open air).

During the protracted epidemic threat, the Foundation has remained a strong partner for the identified target groups:

- entrepreneurs, and particularly those who have participated in the Foundation's acceleration programs or programs co-financed by the Foundation in the recent years;
- social partners in the volunteering program or through a micro-grant program.
- teachers and students who had to face the challenge of "remote education"
- for the Polish Center for International Aid and a team of paramedics, with whom cooperation was established in 2020.

Based on the social and market trends and directions, the Foundation identified five most important ones. Based on them, the Foundation's long-term programs were modified and new projects were developed. These trends include: diversity, the growing role of women, support for Generation Z, support for sustainable development, activities related to counteracting loneliness in times of COVID-19 (older people, youth from educational care institutions).

In accordance with the above assumptions, the Foundation was consistent in implementing the set goals and established new initiatives, including such important ones as:

- **CyberMocn@Szkola (CyberStrong School)**: a new social program to support teachers and students in effective and safe remote education, such as can be successfully applied also after the pandemic;
- **Poradnik wychow@wcy (Tutor's Guide)** – a handbook developed together with the *Fundacja Stocznia* foundation, on the use of digital technologies when working with students;
- **Conference for entrepreneurs** – organized to introduce young entrepreneurs who were successful in adapting their operations to the dynamics of the pandemic-stricken market;
- **Against Social Loneliness** – the Foundation *teamed up with the Polish Center for International Aid* to organize a series of first aid training sessions and workshops / meetings with inspiring stories told by business and sports people. These activities were addressed to children and youths from educational care institutions;
- **New trends** – in cooperation with social partners, the Foundation issued several research reports in order to draw the public's attention to such trends as the growing role of women, diversity in terms of economic growth, and the need to support Gen Z in finding their place on the new labor market. That is why in 2021, reports on entrepreneurship among young people, women's leadership, challenges faced by young people on the labor market and Poles' digital competences were compiled;
- **Support project for malnourished seniors** - implemented together with Food Banks and Citi volunteers in Poland as part of the Citi Global Community Day;
- **Sports-based volunteering** – which aims at using physical activity of Citi volunteers to raise funds for charity; this way we were also able to engage *remotely* a lot of participants;



- **Celebrations of the 150th anniversary of the Bank** - coordination of the process of securing medals of the Polish Bank Association and the National Bank of Poland for 90 employees of the Bank for the founder's anniversary, organizing a ceremonious gala to present the medals and promote the Bank's history; releasing an anniversary album, and partnership during the conference of the European Forum for New Ideas to talk about the important issues for the future from the perspective of the 150 years' history of the Bank.

All these actions were implemented with a strong communication support. The Foundation reached the traditional media with its activities, and its projects were also present in the social media. For example, information on Poles' Attitudes Towards Saving reached almost 1 million readers, information with results of research on entrepreneurship of the young people – almost 1.5 million recipients. Moreover, over 3.5 million users of social media read communications of the Foundation related to our volunteering projects implemented in celebration of the Citi Global Community Day.

In 2021, the actions of the Foundation were recognized by independent experts in the Golden Banker competition organized by the Puls Biznesu daily and Bankier.pl platform. For the first time in history the bank was named the "Best CSR Bank". ***"The unique scale of the engagement of the Bank's employees during the pandemic, which should not be surprising coming from a Bank that is an indisputable leader and precursor of volunteering activities in Poland, expanded to become the biggest and the most comprehensive program of its kind in Poland,"*** Marzena Strzelczak, President of the Responsible Business Forum and a member of the jury selecting CSR leader, said in the justification for the award. ***"Citi Handlowy deserves the title of a Socially Sensitive Bank as an organization which has been building the culture of empathy and engagement for many years,"*** read the justification for the award in Puls Biznesu.

## 2. Programs organized by the Kronenberg Foundation at Citi Handlowy

The Citi Handlowy Leopold Kronenberg Foundation implements an array of educational activities in personal finance and entrepreneurship, each time supported by a campaign in the media, aimed at promoting savings, rational personal finance management and entrepreneurial attitudes. The Foundation accesses directly nearly 50 thousand beneficiaries from different age groups: pupils, students, young professionals, entrepreneurs. Indirectly, on the other hand, through media campaigns in the traditional press, radio and television programs as well as in the Internet and social media, educational activities and activities aimed at raising Poles' awareness of the above areas, reach 2 million persons.

### Employee Volunteering Program

The Foundation coordinates one of the oldest employee volunteering programs in Poland. Launched in June 2005, it has developed into the largest program of this type in Poland and each year engages about 20% of the Bank's employees with their families. It is in fact not a single program but a wide range of initiatives of different nature and commitment level: both skill-based volunteering (e.g. mentoring, computer skills training, entrepreneurship lessons or financial education, including the participation of the Bank's top managers and representatives of the Management Board, as well as action volunteering aimed at solving problems in local communities as part of the Citi Global Community Day. Since the inception of this program, Citi employees in Poland have participated over 31 thousand times in volunteering activities.

The key aspect of the employee volunteering program in 2021 was to address the needs of the excluded social groups, especially during the ongoing COVID-19 pandemic. The restrictions related to the sanitary regime continue to pose a challenge, both in engaging volunteers in activities of the Foundation, and implementing typical aid programs. The projects had to be re-designed; several virtual initiatives were designed, for example, by combining physical activity with donations to organizations supporting visually impaired children.

With a view of boosting employee engagement in activities of the Foundation, we had to introduce new methods of communication – by increasing the number of communications, promoting leaders of volunteering among employees and recognizing them during the Town Hall meetings, arranging more frequent contact with the leaders of volunteering and streamlining the grant application process in the "GCD 2021 Grant Contest".

Under the program we implemented the following key initiatives:

- Skill-based volunteering based on online meetings,
- Emergency assistance for groups particularly exposed to the indirect consequences of the pandemic, including seniors and welfare institutions, orphanages and refugee centers (Citi Global Community Day).

### Skill-based volunteering

The Foundation was successful in developing the skill-based volunteering program by shifting the relations of experts and mentors with young people, young entrepreneurs, women planning to start a business, female scientists trying to commercialize their ideas and migrants to the virtual world.

Together with Foundation's partners from the Citi Foundation portfolio (Ashoka Foundation, "Perspektywy" Educational Foundation, Think! Foundation, Foundation for Female Entrepreneurship), the second online conference for entrepreneurs was organized. The main topic of the meeting was "Young business – paths to success":

- Entrepreneurs 2.0. We have a new generation of business people growing up in Poland. What challenges do they have to face and how can they gain clout in the world of sharks?
- Disproportions and barriers in business. How can we overcome them?

- Women are the driving force of business. What problems do they face?

The conference was organized as a series of video materials, interviews conducted by an experienced journalist Jarosław Kuźniar. The interviews showed the real stories of entrepreneurs as role models. Their stories and experiences were used to teach young entrepreneurs in practice how to navigate the market. Experts, experienced practitioners, provided comments to the stories told by entrepreneurs.

Materials from the conference were promoted, among others, by Business Insider, which was the partner of the meeting.

Skill-based volunteering is mainly about establishing long-term mentoring relationships between volunteers and young people trying to find their career path, women wishing to open their own business, migrants interested in running a social business and women employed at STEM universities who would like to commercialize their tech ideas. Under the Foundation's programs, the Polish Citi volunteers supported young female scientists in 1:1 relations under the Shesnnovation Academy; young entrepreneurs (Think! Foundation, Youth Business Poland); as well as children and youths from care and educational facilities (Polish Centre for International Aid). They participated in conferences and webinars and willingly shared their knowledge with those who needed it.

#### **Emergency assistance for groups particularly exposed to the indirect consequences of the pandemic, including seniors and welfare institutions, orphanages and refugee centers.**

As part of this year's Citi Global Community Day, together with volunteers in Poland the Foundation implemented **79 aid programs**, which **helped over 14,000 people**. 2,288 volunteers from Citi Handlowy and Citibank Europe plc, including their families and friends (18% of the employees of Citi in Poland are volunteers) were engaged by the Foundation in the projects launched as part of the event. It is the best result among all Central and Eastern European and African countries (within Citi).

As part of the Citi Global Community Day, the Foundation carried out three large projects:

- **#MocDlaSeniora (StrengthForSeniors) – support for malnourished seniors** – the project was implemented together with Food Banks. Under the project ,1,000 food parcels were financed and prepared with the help of volunteers. Under this project, collection of funds was organized on the website [www.zmieniainalepsze.pl](http://www.zmieniainalepsze.pl) (this is an online payment gateway, which facilitates money collections associated with projects carried out by the Foundation). Moreover, volunteers made personalized cards with their children (over 80) to include in the parcels provided to seniors supported by the A.R.T. Foundation. These efforts were part of the Card for a Senior campaign and aimed at making the donations more personal.
- **GCD Sport Challenge** – sports-based volunteering combined with donations to charity. Over 47,000 km were covered by over 400 Citi volunteers, who ran, walked and rode a bike to help visually impaired children with concomitant disabilities (the "Tęcza" (Rainbow) Association).
- **Against Social Loneliness** – the Foundation teamed up with the Polish Center for International Aid to organize a series of first aid training sessions and workshops / meetings with inspiring stories told by business and sports people. These activities were addressed to children and youths from educational care institutions. These mentoring meetings were conducted by the radio journalist Katarzyna Stoparczyk. Her guests included employee volunteers from Citi (Natalia Bożek, CFO Citi Handlowy, Daria Wdowicz and Tomasz Zaremba – high-class technology experts at Citi), but also athletes with disabilities (Maciej Lepiato, participant of Paralympic Games), and graduates of acceleration programs for entrepreneurs (Khedi Alieva, social entrepreneur active in, among others, the Conflict Kitchen), or stars of the Polish start-up market, including Marek Zmysłowski. The workshops were attended by more than 500 people – children and adolescents from orphanages.

One of the events organized to celebrate the Citi Global Community Day was the GCD 2021 Grant Contest. This time, its form was slightly altered due to the pandemic restrictions. More than 500 volunteers, their families and friends carried out a total of 38 projects. Under the projects, Citi volunteers, among others:

- helped at animal shelters (e.g. Koteria, shelter for stray cats);
- organized training sessions for seniors in navigating the Internet and financed the purchase of Oculus to allow them to visit places that are inaccessible to them (Daily Senior Care Center in Koźnice);
- recorded audiobooks for children from a hospice (Caritas Inpatient Hospice for Children of the Archdiocese of Warmia);
- supported young cyclists from rough environments supported by the Association Ślęza Sobótka Bike Academy;
- prepared "Beginner's Packages" – personalized parcels with necessities for adolescents affected by homelessness (Po Drugie Foundation);
- adapted and groomed the green area of the children's care facility ("Ogniska Nadziei" Childcare Centre of the Foundation for Family, Dom pod Azaliami);
- refurbished utility rooms (e.g. Foster Family Children's Home in Kamionka);
- provided equipment to the institutions which they normally support (Emergency Care Institution No. 2 in Łódź, John Paul II Mazovian Voivodeship Hospital);
- cheered children on in pursuing their sports interests (St. Jan Bosko Oratory Association);
- created a meeting place for families and children in the open air (Children's Home in Pęczerzy).

The Foundation supported the implementation of these initiatives through micro-grants granted under the competition and also in terms of the logistics – it helped volunteers implement the projects during a strict sanitary regime.

**Non-Financial Statements of Bank Handlowy w Warszawie S.A. and the Capital Group of Bank Handlowy w Warszawie S.A. in 2021**

**TRANSLATION**

The information campaign concerning the Citi Global Community Day reached more than 3.5 million unique users of Facebook, Twitter and Instagram.

Intense volunteering activities were carried out also around Christmas time, in November and in December 2021. As part of the organized action "Christmas is for sharing":

- #CitiVolunteers, together with their families and friends, got involved 568 times (466 cases of involvements by Citi Volunteers, 122 by their families and friends) to the benefit of more than 2,000 recipients of the assistance,
- we organized 30 volunteering projects,
- people in need received 1,514 parcels,
- the volunteers fulfilled the dreams and needs of more than 465 children (Letters to Santa),
- volunteers prepared 140 personalized best wishes cards for seniors;
- two mentoring projects were held for young people striving to find their route in life (female IT students, young start-up entrepreneurs).

Additionally, at the Foundation's initiative, its business partners allocated part of the so-called holiday gift budget to the people in need. Thanks to their assistance, this year, 2,000 children experiencing a mental health crisis will receive first aid from the helpline provided by the foundation **Dajemy Dzieciom Siłę (Let's Give Children Strength)**.

**Statistics of the Employee Volunteering Program:**

	2021	2020**	2019	2018	2017
<b>Number of projects</b>	130	58	250	251	249
<b>Number of beneficiaries</b>	19,240	19,600	48,000	40,500	37,000
<b>Volunteer involvement*</b>	3,063	2,137	4,500	4,480	3,700
<b>Number of projects in the "Wolontariusz na Bank!" ("Volunteer to Bank on!") competition</b>	38	-	129	104	108

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

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

Citi Handlowy encourages and supports employees in social activities by, among other incentives, granting an additional day off for volunteering purposes.

## EDUCATION

### **CyberMocn@Szkola (CyberStrong School) – support program addressed to teachers and students in the scope of safe and effective hybrid education**

The CyberStrong School program was established to address teachers' needs arising from the online education mode introduced during the pandemic. It encompasses a series of workshops and meetings to improve teachers' skills in the scope of online security, identifying addictions in children and using technology to organize engaging lessons. The first edition of the project was very popular – in less than 24 hours we had over 600 teachers registered in the program. In the second edition we have 643 teachers. They are not only from big cities, but also from small towns and rural areas. Open lectures can be attended by anyone interested in the subject of the meetings, and not only the registered participants.

Once the first edition of training sessions was over in the first half of 2021, the Foundation carried out an evaluation survey. As it turned out, 96% of the responding participants found the knowledge obtained during the program useful in their current work. Almost the same percentage of respondents claimed it would be essential in their further professional development. It is important to note that one in three respondents admitted to using new skills during most of their lessons, while a vast majority (over 70%) of them emphasized that the project had a positive impact on their work with students after returning to in-person teaching. Moreover, more than 90% of participants deemed the project helpful in taking care of the students' mental and physical health.

In line with the conclusions from the evaluation as well as individual contact with the teachers, the second edition of the CyberStrong School program focuses on the new normal, that is, hybrid education. Particular emphasis was placed on the ever more urgent issue of low well-being among children, adolescents and teachers resulting from the isolation caused by the COVID-19 pandemic, as well as mental disorders related to the excessive use of digital tools among young people. The knowledge obtained during the program will help teachers better navigate the digital world and do it with more ease as well as guide students and parents through that world. With the new knowledge, they can better cooperate with their students, raise their awareness of such phenomena as online hate and the resulting violence, encourage them to intervene, talk with their parents and other students about the threats associated with the Internet. Another goal of the program is also to make the participants realize how dangerous and fateful addiction to digital devices can be. The program does not only list the signs of such an addiction, but also explains how it can be prevented, what to do when it happens and how to talk about it with students and parents.

The second edition of the program comprises four modules addressed to: early school education teachers, tutors and teachers of 4th-8th grades of primary and secondary schools as well as two groups of teachers returning to the program after the last year's edition. Given the great popularity of the program in the group of tutors and teachers, more workshops for this group were added, so that everyone interested can take advantage of the meetings with the invited specialists. All the workshops and lectures are held in the online formula.

The primary goal of the CyberStrong School program is to help teachers quickly adapt to the dynamic reality. Therefore, in May 2021, as one of the initiatives we organized an open meeting for teachers and parents, during which psychologists and psychotherapists answered the following questions: How can we ensure that students go back to school safely and feeling at ease? What should we do to make the most of the last days of the school year? The meeting is still available online on the website [www.cybermocnaszkola.pl](http://www.cybermocnaszkola.pl), and you can go back to it every time kids return to school after a period of remote education during quarantine. As part of the second edition of the program, the Foundation scheduled additional lectures to tell the participants, among others, how to verify information and raise children's awareness of disinformation on the Internet.

Some of the experts who share their knowledge under our program are, for example:

- Anna Giza-Poleszczuk, dean of the Sociology Department at the University of Warsaw;
- Aleksandra Piotrowska, PhD in psychology, lecturer at the Faculty of Education of the University of Warsaw and the Education University of ZNP in Warsaw, social advisor to the Children's Rights Ombudsman and the Committee for the Protection of Children's Rights;
- Wojciech Ronatowicz, pedagogue, graduate of the Faculty of Education of the University of Warsaw. He is the co-founder of the Safer Internet Forum, a coach in a project of Cyfrowobezpieczni.pl – Bezpieczna Szkoła Cyfrowa (Safe Digital School), co-funded by MEN (Ministry of National Education)
- Justyna Kowal, psychologist, graduate of the Psychology Faculty at the University of Warsaw. In her everyday work, apart from holding training sessions, she works at the University of Education, where she teaches diagnostics, interpersonal communication as well as methods and techniques of psychotherapy;
- Marta Florkiewicz-Borkowska – named Teacher of the Year 2017, teaches German and classes supporting creativity at the Karol Miarka Primary School in Pielgrzymowice, educational trainer, tutor, licensed art therapist, educator specializing in modern educational solutions, coach and mentor in numerous nationwide projects, including: Digital School, Active Education, Cybernauts, Coding Champions, Program the Future, School with Class 2.0, SpoEd and Aces of the Internet;
- Berenika Anders-Mosakowska – lawyer, expert in digital communication strategy and audit as well as protection of online image.



The lecture opening the second edition of the CyberStrong School was very popular and had 11,500 views on YouTube. Furthermore, the information campaign on Facebook reached over 32,000 unique users, and posts regarding CyberStrong School were viewed over 55,000 times on Twitter.



### Compendium of knowledge on [www.cybermocnaskola.pl](http://www.cybermocnaskola.pl)

In reliance on the evaluation results and feedback from teachers, in the second edition the Foundation created an information hub and collected all the educational materials and video lectures from the project on the website [www.cybermocnaskola.pl](http://www.cybermocnaskola.pl). Thus, teachers have quick and easy access to these materials any time, and can use them at school.

### CyberMocn@Szkoła (CyberStrong School) – Poradnik wychow@wcy (Tutor's Guide)

In cooperation with the Stocznia Foundation and teachers-participants of the program, the Foundation devised a “Tutor’s Guide”. It is a set of 10 proven, teacher-tested technology solutions to make education more interesting and enhance the interactive component of the lessons. The guide was developed in response to teachers’ needs expressed in interviews. All the ideas that made it to the guide came from teachers themselves. Above all, it is a set of lesson scenarios and inspirations to help take care of three important spheres: children’s mental well-being, their physical fitness and social development, including the most crucial of all – good relationships with their peers and integration with other students.

Over several months, the authors of the Guide were working with a group of fourteen participating teachers from schools across Poland. It is them that thought of the ways to use tools such as Nearpod, Flipgrid and Google Forms in a class setting. They tested and perfected these ideas in practice during their own classes. Their efforts were supervised and inspired by Marta Florkiewicz-Borkowska, Teacher of the Year 2017.

### IT for SHE

For many years, the Citi Handlowy Foundation has been a partner of the IT for SHE project. It is an innovative combination of solutions in the field of mentoring, networking, inspiring and also in the development of competences, which support the development of female careers in the area of IT. Under the project, a coalition of international companies present on the Polish market and having a clear technological component in their activity was created.

The program aims at assisting talented female students of IT faculties in entering the labor market. Thanks to its reach, it has a realistic chance of causing the percentage of women in the IT business to rise and of contributing to a quality change in that area.

In 2021, as part of the Women in Tech Summit 2020 a webinar “This Cloud Again” was organized, which was attended by experts from Citi Handlowy and Citibank Europe plc (including Jarosław Kwiecień, Tomasz Ryderowicz, Katarzyna



Woźniczka). This event gathered nearly 200 participants: students and professionals from the technology and IT sectors.

Citi volunteers also participated in the following events under the program: Women in Tech Days, the first online festival for women in technology sector and Women in Tech Camp (the largest European camp for girls in IT).

Under the project, 6 mentors established long-term mentoring relationships with their mentees, for the whole duration of the project (6 months).

### 3. Entrepreneurship – projects financed by the Citi Foundation

**Business in Women's Hands** – program carried out in partnership with the Foundation for Female Entrepreneurship. In 2021, the 7th edition of the project was completed, in which 60 women participated. The participants and graduates of all the editions of the program established 295 new businesses. We launched the Academy of Women Mentor Club. More than 400 people applied in an open recruitment process, of whom 150 were selected. They joined the Women Mentor Club of the Network of Entrepreneurial Women.

In October 2021, the 8th edition of the program was implemented. On November 17, 2021, an online conference opening the program entitled “How to use new technologies in business” was held. During the conference, experts discussed, among others, how to use advanced tech solutions in a responsible way, conducive to business development, whether it is possible to run a business in keeping with specific values and with the society's interests in mind, and how important is the role of women in building modern businesses. In mid-December 2021, recruitment commenced for the 8th edition of the Business in Women's Hands acceleration program. It is targeted at women who want to learn tips on running a business, build a network of contacts and acquire the skills necessary to run their own business and need support in developing their business idea.

**Entrepreneurship Development Program** – it combines financial education and the development of entrepreneurial attitudes. It is aimed at promoting saving and rational finance management among Poles and encouraging young people who enter the labor market to take their chances in business. The project is financed by the Citi Foundation and carried out by the THINK! Knowledge Society Foundation, with content-focused support provided by the Citi Handlowy Foundation. The 4th edition of the project was completed in March 2021 and focused on supporting young businesses so that they would be able to cope with contemporary market challenges caused by the pandemic and to skillfully manage change. The program comprised business training, webinars, consultations and mentoring. There were also lectures for teachers and meetings for Program participants and mentors. All the events were organized online. 164 business ideas were entered in the project, 25 companies in ecology, technology, health and beauty, culture and entertainment industries were established.

The 5th edition of the Program was launched in June 2021 and has already attracted 281 new users of the Program's online platform – the website <https://rozwijamy.edu.pl/>. By the end of December 2021, in the course of the project organized online, 8 workshops and webinars were delivered, attended by 256 persons, plus 2 Business Mixers with the participation of Citi experts, for a total of 72 participants. In late November and early December 2021, there were also two meetings for teachers organized with a goal to raise their competences in creating content and video presentations.

**Shesnnovation Academy** – it is Poland's first start-up academy for women active in STEM (Science, Technology, Engineering, Mathematic). The project is organized by the “Perspektywy” Educational Foundation and the Citi Foundation with professional support of the Citi Handlowy Leopold Kronenberg Foundation. Its goal is to support women associated with STEM in gaining necessary knowledge and skills useful in founding startups and implementing such undertakings in practice. The project is addressed to female students, PhD students and graduates of technical and science faculties as well as medicine and related faculties who were able to outline their idea for own tech startup in the submission. The participants received support of exceptional mentors – great stars of technological business – female CEOs of companies and creators of start-ups that achieved market success, managers and board members of various organizations (including Citi Handlowy and Citibank Europe plc). Also a series of training sessions on the art of running a business as well as the advice of prominent experts from the industry, tailored to the participants' needs were organized. The project was closed with a gala held on 31 May 2021, in online form on the Swapcard platform. The event commenced with the announcement of the report, “Women's leadership 2021: Generational Dimensions of Women's Leadership in Technology and Entrepreneurship”. However, the highlight of the program was the pitching of 12 brave female start-up owners, who decided to start their own business during the pandemic. The 2nd edition of the project resulted in the emergence of 13 start-ups.

**Hello Entrepreneurship** – in a desire to support migrants' dreams of opening their own business, Ashoka Foundation and Citi Foundation in cooperation with the Citi Handlowy Foundation launched a program called Hello Entrepreneurship. It aims at supporting social entrepreneurship of migrants in Poland, so that their talent and hard work can contribute to the general well-being as well as social and economic success of Poland.

2021 saw the end of the second edition of the program. In the early stage of the program, 115 migrants, mostly foreign students, participated in the events organized in its course. In the advisory and incubation process, which saw the establishment of 10 social businesses, there were 32 participants. 10 social businesses will create jobs for about 30 migrants and refugees, including young foreigners. More than a thousand people received information on the idea of social entrepreneurship, through events, webinars, individual consultations, lectures at universities and promotion. The lectures, events and webinars were attended by around 160 young foreigners.

## 4. Heritage protection and activities associated with the 150th anniversary of Bank Handlowy

### 150th anniversary of Bank Handlowy

In 2021 the celebratory activities of the 150th anniversary of Bank Handlowy were continued. It should be noted that the Bank remains a phenomenon not only in Poland but also globally. Bank Handlowy (presently Citi Handlowy) is the oldest commercial bank in Poland and one of the oldest continuously operating banks in Europe. Above all, however, this is the bank which, since the beginning of its presence, has played a crucial, and often even a key role in the development of the Polish economy and banking, and also in supporting the Polish culture, education and important social undertakings.

### #ForestForever – anniversary volunteering project celebrating the 150th anniversary of Bank Handlowy w Warszawie

In order to emphasize the importance of this anniversary and leave a permanent mark, the Foundation celebrated the 150th anniversary of the Bank by planting, together with volunteers, another hectare of forest. To this end, more than 6,000 saplings of deciduous trees and shrubs were used. These are aboriginal species that will support the biodiversity of Polish forests. Thus, over the last two years, a total of 3 ha of forest was planted.

### Anniversary report – 150 years of the impact of Bank Handlowy on the development of Poland

In the first half of 2021, the Foundation issued a report “150 years of Bank Handlowy's influence on Poland's development.” The report deals with a unique institution and a unique story. When preparing the report, the Foundation wanted to take the Reader on a journey into the turbulent history of the past 150 years, told from the point of view of one entity: the bank Citi Handlowy (earlier – Bank Handlowy w Warszawie). Hence, this is the story not only of the operation of one company, but also of undertakings that have become its heritage, and of the circumstances of its development – the country's economic history in which it played a big role by impacting various spheres of the reality. The whole report is a sort of structured compilation of facts and events threaded on a timeline, which document the impact of Bank Handlowy on various spheres of the Polish reality. The main purpose behind their selection was to show the logic and nature of its impact. It is a story of important moments in the history of the Bank, as well as an attempt to assess, in a more structured way, the significance of its current operation and position.

### Jubilee medals of the Polish Bank Association and the National Bank of Poland for the Bank's employees

The Foundation coordinated the process of securing medals of the Polish Bank Association and the National Bank of Poland for 90 employees of the Bank for the founder's anniversary. Additionally, a ceremonious online gala to present the medals and promote the Bank's history was organized. Representatives of the National Bank of Poland and the Polish Bank Association attended the gala. Each of the employees was given the opportunity to thank for the award. The meeting was also an excuse to tell the Bank's story again, as the bank owes its success, ever since it was established, to a well-operating team.

### The Professor Aleksander Gieysztor Award

In 2020, it was decided not to grant the Professor Aleksander Gieysztor Award due to the pandemic restrictions. In 2021, the Jury decided to select two Winners. To this end, an information campaign was conducted on social media (Facebook, Twitter, LinkedIn) to encourage people to send in their submissions. It reached over half a million users. The campaign also involved activities in traditional media, for example, on Onet and in Tygodnik Powszechny. In the end, the Jury of the Competition received 47 submissions from 46 institutions (41 unique candidates). On December 16, 2021, the Jury selected two Winners. The ceremonious Gala of the Professor Aleksander Gieysztor Award will be held in 2022.



## Partnership during the European Forum for New Ideas

The Foundation also partnered with the European Forum for New Ideas in Sopot to promote the Bank's history. During the conference, the directions for the future development of business and the role of banks in shaping "progress" as well as values such as diversity and partnership, which should underlie business of the future, were discussed. During the discussion, Citi Handlowy was represented by Elżbieta Czetwertyńska, CEO of Citi Handlowy, and Piotr Kosno, Head of Institutional Banking.

## Wide recognition of and support for the Foundation's activities in traditional and on social media

Despite adversities, the year 2021 allowed the Foundation to become established in the minds of a wider group of recipients owing to the volunteers' amazing engagement in promoting the Foundation's activities on social media and articles in traditional media. The Foundation's activities were mentioned by journalists, volunteers, participants of the Foundation's programs as well as stakeholders. For example: information about volunteering activities was viewed by Facebook and Twitter users over 3 million times. The high number of mentions about the Foundation in the traditional media was also a result of research reports co-organized by the Foundation, such as:

**Young people and entrepreneurship** – a survey of the Citi Handlowy Foundation and THINK! Foundation, carried out by the Stocznia foundation, financed by the Citi Foundation. The report finds answers to the questions: How do young Poles understand and what are their thoughts on entrepreneurship? What career path do they find the most desirable? According to the report, today many young people see having their own business as an amazing career path. Interestingly enough, over 50% of respondents see entrepreneurship, above all, as a possibility to use their knowledge and skills, whereas 45% – as a way to make money. 43% of the respondents associate it, first and foremost, with creativity, while almost 40% refer to it as a possibility to "spread one's wings". The report was promoted in social media. The total reach of the individual posts exceeded 1.5 million.

**Poles' Attitudes Towards Saving** – a report by the THINK! and Citi Handlowy Foundations prepared by the Stocznia foundation and financed by the Citi Foundation. According to the report, the percentage of people who do not plan their expenses at all increased between 2019 and 2021. A considerable growth was also recorded in the group of people who do not plan their purchases and do not save money for them (40% of Poles, an increase by 16 p.p. versus previous years). A similar trend is observed when it comes to controlling one's finances – this year the percentage of people declaring that they have control over their expenditures has decreased. Between 2016 and 2019 this percentage was stable, oscillating between 74% and 76%. Last year, it dropped by as much as 10 p.p., to the current 66%. The campaign on social media reached 936,489 unique users.

**Women's leadership 2021. Technology, business, science** – was prepared as result of cooperation between the Citi Handlowy Foundation and the "Perspektywy" Foundation, with funding provided by the Citi Foundation. The report analyzes women's leadership among Millennials. The publication was prepared based on the results of a questionnaire-based poll among 750 female leaders, preceded by surveys of the focus groups. The report outlines a rich and nuanced portrait of female leaders and also includes a Set of Practical Recommendations on how to support women's leadership.

## 5. Cultural patronage and sponsoring

In 2021 the Bank continued its sponsoring-based cooperation with the Polish Paralympic Committee. This cooperation is a part of a global initiative of Citi that supports the Paralympic movement and the efforts to change the social perception of disability – to see the person, his/her passion and achievements.

It was a unique year, as the Tokyo Paralympic Games, postponed from the previous year, were organized in 2021. This prompted the Bank to speak even louder about the Paralympians and their achievements. With the slogan "It's ok, you can stare", the Bank encouraged everyone to "stare" at these outstanding athletes and follow their results and achievements during the games. The media campaign "It's ok, you can stare" was implemented predominantly on social media and YouTube. It was also widely communicated across the Bank's internal channels, including an invitation to employees to support Paralympians.

The heroes of the campaign were Paralympic champions – Natalia Partyka, a table tennis player, and Maciej Lepiato, an athlete – who were featured on the promotional photos and in video ads. The goal of the promotional materials was to draw attention to the talent of the Paralympians and for them to be perceived through their sports achievements, their records and the gold medals they are fighting to win rather than through the disabilities they are dealing with on a daily basis. The slogan "It's ok, you can stare" was supposed to provoke people to look at and fix their eyes on the Paralympians.

The above-mentioned Natalia Partyka and Maciej Lepiato were also members of the global Team Citi for another consecutive year. They both made the podium in the Paralympics. In Tokyo, Natalia Partyka won two medals – one bronze, and one gold. Maciej Lepiato won bronze. On their return from Tokyo, they were welcomed at the airport by a group of proud fans from Citi Handlowy. The Bank talked at length about how special they are on social media; Maciej Lepiato and Natalia Partyka also took part in the Bank's Christmas campaign and signed several hundred Christmas presents (notebooks) sent to a selection of clients with the best New Year's wishes.

As an organization supporting the Paralympic movement in Poland, the Citi Handlowy foundation was the main partner of the social project **The Third Edition of the Athlete of the Year 2021 Competition of the Polish Paralympic Committee**. In a vote, the Jury and Internet users chose the Paralympic athlete Róża Kozakowska as the Athlete of the Year 2021. During the Paralympics in Tokyo, Róża won gold for Poland in club throw (cat. F32), breaking the world record. However,

she did not stop there and a few days later she won silver in shot put (cat. F32). The winner of the #Gutmanny2021 competition can now also boast a bronze medal of the 2021 World Para Athletics European Championships in shot put. Nothing moved Polish sports fans more than Róża's story and her life experiences. Despite her tragic past, she achieved success in sports and proved that one can fight for oneself and get to the top. The second place of the Para-Athlete of the Year Award was taken by Natalia Partyka from #TeamCiti. The winner was announced by Elżbieta Światopełk-Czetwertyńska, CEO of Citi Handlowy.

*Gutmanny2021 is a remarkable initiative that shows real heroes – athletes. At the same time, it teaches us humility in life and the value of passion and persistence in achieving one's goals, emphasized the CEO of Citi Handlowy. However devious and bumpy the road may be, and though not everything goes to plan – the goal is what counts. Just look at the stories of the winners of our competition. They are the true superheroes. This is our Marvel universe. They are the living proof that impossible is nothing.*

As part of its support for people with a passion, Citi Handlowy was yet again a partner of the IRONMAN Poland triathlon race. In 2021, the bank became the title sponsor of the event in Warsaw, which saw the first ever race at the prestigious IRONMAN 70.3 distance. Due to the sanitary regime, the Citi Handlowy IRONMAN 70.3 and Citi Handlowy 5150 Warsaw races, initially scheduled for June, were eventually organized during the first weekend of September. August, in turn, saw the first full-distance IRONMAN race in Poland, hosted by Gdynia. Last year's IRONMAN Poland race was organized under the slogan "The Year of Overcoming Obstacles", showing that although we had all been affected by the struggles of the last months, we can always treat them as a challenge and face them head-on.

#### Expenses for social purposes and other in 2021

	(PLN '000)
Cultural patronage, sponsorship and media	750
Social involvement (charitable and social institutions)	3,500

Mnie nie przeszkadza.  
Chcesz, to się patrz.

Jeszcze chwila i sięgam nieba.

MACIEJ LEPIATO  
PARALEKKOATLETYKA, REPREZENTACJA POLSKI

CZAS ZMIENIĆ TO, JAK POSTRZEGAMY OSOBY Z NIEPEŁNOSPRAWNOŚCIAMI.

citi  
citi handlowy  
Dumny partner  
Polskiego Komitetu Paralympickiego





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

Live Well at Citi is a global initiative of the Citi Group promoting the culture of health and healthy lifestyle. Citi Handlowy has been implementing it successfully for a few years, combining sport competitions with support for those in need. The idea of supporting local communities, consistent with the Bank's mission, invariably accompanies sports events in which Citi Handlowy employees participate together with Bank clients as players of the Live Well at Citi team, and at the same time, as volunteers – #CitiVolunteers – supporting a chosen social cause.

In the second year of the COVID-19 pandemic, sports initiatives were predominantly virtual. Citi Handlowy invariably encouraged its employees to spend time in an active manner, and helped them to cope with consequences of remote work and social isolation.

The events in which the Bank's employees participated as part of the Live Well at Citi project included:

- **GCD Sport Challenge** – a sports challenge during which many open air activities – walking, running and biking – allowed the employees to collect points with the Activity app. This was one of the projects implemented under the Citi Global Community Day, under which the volunteers and team members of Live Well at Citi have once again supported the Tęcza Association, which cares for visually impaired persons.
- **1st Orlen Paralympic Run** – one of the many activities through which Citi Handlowy supported persons with disabilities and supported the development of diversity-accepting society was the participation in the First Orlen Paralympic Run. During this initiative, the runners of the Live Well at Citi joined forces with Citi volunteers to promote the concept of the paralympic movement and to express their awe and recognition for athletes with disabilities. The virtual form of this run did not discourage people – more than 30 volunteers with families from the Bank itself took part. A five-year-old boy was the youngest participant. The Bank sponsored 2 grand prizes for the most creative runners who discussed how the impossible doesn't exist through their run photos posted on social media.





- **Poland Business Run** – in September 2021, employees of Citi Handlowy participated for the 8th time in the charity run organized by the Poland Business Run Foundation. Its goal was to raise funds for the purchase of prostheses and medical equipment, rehabilitation and psychological support for amputees and people with physical disabilities. Similarly as last year, the run was held in an unusual, virtual formula, thanks to which runners from all over the world could participate. Under the Live Well at Citi initiative, Citi in Poland was represented by the record-breaking number of employees – 105 people from Citi Handlowy and Citibank Europe Plc from Warsaw and Olsztyn, who formed 21 teams of 5 people. Involvement in Poland Business Run is another initiative through which the Bank supports building a more diverse and integrated society, contributing to a change in the perception of people with disabilities.

## VII. About the Report

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

The Report describes the activities of the Bank and its subsidiary - Dom Maklerski Banku Handlowego S.A. (hereinafter “DM Citi Handlowy”). [GRI 102-45] Other companies from the Citi Handlowy capital group, due to the scale of their activity, were not included in this Report. There were no significant changes in the structure of the Group or its supply chain during the reporting period. [GRI 102-10]

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

These Non-Financial Statements of the Capital Group of Bank Handlowy w Warszawie S.A. were prepared on the basis of the requirements set out in the Accounting Act of 29 September 1994 (i.e. J.L. of 2019 item 351 as amended), which imposes the reporting obligation, according to GRI reporting standards. [GRI 102-54]



The Non-Financial Statements of the Group present its operations for the period from 1 January 2021 to 31 December 2021 [GRI 102-50], unless indicated otherwise herein. The Group publishes annual reports. [GRI 102-52] The last report was prepared for 2020. [GRI 102-51]

This Report contains corrections of information to the report for 2020. These adjustments concern changes in the consumption of certain utilities and the calculation of CO<sub>2</sub> emissions in 2020, recalculated in 2021, taking into account invoices for 2020, which were delivered after the date of publication of the report for 2020. [GRI 102-48]

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

In case of any questions, please contact us:

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[GRI 102-53]

## VIII. GRI Standards Content Index

### [GRI 102-55]

Employees and managers responsible for various reporting areas were involved in the reporting process. This report is not audited externally.

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

GRI Standard	Title of the GRI Standard	Ratio No.	Title of the ratio
GRI 101	Foundation 2016		
GRI 102	General Standard Disclosures 2016	102-1	Name of the organization
GRI 102	General Standard Disclosures 2016	102-2	Activities, brands, products and services
GRI 102	General Standard Disclosures 2016	102-3	Location of organization's headquarters
GRI 102	General Standard Disclosures 2016	102-4	Location of the Organization's offices
GRI 102	General Standard Disclosures 2016	102-5	Ownership and legal form
GRI 102	General Standard Disclosures 2016	102-6	Markets served
GRI 102	General Standard Disclosures 2016	102-7	Scale of the reporting organization
GRI 102	General Standard Disclosures 2016	102-8	Information on employees
GRI 102	General Standard Disclosures 2016	102-9	Supply chain
GRI 102	General Standard Disclosures 2016	102-10	Significant changes in the organization and its supply chain
GRI 102	General Standard Disclosures 2016	102-11	Precautionary Principle or approach
GRI 102	General Standard Disclosures 2016	102-13	Membership in Organizations
GRI 102	General Standard Disclosures 2016	102-14	Statement of the senior management
GRI 102	General Standard Disclosures 2016	102-15	Description of key impacts, risks and opportunities
GRI 102	General Standard Disclosures 2016	102-16	Values, principles, standards and norms of behavior
GRI 102	General Standard Disclosures 2016	102-17	Mechanisms for advice and concerns about ethics
GRI 102	General Standard Disclosures 2016	102-18	Governance structure
GRI 102	General Standard Disclosures 2016	102-25	Conflict of interest
GRI 102	General Standard Disclosures 2016	102-30	Effectiveness of risk management processes
GRI 102	General Standard Disclosures 2016	102-40	List of the Stakeholder groups
GRI 102	General Standard Disclosures 2016	102-41	Collective bargaining agreements
GRI 102	General Standard Disclosures 2016	102-42	Identification and selection of Stakeholders
GRI 102	General Standard Disclosures 2016	102-43	Approach to engaging Stakeholders
GRI 102	General Standard Disclosures 2016	102-45	Entities included in the consolidated financial statements
GRI 102	General Standard Disclosures 2016	102-48	Restatements of information
GRI 102	General Standard Disclosures 2016	102-49	Changes in reporting
GRI 102	General Standard Disclosures 2016	102-50	Reporting period
GRI 102	General Standard Disclosures 2016	102-51	Date of the most recent report

**Non-Financial Statements of Bank Handlowy w Warszawie S.A. and the Capital Group of Bank Handlowy w Warszawie S.A. in 2021**

**TRANSLATION**

	Disclosures 2016		
GRI 102	General Standard Disclosures 2016	102-52	Reporting cycle
GRI 102	General Standard Disclosures 2016	102-53	Contact point for questions regarding the report
GRI 102	General Standard Disclosures 2016	102-54	Claims of reporting in accordance with the GRI Standards
GRI 102	General Standard Disclosures 2016	102-55	GRI Content Index
GRI 103	Approach to management 2016	103-1	Explanation of the material topic and its boundary
GRI 103	Approach to management 2016	103-2	The management approach and its components
GRI 103	Approach to management 2016	103-3	Evaluation of the approach to management
GRI 201	Business Performance 2016	201-1	Direct economic value generated and distributed
GRI 205	Combating corruption 2016	205-2	Communication and training on anticorruption procedures and policies
GRI 205	Combating corruption 2016	205-3	Confirmed incidents of corruption and actions taken
GRI 301	Materials 2016	301-1	Materials used by weight and volume
GRI 302	Energy 2016	302-1	Consumption of energy in the organization
GRI 302	Energy 2016	302-4	Reduction of energy consumption
GRI 303	Water and effluents 2018	303-5	Water consumption
GRI 305	Emissions 2016	305-1	Direct greenhouse gas emissions (Scope 1)
GRI 305	Emissions 2016	305-2	Energy indirect greenhouse gas emissions (Scope 2)
GRI 305	Emissions 2016	305-3	Other indirect greenhouse gas emissions (Scope 3)
GRI 305	Emissions 2016	305-4	GHG emissions intensity
GRI 305	Emissions 2016	305-5	Reduction of GHG emissions
GRI 306	Waste 2020	306-3	Waste generated
GRI 401	Headcount 2016	401-2	Benefits offered to employees
GRI 401	Headcount 2016	401-3	Parental leave
GRI 403	Occupational Health and Safety 2018	403-5	Worker training on occupational health and safety
GRI 403	Occupational Health and Safety 2018	403-6	Promotion of worker health
GRI 403	Occupational Health and Safety 2018	403-9	Work-related injuries
GRI 404	Training and education 2016	404-2	Programs for upgrading employee skills
GRI 404	Training and education 2016	404-3	Percentage of employees receiving regular performance and career development reviews
GRI 405	Diversity and equal opportunities 2016	405-1	Diversity of governance bodies and employees
GRI 405	Diversity and equal opportunities 2016	405-2	Ratio of basic salary and remuneration of women to men
GRI 406	Counteracting discrimination 2016	406-1	Discrimination incidents and actions undertaken
GRI 412	Human rights – evaluation 2016	412-2	Employee training on human rights policies or procedures

Signatures of Board Members

23.03.2022	Elżbieta Świątopełk- Czetwertyńska	President of the Management Board
..... Date	..... Name	..... Position/function
23.03.2022	Natalia Bożek	Vice-President of the Management Board
..... Date	..... Name	..... Position/function
23.03.2022	Dennis Hussey	Vice-President of the Management Board
..... Date	..... Name	..... Position/function
23.03.2022	Maciej Kropidłowski	Vice-President of the Management Board
..... Date	..... Name	..... Position/function
23.03.2022	Barbara Sobala	Vice-President of the Management Board
..... Date	..... Name	..... Position/function
23.03.2022	Katarzyna Majewska	Member of the Management Board
..... Date	..... Name	..... Position/function