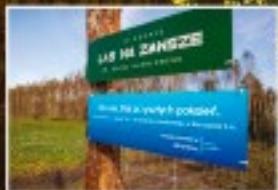


# Non-Financial Statements 2020



citihandlowy®

**Non-Financial Statements of  
Bank Handlowy w Warszawie S.A. and the  
Capital Group of Bank Handlowy w Warszawie S.A.  
for the year ended 31 December 2020**

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# Letter of the President of the Management Board

[GRI 102-14]

Dear Sir/Madam,

2020 was an unprecedented year and a test in corporate social responsibility. Feeling that we have met the challenge, I am presenting to you this report of Bank Handlowy w Warszawie S.A., both on the activities related to the crisis associated with the COVID-19 epidemic, as well as on the issues that remain no less important today: business ethics, equal opportunities or environmental protection.

A year of fighting the pandemic **required us to firmly redefine our priorities**. The **safety** of all of us was crucial. No less important was the liquidity **support** for the bank's customers whose lives and operations were affected by the pandemic. We also did not forget about the front line workers who fought for the health of Polish people and, as a bank, we set ourselves the goal of supporting medical professionals in that effort.

We extended special care to our employees, ensuring safe working conditions and mental well-being during isolation, which accompanied us to a varying degree throughout the year. At the peak of the pandemic, 80% of the bank's staff continued to work remotely thanks to the advanced IT structure of our organization. I am proud that we took care of our employees' health, while remaining fully operational to serve our clients. We supported the employees in need financially and materially; we gave out 12,000 free meals. The bank's headquarters, including branches, were subjected to the highest standard of the sanitary regime and a shift work system for staff to ensure safe service, business continuity and operational safety. Prepared action plans "for any eventuality", both locally and on a larger scale, made us resilient to the pandemic's unpredictability, while also preserving a high sense of security among employees. **The scope of support was rated very highly by employees in internal surveys, and we know from their statements that they feel safe in the bank.** Activities of Citi Handlowy as an employer were also noticed externally; in a ranking of the best employers caring for their employees during the crisis, the bank came in second among financial institutions.



Sławomir S. Sikora  
President of the Management Board

From the first days of the pandemic in Poland, we knew that we had to respond to the needs of our clients who were forced to change their lifestyle due to the pandemic. We **digitally revolutionized our services** very quickly, so that clients could use the bank's financial solutions without leaving home. As the first bank in the Polish market, we introduced the option to fully remotely open all basic financial products using biometrics. In this difficult time for businesses, **we joined the aid program** of the Polish Development Fund; via Citi Handlowy, almost 1,400 enterprises received aid exceeding in total PLN 450 million from the Anti-Crisis Shield. We implemented solutions that helped stabilize the financial situation of the clients affected by the epidemic. Together with Bank Gospodarstwa Krajowego, we launched financing using national de minimis guarantees for large enterprises. We also increased the amounts of de minimis guarantees for small and medium-sized enterprises, and **we offered individual clients the option to suspend loan payments.**

During that time, we did not forget about the communities for which we work. I want to proudly emphasize that the culture of volunteering that we have been developing in recent years contributed to the fact that, **on the first days of the lockdown, we took action and organized a fundraiser for the Silent Heroes - paramedics and doctors.** During the first, most difficult weeks, we provided hot meals to over 330 rescue workers in Warsaw and Olsztyn. In successive months,

also engaging our clients in fundraising activities, we equipped medical services with nationally innovative equipment for the rapid diagnosis of COVID-19, and provided hospitals with mobile respirators, protective clothing, mobile ultrasound devices and video laryngoscopes. Over 1,000 packages of basic necessities went from #CitiVolunteers to seniors, and 100 computers - to children to enable their remote learning. In our efforts, we also remembered about schools that moved overnight to the virtual world. We trained over 500 teachers from all over the country in Internet safety, building a whistleblower network in schools, conducting online classes in an attractive and engaging way, and using technology tools for better teaching.

In 2020, Citi Handlowy celebrated its 150th anniversary - **we remain the oldest, continuously operating Polish commercial bank and one of the oldest continuously operating banks in Europe**. Above all, however, we are a 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. We have supported progress.

When planning for this unique anniversary in Poland and Europe, we could not have predicted what we would be faced with in 2020. Our anniversary was marked by concern for safety and the future, as well as support for customers, employees and local communities.

However, in order to celebrate the 150th anniversary of the bank's existence and to leave behind a permanent "monument" of progress, together with volunteers, clients and the Las na Zawsze (Forest Forever) Foundation, we planted almost 2 hectares of Bank Handlowy Forest near Warsaw and Olsztyn, which will never be cut down. For us, this is the best manifestation of the progress we have supported over the years. The forest makes a realistic and long-term contribution toward changing the world for the better - it improves air quality and responds to the growing problems of deforestation. This year we plan to plant another hectare.

Despite the challenges associated with the pandemic, **we do not forget the values** that are important to the bank and its employees. We care for a work environment in which everyone can be themselves and develop their potential. Our support for diversity as a determinant of the bank's organizational culture has been appreciated again. As part of the Citi Group, one of the largest financial institutions in the world, and as one of the leading banks in Poland, we apply the highest ethical principles and best business practices. We are a signatory to the *Code of Best Practice for WSE Listed Companies* and we adhere to the principles of corporate governance for supervised institutions. The Bank remains among a small

group of companies named "Super Ethical Company", a title bestowed for building a value and ethics-based organizational culture.

In this unprecedented year, we also stood with Paralympians. Citi Handlowy has partnered with the Polish Paralympic Committee for the second year in a row.

I am proud to say that we **remain a leader in terms of supporting women in achieving their professional aspirations**. In line with our principle that competence has no gender, we ensure equal pay at equal positions, and with the opportunities for promotion and development, women constitute nearly half of the bank's managerial staff. This example comes from the top - women make up 43% of the bank's management board and are responsible for 3 key areas: finance, risk, operations & technology.

The previous year was exceptional. In response to the greatest challenge in decades, while maintaining operational continuity, we immediately took action to help. As an organization that is proud to be 150 years old, we have successfully demonstrated our resilience during the pandemic. Today, I can say that this joint effort proves how strong Citi Handlowy is and how much we can do together.



**Sławomir S. Sikora**  
**President of the Management Board**  
Bank Handlowy w Warszawie S.A.

# About Citi Handlowy

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.

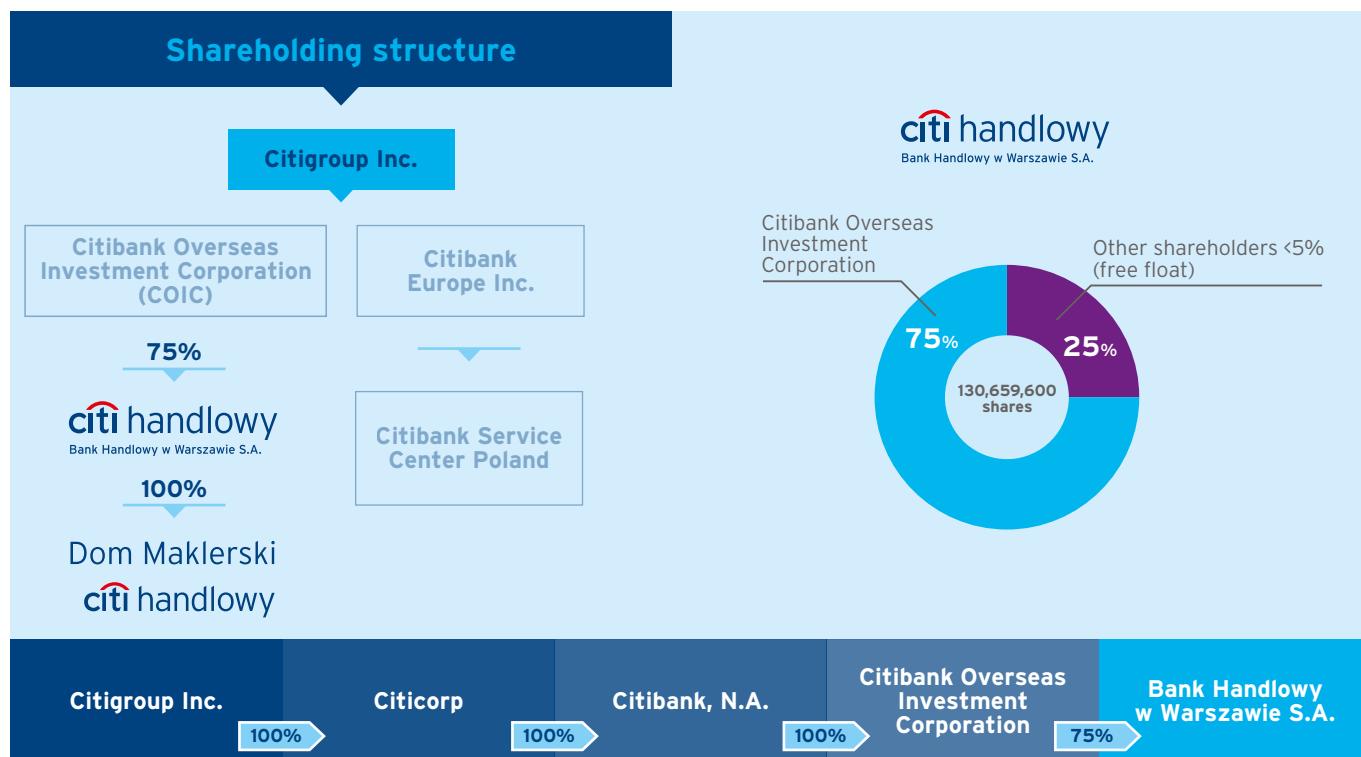
Citi Handlowy meets the highest corporate governance standards and since 2003, namely since they were set by the Warsaw Stock Exchange (GPW), it has been delivering many social programs supporting, among other things, financial education and employee volunteering.

## 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

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]**

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 free float with the lion's share of capital belonging to financial investors (Polish and foreign pension funds and investment funds).



In 2020, there were no significant changes in the shareholding structure. **[GRI 102-10]**

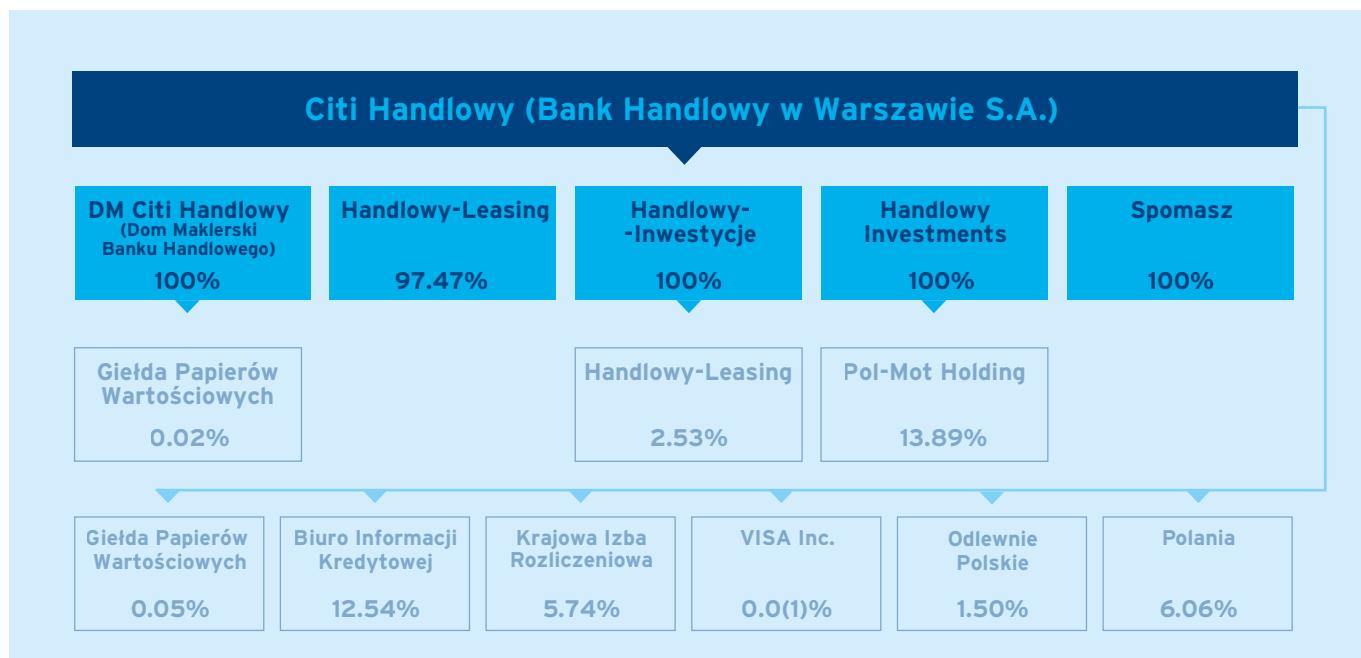
# Citi Handlowy Capital Group

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 activi-

ties 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 CITI HANDLOWY CAPITAL GROUP AS AT 31 DECEMBER 2020.



## Mission

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.

## We deliver value to our clients



# 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.



# Business model

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

Citi Handlowy is strategically focused on its defined target market comprising the areas of Institutional Banking (ICG) and Consumer Banking.

## Citi Handlowy Pillars

- **Globality**

- A bank for world travelers and investors,
- A bank for companies looking for new markets abroad,
- A bank for foreign businesses investing in Poland,
- A bank in the Citi global network:
  - Services for clients in 200 countries,
  - Trading on 77 markets,

- **Safety and stability**

- Strong capital base, TCR of 22.5%, almost 12 pps above regulatory capital thresholds,

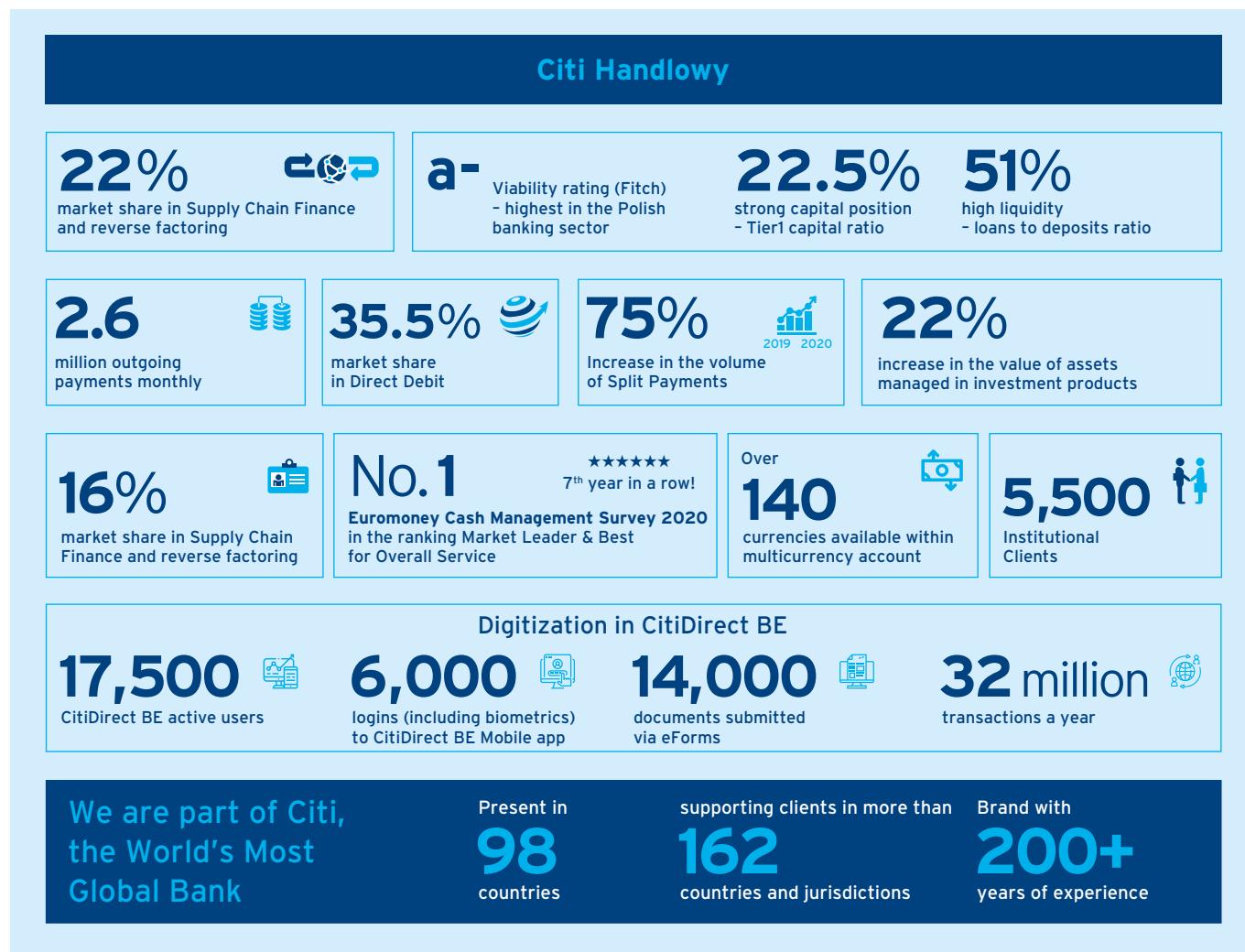
- High liquidity, L/D at 51%,

- **Confidence**

- Leader in FX services, custody services, brokerage services, Cash Management, Wealth Management,

- First bank of choice for 77% of institutional clients

## 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 19 branches in the 8 largest

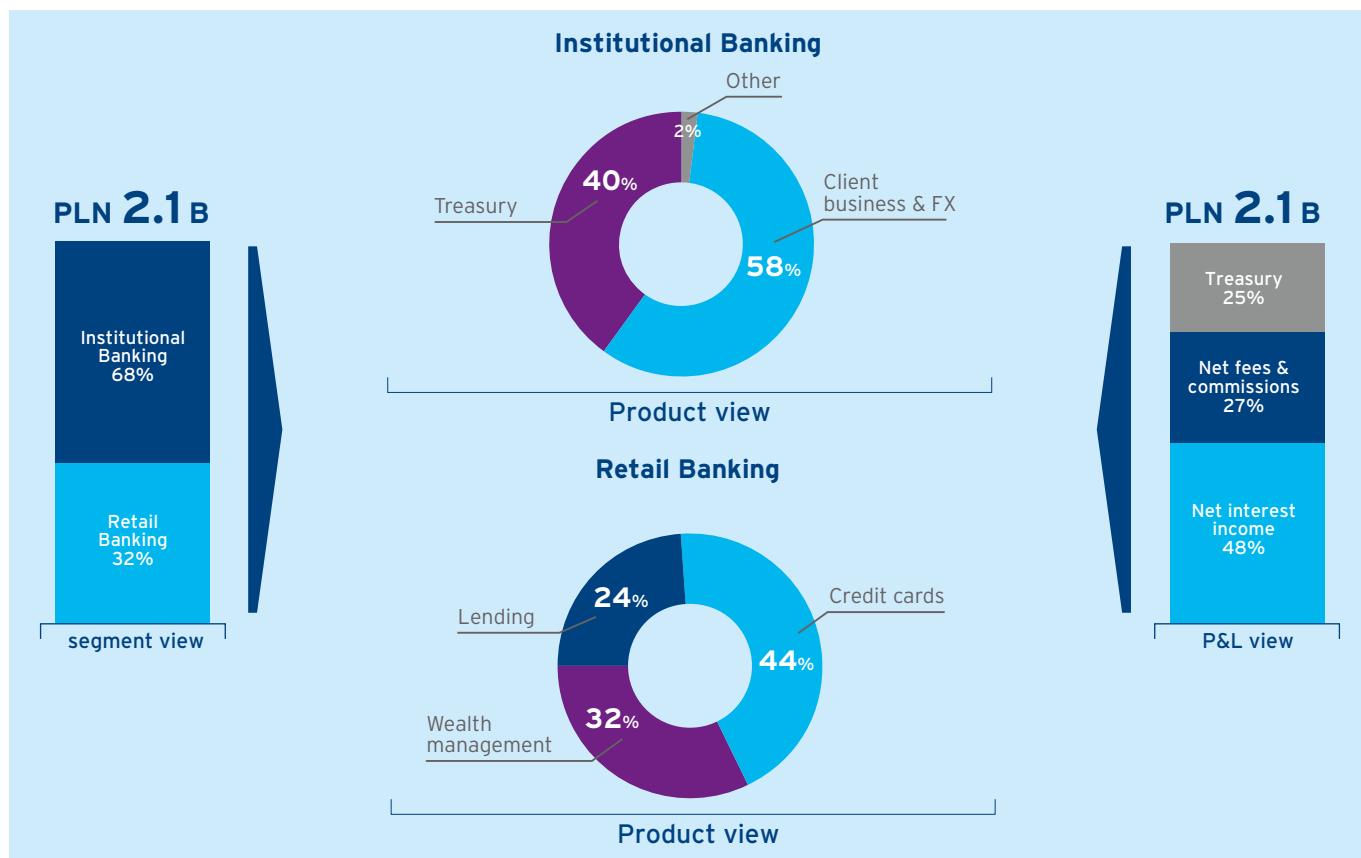
Polish cities, online and mobile banking systems, via telephone banking, as well as in the network of 47 own ATMs and over 22,000 ATMs and 8,000 cash deposit machines belonging to other operators.

## Financial results

[GRI 201-1]

SELECTED FINANCIAL DATA	Group		Bank	
	2020	2019	2020	2019
Interest and similar income	1,118,882	1,406,479	1,118,478	1,405,609
Fee and commission income	645,163	653,409	590,588	620,027
Total expenses	1,221,991	1,214,768	1,195,808	1,189,843
Cost/Income ratio	59%	55%	59%	54%
Cost of risk	(190,267)	(245,718)	(190,541)	1,189,843
Net profit	317,277	658,192	298,706	656,189
Profit before tax	172,395	480,124	158,085	478,802
Total comprehensive income	506,312	506,572	491,502	505,318
Increase/decrease of net cash	722,779	(3,678,117)	722,777	(3,678,013)
Total assets	60,941,538	51,978,543	60,632,397	51,897,712
Loans (clients)	21,914,223	23,731,874	21,673,755	23,608,775
Deposits (clients)	43,393,906	39,787,802	43,411,106	39,849,772
Credit/Deposit ratio	51%	60%	50%	59%
Equity	7,580,967	7,074,655	7,515,205	7,023,703
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)	58.02	54.15	57.52	53.76
Common Equity Tier 1 Capital ratio (in %)	22.5	17.2	22.2	17.0
Earnings per share (PLN/EUR)	1.32	3.67	1.21	3.66

## GROUP'S REVENUE STRUCTURE IN 2020



## IN 2020, CITI HANDLOWY CONTRIBUTED TO THE POLISH BUDGET:

<b>PLN 245</b> million in corporate income tax	<b>PLN 76</b> million in personal income tax	<b>PLN 55</b> million in value added tax	<b>PLN 123</b> million in banking tax
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## Citi Handlowy Strategy

In 2020, 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. Citi Handlowy focuses on the following areas:

- maintaining full operational capacity and providing a full range of services to clients in compliance with safety standards;
- a coherent offer for companies seeking a global financial partner (specifically in foreign exchange products),
- maintaining its leading position in the segment of global companies,
- providing full services to dynamically growing companies in a new economy, seeking complex banking solutions,

- participating in transformational transactions carried out by the largest corporate clients in the Investment Banking segment (e.g. LBO, IPO or M&A transactions).
- building the scale of business by pursuing strategic partnerships that will allow for both growing the customer base and building additional credit volumes through access to new, yet untapped groups of customers,
- the digitalization and simplification of the new customer acquisition process, i.e. the use of state-of-the-art technological solutions (such as biometrics and AI).
- growing the wealthy customer base (Citigold, Citi Private Client) thanks to continuous enlargement of the product offer, the launch of extended advisory services and regular updates of our offer of structured products and investment funds.

- enhancing the Customer Experience using modern contextual banking development tools,
- keeping a leading position in credit cards,
- client security (in terms of both high liquidity, secure capital level and cyber-security),
- changing the organizational culture to simplify and streamline processes and to promote cooperation and diversity,
- increasing value for investors.

In the next year of Strategy realization, the following results were achieved on the way to achieving long-term objectives:

- expansion of the FX offer with new currencies, including the Mexican peso and the Singapore dollar, an increase in FX volumes in the fourth quarter by + 30% YoY among Institutional Banking clients;
- increase in the number of global clients - the number of clients increased by + 5% YoY, especially in the high-tech industry;
- participation in the largest transactions on the capital market in 2020, such as the public offering (IPO) of an e-commerce company worth PLN 10.5 billion;
- implementation of the possibility to authenticate online transactions with the use of biometric data of the corporate cardholder and the CitiManager mobile application;
- an increase in the balance of investment products by + 23% YoY and an increase in the number of affluent clients by + 7% YoY.
- implementation of partnership programs with BP and OBI;
- enabling remote opening of a personal account based on biometrics;
- a high level of capital security at the Bank: high quality of assets and capital, capital adequacy ratio (TCR) at 22.5%, i.e. almost 12 pp above regulatory capital thresholds;
- continuation of automation processes at the Bank: as part of the "Paperless" project, paper consumption dropped by 58% YoY;

## Development prospects

In 2021, the Bank will fine-tune its activities, having regard to the significant changes in the environment, in particular those related to changing needs and expectations of clients during the pandemic and the economic lockdown. The Bank will strive to strengthen its position in **Wealth Management** by expanding its offer of investment products and improving its advisory model. The Bank will also continue to focus on customers looking for convenient **currency exchange solutions** (Citi Kantor). The Bank also plans to reposition its **credit card offer**, especially in the context of new partnerships formed with companies with a large retail customer base.

In the institutional segment, the priority continues to be maintenance **of the Bank's position as a first bank of choice for global enterprises** investing in Poland and provision of a modern **currency exchange** platform with a wide range of currencies, including exotic currencies (e.g. Mexican peso, Singapore dollar), and the availability of currency dealer expertise in **strategies to hedge companies' currency positions with the use of derivatives**. The Bank also notices increased interest on the part of companies in drafting business transformation strategies in response to changes in the economic environment. As a result, the Bank expects considerable interest in **investment banking services**, especially in the area of mergers and acquisitions, and debt restructuring. At the same time, the Bank will continue to invest in digitization of processes, in particular in the development of tools allowing for greater autonomy and customer control over **transaction banking** processes.

# 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 12 members (8 men and 4 women). Six members of the Supervisory Board, including its Chairperson, are Polish citizens. Six 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 (4 men and 3 women). Five members of the Management Board are Polish citizens. Members of the Management Board are appointed for an individual three-year term.

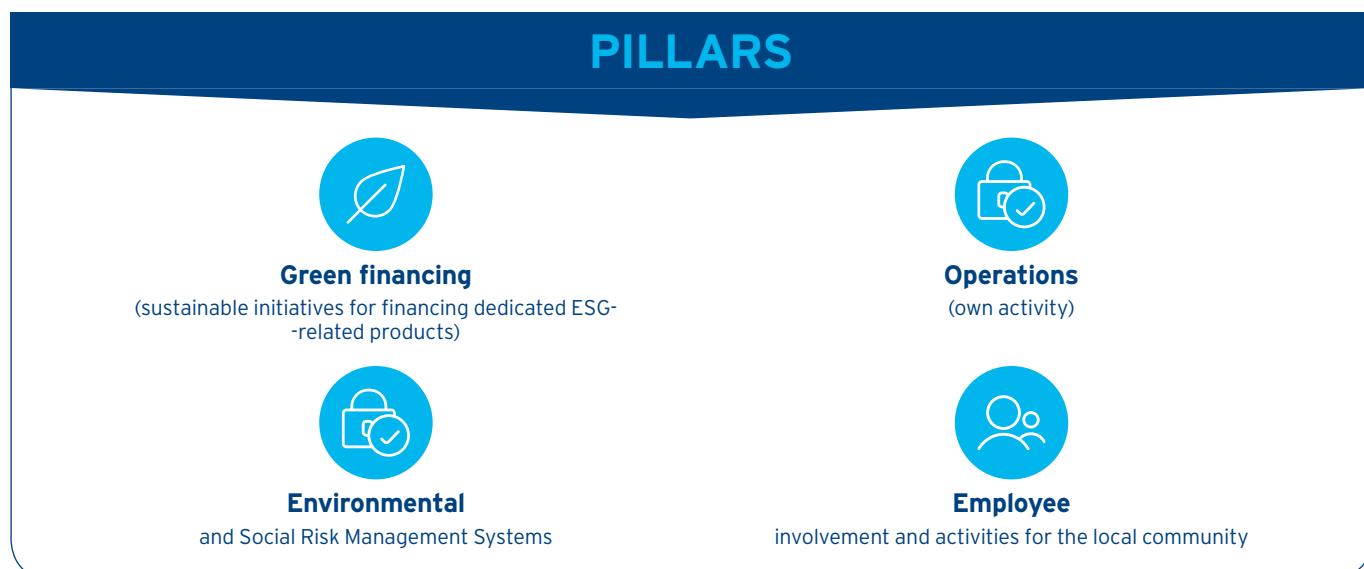
The gender diversity ratio in the Management Board and Supervisory Board of the Bank is described in the chapter "[Talent development and diversity](#)"

## 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 continu-

ously from 2009 to 2019, i.e. for the entire duration of the index.

In 2020, Citi Handlowy continued work on developing a new sustainable development strategy for the Bank for the coming years. The new strategy will be based on four pillars:



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.

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



are in our client's interests



create economic value



are always systemically responsible

# Description of material risks related to the Bank's activity

## Risk Management

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

### ZARZĄDZANIE RYZYKIEM

RISK	POLICIES	HOW IS THE RISK LIMITED
<b>Compliance Risk</b>	<ul style="list-style-type: none"> <li>• Compliance Policy</li> <li>• Corporate Governance</li> <li>• Best Practice for WSE-listed Companies</li> <li>• Good Banking Practice Principles</li> </ul>	<ul style="list-style-type: none"> <li>• Best Practices Compliance and Promotion</li> </ul>
<b>Reputation Risk</b>	<ul style="list-style-type: none"> <li>• Ethical Standards for Advertising</li> <li>• Rules for Personal Data Protection</li> <li>• "Treating Customer Fairly" program</li> <li>• WSE guidelines</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction survey - NPS</li> <li>• Time required to process a complaint</li> <li>• The number of penalties imposed on the Bank for improper protection of customer data</li> <li>• Presence in the WIG-ESG Index</li> </ul>
<b>Environmental Risk</b>	<ul style="list-style-type: none"> <li>• Environment and Energy Management System</li> </ul>	<ul style="list-style-type: none"> <li>• The number of penalties imposed on the Bank for non-compliance with regulations</li> <li>• Utilities consumption</li> <li>• Paper consumption and recycling</li> <li>• Reduction and replacement of the car fleet, fuel cards</li> </ul>
<b>Risks related to employment - human rights</b>	<ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Employment policy</li> <li>• Employee development program</li> <li>• Remuneration policy</li> </ul>	<ul style="list-style-type: none"> <li>• Working time under employment contract</li> <li>• Flexible work conditions</li> <li>• Number of trainings</li> <li>• Maintaining Diversity</li> <li>• Employee turnover rate</li> </ul>
<b>Social Risk</b>	<ul style="list-style-type: none"> <li>• Pursuit of the Kronenberg Foundation mission</li> </ul>	<ul style="list-style-type: none"> <li>• Scope of the employee volunteering program</li> <li>• Number of volunteering work hours</li> </ul>

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.

ment. 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.

## 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.

"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.

## Citi Handlowy in the WIG-ESG Index

On 3 September 2019, the Warsaw Stock Exchange (GPW) published for the first time a new index, WIG-ESG. The index is composed of only those companies which are WIG20 and mWIG40 listed, namely the largest companies listed on the WSE, recognized as socially responsible, i.e. which act in accordance with the best management standards in corporate governance, information governance and investor relations. Companies in the WIG-ESG Index include companies which observe rules of socially responsible business, specifically in environmental and social aspects. As the eligibility criteria also include a liquidity factor, the WIG-ESG Index is a real reference point for professional investors, similarly to other stock market indices. **Citi Handlowy is among the companies qualified for the WIG-ESG Index.**

Previously, for 10 years, Citi Handlowy had been rated in the **RESPECT Index** comprising companies managed responsibly and sustainably. The Bank was continuously present in the RESPECT Index since 2009, namely from the creation of the index and until the index ceased to be published by the WSE in December 2019.

## 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?	2019 EXAMPLES
<b>Investors (strategic investor, institutional and individual investors, rating agencies and brokerage houses, WSE)</b>	<ul style="list-style-type: none"> <li>Group meetings and teleconferences (quarterly publications of results, investor conferences)</li> <li>Face-to-face meetings</li> </ul>	<ul style="list-style-type: none"> <li>Participation in 8 meetings with investors that were attended by the President of the Management Board and CFO</li> </ul>
<b>Employees (FTEs, students, trade unions, work inspection, former employees, subcontractors' employees incl. outsourcing)</b>	<ul style="list-style-type: none"> <li>Intranet</li> <li>Emails</li> <li>Town Halls</li> <li>Citi Collaborate social platform</li> <li>Voice of the Employee (VoE) survey</li> <li>People Board</li> </ul>	<ul style="list-style-type: none"> <li>5 Town-Hall meetings with the President of the Management Board</li> <li>People Strategy</li> <li>Newsletters "Puls Citi Handlowy"</li> <li>13th place on the TOP 50 list of the best employers by Wprost magazine</li> <li>Diversity &amp; Inclusion Rating</li> <li>91% of employees took part in the VoE survey</li> <li>80% of employees positively assessed the actions taken by Citi Handlowy during the pandemic</li> </ul>
<b>Clients (clients, consumer organizations, UOKIK - Polish Office of Competition and Consumer Protection)</b>	<ul style="list-style-type: none"> <li>Contact form on the Bank's website</li> <li>Social media - Facebook, including the Messenger application</li> <li>Citi Handlowy Magazine</li> <li>YouTube</li> <li>Meetings/Workshops with clients</li> </ul>	<ul style="list-style-type: none"> <li>6,500 customer inquiries via social media</li> <li>232 Citi Handlowy posts/publications in social media (viewed 64 million times)</li> <li>11 webinars for clients on Youtube (viewed 6,500 times)</li> <li>226 cases received by the Client Spokesperson</li> <li>Conference "Prospects. Women in Tech Summit"</li> </ul>

## Membership in Organizations

[GRI 102-13]

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

In 2020, 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)

The President of Citi Handlowy's Management Board is also a member of:

- the Emerging Markets Advisory Council of the Institute of International Finance (IIF) in Washington,
- the Trilateral Committee,
- the Polish Bank Association Board
- AmCham's Management Board - Polish Bank Association's Board.

In 2020, 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).

## Awards and Accolades

In 2020, the Bank, DM Citi Handlowy and the Kronenberg Foundation at Citi Handlowy were awarded prestigious titles and rewards:



### Citi Handlowy among Super Ethical Companies

For three years, Citi Handlowy has been a member of the **Super Ethical Company Forum**. This prestigious group includes companies which are named an "Ethical Company" consecutively over a period of three years. As a Super Ethical Company, Citi Handlowy shares its experience, transfers its best practices, promotes an ethical approach to business and inspires changes. Since the first edition of the competition, Citi Handlowy has been recognized for the most complex and systemic involvement in building and fostering an organizational culture based on ethics and values.

### Citi Handlowy in 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 in Poland in Diversity & Inclusion Rating

Citi Handlowy (together with Citibank Europe plc) entered the 2st edition of the **Diversity & Inclusion Rating**. This is a new initiative of the Responsible Business Forum and Deloitte, aimed at measuring the advancement of a company in terms of building a diverse, inclusive and ethical organization. It is a tool created on the basis of Polish and international experience and methodologies, designed to measure the level of advancement of a company in the process of building an inclusive organization. The second edition of the rating included 6 companies, which demonstrated the highest level of diversity management.

### Citi Handlowy's CSR practices in the FOB report

This year's edition of the **report prepared by the Responsible Business Forum** features **18 CSR initiatives of Citi Poland**. The "Responsible Business in Poland. Good Practices" publication is the only elaboration of this kind which sums up the most important CSR initiatives in Poland. This year's edition of the Responsible Business Forum's report includes such practices of Citi Poland as the Professor Aleksander Gieysztor Award, Pride Network Poland or the #CitiVolunteers for Progress Competence-Development Volunteering Program and IT for SHE. The report covers one practice in the scope of corporate governance, three in the scope of human rights, four in the scope of work, one in the scope of the environment and nine concerning local community involvement and development.

### Citi Handlowy makes the WPROST list of TOP 50 employers

The Bank ranked 13th in the overall list and 2nd among banks on the WPROST magazine TOP 50 list of the best employers in Poland during the pandemic.

### Citi Handlowy in Responsible Companies Ranking

Also, in the 2020 Responsible Business Ranking by "Dziennik Gazeta Prawna", Citi Handlowy ranked 5th in the financial sector. The ranking covers mature companies, active in the area of CSR.

### Citi Poland wins the "Benefactor of the Year" competition

Citi Poland won the prestigious contest "Benefactor of the Year 2019" in the "sports" category. The jury recognized the activity of the company, which promotes Paralympic sports and encourages society to support Paralympians. The "Benefactor of the Year" award is considered one of the most prestigious recognitions granted for social involvement and corporate social responsibility activities. The competition has been organized for over 20 years by the Academy for the Development of Philanthropy in Poland.



### Citi Simplicity Credit Card is a five-time winner of the "Golden Banker" ranking

The jury of the **"Golden Banker"** ranking found the Citi Simplicity Credit Card the best on the market for the fifth consecutive year. The Citi Handlowy credit card

ranked first in its category in this prestigious ranking. The ranking also distinguished the cash loan from Citi Handlowy, which came in second.

### KDPW Prize for the Brokerage House of Bank Handlowy

Dom Maklerski Banku Handlowego S.A. (Brokerage House of Bank Handlowy S.A.) received the **KDPW Prize** in the category of "Top-quality securities registers tailored to scale of operations."



### WSE Prize for the Brokerage House of Bank Handlowy

Dom Maklerski Banku Handlowego S.A. **received the WSE award** in the category of the "Largest share of a local Exchange Member in session trading in shares on the Main Market in 2019."



### Triumph of private banking of Citi Handlowy in the survey Euromoney 2020

Euromoney, the prestigious British magazine, named Citi Handlowy the "Best Private Banking Services Overall Poland" in its annual survey investigating the quality of the private banking offer. Citi Handlowy triumphed as the winner of this year's ranking and took 1st place in as many as nine surveyed categories of services:

Mega HNM (>\$250M), UHNW (>\$30MM-\$250MM), HNW (\$5MM-\$30MMn), Super Affluent (\$1MM-\$5MM) as well as in the scope of Capital Markets and Advisory, Family Office Services and International Clients and Research, and Asset Allocation Advice. The Bank also ranked second in the Next Generation and Innovative or Emerging Technology Adoption categories.

### 5 Forbes stars for Citi Handlowy private banking

In the **Forbes magazine ranking**, Citi Handlowy once again earned 5 stars for private banking, in which the Bank emphasizes the global nature of its offer, dedicated to clients doing business globally.

### Citi Handlowy earns two Golden Arrow awards.

The Citi Handlowy "Stay home with Citi Specials" campaign and the Citi Simplicity card video campaign using Google Director's Mix won Golden Arrow awards. In this contest, organized for 14 years, awards go to campaigns that represent best practices in using marketing tools, and breakthrough solutions are promoted. The jury, composed of representatives from the marketing sector, chooses projects that will constitute a point of reference for the whole sector.



### Citi Handlowy tops rankings of Cash Management in Poland for the seventh time

In 2020, Citi Handlowy transaction banking earned the title of Market Leader in cash management for corporate clients for the seventh time in a row in a prestigious **Euromoney** ranking.

## Citi Handlowy - At a Glance

**Providing financial services in a responsible way**

**Trustworthy partner that supports its clients**

**Creating economic value**



**Global Reach** – part of the Citigroup operating in more than 160 countries and jurisdictions around the world



**Diversity in Our Team** – 3.1 K (employees) supporting our institutional clients and customers



**Safety and Stability** – strong capitalization and liquidity



**Unique Offer** for clients with international business who travel and invest on global markets



### Institutional Clients Group

**First Bank of Choice** for companies with plans for international expansion and those investing in Poland

**#1 among Dealers of Treasury Securities**

Leader in client **FX transactions**

**Leader in cash management**



### Consumer Banking

Light banking model based on **state-of-the-art digital channels**

A friendly Bank with smart **customer experience management**

Strong position in **Wealth Management**

**#1 in credit cards** in terms of credit and transaction volumes

## Socially Responsible Bank



A business model that **adds value to society**



Taking a stand on issues that are **important for society and the economy**



**Ethics-driven decision-making** and doing business in a responsible way



**Focus on transparency of processes** and decision-making

# How we do Business?

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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.

## 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.”,
- “Work Regulations”,
- “Procedure for dealing with violations of law, ethical standards and procedures in effect at Bank Handlowy w Warszawie S.A.”,
- “Rules for 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.”

**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]**

## ETHICS DAY 2020

In 2020, Citi Handlowy once again organized an Ethics Day for employees, covering the issues of employee conduct, ethical standards and practical issues related to reporting unethical behavior.

**[GRI 102-17]**



## 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 Organisation 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.

## Diversity in Citi Handlowy

Diversity and equality in Citi Handlowy include:

- making staff-related decisions, including remuneration, on the basis of performance assessment, professional knowledge and experience, skills and competences;
- respecting and promoting principles of equal treatment and discrimination prohibition;
- ensuring equal chances for employees in terms of access to development initiatives and trainings offered by the Bank;
- building diversified working teams, among other things, owing to the Beyond the Borders initiative;
- ensuring a friendly work environment and organizational culture based on mutual respect. In 2020, Citi Handlowy continued activities aimed at developing the best practices based on kindness in mutual cooperation under the "People Strategy";
- 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 the Employee" or "Exit Interview"; and through a newly appointed "People Board";
- ensuring an internal early warning and ethical concerns reporting system;
- supporting employees in ensuring an appropriate balance between professional and private life, also as part of initiatives following the Work-Life Balance group;

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 the 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.;"
- information provided during training for new employees - "Orientation";
- information compiled in a file given out to new employees;
- information available in the intranet system - "Source", on the sites of the Compliance Department (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 for new employees on "Leadership Standards".

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



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



New employees learned about the Leadership Standards during an Onboarding training and, additionally, 75% percent of new employees received a dedicated training on this subject via the e-learning platform.

### TRAINING: "LEADERSHIP STANDARDS"



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 Department 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.

## 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 Help-line: 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 Department,
- 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 Department,
- 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, by the e-mail or by mail.

In 2020, two employee notifications were recorded related to financial discrimination due to sex and TU membership. Preliminary investigations are pending and being carried out in compliance with the rules set forth in the complaint procedure. Should these 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]**

## 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.

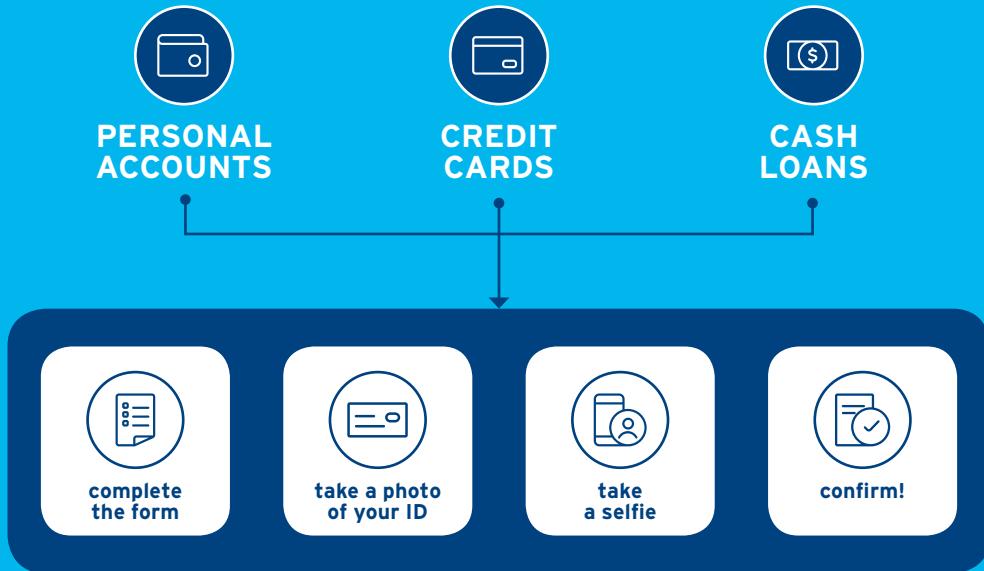
## Internet banking

The Bank has attached a lot of importance to the development of its online banking platforms in order to facilitate contact with the Bank when the client needs it.

In 2020, Citi Handlowy was the first Bank in Poland to launch an entirely remote and automated loan process based on biometric solutions. Citi Handlowy is the only bank that offers solutions with the use of biometrics for three main products: cash loans, credit cards and personal accounts.

## Technical innovations for better security

The only bank in Poland with remove biometric processes for the 3 most important products:



### Online sales of cash loans for new clients

### ONLINE CHANNELS



In September 2020, the Bank launched a new personal account, CitiKonto (Citi Account). In Q4 2020, every second CitiKonto account was opened via online channels.

### 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.

## Bank safe with Citi Handlowy

The Citi Mobile application does not record any financial data or any information on the client's products.



Avoid contact with cash. Pay by card in the store.

It is updated and tested with respect to security on an ongoing basis.



Take out a loan without leaving your home.



Make contactless card payments without contacting the terminal - up to PLN 100.



Pay with what you always carry with you - your phone.

It has been equipped with a mobile token function, which significantly increases the security of the application, and also allows convenient authorization, avoiding codes delivered by text. The bank

recommends always using the newest version of the application and the newest available versions of the operating system (Android or iOS) for mobile phones.

## Mobile authorization in the CitiMobile app

In 2020 Citi Handlowy introduced a new, convenient authentication method for online transactions. Mobile authorization allows users to confirm all banking operations ordered in electronic banking with one, unique code from Citi Mobile® Token PIN, while maintaining top security standards.

Mobile authorization is an easy and safe way to authorize online card payments, operations ordered via Citibank Online and transactions executed via the Citi Mobile app.



## Poles feel safe on the Internet

According to a "Cybersecurity of bank users" report prepared by the Citi Handlowy Foundation, most Poles are aware of the dangers related to exploring the Internet.

### Feeling safe in various online situations

I check the details of approved transfers - e-mail and/or BLIK



I check if there is a padlock on the website of the store/transaction service/bank



I check the certificate on the website of the store/transaction website/bank



I check data in the transaction monitoring service, e.g. BLIK verification



I read the regulations of the online stores where I shop



.....

NEVER

SOMETIMES

OCCASIONALLY

ALWAYS

### Sense of security

Poles feel safe using:

**83%** INTERNET BANKING

**78%** MOBILE APPLICATION

**72%** DURING PAYMENT /ONLINE SHOPPING

### 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 gathers, keeps and processes clients' personal data so that products and services offered to clients are more efficient in meeting clients' financial needs and in supporting them in attaining their financial goals. 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 of the Bank are subject to regular training on the principles of personal data processing and protection.

### TRAINING: "PERSONAL DATA PROCESSING AND PROTECTION"

**313**

employees completed  
the training

**100%**

of the target

## Support for clients during the COVID-19 pandemic

In the face of the unprecedented situation caused by the COVID-19 pandemic, Citi Handlowy focused on providing support to its clients in the areas of Institutional and Consumer Banking. Its main activities were aimed at supporting the liquidity of its clients, focusing on promotion and development of tools for safe contacts with the Bank and investing in the secure use of those tools. Key activities of Citi Handlowy in 2020:

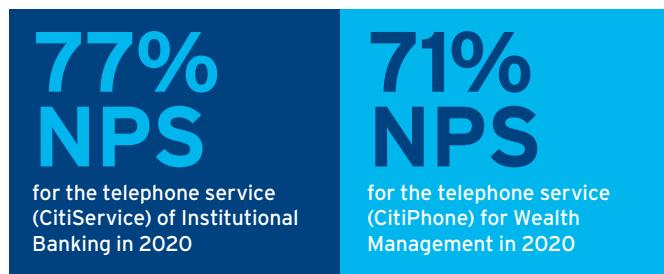
- Designing a platform for filing applications under the Polish Development Fund's (PFR) program
  - ➲ via the Bank's online systems - micro businesses as well as small and medium enterprises impacted by COVID-19 can apply for subsidies under the Financial Shield - 99% of applications were granted. Almost 1,400 clients of the Bank became the beneficiaries of the first stage of the PFR Shield program and received over PLN 450 million in state aid.
- Temporary loan deferral - a solution dedicated to consumer and institutional clients of the Bank
  - ➲ a temporary loan repayment deferral for individual clients for up to 6 months and institutional clients - for up to 3 months.
- Promotion of BGK anti-crisis solutions among Bank clients
  - ➲ ensuring liquidity of entities impacted by COVID-19 by hedging up to 80% of the loan amount (from PLN 3.5 to 200 million) for 27 months under the Liquidity Guarantee Fund.
- Continued development of digital solutions for clients and the development of electronic access channels to banking solutions and products:
  - ➲ implementation of an authentication method for online transactions based on biometric data dedicated to corporate card holders as well as CitiManager mobile app (Fingerprint ID or Face ID).
  - ➲ implementation of a qualified electronic signature for the entire documentation (e.g. bank account agreements, other product agreements, inquiries and forms).
  - ➲ implementation of new functionalities in the online banking system - CitiDirect BE, such as: MobilePASS (access to the system using dynamic passwords generated on a smartphone), CitiDirect BE Mobile (management of everyday payments directly from a smartphone or tablet), Administrator CitiDirect BE (management of entitlements of other users), eWnioski (eApplications) (electronic document exchange platform - the number of applications filed in 2020 went up by 14% vs. 2019).
  - ➲ provision of Citi Kantor, a new module for currency exchange, for consumer bank clients. Citi Kantor (Foreign Exchange Platform) offers currency exchange at attractive rates as insurance against depreciation of the złoty
- Cybersecurity education among clients
  - ➲ a widespread educational campaign concerning cybersecurity devoted to, among others, social engineering methods used by hackers, including those related to the COVID-19 pandemic.



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.

## 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, Citi-Phone, 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.



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 sound position of Citi Handlowy in providing customized solutions for clients was confirmed by many awards and recognitions won in 2020. One of these was the award granted in the 11th 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 fifth time in a row in the product category: "best credit card". The Citi Handlowy cash loan was also awarded in the ranking, taking second place on the podium. Other awards have been granted, among others, by the British financial magazine Euromoney, which awarded Citi Handlowy the title of "Best Private Banking Services Overall Poland" in the annual survey of the quality of the private banking offer and for the seventh time in a row recognized Citi Handlowy as the best transactional banking on the Polish market under the "Market Leader" category. This year, Citi Handlowy is the winner of the ranking, taking first place in as many as 9 analyzed service categories.



Citi Handlowy promotes the idea of high-level customer satisfaction not only through NPS tests. Selected units not only analyse client complaints, but also search for information on customer experiences in NPS forms, comments posted on social media and among Bank employees who are also its clients. This initiative engages the senior management of the Bank that regularly contacts clients via telephone and in person to discuss their experiences with Citi Handlowy and subsequently improve our processes and procedures, and continuously improve customer satisfaction. Every employee at the Bank is involved in building a new organizational

culture predominantly for the client's interest and in delivering increasingly revamped solutions. The growth of customer satisfaction is among the Bank's key goals for 2021.

## Communication with clients

For more than eight 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 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

In order to provide its clients with information and analyses on an ongoing basis during the pandemic, Citi Handlowy launched webinars in 2020 - online events broadcast live. They were broadcast on the Bank's YouTube channel and a dedicated website. Over the year, there were 11 such events for retail and corporate clients, for example, "A crisis like never before - a meeting with Professor Marek Belka", "Post-pandemic reality - how the Polish economy is getting back on its feet" - conducted by the chief economist of the Bank, "Inheritance without secrets,

or everything about the process of succession planning" and "Investing in the environment of low interest rates" prepared by the Investment Advisory and Mutual Funds Bureau, as well as "Virus-proof company - a conference for micro entrepreneurs." Citi Handlowy's webinars were viewed over 6,500 times.

Invitations to the webinars were sent to Bank clients by e-mail and text messages and announced on the Bank's profile pages on Facebook, Twitter and LinkedIn.

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

15 LAT  
CITI PULSE

citi handlowy

# Zaraz zaczynamy

## Rzeczywistość po pandemii – Jak polska gospodarka staje na nogi?

22 września, godz. 11.00 – 12.00

Wideokonferencja z udziałem Piotra Kalisza, Głównego Ekonomisty Citi Handlowy

0:00 / 54:01

## 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);
- by phone - in CitiService and directly to the Citi-Service Consultant's phone number;
- in person at any unit of Citi Handlowy that serves clients of the Corporate and Commercial 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 CLIENT COMPLAINTS (WORKING DAYS) IN 2018-2020

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

### NUMBER OF COMPLAINTS FROM CITI HANDLOWY CORPORATE CLIENTS:

Year	2020	2019	2018	2017
Total number of complaints submitted	1,343	1,383	1,615	2,130
% of complaints resolved in favor of the client	94%	95%	91%	91%
The number and % of complaints related to violation of privacy or loss of client's data	2 (0.15%)	1 (0.10%)	data not available	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 at a Citi Handlowy branch,
- sending an e-mail message to the address: [listyb@citi.com](mailto:listyb@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 2020, 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 disputes amicably in relations with retail clients and this informa-

tion 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 CLIENT COMPLAINTS (WORKING DAYS) IN 2020:**

1 working day	4 working days
Citigold and Citigold Private Clients	Other segments

The time required to process a complaint was the same in 2019.

#### **NUMBER OF COMPLAINTS FROM CITI HANDLOWY INDIVIDUAL CLIENTS:**

Year	2020	2019	2018	2017
Total number of complaints submitted	59,572	54,619	62,034	50,278
% of complaints resolved in favor of the client	23%	12%	15%	27%

The Bank logs every case of dissatisfaction and lack of consistency identified by clients as complaints. 77% of cases involved queries, explanations or complaints where the root 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 2020, 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 6,500 inquiries using this channel. In addition to standard queries about how its products and services work, the Bank extended the functions of the chat bot - automated and customized information about rebates in the Citi Specials program. The chat bot can answer client queries about Citi Specials in a few seconds without the involvement of human staff. Moreover, a new tab was added to the chat bot concerning the actions taken by the Bank in response to the pandemic. It provides information on the secure use of banking services from home. As a means of contacting the Bank, chat is also available on the official website of Citi Handlowy. A specialized group of consultants reply online to queries posted by the Bank's 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 a 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.

## Client Spokesperson

### Institutional Client Spokesperson

The Corporate Client Spokesperson function was launched by Citi Handlowy in August 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 2020, 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 2020, the Client Spokesperson received 226 issues for consideration.

## Client education

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

Through the Citi Handlowy Kronenberg Foundation, the Bank carries out programs aimed at building the financial awareness of Poles and shaping their personal finance competencies, as well as preventing the financial exclusion of specific social groups. As part of its mission, the foundation has also implemented

a number of projects supporting entrepreneurship among groups particularly exposed to exclusion: young people, migrants and women. Individual initiatives allow the fulfillment of plans to set up your own business, they also support existing young business entities through access to networking and support from mentors.

In 2020, the program of the foundation was revised to address the challenges posed by the COVID-19 pandemic. A conference was organized for entrepreneurs during the first weeks of the lockdown. The aim of the meeting was to share practices concerning change and adjustment of a company strategy to the new market requirements. During the all-day conference, entrepreneurs could listen to conversations with high-level experts and practitioners within the scope of:

- development of e-commerce;
- management of dispersed and creative teams;
- building client relations in the virtual world.

Furthermore, several research projects were conducted under the auspices of the foundation to help institutions, organizations and the beneficiaries of educational programs themselves in shaping a policy and an environment conducive to the development of entrepreneurship and good education. These research projects included: "Diagnosis of migrant social entrepreneurship", "Women in Tech 2020 Report", "Tests of the technological tools for remote education", and the survey "Exacerbation of problems faced by teachers in remote education".

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).

Educational materials are also 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.

# 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, 103-3]**

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 the 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. 80% of agreements with suppliers concluded in 2020 contain ethical clauses.

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. In the case of long-term contracts, cyclical meetings are arranged to discuss any issues of relationship and cooperation.

## 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 2017-2020 was as follows:

	2020	2019	2018	2017
Total number of disabled persons employed by the vendor	129	178	202	262
Number of disabled persons working on contracts at Citi Handlowy	25	32	39	35

## 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 Department.

## Compliance Department

The main objective of the Compliance Department ("CD") 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 CD 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 CD at the second defense level (CD 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, testing and reporting.

The Compliance Department 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](#)".

## 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 be especially 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"



## 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"**



#### **Prevention of Conflicts of Interest**

##### **[GRI 102-25]**

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 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.

#### **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 the Sanctions and Sanction Processes Team in the Compliance Department.

#### **TRAINING ON "ECONOMIC SANCTIONS"**



## 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 2020, 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 COUNTER-ACTING CORRUPT PRACTICES AT BANK HANDLOWY W WARSZAWIE S.A." [GRI 205-2]**



**TRAINING: "RULES FOR GIVING AND ACCEPTING GIFTS, PARTICIPATION IN EVENTS AND COUNTER-ACTING CORRUPT PRACTICES AT DM CITI HANDLOWY" [GRI 205-2]**



# Care for the Environment

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Citi Handlowy cares about sustainable development 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.

## Environment Protection Management Systems

[[GRI 103-1, 103-2, 103-3](#)]

As early as 2007, Citi Handlowy introduced a comprehensive Environmental Management Plan. In subsequent years, it introduced an Environmental Management System according to ISO 14001 and an Energy Management System according to ISO 50001 for the main locations of the Bank. The system is subject to annual regulatory audits by an independent certification bureau. In 2020, the Bank was also subject to another regulatory audit in terms of compliance with ISO 14001:2015 and transition to the requirements of ISO 50001:2018.



The Bank ensures proper use and consumption of energy; in order to reduce direct 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,
- monitor noise pollution.

Implementation of these 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 top management.

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

## EXAMPLES OF ENVIRONMENTAL ASPECTS IDENTIFIED BY THE BANK IN TERMS OF ITS DIRECT ENVIRONMENTAL IMPACT

Environmental aspect	Purpose	Risk	Opportunities	Management
<b>ELECTRICITY AND HEAT</b>				
<ul style="list-style-type: none"> <li>Generation of electricity for the Bank - air pollutants from power/heat and power plants and noise</li> <li>Purchase and consumption of electricity to conduct business activity, real estate management</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of energy consumption [kWh]</li> </ul>	<ul style="list-style-type: none"> <li>Penalties for exceeding electricity consumption limitations</li> <li>Failure of the electrical installation (fire hazard)</li> </ul>	<ul style="list-style-type: none"> <li>Transition to renewable energy sources</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring of energy consumption</li> <li>Implementation of investment and modernization projects</li> <li>Inspections of installations, removing failures on an ongoing basis</li> <li>Purchase of carbon credits</li> <li>Environmental projects, e.g. afforestation in 2020</li> </ul>
<b>TRANSPORT</b>				
<ul style="list-style-type: none"> <li>Emissions of air pollutants from transport and noise</li> <li>Fuel consumption in company cars</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of emissions of harmful substances</li> </ul>	<ul style="list-style-type: none"> <li>Emission of pollutants into the atmosphere</li> <li>Accidents and failures</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of fuel consumption costs</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of the car fleet</li> <li>Change of the car allocation rules</li> <li>New bicycle parking zones and changing rooms for cyclists</li> <li>Raising employee awareness of eco-friendly driving</li> </ul>
<b>WASTE</b>				
<ul style="list-style-type: none"> <li>Generation of municipal solid waste - municipal solid waste resulting from the social activities of employees</li> <li>Generation of hazardous waste</li> <li>Generation of non-hazardous waste</li> </ul>	<ul style="list-style-type: none"> <li>Waste reduction</li> <li>Waste management in accordance with the regulations</li> </ul>	<ul style="list-style-type: none"> <li>Risk related to improper waste segregation (OHS, fire safety)</li> <li>Higher waste treatment costs</li> <li>Penalties imposed by supervisory authorities</li> </ul>	<ul style="list-style-type: none"> <li>Use/sale of secondary raw materials</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring of proper waste segregation</li> <li>Inspection of waste collection sites</li> <li>Ensuring that contracts are signed with waste collection companies</li> <li>Information campaigns raising employee awareness</li> </ul>

## Environmental risk management

[GRI 102-15]

The Bank, as a financial institution, identifies and is aware of its impact on the natural environment. The Bank's environmental impact may be divided into two major areas: direct impacts, impacts related to business activity, e.g. consumption of resources (energy, water, paper), waste production, noise and air pollution, and indirect impacts related to the services provided by the Bank and the environmental practices of its vendors.

Key risks related to the absence of environmental impact management include the risk of criminal and financial sanctions and loss of reputation. As the activity of the

Group is not excessively harmful to the environment, these risks are not deemed high.

In 2020, no fines were imposed on Citi Handlowy for any violation of the environmental regulations.

Citi Handlowy has defined the environmental chances and risks related to its business and operating activity.

Sources of impact	Risks	Chances	Management
<b>Business Activity</b>			
<ul style="list-style-type: none"> <li>Banking products and services</li> <li>Credit policy</li> </ul>	<ul style="list-style-type: none"> <li>Change in the preferences of environmentally-conscious clients may cause them to be less interested in the Bank's offer</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of new solutions promoting ideas of sustainable development for the Bank's clients</li> <li>Attracting a new group of clients interested in this type of services and developing deeper relationships with existing clients</li> </ul>	<ul style="list-style-type: none"> <li>Considering environmental criteria in the lending process</li> <li>Comprehensive, sustainable solutions</li> <li>Taking account of ESG (Environmental, Social &amp; Governance) goals in the Bank's business strategy</li> </ul>
<b>Operating Activity</b>			
<ul style="list-style-type: none"> <li>Operations</li> <li>Real estate management</li> <li>Administration</li> </ul>	<ul style="list-style-type: none"> <li>Deterioration of the Bank's competitiveness and higher administrative costs if the Bank does not invest in new, green technologies and automation of banking processes</li> </ul>	<ul style="list-style-type: none"> <li>Reduced servicing time and improved quality of customer service as a result of automation of operating processes</li> <li>Reduction of the direct environmental impact of the Bank</li> <li>Cost savings resulting from process automation</li> </ul>	<ul style="list-style-type: none"> <li>Continued automation and digitization of services and processes</li> <li>Reduced consumption of utilities and gradual shift to RES</li> <li>Reduction of the car fleet</li> <li>Implementation of educational campaigns and competitions to encourage employees to join environmental activities and initiatives</li> </ul>

## Reducing the Direct Environmental Footprint

### Description of the applied method and reporting limitations

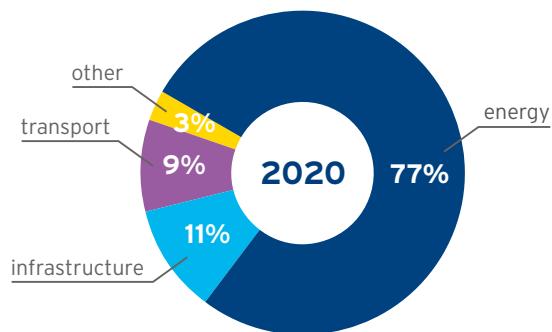
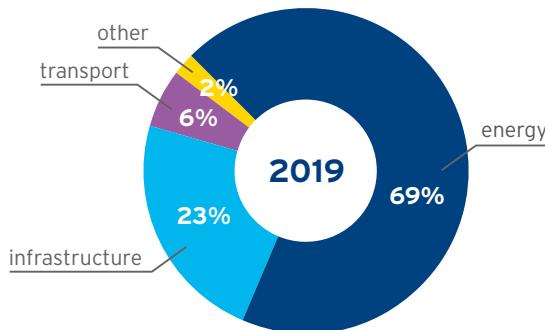
The Bank's carbon footprint for 2020 was calculated based on recorded data according to ISO 14067. Emissions data are given for Bank Handlowy w Warszawie S.A., while electricity, heat and water consumption as well as waste management data are also given for Dom Maklerski (Brokerage House) of Bank Handlowy S.A., as these are not measured separately for this entity, which 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 ratios were prepared according to the Ecoinvent base, applying the ILCD 2011 MIDPOINT+ (EC-JRC Global) calculation method. The indicators most representative for the Bank's activity were selected (i.e. average ratios for Poland). Where local indicators were not available, indicators representative for the nearest (most relevant) region were used. The location-based method was used in calculations (i.e. average emissions). The data recorded by the Bank pertain to the main activities of

the company; the analysis disregards less substantial data, which are impossible to record or which have a negligible impact on the environment.

### Greenhouse gas emissions *[GRI 305-1, GRI 305-2, GRI 305-3]*

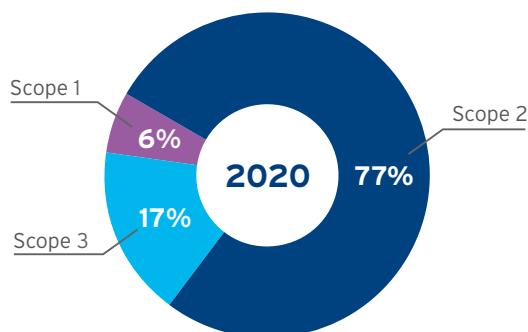
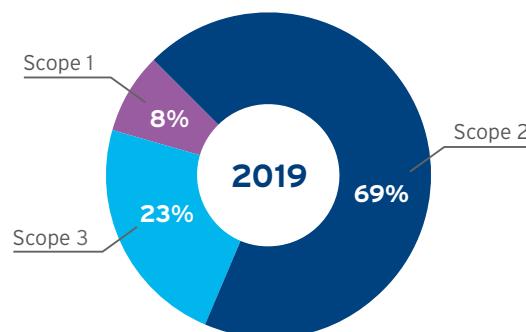
The carbon footprint of Citi Handlowy's activity in 2020 was lower than in 2019, amounting to **17,291.75 tCO<sub>2</sub>e** (vs. **23,993.71 tCO<sub>2</sub>e** in 2019). The following categories had the greatest impact on emissions: **Energy** (understood as electricity and heat combined - **77%**), **Transport (11%)** and **Infrastructure (9%)**. In 2019, Energy (69%), Transport (23%) and Infrastructure (6%) had the greatest impact on emissions

**Emission share by category 2020**

**Emission share by category 2019**


The overwhelming share of electric power and thermal energy in emissions results from the specific nature of Citi Handlowy's operations, convergent with typically office-based activities, which exploit equipment consuming high amounts of electric power and thermal energy to ensure comfortable conditions in big spaces. A significant share of emissions is also generated by transport (due to commuting and car fuel usage) and infrastructure (mainly related to using large office spaces and computer hardware).

On the other hand, in terms of emission scope, indirect emissions, which are not directly controlled by the Bank,

were the highest (**scope 2 - 77%** compared to 68% in 2019), and resulted from electric power and thermal energy purchased from external providers. The second scope with the highest impact on the environment is scope 3, which comprises all other emissions resulting from Citi Handlowy's activity (**scope 3 - 17%** compared to 23% in 2019). Scope 1 is characterized by the lowest impact on the environment. These are the Bank's direct emissions resulting from its activity or from the sources under its control (**scope 1 - 6%** compared to 8% in 2019). This means that most emissions are produced by sources outside of the control of Citi Handlowy.

**Emissions by scope 2020**

**Emissions by scope 2019**


Detailed results of carbon emissions of Citi Handlowy in 2020 and 2019								
Specification	2020				2019			
	Emissions by Scope [t CO <sub>2</sub> e]				Emissions by Scope [t CO <sub>2</sub> e]			
	Scope 1	Scope 2	Scope 3	Total	Scope 1	Scope 2	Scope 3	Total
<b>ENERGY</b>	96	13,277		13,373	126	16,428		16,554
<b>TRANSPORT</b>	798		1,040	1,837	1,686		3,789	5,475
<b>INFRASTRUCTURE</b>			1,575	1,575			1,564	1,564
<b>WATER CONSUMPTION</b>			4	4			8	8
<b>OFFICE SUPPLIES</b>			70	70			99	99
<b>WASTE</b>			191	191			154	154
<b>OTHER</b>			15	15				
<b>AIR CONDITIONING</b>	225			225	140			140
<b>TOTAL</b>	<b>1,119</b>	<b>13,227</b>	<b>2,895</b>	<b>17,291</b>	<b>1,952</b>	<b>16,428</b>	<b>5,614</b>	<b>23,994</b>

Comments:

- As compared to 2019, in 2020 the scope of calculations of the carbon footprint was enhanced to include "payment and identification cards" in the Other category.
- Water consumption data for 2020 are flawed due to estimated readings being performed during the COVID-19 pandemic; the actual consumption will be calculated after real readings are performed in 2021.
- The differences between the emissions data for 2019 and the data provided in the report for 2019 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 2019. [\[GRI 102-49\]](#)

### Explanation of the differences in the CO<sub>2</sub> emissions in 2020 versus 2019

The CO<sub>2</sub> emissions reduction in 2020 vs. 2019 was significantly impacted by the categories of Transport and Energy as a result of the outbreak of the COVID-19 pandemic.

In terms of scope, the greatest reduction of CO<sub>2</sub> emissions was recorded in scope 3. The decrease resulted from limiting business trips in Poland and abroad.

In scope 2, the greatest decrease was recorded in the category Energy, related to lower consumption of electricity and heat. This resulted from changes in the schedule of operation of equipment and machines in buildings and disabling unused spaces due to a lower number of employees working in office buildings during the pandemic (in April 2020, at the peak of the lockdown, 80% of the Bank's employees worked remotely, while at the end of December 2020 - 70%).

### Offset of CO<sub>2</sub> emissions

OFFSET OF CO <sub>2</sub>	
Details	Emissions [t CO <sub>2</sub> e]
Purchase of carbon credits under cooperation with State Forests	-1,500
Afforestation	-287

In 2020, the Bank participated in the tender to buy carbon credits. As part of the Forest Carbon Farms project implemented by State Forests, the Bank purchased 1,500 carbon credits, supporting the educational project "Black Storks Online". 1 carbon credit equals 1 ton of carbon dioxide, which will be accumulated in the forest stand and the soil as a result of additional activities. The number of carbon credits is estimated according to the Carbon Budget Model of the Canadian Forest Sector (CBM-CFS3) adjusted to the local conditions (Central European region).

As part of its celebrations for its 150th anniversary, the Bank planted Bank Handlowy's forests as a symbol of a real and long-term change of the world for the better. A total of 3,000 seedlings were planted across two locations. The calculation of the CO<sub>2</sub> offset resulting from afforestation allows for the fact that the CO<sub>2</sub> sequestration capacity of trees increases with age and also that only some trees and shrubs will live as long as the forest exists. Hence, different quantities of 20-, 40-, 60- and 100-year old trees were accounted for, with different carbon absorption rates, while it was assumed that shrubs could live up to 20 years. Given the above, the total amount of the carbon dioxide sequestered by the seedlings planted in 2020 was calculated at 287 t CO<sub>2</sub> over 100 years.

### Emissions offset calculated for 2020 [t CO<sub>2</sub>]

Emissions by scope [t CO <sub>2</sub> e]			
Scope 1	Scope 2	Scope 3	Total excl. offset
1,119	13,277	2,895	17,291
		-1,500	
		-287	
Total incl. offset			
1,119	13,277	1,108	15,504

### Pro-ecological investments

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

Moreover, in 2020 the Bank made many green investments. 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 (predicted annual energy generated: around 46 MWh).

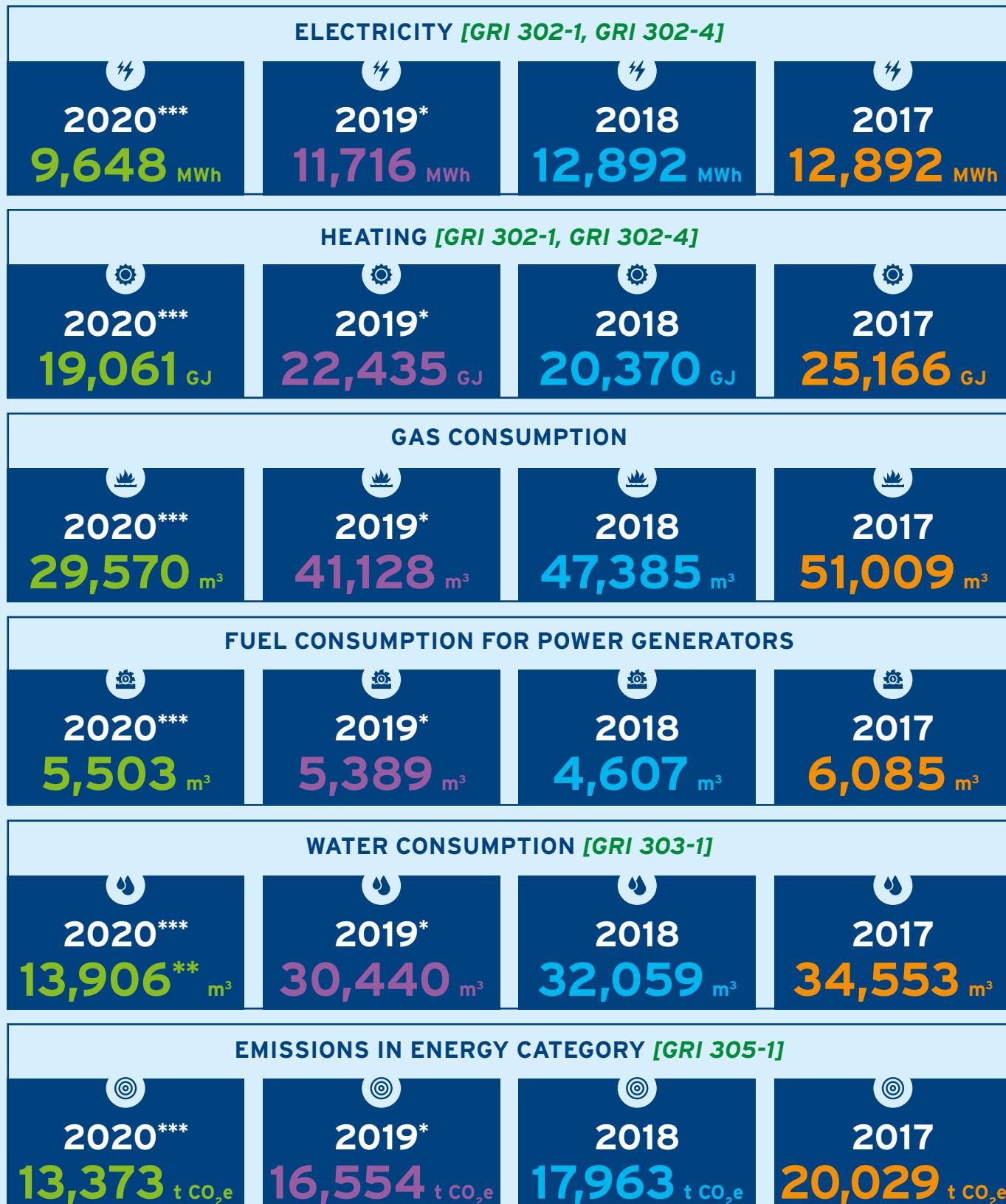
Furthermore, the Bank reduced its electricity consumption and CO<sub>2</sub> emissions by, among others, modernizing BMS, LED light fixtures, the chilled water system and HVAC system and through the replacement of air conditioners. In 2020, a new bike parking zone as well as changing and shower rooms were opened for cyclists commuting to the Bank's office space at ul. Traugutta in Warsaw. Soundwalls were also installed on the roof of the building in Warsaw to protect the adjacent buildings from noise pollution. The undertakings implemented to date show that the Bank has been making positive changes.



### Water conservation

The Bank also strives to decrease its consumption of other materials, like water or paper. One of its buildings is equipped with a rainwater collection system. In most objects, electric water dispensers are connected to the city water supply system to eliminate plastic bottles.

## Consumption of utilities at Citi Handlowy in 2017 - 2020



\* The change in the electric power and water consumption in 2019 results from adjustments made after the reporting date. [GRI 102-49]

\*\* Result is flawed as there are no current readings due to the COVID-19 pandemic.

\*\*\* Data for 2020 is incomplete (as at the publication date, the Bank has not received all the invoices for utilities consumption).

## 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.

## Paperless

In its real estate, the Bank uses a system for economic use of office paper for printing. The Bank has digitalized its document flow processes; see more in the [Paperless section](#).

### NUMBER OF LETTERS AND ACCOUNT STATEMENTS SENT TO CITI HANDLOWY CLIENTS [GRI 301-1]

Year	2020	2019	2018	2017
Number of letters and account statements sent	1,415,219	1,589,097	1,960,019	2,531,143

### PAPER CONSUMPTION UNDER THE CONTRACT WITH THE SERVICE PROVIDER [GRI 301-1]

Year	2020	2019	2018	2017
Delivered/used sheets/cards	1,513,491	3,594,020	4,863,459	6,243,663

## Waste management

The efficient segregation of waste for their proper utilization is the goal named in the corporate Environmental Policy. Citi Handlowy monitors the quantities of waste it

generates and checks vendors in terms of their license to collect and process waste. Citi Handlowy educates employees in waste handling procedures

### PAPER DELIVERED BY CITI HANDLOWY FOR DESTRUCTION AND RECYCLING (KG) [GRI 306-2]

Year	2020*	2019	2018**	2017
Paper delivered for destruction and recycling (kg)	170,345	194,050	394,490	212,072

\* The lower quantity of paper handed over for destruction and recycling in 2020 was a consequence of the COVID-19 pandemic (automation of processes, remote work, and lower paper consumption).

\*\* The higher quantity of paper delivered for destruction and recycling in 2018 was a consequence of the Bank's compliance with the requirements of GDPR

## Vehicles

Automotive pollution spreads in high concentrations at low altitudes and has a particularly significant impact on human health, which is why the Bank strives to reduce

emissions from transport. Citi Handlowy has a modern fleet of cars meeting the criteria of the Euro 6 standard.

### FUEL USED (PETROL AND DIESEL) IN COMPANY CARS (IN LITERS)

Year	2020	2019	2018	2017
Fuel used (petrol and diesel) in company cars (in liters)	246,165	520,142	636,582	514,108

\* The reduction in fuel consumption recorded in 2020 is related to the situation caused by the COVID-19 pandemic (remote work, fewer business trips).

## Responsible financing

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 environmental and social risks are an essential component of the client assessment process.

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

In the case of Commercial Banking clients, **the Bank assigns an appropriate environmental risk category to each transaction**. With respect to Corporate and Global Clients, transactions above USD 10 million are subject to assessment. Additionally, starting from 2021, the Bank is also going to take account of the Environmental Risk Category in scoring Commercial Banking clients.

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, but whose effects are reversible to a great extent and neutralizable when risk mitigating methods are used, provided that all legal requirements related to environmental protection are met.

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

Moreover, in 2021 the Bank will offer loans for financing solar panels to Commercial Banking clients.

## Environmentally-friendly and socially responsible products

**A loan for technological innovations** – a program that aims to support implementation of innovative technologies, 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 grants 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 classified as a small or medium enterprise under Commission Regulation (EU) No. 651/2014. These enterprises may apply for a grant representing 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 a result of R&D works, application research or unpatented technological knowledge. A technological loan can also be granted for the 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 implementing various projects co-financed by the European Union and other external donors. The program aims to assist 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.

## Paperless initiative

In 2020, Citi Handlowy continued the Paperless project launched in 2019 and managed to:

- **Reduce printed materials by over 10 million pages p.a. (reduction of paper consumption as at the end of 2020 by 58% y/y);**
- **Identify more than 150 initiatives** supporting optimization of paper-based processes as well as promoting the paperless concept and digital solutions among clients and employees;
- **Optimize fixed printer costs** - the Bank reviewed the use of the available network of multifunction devices and removed over 40% of printers;
- **Popularize the option to sign agreements with clients with an electronic signature.**



Citi Handlowy raises Paperless awareness by:

- **Hiring 50 Project leaders** appointed across different areas of the Bank (Paperless activities cover a total of several thousand Bank employees);
- **Launching an Image Campaign** addressed to employees, which resulted in preparing Paperless guides - describing available digital tools facilitating work and specifying internal initiatives such as recirculation of envelopes or second life of file folders. One series was also dedicated to the qualified signature.
- **Creating a dedicated channel for communication with employees** - an information platform devoted to project-related activities was designed.
- **Promoting the concept of implementing additional tools for internal communication**, including 10 screens in common areas to replace posters, rooms with projectors, touchscreen laptops and tablets integrated with banking systems.

The scope of the project also included activities in the retail and corporate segment as well as initiatives for employees that streamline the internal operating processes of the Bank.

### Individual Clients

Examples of selected initiatives:

- A new system for electronic correspondence saves over 2 million pages a year by sending encrypted email messages to clients;
- Biometric verification of a new client, online application process with remote identity verification using face biometrics;
- "Do It Yourself" account opening process (client receives documents necessary to conclude a Deposit Product Agreement to his/her email address indicated in the account application);
- A fully digitized partner project with OBI for the card and loan sale process;
- Mobile application for e-registration of blank cards at branches;
- Digitization of the order procedure for original documents required in the debt collection process;
- An intense campaign promoting "Durable Medium" in Citibank Online was launched to inform clients of an option to receive investment documents and terms and conditions via a "Durable Medium" other than paper and of the possibility to update consent in the Citibank Online transaction system;
- Continued promotion of tablets among RMs to be used when servicing clients at Bank branches.

The utilization of digitized processes in retail banking currently exceeds 90%.





## Institutional clients

Examples of selected initiatives:

- Implementation of new functionalities in **Citi Trade Portal**, an online application system (currently, around 90% of applications submitted by clients are processed electronically);
- **Direct Presentations** initiative enabling electronic presentation of documents, which reduces the time needed to receive them - as a result, clients can receive payments in a shorter time;
- Use of the **e-Signature** in agreements concluded with clients;
- Introduction of **e-Guarantee**, with the following benefits:
  - ➲ **SPEED** - the beneficiary receives a guarantee on the day the application is submitted,
  - ➲ **NO COST** - PLN 0 for e-Guarantee, PLN 0 for the courier service,
  - ➲ **SECURITY** - encrypted email, qualified signature.

## Employees and working environment

As part of its internal activities, the Bank implemented various solutions in order to eliminate printed materials, streamline processes and reduce costs, which also helped reinforce the Bank's image as a modern, digital and green institution.

## HR operations

Implementation of new technological solutions has allowed the Bank to provide electronic forms for its employees concerning HR and payroll processes. The implemented initiatives save tens of thousands of printed pages a year.

Examples of selected initiatives:

- **Implementation of recruitment processes using modern technologies**
- **HR software** as a comprehensive tool supporting the HR policy
- **Modern solutions for the new reality** - an electronic "Official order to work remotely" and "Statement of return to the office" were implemented during the COVID-19 pandemic
- **Benefits and social fund** - employee-friendly solutions were implemented to ensure efficient and secure submission process of, e.g. income declarations, applications for medical care and applications for a health and fitness card, which represent 90% of the documents in this area
- **Workflow** - received positively by employees - for example, registration/deregistration of a family member for/from ZUS (Social Insurance Institution); change of employee's address, change of bank account, notification of absence due to sick leave (digitization for 100% of active employees)
- **Qualified signature** - digitally signed and electronically delivered statements were implemented for submission of statements used to calculate the adequate advance on personal income tax.

## Own settlements

Examples of selected initiatives:

- For the purposes of **business expense settlements**, the Bank introduced electronic business trip orders, electronic advances for employees and electronic employee settlements - for different allowances (settlements to be fully digitized in 2021).
- As part of the **digitization process of accounting forms**, a number of digital possibilities were implemented, such as electronic orders for internal reclassification, electronic instructions to issue a sale invoice, electronic fixed asset liquidation reports, e-forms for changes in the register of lease agreements, electronic applications for one of many services related to a fixed asset.

- The Bank promotes the use of **digital invoices with its vendors and clients** - around 80% of sale invoices received by the Bank and around 90% of sale invoices sent by the Bank are electronic invoices.

## Administration

Examples of selected initiatives:

- A SNOOK system was implemented in the Bank's administrative offices for electronic registration of documents, while paper-based registers were liquidated.
- Signatures confirming receipt of delivery were digitized using RFID cards.
- Control processes were put in place to monitor compliance with GDPR with respect to retention periods and destruction of documents.
- Boxes in the archive were destroyed, freeing up space on network drives, as part of the effort to limit the volume of stored materials (16,000 out of 38,000 boxes were eliminated from the archive).
- Electronic Instructions and Confirmations were introduced for employees who report the need to archive documents or use courier or other services.
- The Follow Me Print system was implemented to improve control of printed paper and reduce the total volume of printed materials.
- Color printing was minimized in favor of monochrome printing.
- Green initiatives were undertaken to optimize the volume of processed paper and its circulation between the Bank's locations under the "Digital Administrative Office" project, which promotes digitization and centralization of the correspondence

flow and administrative office work spread across Bank's locations.

- Print reports were developed to track the volume of printed materials.

## Technology

Examples of selected initiatives:

- Citi Handlowy follows the concept of digital Document Circulation. A system is currently being introduced that will put in place a fully digitized process for developing, issuing opinions on, approving and publishing internal regulations applicable to the Bank's processes. This will allow the Bank to eliminate the need to print out regulations (over 70,000 pages a year) and, moreover, will shorten and simplify the approval process.
- What is more, processes around the Bank's Management and Supervisory Board are being further digitized. The Bank is implementing a tool that will improve the efficiency and transparency of the affairs of the Bank's Management Board and the Office of the Management Board and will enable their ongoing monitoring. This tool has led to implementing the following processes: electronic monitoring of complaints to the President of the Bank's Management Board, electronic flow of motions to the Bank's Management Board, support for the Committees, materials repository, ordering ad hoc tasks and monitoring their status in the system, digital exchange of correspondence between Members of the Management Board and servicing through a mobile application. The Bank continues its efforts to enable electronic flow of motions to the Bank's Supervisory Board and digital exchange of correspondence between Members of the Supervisory Board.



# Pro-ecological projects

In 2020, 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 2020, the Bank switched off the lights at its locations in: Olsztyn - ul. Pstrowskiego, Katowice - ul. Sokolska, Warsaw - ul. Senatorska, Goleszowska, Traugutta to manifest its concern about climate change

• **Earth Day** - Citi Handlowy has participated in this global campaign since 2009. It promotes pro-environmental activities and behaviors among employees. In April 2020, due to the COVID-19 pandemic, Earth Day was celebrated through the email campaign #EarthDayAtHome. In the email, employees were encouraged to watch the sky and send photos directly to NASA scientists via the GLOBE OBSERVER application in order to contribute to Earth climate and weather research. The messages also featured articles on the ZERO WASTE game, suggestions on learning how to identify birds by sound and using household cleaning products.

• **My City without E-Waste** - employees of Citi Handlowy can participate in the program "My City without E-Waste" by leaving their private electric and electronic waste in special containers placed at the Bank. The Coupons of the Education Fund received in exchange for the collected waste were donated to schools and nurseries. Each coupon gives a facility points which can be exchanged for educational aids. In 2020, Citi Handlowy collected a total of 1,350 kg of waste under the campaign, which it exchanged for 1,009 points.

• **Zdrowo-rowerowo (Get biking and stay healthy)** - Citi Handlowy promotes an ecological and active lifestyle by introducing more facilitations for cyclists. It has designated bike parking zones and installed self-service bike repair stations in Warsaw, Łódź and Olsztyn. In 2020, a new changing and shower room was opened for cyclists. These activities are planned to be continued in subsequent years.



• **Insect hotels** - the Bank builds insect hotels to encourage biodiversity and maintain ecological balance. These homes are installed on trees at ul. Senatorska and ul. Goleszowska in Warsaw as well as on the rooftops of buildings in Olsztyn and Warsaw. In summer, the hotels offer home and shelter to insects, which also have a place to hibernate in the 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. The Bank purchased 1,500 carbon credits, supporting the educational project "Black Storks Online". The live broadcast from black stork nests is a project implemented by the Regional Directorate of State Forests (RDLP) in Łódź and scientists from Łódź University - viewers can watch the nest of these rare birds and the migration of their young ones. With the support of Citi Handlowy, in 2021 RDLP is going to buy a camera enabling comfortable, non-invasive nest watching and additional GPS trackers to monitor their winter migration. Scientists from Łódź University who study the population of black storks will also receive the necessary support.



• Moreover, through **Intranet communication**, Citi Handlowy also promotes habits supporting the reduction of natural resource consumption among its employees and providers. In 2020, on its Intranet, the Bank published communications on, i.a., Earth Day, Environment Day, Bee Day and SDG Day.

# Development of talent 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.

## Commitment to defending human rights

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.

Citi Handlowy takes seriously its duty to observe human rights. Its support for those principles is reflected in internal policies and rules of conduct with respect to employees, suppliers, customers, communities and the countries in which the Bank operates.

## 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. 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 with a 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, the quintessential ingredient of who we are and how we prosper.

- For employees, 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 the Bank. 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 selection process of Members of the Management Board involves candidates that are diverse in terms of gender, age, education, and professional experience. This allows different points of view and experiences and enables independent opinions to be given as well as reasonable decisions to be made as part of the functions held by them, and gains support for the implementation of the Bank's strategic goals by ensuring high-quality performance in the Management Board's role. The Bank's Diversity Strategy encompasses the differences arising from the field of education, experience, gender and age and uses them to achieve the best possible 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 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 2020 reached 37%. It increased to 33% in the Supervisory Board in 2020 as compared to 25% in 2019 and 8% in 2018, whereas the gender diversity ratio in the Management Board in 2020 remained at 43% - unchanged since 2019.

### GENDER DIVERSITY RATIO IN THE BANK'S MANAGEMENT BOARD AND SUPERVISORY BOARD

Rok	2020	2019	2018	2017
Management Board	43%	43%	50%	29%
Supervisory Board	33%	25%	8%	8%
<b>Total (Management Board &amp; Supervisory Board)</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 2020, women consistently represented 43% of the Management Board of Citi Handlowy. [GRI 405-1]



### CITI HANDLOWY'S MANAGEMENT BOARD BY AGE AND GENDER IN 2020 [GRI 405-1]

Age	Female		Male		Total	
	#	%	#	%	#	%
31-50	1	14%	2	29%	3	43%
> 50	2	29%	2	29%	4	57%
<b>Total</b>	<b>3</b>	<b>43%</b>	<b>4</b>	<b>57%</b>	<b>7</b>	<b>100%</b>

## MANAGEMENT BOARD OF DM CITI HANDLOWY BY AGE AND GENDER IN 2020 [GRI 405-1]

Age	Female		Male		Total	
	#	%	#	%	#	%
31-50	1	25%	1	25%	2	50%
> 50	0	0%	2	50%	2	50%
<b>Total</b>	<b>1</b>	<b>25%</b>	<b>3</b>	<b>75%</b>	<b>4</b>	<b>100%</b>

Moreover, every second manager at Citi Handlowy is a woman; out of several thousand Citi employees in Poland, exactly 49% are women. Diversity is in the DNA of such a global organization as Citi; it manifests as team diversity in terms of sex, age, origin and beliefs of employees.

## Gender diversity in Citi Handlowy in 2020: [GRI 102-30]

- The share of female managers amounted to 49%;
- The share of women on the Bank's Management Board was 43%;
- The remuneration of men and women holding equivalent positions is comparable and corresponds to their competences - the remuneration of women employed at Citi Handlowy is comparable to the basic salary of men and represented 97% of the salary of men as at the end of 2020;
- 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 10.5 years; for women this average has been growing and in 2020 was over 11 years.

Citi Handlowy (together with Citibank Europe plc) entered the 2nd edition of the **Diversity & Inclusion Rating**. This is a new initiative of the Responsible Business Forum and Deloitte, aimed at measuring the advancement level of a company in terms of building a diverse, inclusive and ethical organization. The second edition of the rating included 6 companies which demonstrated the highest level of diversity management.



## Women's Network Poland

The Women's Network initiative has been rolled out in Citi Handlowy since 2004. It was kicked off as part of the wider Citi Diversity program implemented by Citi worldwide. Diversity, or in other words variety, is a hallmark of Citi's corporate culture and its philosophy. The main idea is to attract the best employees to our organization and provide them with an opportunity for full professional development while respecting their dignity, regardless of sex, race, religion or sexual orientation. The purpose of the Women's Network initiative is to draw attention to the situation of women who work in the Bank, provide equal chances for professional development and realization of ambitions connected with their career at the Bank.

### The Women's Network mission includes:

- fostering professional development for women and support in overcoming barriers,
- promoting conditions which enable the fulfillment of professional ambitions while maintaining a balance between professional and private life.

Women's Network Poland inspires women to invest in themselves by taking part in training, mentoring, meetings with successful people and integration meetings. It organizes women's participation in soft skills training (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 within and outside of the organization, and helps women to find balance between work and private life.

In 2020, despite the ongoing COVID-19 pandemic, Women's Network Poland operated without interruption, organizing events mainly in an online format, such as the virtual workshop "How to eat an elephant" with Tomasz Michniewicz, the virtual Mentoring Walk 2020 together with the "Mentoring & Change" workshop, conducted by Piotr Ciacek, or support for and involvement in women empowerment initiatives, e.g. the 10th edition of the Baba Fest festival in Olsztyn.

## Citi Pride Network Poland

2020 marked the third year of the functioning of the employee community Citi Pride Network Poland. 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. It was also the most active year for Pride Network Poland to date. The network received two awards in the EMEA Lives Our Values Award competition organized by Citi in the region of Europe, Middle East and Africa in the Diversity and Inclusion category and in the Peer Award category. In this competition, the employee network won a financial prize that it could donate to selected charitable organizations, which it did with great pleasure.



In 2020, together with the Pride Network from other countries, network members from Citi Handlowy became involved in virtual initiatives, such as Virtual Pride March, Coming Out Day and the

Virtual Living Library with uplifting stories of Citi's LGBT+ employees. In June, as part of *Pride Month*, the network conducted, among others, a series of workshops, as well as an alliance campaign which received many positive comments from employees. Members of the Pride Network in Poland also initiated and became involved in numerous volunteering projects, including those addressed to the elderly.

Apart from these initiatives, network members are constantly working to build an inclusive work environment and promote diversity at Citi Handlowy through mentoring, networking and education that promotes the inclusion of members of the LGBT+ community.

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 able to make full use of their potential.



## Families Matter Network Poland

The Families Matter Network Poland initiative brings together employees who are familiar with the subject of parenting, family and child-rearing, as well as challenges faced by all generations. In 2020, the leading topics included support for families, children, and senior citizens during the coronavirus pandemic. Active participation in volunteering activities for the benefit of children and senior citizens was also very important for people engaged in the network.

The Families Matter Network actively joined the September campaign to collect school supplies and water bottles for Care and Educational Facilities and for School and Educational Facilities, organized by the

Kronenberg Foundation at Citi Handlowy. It also took part in the preparation of Christmas parcels for the residents of the Veterans' Home in Łódź, and - together with other networks - actively participated in the International Senior Citizens' Day under the slogan: "Become a grandchild, if only for a while (or maybe longer), and make a senior citizen happy".

At the end of a challenging 2020, during the pre-Christmas period, the network organized an event entitled "New Christmas Challenges - or how to survive Christmas and not go crazy?", a meeting with the participation of the Bank's managerial personnel - Katarzyna Majewska, Natalia Bożek and Andrzej Wilk, as well as a psychologist, in order to support employees and help them celebrate Christmas despite the difficulties posed

by the pandemic and lockdown. The event was attended by over 170 people.



Due to the decision made by Polish government to change the dates of winter school holidays and introduce a lockdown, which made it impossible for many families to go on an organized winter holiday, the network organized an initiative entitled "Half an hour for the family" - a series of Zoom activities for children of Citi Poland employees during winter school holidays (9 meetings). These activities provided the children with, among others, the opportunity to learn practical rules to follow when interacting with the blind thanks to first-hand information presented by a blind person, getting to know CSC from the inside, or finding out "Why do we need banks?" as explained by the Chief Economist of Citi Handlowy, Piotr Kalisz.

## Citi DisAbility Network

Citi Disability Network is a space open to disability in any form - with respect to employees and their families, as well as the Bank's clients. At Citi Handlowy, we care a lot about building awareness and breaking 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.

Through the 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 2020 Citi Disability Network co-created the following actions:

- **"Pay attention"** - an informational campaign carried out in cooperation with the Vis Maior Foundation, which provides practical tips for interaction with the blind. 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.
- **"Become a grandchild, if only for a while (or maybe longer) and make a senior citizen happy"** - a volunteering campaign aimed at providing support to nearly 120 senior citizens cared for daily by the St. Francis De Sales Shelter Society in Warsaw and the "Pomocna dłoń" ("Helpful Hand") Foundation. These are lonely people, living in care homes, who have no opportunity to feel the joy of contact with grandchildren. Each of the senior citizens received a useful gift they had requested.
- **"Santa's Helper"** - a campaign under which any employee willing to participate could buy a gift for a child from one of three facilities (an emergency shelter for children, an orphanage or for children with disabilities). In the end, the participants of the campaign helped fulfill 46 children's dreams.



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 last three years, the employment ratio of disabled persons at the Bank has remained steady.

## DISABLED EMPLOYEES AT CITI HANDLOWY

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

# Employee development

[GRI 404-2]

Citi Handlowy follows Leadership Standards, which are a catalog 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 employee development. The Bank supports development in the form of partnership between the employee, manager and organization which provides opportunities for continuous professional and personal development, stimulated i.a. in compliance with the learning philosophy 70:20:10.

In Citi Handlowy, there are as many career paths as there are people. Everyone can decide what their path to development will look like and the opportunities are endless. The Bank is keen on creating a culture of development and growth and includes employees in its wide range of programs, schemes, tools, initiatives and campaigns so that each employee can find something for themselves. In addition, it cares for the proper development of its managers and leaders, believing in their tremendous role in accomplishing the organization's business success. Members of the Management Board actively share their experience and knowledge, acting as patrons of many development programs and campaigns and, more importantly, participating in them. By becoming involved, they add value to the enhancement of development culture and its incorporation into business strategies.

## CitiLearning – from training to a continuous learning culture

[GRI 404-2]

In response to the changes occurring in the global financial sector and the changing nature of the work environment, in 2014 Citi Handlowy changed the way it supports employee development in the organization.

So far, the change of the process has brought about positive results both in internal and external terms. Citi Handlowy was able to implement a new approach which helps transform perceptions of development from "training" to "campaigns", an approach to devel-

opment based on learning from a trainer to a broader understanding of the concept, including the acquisition of a "learning habit" which can be embedded in the DNA of the organization and its employees. This innovative approach to learning was adopted throughout the HR industry, including at Citi Handlowy. 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 perform their work and pursue personal development. Development in the new dimension was defined a bit differently, as an individually determined development path featuring both business and personal goals in a friendly and innovative work environment.

In recent years, Citi Handlowy has striven to support the creation of solid attitudes and designed a set of practices in learning and development (L&D) designed to support human capital in Citi Handlowy in the future. These new sets of skills are intended to prepare employees to face the needs of changing markets and challenges in the financial sector, thereby becoming more open to the client by using modern technologies. This undoubtedly requires new skills from employees and, at the same time, embeds the organization and employees firmly in leadership standards, which in turn reinforce the values that guide how Citi Handlowy acts and pursues its vision. One of these is employee development, hence the Bank's serious and holistic approach to the need for change and the value it offers.

Employees are increasingly turning to online resources because 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) enable the user to learn at any time and support a learning culture and habit in the organization.

That is why Citi Handlowy puts great emphasis on using new technologies in the training strategy, e.g. e-learning trainings available on a dedicated platform. Following this trend, the number of traditional training sessions decreased significantly in recent years. However, 2020 was a breakthrough year in this respect, also due to the pandemic, which posed new challenges for the training function. All training sessions offered to employees in 2020 were conducted remotely.

### TRAININGS COMPLETED BY CITI HANDLOWY EMPLOYEES - TRADITIONAL AND ELECTRONIC (%)

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

The Bank's business variety and specific needs determine directions and requirements concerning the professional knowledge necessary to preserve the best quality services for 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). 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 meeting on the first day allows the employee to familiarize themselves with many uncertainties, concerns and issues. **In 2020, 144 people participated in the Orientation training. From April 2020, all Orientation sessions for new employees were held online.**

Employee development at Citi Handlowy has undergone a certain transformation. There are no longer training hours, but development paths, individual development plans and limitless resources for knowledge every employee can exploit: applications, platforms, online training, articles and multimedia materials. All these resources are available to employees in one place - on the Degreed platform. Use of these resources requires an employee to take ownership of their development, making their manager and the wider organization partners in attaining the highest business and individual results.

## Learning promotion campaign

### #BeMore [GRI 404-2]

Citi Handlowy launched the campaign #BeMore for the first time in 2016. The #BeMore campaign was designed to support the development of behaviors needed to create a learning culture in a very complex, multinational and multicultural organization.

Activities within the campaign #BeMore consist of:

- frank and regular development-oriented conversations with direct managers (1:1);
- propagating communication that reinforces the culture of continuous learning in the workplace based on the model 70:20:10 known at Citi Handlowy as the 3Es (experience, exposure, education);
- development of Individual Development Plans as an integral element of an employee's HR cycle during the year.

Furthermore, the #BeMore campaign pushed for simplified access to the global set of tools and resources available in Citigroup. The #BeMore campaign's overriding principle was to align its aims with business aims while supporting tools that are helpful in raising employee awareness in the field of individual development and, at the same time, for the benefit of the organization. #BeMore has created an integrated place for Citi Handlowy employees, which supports navigation of the Bank's knowledge resources. Various formats of communication were used, including engagement-building films and outside guests who were invited to share their inspiring experiences and stories that match the new philosophy of development, which creates value not only for the organization, but also for employees.

Currently, #BeMore ideas flow through the veins of the organization and have become an inherent part of the learning culture at Citi Handlowy, while employees are eager to engage in development activities benefiting their colleagues and share their skills and knowledge.

## 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 the organization and its impact on performance. Development programs for managers are built in accordance with their progress paths to furnish managerial staff with the necessary skills to be a good partner for employees at any moment of their development.

Training for managers consists not only in acquiring new skills necessary for efficient employee management but also includes meetings conducted by senior managers and leaders in the organization, which are designed to raise leadership awareness according to the 6 Leadership Standards promoted in Citi.

2020 was a very unique year in terms of challenges that managers had to face due to the pandemic, particularly with regard to remote team management. Managers were no longer able to take part in on-site leadership training. This does not mean that they lost the ability to develop their managerial competences. During the period from March to December 2020, Citi Handlowy's HR team organized 14 workshops in which managers could participate remotely. The workshops touched upon the following topics: team management during a pandemic, working time, building trust in a remotely managed team, onboarding new employees and providing feedback. In 2020, 985 managers participated in the remote workshops.

## MANAGER TRAININGS

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

\*the number of training participants in 2020 represents the number of managers taking part in leadership training until March 2020 and the number of managers taking part in the "effective manager" series of remote workshops

## Talent Development Process

### [GRI 404-2]

One of the key values of Citi Handlowy is talent development, i.e. the development of individuals who have tremendous developmental potential and may, in a short time, assume managerial positions, as well as those with crucial knowledge or skills that are unique for the organization. The strengthening of our competencies and the acquisition of new skills and experience are inextricable elements of personal and professional development, necessary for the development, growth and efficiency of the organization.

Talent Management Programs assume disciplined attitudes, transparent rules, diverse and practical developmental activities and strong commitment on the part of management and talent program participants. They promote a proper attitude and values, create a culture oriented toward development and ensure the continuity of employment regarding key positions as well as retaining the best people in company structures.

In 2020, 168 Citi Handlowy managers participated in dedicated remote workshops on talent development, during which they refreshed and broadened their knowledge on identifying talent potential in their employees, as well as found out how to work and develop talented people, and which support tools to use.

## Assessment process in Citi Handlowy

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

In order to support employee development, Citi Handlowy has in place the following processes: goal setting, as well as semi-annual and annual assessment. In 2020, all these processes were conducted for the first time in a single IT system dedicated to HR processes.

The particular advantage of this system, which makes it possible to effectively support the development of employees, is the "feedback" function that allows Citi Handlowy employees to obtain feedback from colleagues and managers any time during the year. This open form of obtaining feedback at any time from both

superiors and colleagues enables employees to continuously improve their performance, especially in work quality, cooperation, communication and behaviors that foster cooperation and partnerships.

Feedback-based development constitutes a strong element of Citi Handlowy's culture. In 2020, the HR team organized a workshop on feedback for employees and managers. The purpose of the workshop was to enhance manager and employee competences with regard to providing feedback and better understanding the tools used for this purpose. 198 employees and managers participated in the feedback workshop.

The assessment process analyzes attainment of goals ("What") and the way they are attained ("How") based on 6 Leadership Standards defined for each organization level: employees managing their work and mid-level and senior managers, as well as top managers.

In 2020, employee assessment was obtained by 98% 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]**

## 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 assesses the experience and competence required for a given 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.

The market is evaluated in the form of data from consulting 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

#### AVERAGE REMUNERATION AT CITI HANDLOWY (PLN)

	2020	2019	2018	2017
Total remuneration*	10,867	10,410	9,949	9,455

\* the total remuneration includes the base pay and variable pay of employees who are on a bonus scheme and those that are not on a bonus scheme. The above figures apply to all employees of Citi Handlowy except for the Management Board. Gross base remuneration as of 31 December. Remuneration adjusted to full-time equivalent.

### Awards and recognition

Citi Handlowy is an institution focused on supporting the innovativeness of its employees. It wants all initiatives and activities which are conducive to innovation and efficiency to be valued and those of particular importance to be rewarded with, among others, recognition awards.

An example of such a prize is the *Instant Recognition* granted to individual employees or teams for achievements and contributions that have significantly exceeded assigned goals and tasks. Special initiatives of Citi Handlowy employees are also recognized on the Citi forum as part of the *Progress Awards*.

An important element of building a culture where employees express recognition for one another are initiatives of the Global Gratitude group, implemented in 2019 under the People Strategy. Engagement of Members of the Management Board in the concept of "thanking" promoted by the group is an important signal of our desire to build a culture of support and gratitude at Citi Handlowy.

## Employment policy

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

### Recruitment

The success of Citi Handlowy is possible thanks to people. Being aware of this value, Citi Handlowy continuously makes efforts to always be an employer of choice for its employees and candidates. That is because the Bank understands dynamically changing market trends and takes measures to maintain its position as a stable organization offering invariably attractive work conditions. Being aware of the impact that the recruitment strategy has on shaping the future quality and vision of its organization, Citi Handlowy boldly follows trends, selecting the elements that are consistent with its values and promote effective implementation of the

is comparable to the base remuneration of men and, as at the end of 2020 amounted to 97% of the remuneration of men<sup>1</sup> (in 2019, this ratio was 96%). [GRI 405-2]

employment policy.

Citi Handlowy constantly focuses on coherent external talent acquisition, while promoting talent within the organization. Employees supported by the employer may plan their career and follow their development path within Citi Handlowy and the entire global Citigroup. They often take up development challenges, getting involved in multi-disciplinary, international projects and, thus, developing dynamically through interactions within the group, together implementing initiatives that are of key importance for the company. Citi Handlowy has also focused on developing recruitment techniques and tools. Thanks to this, in the course of the year, the Bank effectively acquired talent from the market, which constituted an advantage with regard to sources of acquisition of candidates for employment.

During the COVID-19 pandemic, Citi Handlowy also introduced new safety rules with regard to recruitment. Starting from April 2020, all recruitment processes were carried out exclusively online. This made it possible to employ nearly 300 people during that period, while guaranteeing them a sense of comfort and safety during the entire recruitment process.

This reflects the company's objectives in terms of effective and targeted talent acquisition as well as its trend awareness – the fact that new technologies and generations entering the labor market and market challenges dictate the conditions and influence the employer's image. Numerous projects implemented by Citi Handlowy employees have shown that the Bank remains ready and open to change and wants to employ all age groups. It is Citi Handlowy employees that have initiated and continue to initiate this positive evolution, ongoing improvements, efforts to support the experiences of employees and candidates as well as create the Bank's image as an employer that combines the stability of a financial institution and a friendly working atmosphere as well as makes bold changes in order to attract talent from different areas and of different ages.

<sup>1</sup> Taking into account employees actively performing work (excluding child care leave, unpaid leave and long-term sick leave) and excluding Members of the Management Board.

The Bank offers space for initiatives aimed at creating a friendly work environment, where high ethical standards and bold technological changes function side by side, supporting the development of Citi employees and attracting more talent.

In 2020, the Bank recorded a predominance of male external hires in relation to women. For this reason, the Bank undertook a number of activities aimed at consistent monitoring of the recruitment process in terms of participation of female candidates and particular attention to effectively reaching talent, which makes it possible to acquire a diverse pool of candidates for the job advertised. The Bank places particular emphasis on equal access by candidates of both sexes to managerial and expert jobs with regard to which recruitment processes are subject to ongoing monitoring as part of the diversity parameter.

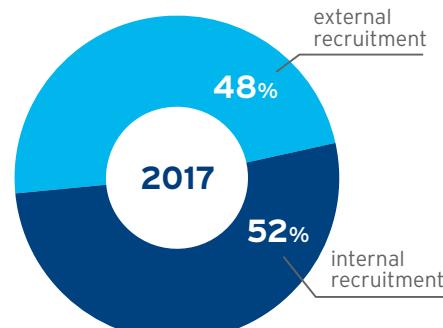
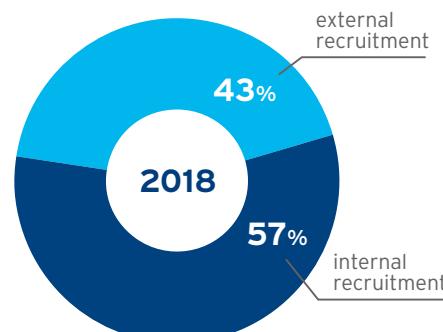
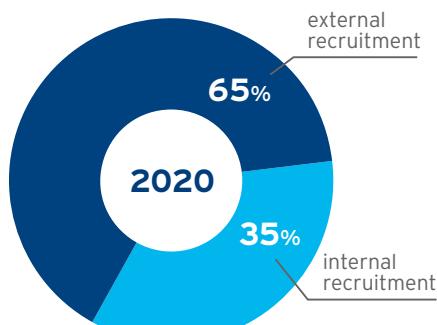
#### RECRUITMENT BY GENDER (NO. AND %)

Year	Female		Male		Total	
	No.	%	No.	%	No.	%
2019	373	58%	267	42%	640	100%
<b>2020</b>	<b>232</b>	<b>49%</b>	<b>246</b>	<b>51%</b>	<b>478</b>	<b>100%</b>

The year 2020 witnessed the continued predominance of external recruitment. This is a consequence of the Bank's investment in an effective recruitment strategy and sourcing techniques, which resulted in effective talent acquisition from the market for key expert posi-

tions. With regard to entry-level jobs, it showed that the Bank, perceived as a stable and attractive employer, is also able to attract young talent during the pandemic period.

#### NEW EMPLOYEES AT CITI HANDLOWY IN 2017-2020 PER SOURCE (%):



# 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]

Year	Female		Male		Total
	No.	%	No.	%	
<b>CITI HANDLOWY</b>					
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
<b>2020</b>	<b>1,942</b>	<b>63%</b>	<b>1,158</b>	<b>37%</b>	<b>3,100</b>

Year	Female		Male		Total
	No.	%	No.	%	
<b>DM CITI HANDLOWY</b>					
2017	46	52%	42	48%	88
2018	49	51%	47	49%	96
2019	46	49%	48	51%	94
<b>2020</b>	<b>44</b>	<b>48%</b>	<b>47</b>	<b>52%</b>	<b>91</b>

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

## THERE ARE ALMOST AS MANY WOMEN IN TOP MANAGEMENT POSITION AS MEN.

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

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

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

## AT CITI HANDLOWY, 100% OF EMPLOYEES HAVE EMPLOYMENT CONTRACTS, 93% OF WHICH WERE CONCLUDED FOR AN INDEFINITE PERIOD.

### TYPES OF WORK CONTRACTS AT CITI HANDLOWY (%) [GRI 102-8]

Year	Contract type	Female		Male		Total	
		No.	%	No.	%	No.	%
<b>CITI HANDLOWY</b>							
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>		<b>2,249</b>	<b>63%</b>	<b>1,321</b>	<b>37%</b>	<b>3,570</b>	<b>100%</b>
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>		<b>2,139</b>	<b>63%</b>	<b>1,260</b>	<b>37%</b>	<b>3,399</b>	<b>100%</b>
2018	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>		<b>2,013</b>	<b>63%</b>	<b>1,161</b>	<b>37%</b>	<b>3,174</b>	<b>100%</b>
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>		<b>1,942</b>	<b>63%</b>	<b>1,158</b>	<b>37%</b>	<b>3,100</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

Year	Contract type	Female		Male		Total	
		No.	%	No.	%	No.	%
<b>DM CITI HANDLOWY</b>							
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>		<b>46</b>	<b>52%</b>	<b>42</b>	<b>48%</b>	<b>88</b>	<b>100%</b>
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>		<b>49</b>	<b>51%</b>	<b>47</b>	<b>49%</b>	<b>96</b>	<b>100%</b>
2018	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>		<b>46</b>	<b>49%</b>	<b>48</b>	<b>51%</b>	<b>94</b>	<b>100%</b>
2020	<b>fixed-term</b>	<b>3</b>	<b>75%</b>	<b>1</b>	<b>25%</b>	<b>4</b>	<b>4%</b>
	<b>for an indefinite period</b>	<b>41</b>	<b>48%</b>	<b>45</b>	<b>52%</b>	<b>86</b>	<b>95%</b>
	<b>substitute</b>	<b>0</b>	<b>0%</b>	<b>1</b>	<b>100%</b>	<b>1</b>	<b>1%</b>
<b>Total</b>		<b>44</b>	<b>48%</b>	<b>47</b>	<b>52%</b>	<b>91</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

The average length of employment at Citi Handlowy has been growing in recent years, and among women the average length of employment at the Bank already exceeds 11 years. This trend is a consequence of Citi

Handlowy's effective creation of a work environment that is safe for employees and increases their commitment.

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

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

Year	Female	Male	Total
<b>DM CITI HANDLOWY</b>			
2017	8.6	7.8	8.2
2018	8.8	7.5	8.2
2019	10.0	8.1	9.0
<b>2020</b>	<b>9.2</b>	<b>8.8</b>	<b>9.0</b>

## Working time

According to data, most Citi Handlowy employees work on a full-time basis. Women employed at the Bank more frequently take advantage of the possibility to work part 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 the operations of DM Citi Handlowy.

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

Year	Working time	Female		Male		Total	
		No.	%	No.	%	No.	%
<b>CITI HANDLOWY</b>							
2017	Full time	2,142	62%	1,293	38%	3,435	96%
	Part time	107	79%	28	21%	135	4%
	<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	Full time	2,025	62%	1,225	38%	3,250	96%
	Part time	114	77%	35	23%	149	4%
	<b>Total</b>	<b>2,139</b>	<b>63%</b>	<b>1,260</b>	<b>37%</b>	<b>3,399</b>	<b>100%</b>
2018	Full time	1,911	63%	1,135	37%	3,046	96%
	Part time	102	80%	26	20%	128	4%
	<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	<b>Full time</b>	<b>1,854</b>	<b>62%</b>	<b>1,127</b>	<b>38%</b>	<b>2,981</b>	<b>96%</b>
	<b>Part time</b>	<b>88</b>	<b>74%</b>	<b>31</b>	<b>26%</b>	<b>119</b>	<b>4%</b>
	<b>Total</b>	<b>1,942</b>	<b>63%</b>	<b>1,158</b>	<b>37%</b>	<b>3,100</b>	<b>100%</b>
Year	Working time	Female		Male		Total	
		No.	%	No.	%	No.	%
<b>DM CITI HANDLOWY</b>							
2017	Full time	18	41%	26	59%	44	50%
	Part time	28	64%	16	36%	44	50%
	<b>Total</b>	<b>46</b>	<b>52%</b>	<b>42</b>	<b>48%</b>	<b>88</b>	<b>100%</b>
2018	Full time	20	43%	26	57%	46	48%
	Part time	29	58%	21	42%	50	52%
	<b>Total</b>	<b>49</b>	<b>51%</b>	<b>47</b>	<b>49%</b>	<b>96</b>	<b>100%</b>
2018	Full time	19	42%	26	58%	45	48%
	Part time	27	55%	22	45%	49	52%
	<b>Total</b>	<b>46</b>	<b>49%</b>	<b>48</b>	<b>51%</b>	<b>94</b>	<b>100%</b>
2020	<b>Full time</b>	<b>16</b>	<b>38%</b>	<b>26</b>	<b>62%</b>	<b>42</b>	<b>46%</b>
	<b>Part time</b>	<b>28</b>	<b>57%</b>	<b>21</b>	<b>43%</b>	<b>49</b>	<b>54%</b>
	<b>Total</b>	<b>44</b>	<b>48%</b>	<b>47</b>	<b>52%</b>	<b>91</b>	<b>100%</b>

## Work-Life Balance

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

Data show that in recent years employees of Citi Handlowy are increasingly taking advantage of such flexible forms of employment. This number is growing especially among women, who can thus reconcile working at Citi Handlowy with their private lives. The concept of promoting better work-life balance among employees was supported this year by the Work-Life Balance team working under the People Strategy.

Out of concern for the safety of its employees during the COVID-19 pandemic, Citi Handlowy made it possible for most of its employees to work remotely. In offices and branches, only employees whose jobs demanded their physical presence worked while observing the highest safety principles. During the period from March to July 2020, around 80% of employees worked remotely. During the holiday period from July until the end of September 2020, between 60% and 70% employees worked remotely. At the end of December 2020, around 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 in the workplace, and fulfillment of their professional aspirations. Over the last three 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>

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

In 2020, the Management Board of the Bank made a decision to introduce an additional 2 weeks of paternity leave. From January 2021, Citi Handlowy's employees will be entitled to four weeks of paternity leave, subject to provisions and legal requirements in force in Poland. The Bank believes that this new minimum standard for

paternity leave will bring greater benefits in comparison with the current standards in the labor market and enable 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 will be entitled to paternity leave.

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

Year	Work conditions	Female		Male		Total	
		No.	%	No.	%	No.	%
<b>CITI HANDLOWY</b>							
2017	flexible	349	62%	215	38%	564	16%
	standard	1,900	63%	1,106	37%	3,006	84%
	<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	flexible	379	62%	234	38%	613	18%
	standard	1,760	63%	1,026	37%	2,786	82%
	<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	flexible	454	65%	248	35%	702	22%
	standard	1,559	63%	913	37%	2,472	78%
	<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	<b>flexible</b>	<b>534</b>	<b>67%</b>	<b>267</b>	<b>33%</b>	<b>801</b>	<b>26%</b>
	<b>standard</b>	<b>1,408</b>	<b>61%</b>	<b>891</b>	<b>39%</b>	<b>2,299</b>	<b>74%</b>
	<b>Total</b>	<b>1,942</b>	<b>63%</b>	<b>1,158</b>	<b>37%</b>	<b>3,100</b>	<b>100%</b>

Year	Work conditions	Female		Male		Total	
		No.	%	No.	%	No.	%
<b>DM CITI HANDLOWY</b>							
2017	flexible	0	0%	2	100%	2	2%
	standard	46	53%	40	47%	86	98%
	<b>Total</b>	<b>46</b>	<b>52%</b>	<b>42</b>	<b>48%</b>	<b>88</b>	<b>100%</b>
2018	flexible	0	0%	4	100%	4	4%
	standard	49	53%	43	47%	92	96%
	<b>Total</b>	<b>49</b>	<b>51%</b>	<b>47</b>	<b>49%</b>	<b>96</b>	<b>100%</b>
2019	flexible	0	0%	4	100%	4	4%
	standard	46	51%	44	49%	90	96%
	<b>Total</b>	<b>46</b>	<b>49%</b>	<b>48</b>	<b>51%</b>	<b>94</b>	<b>100%</b>
2020	<b>flexible</b>	<b>0</b>	<b>0%</b>	<b>3</b>	<b>100%</b>	<b>3</b>	<b>3%</b>
	<b>standard</b>	<b>44</b>	<b>50%</b>	<b>44</b>	<b>50%</b>	<b>88</b>	<b>97%</b>
	<b>Total</b>	<b>44</b>	<b>48%</b>	<b>47</b>	<b>52%</b>	<b>91</b>	<b>100%</b>

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

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

**EMPLOYEE AGE GROUPS BY SEX (%): [GRI 102-8, GRI 405-1]**

**MOST OF OUR EMPLOYEES ARE BETWEEN THE AGES OF 31-50.**

It is also worth mentioning that the Bank has a growing number of employees over 50 years, which confirms that diversity is one of the key values at Citi Handlowy, and enables the experience and competences gained

over many years of professional activity to be used in the development of the best solutions for the Bank's clients.

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

Year	Age	Female		Male		Total	
		No.	%	No.	%	No.	%
<b>CITI HANDLOWY</b>							
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>

Year	Age	Female		Male		Total	
		No.	%	No.	%	No.	%
<b>DM CITI HANDLOWY</b>							
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	<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>32</b>	<b>48%</b>	<b>34</b>	<b>52%</b>	<b>66</b>	<b>73%</b>
	<b>&gt; 50 yrs.</b>	<b>10</b>	<b>50%</b>	<b>10</b>	<b>50%</b>	<b>20</b>	<b>22%</b>
<b>Total</b>		<b>44</b>	<b>48%</b>	<b>47</b>	<b>52%</b>	<b>91</b>	<b>100%</b>

A major risk factor in the employee area is the 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, so the analysis also covers the number of transfers from Citi Handlowy to Citigroup. **[GRI 102-15, GRI 102-11]**

#### EMPLOYEE ROTATION TRENDS IN 2017-2020 (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%
<b>2020</b>	<b>12.1%</b>	<b>6.7%</b>	<b>3.9%</b>	<b>11.1%</b>

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

The Bank also conducts an annual 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 VoE results is used to design actions aimed at creating a work environment conducive to building employee engagement and satisfaction.

In 2020, both participation and individual areas of employee satisfaction surveyed in VoE increased significantly in relation to the results from previous years.

### VOE RESULTS IN 2018-2020 (IN %)

	2020	2019	2018
Response rate	91%	87%	81%
Employee engagement	77%	69%	69%
Manager effectiveness	88%	84%	83%
Ethical culture	92%	90%	90%
Diversity	88%	83%	83%
"Be the best"	84%	78%	80%

### Risks in the employee area

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

Another major group of risks in the employee area, apart from the loss of employees important to the Bank, 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 to counteract discrimination and mobbing, organized related training for all employees and launched a procedure 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](#)".

## Support for employees during the COVID pandemic

Numerous activities undertaken by Citi Handlowy in relation to its employees during the COVID-19 pandemic provided employees with many forms of support and contributed to the achievement of such positive results in the VoE survey in 2020, including first and foremost:

- payment of a one-off support benefit for all employees whose base pay did not exceed a specific level - over 1/3 of all of the Bank's employees received it;
- award of a special bonus for each working day to all employees of branches whose work involved direct contact with clients;
- appointment of a COVID-19 Coordinator in each unit to support managers and employees who are suspected of being infected or have been infected with COVID;
- online workshop for employees on how to cope with difficult emotions during the pandemic and combine remote work with childcare;
- telemedicine consultations with a psychologist and psychiatrist under the medical package;
- cafeteria options expanded to include new electronic coupons and vouchers which employees may use in online stores;
- offers of sports activities supplemented with online classes by the supplier of the sports card;
- introduction of the Employee Assistance Program for employees in a difficult life situation (launched on 2 November 2020);
- with regard to social activity financed from the Company Social Benefit Fund: an increase in the planned expenditure on non-refundable financial assistance; the base amount of the holiday leave subsidy for employees in force in 2020 increased by PLN 1,000; increase agreed in relation to the amounts of the annual social benefit paid in November;
- under the activities of the Work-Life Balance group: publication of the weekly newsletter on "How to look after yourself and your loved ones during the COVID-19 pandemic" which covered many subjects, including how to cope with stress and anxiety, working from home when you have a child, methods for effective use of holiday leave and rest from work, and ergonomics while working from home. The newsletters also offered ideas for spending free time based on a weekly selection of current links to planned cultural and educational online events;
- extensive use of the remote work opportunity;
- launch of an IT equipment rental program for employees;
- regular communication with employees, including on the topic of safety within and outside of the office, remote work, changes made, activities planned, and the current situation;
- development of a guide containing all necessary information on the sanitary regime and rules of behavior at the office and its provision to employees;
- introduction of visual signs for office spaces on the application of the sanitary regime;
- introduction of communication for employees who are foreigners with regard to current restrictions introduced in Poland;
- each employee was provided with 2 multiple-use facemasks;
- free meals available for office-based employees;
- a series of training sessions for managers conducted in order to support them in the management of their teams in the new remote work reality;
- launch of a mailbox which employees could use in matters concerning the pandemic.

In 2020, as part of the VoE questionnaire, Citi Handlowy employees were asked how they evaluated the Bank's activities undertaken to support them during the COVID-19 pandemic. Responses to all ten of the questions on this topic indicated more than 80% employee satisfaction.

# Concern for employees

## People Strategy [GRI 102-30]

In 2020, all work groups continued operating under the People Strategy. Their objective was, as in the previous year, to enhance the organizational culture with employees at its center. The activities carried out enabled the enhancement of employee commitment, ensuring the comfort of their work, development and communication.

The People Strategy, operating since 2019, engages both HR employees and representatives of all Bank 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 2020, a year that was unique due to the challenges brought by the COVID-19 pandemic, teams operating under the People Strategy focused mostly on:

1) **People Board** - a group of 9 employee representatives elected in internal elections by employees themselves, which in 2020 focused on communication with employees through regular collection of feedback from them and passing it on to the Management Board. The People Board's communication also focused on communicating messages from the Bank Management Board. The People Board's mission is to be a bridge in communication between employees and the Management Board. Such activity helps to regularly influence the organizational culture and shape it on the basis of a jointly developed vision. Employees feel that the Bank is a place where they can find fulfillment and their needs are heard. Despite the pandemic period, members of the People Board maintained close contacts with the Bank's employees in all locations in Poland this year. The 1st People Board ended its term of office in December 2020. In 2021, democratic elections for the 2nd People Board in the history of the Bank will be held, thanks to which the new People Board will start operating in March 2021.



2) **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 a harmonious and satisfying life, both at work and beyond. 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.

During this special period that was the year 2020, the group focused on supporting employee well-being in many varied aspects of their professional and personal life. Communication concerning cultural and entertainment events in Polish and English available online for adults and children was provided on an ongoing basis. Advice provided by occupational safety and health experts on how to look after your physical health while working from home was presented. The importance of rest, even when you are at home, and how it can be planned despite travel restrictions, was emphasized. Advice from psychologists on how to look after your mental health was also provided.

With a view to ensuring people's well-being and to provide an opportunity for interactions during a year that so many people spent in isolation, a competition was organized for quick and healthy recipes which can be prepared when you are working from home. Many people took part in the competition very enthusiastically, and their contributions led to the publication of a culinary e-book made available to all Bank employees.

3) **Digital Natives** - The Digital Natives 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 is 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 current employee needs. Confluence - a platform for project work - was implemented, as was a repository for the most frequently drafted and searched for reports to aid in finding and obtaining necessary information. The process of submitting applications concerning authorizations and technological tools by employees has been simplified. Knowledge about ICT tools available at the Bank for the purposes of remote working and how to use them was disseminated, which proved particularly useful during the pandemic. At the same time, Digital Natives implemented a number of projects aimed at simplifying the work environment in their entities.

4) **Beyond Borders** - this group aims to build an environment in which the Bank's employees can feel proud of working in a global organization, within an international environment that is open to diversity. Thanks to the initiatives implemented by the Beyond Borders group, each employee actively participates in creating an international environment at Citi. By meeting and working with colleagues from other countries, Citi Handlowy employees can 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 2020, events were organized which helped employees discover the benefits of work in international teams and which supported integration, including International Day, during which, through the informal formats of a discussion panel, a cultural festival, and cuisine, the advantages of working in an international environment were underlined. Efficient communication in English, which is the language of global business and international teams, is also an important aspect. In 2020, all employees at Citi Handlowy were provided with an opportunity to learn English through an interactive e-learning platform. Additionally, a decision was made to co-finance the participation of employees in the Toastmasters International club, thanks to which they will be able to improve their public speaking skills in English. Beyond Borders also supports the employment of foreigners at the Bank, as a result of which 17 foreigners were employed in 2020. Taking into consideration the special situation caused by the pandemic, in order to provide foreign employees with current, necessary information concerning regulations during the pandemic in Poland, Beyond Borders created a special page for them in Citi's internal social media portal, where important messages in English are published.

5) **Being the Best for the Client Academy** - the Being the Best for the Client Academy supports building a culture focused on client needs at Citi Handlowy. The activities conducted in 2020 by the group focused on enhancing Be the Best culture in all areas of the Bank, particularly in the support functions, such as Compliance Monitoring, the Legal Division, Finance, HR, Risk, Audit and Marketing. Managers of these functions took particular care to reinforce employee awareness concerning the way their work translates into business goals and affects Bank clients. In 2020, business representatives were invited to internal meetings much more frequently than in previous years, sharing information about the current situation and business plans with support function employees. Creation of the business context proved to be very important during the COVID-19 pandemic, when employees from support areas were involved in the development and implementation of support tools and programs for the Bank's clients. Under the

Be the Best group, a webinar for the Bank's clients was organized, during which HR employees shared with clients the best practices for remote management of teams and building commitment among employees. Around 100 clients of Citi Handlowy took part in the webinar. The Be the Best idea was also an impulse to organize the "design thinking" sessions, the purpose of which was to support the retail business in developing new ideas and solutions in cooperation with clients. The "design thinking" sessions were also held for the teams of the Risk and CCB business. The dissemination of Be the Best culture through dedicated activities and communication that supports and values client-centric behavior among employees resulted in a significant increase in the Be the Best index in the VoE survey, both throughout the Bank, and within the support function, where the Be the Best index grew by 9 percentage points to reach 81% in 2020.

6) **Global Gratitude - the Global Gratitude Program** group encourages all employees to share positive feedback and show gratitude at work. Initiatives implemented by Global Gratitude encourage employees to celebrate everyday success, whether big or small. In 2019, the Global Gratitude group initiated the idea to promote saying "thank you" and expressing recognition for everyday tasks performed as part of our work. 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 the most powerful thing we can do for others. In 2020 - a year that brought a number of challenges connected with the pandemic - paying attention to recognizing even the smallest successes and support proved to be even more important. Therefore, the Bank not only encouraged employees through various initiatives to notice situations in which, despite the circumstances, we could be grateful, but also tried to show appreciation for employees during this challenging period in a financial way. It is worth citing two examples of such actions - special cash benefits for employees who were ready to support clients in branches despite the threats connected with the pandemic, as well as symbolic Christmas presents from the Bank Management Board, which also constituted an expression of gratitude not just for this year, but also for 150 years of Citi Handlowy's progress and development.

## Benefits [GRI 401-2]

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

Citi Handlowy employees can enjoy private medical care covered fully by the Bank. In addition, they may take out packages for members of their immediate families (partner, children, parents and parents-in-law) at prices significantly lower than rates for individual clients. The employee, partner 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 for the costs of treatment provided by any provider of medical services under a specific limit. An important element of preventive healthcare is physical activity, so every employee of Citi Handlowy may purchase a sports card for themselves and an accompanying person.

During the COVID-19 pandemic, when sports facilities were closed, employees could benefit from online training which enabled them to engage in physical activity at home. Employees experiencing problems in their private and professional lives and needing support in a difficult life situation can also benefit from free psychological, legal and financial assistance under the Employee Assistance Program (EAP). Members of the immediate family of Citi Handlowy's employees may also benefit from the EAP. The assistance is provided via a hotline and video chats.

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

The second type is group insurance with costs covered by the employee. In this case, the employee may also insure their family members. This is additional protection for the employee and extends the scope of insured events for which the employee receives indemnities - e.g. birth of a child, a child's or spouse's illness or hospital stay.

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

In November 2020, 2,885 Citi Handlowy employees logged into the cafeteria platform.

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

## Friendly work space

Citi Handlowy provides its employees with more comfortable work conditions by arranging new office space and refreshing internal common areas. In its buildings, the Bank has implemented a few projects which created common work spaces. Every employee can choose the work space which best matches the tasks they perform. Employees may use different meeting points, areas for team or individual work, in a larger or smaller group of people, or for brainstorming needs. There are zones where employees may express themselves, for example by writing on the walls, relaxation zones or green zones.

In 2020, the People Board functioning under the People Strategy continued to play a very important role in creating an employee-friendly space. As a result of the meetings held by members of the People Board with the Bank's employees in 2019 to listen to their needs, in 2020, as part of the "Sztanga" ("Barbell") project, an energy room was opened in one of the Bank's Warsaw locations - a place which employees can use to relax and exercise when they return to the office after the end of the pandemic.

## Social activity

### [GRI 401-2]

Citi Handlowy fulfills 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 makes 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 2020:

Statutory	At the Group of Citi Handlowy
<b>PLN 6,199,586.57 - 37.50%</b> of the average monthly remuneration in the national economy in the second half of 2018	<b>PLN 8,815,900.69 - 50%</b> of the average monthly remuneration in the national economy in 2018
Citi Handlowy is involved in social activities in almost 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.	<b>Social activity for pensioners</b>

During the COVID-19 pandemic, the expenditure plan for non-refundable financial assistance for eligible persons was increased under the social activity financed from the Company Social Benefit Fund - the base amount of the subsidy for employee vacation time was increased by PLN 1,000 in 2020, and an increase in the amount of the annual social benefit paid in November was agreed.

## Social activity for pensioners

Citi Handlowy takes seriously the issue of pensioner 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.

## NUMBER OF PENSIONERS AND PERSONS WHO USE EARLY RETIREMENT BENEFITS, OR CSF

2020	2019	2018	2017	
1,045	827	947	864	
Type of Benefit	Refunds	Senior Citizen's Day	Aid	Loans
Number of pensioners and persons who use early retirement benefits, or CSF	160	790	86	9

## 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 termination of the employment relationship in connection with retirement or pension due to inability to work, but also to former employees of Citi Handlowy, when the employment relationship was terminated for reasons not related to the employee and if, prior to becoming eligible for a pension, he or she has not found another job. The right to apply for retirement severance pay in this case expires 6 years after termination of the 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 law, this severance pay should amount to one month's salary and should only be granted in the case of termination of the employment contract due to retirement.

## Higher severance pays when contracts are terminated for reasons related to the employer

If an employment contract is terminated for reasons not related to an employee, Citi Handlowy provides a severance pay that is double 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 is reflected in the Corporate Collective Labor Agreement at Citi Handlowy.

## Additional day off for job hunting

The generally applicable length of a leave for job hunting by Citi Handlowy employees whose contracts are being terminated for reasons not related to them has been extended to 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 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, normative acts and measures according to the adopted procedure. The Bank has in place a Corporate Collective Labor Agreement, which covers 100% of employees (excluding Members of the Bank's Management Board). **[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 efforts to eliminate the probability of undesirable events related to 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 demonstrate the high level of safety ensured at Citi Handlowy. This 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, information about professional risk related to the work they perform as well as rules for 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 elimination. **[GRI 103-1, 103-2, 103-3] [GRI 102-11]**

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

### **[GRI 403-2]**

\* 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

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.

Periodic training for the Bank's employees has been conducted since January 2019 only for managers with employees reporting to them and, in this case, all employees are also obliged to complete the training at least every 5 years.

## Citi Alumni Network

In 2019, Citi Handlowy joined the Citi Alumni Network (operating via the website [www.citialumninetwork.com](http://www.citialumninetwork.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.citialumninetwork.com](http://www.citialumninetwork.com).



**Citi Alumni Network in Poland**

Invite your former colleagues who have spent at Citi 12 months or more to join our global alumni network. Let's all stay connected.

✉ Questions? Contact us:  
CSC Poland: \*CSC Poland CitiAlumni, Citi Handlowy: \*EM PL Newsletter

[www.citialumninetwork.com](http://www.citialumninetwork.com)

**citi handlowy**

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# Community development

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

## Social involvement

The bank fulfills its strategy of social responsibility via the Kronenberg Foundation at Citi Handlowy, which, on the bank's behalf, supports activities for the public good, including with the support of the Citi Foundation.

The Kronenberg Foundation has been acting for entrepreneurship and financial education, cultural legacy and employee volunteering for years, while remaining committed to the development of local communities. It was established in 1996 on the 125th anniversary of Bank Handlowy w Warszawie S.A. Over 2.3 million beneficiaries from different age groups: children, young people, adults and seniors have benefited from its financial education programs. The foundation has granted 1,356 subsidies to over 1,000 NGOs.

The foundation coordinates one of the largest and oldest (introduced in 2005) employee volunteering programs in Poland. Since the beginning of the program, Citi employees in Poland have been involved in volunteering almost 31,700 times, working in aggregate as many as 166,000 hours helping over 383,000 beneficiaries (this is the population of Bydgoszcz).

The Program of the Foundation for 2020 was revised to address the challenges posed by the COVID-19 pandemic. The foundation decided not to implement activities that required the teams and volunteers to work offline, and also shifted the focus of the programs by highlighting the aspects that could quickly and directly help the beneficiaries in finding their place in a pandemic-stricken world. During this prolonged epidemic threat, the foundation saw its role as a strong social partner for:

- paramedics and healthcare staff, who are the first line of defense in the unequal fight against COVID-19;
- entrepreneurs, and particularly those who have participated in the foundation's acceleration programs or programs co-financed by the foundation in 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".

Simultaneously, the foundation has implemented the key elements of its program, after adapting them to the current situation, and so:

- all the events planned for 2020 were shifted online;
- skill-based volunteering and mentoring relations were successfully conducted remotely;

- the Employee Volunteering Program was restructured to, above all, address social needs triggered by COVID-19, and secondly - to engage volunteers in a safe way (e.g. development of digital volunteering);
- volunteer engagement in the scope of digital education was increased;
- several research projects were undertaken to help shape the programs of the foundation, and also to serve institutions, organizations and beneficiaries of educational programs themselves. Here are some of the projects: Diagnosis of migrant social entrepreneurship, Women in Tech 2020 Report, Tests of technological tools for remote education, the survey "Exacerbation of problems faced by teachers in remote education";
- the plans for activities planned in connection with the 150th anniversary of the bank were revised: a report titled "150 years of the impact of Bank Handlowy on the development of Poland" was prepared, in celebration of the anniversary it was also decided to "build" a monument for future generations - by planting a 2-hectare forest;
- activities that require big meetings were cancelled.

Despite many adversities, the year 2020 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.

## Programs organized by the Kronenberg Foundation at Citi Handlowy

The Kronenberg Foundation at Citi Handlowy implements an array of educational activities in personal finance and entrepreneurship, each time supported by a media campaign aimed at promoting savings, rational personal finance management and entrepreneurial attitudes. The foundation accesses over 50,000 beneficiaries from different age groups directly: pupils, students, young professionals and entrepreneurs. Indirectly, on the other hand, through media campaigns in the traditional press, radio and television programs as well as in the Internet and on social media, educational activities and activities aimed at raising Poles' awareness of these areas, reach 2 million persons.

In 2020, the Kronenberg Foundation at Citi Handlowy adjusted its activities to the prevailing epidemic situation by implementing the following projects:

- **Conference for entrepreneurs** - in the first weeks of the pandemic, the foundation organized a conference aimed at supporting several hundred entrepreneurs who are beneficiaries of the foundation's acceleration programs as well as participants of the current programs. On June 2, 2020, the foundation, in cooperation with its partner organizations (the Ashoka Foundation, "Perspektywy" Educational Foundation, Think! Foundation, Foundation for Female Entrepreneurship, Family Enterprise Initiative Association, StartupPoland, SoDa, Entrepreneurship Development Foundation - Youth Business Poland), organized a conference for entrepreneurs. During a meeting that lasted several hours, they attended a lecture of high-level experts and practitioners in the scope of:
  - ➲ development of e-commerce;
  - ➲ management of dispersed teams and management of creative teams;
  - ➲ building client relations in the virtual world.

Moreover, the winners of the Microentrepreneur of the Year 2019 competition were announced during the conference. Sebastian Perczak, Commercial Bank Country Head, Citi, emphasized: *We support micro entrepreneurs and entrepreneurs as Citi and as Citi Foundation. We do our best to foster Polish entrepreneurship, also during these challenging and uncertain times.* During the event, the finalists of the 6th edition of the **Business in Women's Hands** program were also announced.

- **IT for SHE** - the program which helps talented female students of IT faculties to enter the labor market. The program is implemented in a broad coalition with technological companies which, apart from the Citi Handlowy Foundation, include Accenture, Ericsson, Goldman Sachs, Google, Intel, P&G and NatWest. The fourth edition of IT for SHE was carried out in 2020 and consisted of the following elements:
  - ➲ **The mentoring program for girls** with the participation of experts from top technology companies operating in Poland, including 6 Citi Mentors (3 from Citi Handlowy and 3 from Citibank Europe Plc.);
  - ➲ **"Kierunki wirusoodporne (Virus-Proof Faculties)"** - an online event organized under the campaign "Girls Join Universities of Technology", aimed at encouraging young girls (in high school) to study science and technology. The event was inspired by the COVID-19 pandemic and related uncertainty. Its goal was to give graduating

students as well as students of all grades of high school at least a minimum sense of security and show them that there are faculties that can boost their potential on the labor market and help them find an interesting, fascinating job full of challenges. The event was held in April 2020 – graduating students of high schools were met by university students of particular faculties (e.g. IT, econometrics, biomedical engineering and nanotechnology), who talked about the specifics of their faculties, and by experts – university alumni working in the business. Citi was represented by three experts (two from Citi Handlowy and one from Citibank Europe Plc). The event was attended by over 2,000 people.

- » **Volunteering campaigns** addressed to children and young adults from small towns to encourage them (and especially girls) to learn programming

and develop their interests in the area of digital technologies. Citi was represented by three volunteers. Beneficiaries of this action include over 2,000 children from small towns.

- » **Women in Tech Days** – a three-day online event and also the first such event for women interested in technologies, female students and graduates of tech faculties. The participants were able to enroll in training sessions as well as listen to lectures and tech talks. During the "Career spa" those interested could talk to employees of partner companies about their job and enroll in mentoring sessions. The event was held online and attended by quite a large group of participants, which exceeded 2,000. 15 people from Citibank Europe Plc and Citi Handlowy were involved in the event as mentors and role models or hosts of workshops and tech talks.

## "Prospects for Women in Tech Summit" Conference

Citi Handlowy and Citibank Europe Plc was the strategic partner of the next edition of the biggest conference on women in the IT and TECH industry in the CEE and Middle Asia region. Due to the restrictions related to the COVID-19 pandemic, the conference was held online this year. It gathered over 8,363 participants from 103 countries and, despite the remote mode, was a meeting point for the most talented women in the industry (not only in Poland – the conference was held in three time zones). Just like in the previous year, the conference was opened by European Commissioner Mariya Gabriel. The summit in Warsaw was addressed to IT students, professionals from tech companies, scientists and innovators. 150 international speakers and 167 mentors took part in the congress, which featured 730 mentoring sessions and 55 workshops with over 2,066 attendees.

Citi Handlowy was represented by **Katarzyna Majewska, Member of the Bank's Management**

**Board**, and Kristine Braden, Managing Director Europe Cluster Head, CEO of CGME (as the Key Note Speaker), **who had a fireside chat with Sławomir S. Sikora, President of the Management Board of Citi Handlowy and Country CCO**, during which she talked about her path to a global career. During the conference, the participants could visit online stands of all the partners, talk to recruiters and look through the job offers. Over the two days of the conference, representatives of Citibank Europe Plc ran a Geek Game for the participants.

By pursuing the IT for SHE program, the Kronenberg Foundation at Citi Handlowy supports the development of tech careers of women and truly stimulates the growing share of women in the technology industry.

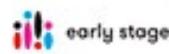
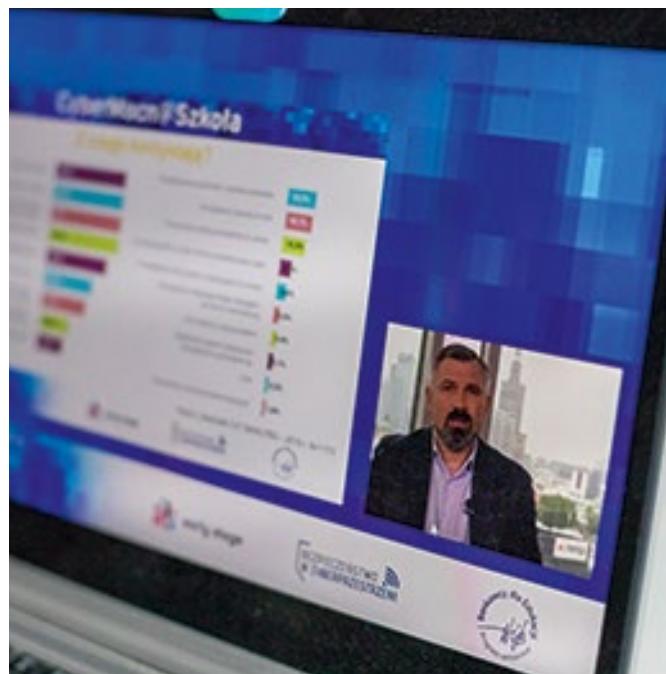
The Woman in Tech Summit 2020 conference was organized by the Educational Foundation „PERSPEKTYWY”.



## #CyberMocna@ Szkoła (Cyber-Strong School) - a support program addressed to teachers and students in the scope of safe and effective remote education

The pandemic made it necessary to introduce remote education. Recent studies have found many issues and needs in the online education system; it seems that the key problem is that teachers are not supported with adequate tools that they can use in their everyday duties. Moreover, the need for children and young adults to use computer equipment for online lessons and, as a result, longer time spent in the virtual world, have revealed many threats and dangers that young people are not adequately prepared for. In response to the diagnosed problems in these areas, the foundation prepared a program addressed to teachers, which will support them in their everyday professional tasks. The solutions proposed during the training can also be used after the end of the pandemic, when students go back to schools.

The program comprises three modules addressed to early school education teachers, tutors of 4th-8th grades of primary and secondary schools and English teachers. The foundation is going to conduct workshops which, on the one hand, will equip teachers with tools and technical solutions facilitating their everyday online work with students and, on the other, will show them how to introduce children and teenagers to the virtual world in a safe way and show the dangers that come with it. Due to the specific nature of each area, each module is slightly different from the others.



After completing the workshops, each participant will receive a certificate and a ready lesson scenario (on a specific topic) for other teachers in their educational facility. The foundation will also provide scenarios of working with children and teenagers as well as their parents. There is also a plan to implement a module on cyber threats addressed directly to Citi volunteers. After the training, they will be able to conduct simple classes at their partner facilities as part of their volunteering projects.

The CyberMocna@ Szkoła project was launched in October 2020 and is planned to end in March 2021. The project aroused great enthusiasm among the recipients, and was at full capacity within 24 hours from the launch of registration. The foundation received more than 500 applications and extended the planned pool of "beneficiaries" to almost 600 participants. Two open lectures attended by nearly 2,000 viewers, as well as two workshop meetings for 13 groups of teachers were held in 2020.



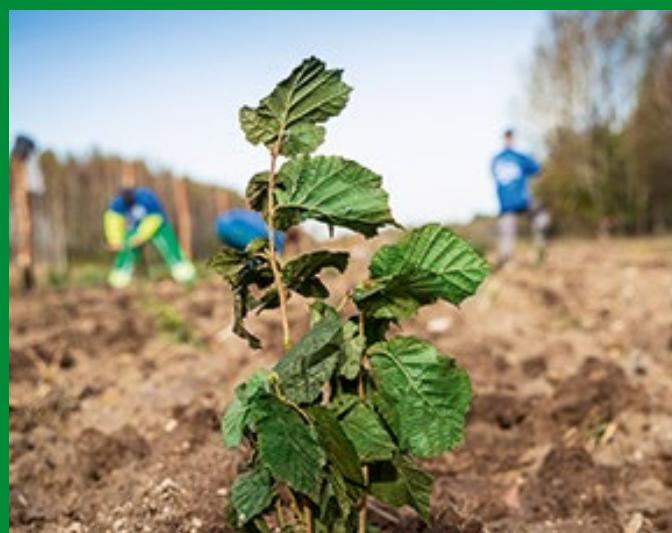
# #ForestForever – anniversary volunteering project celebrating the 150th anniversary of Bank Handlowy w Warszawie

In order to properly commemorate this unique 150th anniversary of the bank's operation and leave behind something permanent, the Citi Handlowy Foundation planted a forest with a total area of almost 2 hectares near Warsaw and Olsztyn in cooperation with volunteers, clients and the "Forest Forever" Foundation. Almost 3,000 seedlings of deciduous trees and shrubs were planted, such as sessile oak, field elm, hornbeam, ash, hazel, maple-tree, mountain-ash, bird cherry, sea buckthorn, black alder, poplar and willow. These are aboriginal species that will support the biodiversity of Polish forests.



The Bank Handlowy Forest is the best symbol of progress because it really helps change the world for the better in the long term, namely, it improves the quality of air. It also addresses one of the most burning environmental problems of today – deforestation. **Every hectare of the Citi Handlowy forest produces around 700 kg of oxygen in 24 hours (total annual oxygen consumption is 176 kg per person).** It is enough to allow 2,500 people to breathe for 24 hours. The trees and shrubs planted by Citi Handlowy also help **reduce CO<sub>2</sub> emissions of the bank** – it is estimated that the seedlings planted in 2020 will absorb a total of around **287 t of CO<sub>2</sub> within 100 years of the forest's existence**. Considering the progressing climate change, it is a measurable contribution to a better future.

There is a plan to plant more trees and shrubs in the future in order to add new species and replace the dead ones. In addition, thanks to cooperation with the "Forest Forever" Foundation, we can be sure that the forest will grow "forever" as it has been legally secured.



***"It is hard to imagine anything more lasting than a forest. The forest planted by Citi Handlowy will be growing old in a natural way, will not be cut down and will stay with us forever. We are planning to continue this campaign in 2021."***

**Sławomir S. Sikora**  
President of the Management Board, CEO, Citi Handlowy

## Heritage protection and activities celebrating the 150th anniversary of Bank Handlowy

2020 marked the 150th anniversary of Bank Handlowy w Warszawie S.A. The foundation coordinates the activities organized as part of the celebrations. It is worth noting that Citi Handlowy remains a phenomenon not only in Poland but also globally as the oldest Polish commercial bank and one of the oldest, uninterruptedly operating banks in Europe. Above all, however, it is a bank which, since the beginning of its establishment, has played a crucial, and often even a key role in the development of the Polish economy and banking, as well as in supporting Polish culture, education and important social undertakings.

- **Anniversary report - 150 years of the impact of Bank Handlowy on the development of Poland** - The report deals with a unique institution and a unique story. It takes the reader on a journey into the turbulent history of the past 150 years, told from the point of view of one entity: Bank Handlowy w Warszawie S.A. 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 has played a big role by impacting various spheres of the changing environment. 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.
- **Professor Aleksander Gieysztor Award** - the most prestigious award granted annually to institutions or individuals for their efforts on behalf of Polish cultural heritage. The winner of the 21st edition of the Professor Aleksander Gieysztor Award was Professor Jerzy Limon, Director of the Gdańsk Shakespeare Theatre, recognized for creating a unique place where tradition meets the new, a place which promotes contemporary art in a modern way and presents it against a backdrop of tradition. The jury decided to postpone the next, 22nd edition to 2021 due to the epidemiological situation.

- **Donations Program** - a grant-based competition by means of which the Kronenberg Foundation at Citi Handlowy supports the most valuable projects implemented by non-profit institutions in the area of education and local development. In 2020, as part of the bank's anniversary celebrations, the Museum of the History of Polish Jews POLIN received a subsidy for its project "Pragmatists and Visionaries - Polish Jews and their Legacy". It was a series of meetings with eminent figures who have revolutionized the areas of activity of, among others, Leopold Kronenberg, the founder of Bank Handlowy w Warszawie S.A. and the patron of the Citi Handlowy Foundation.

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

The foundation's activities have been mentioned by journalists, volunteers, participants of the foundation's programs as well as stakeholders (including the U.S. Ambassador to Poland). 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 traditional media was also the result of research reports co-organized by the foundation:

- **Diagnosis of migrant social entrepreneurship in Poland** - a description of nine migrant business and social initiatives supported by the foundation during the program and recommendations of the best ways to improve the situation of entrepreneurial migrants in Poland. The report was prepared as part of the Hello Entrepreneurship program implemented by Ashoka Polska in cooperation with the Citi Foundation. The professional partner of the program is the Citi Handlowy Foundation.
- **Women in Tech 2020 Report. Revolution accelerates** - 1,000 respondents (500 female students of technical and science faculties as well as 500 female professionals from the high tech industry). A rich and detailed portrait of contemporary female professionals in the tech industry as well as female students entering this industry shows their aspirations and challenges. "Creeping Revolution," related to the wider admission of women to the tech world, captured in a 2015 survey, is now accelerating. The report was prepared as part of the Shesnnovation Academy program implemented by the "Perspektywy" Foundation in cooperation with the Citi Foundation. The professional partner of the program is the Citi Handlowy Foundation.

## Programs implemented with Citi Foundation's support

In 2020, the following projects were implemented in Poland with the support of the Citi Foundation:

- **Week for Saving** - a program which combines financial education and the development of entrepreneurial attitudes, 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 implemented together with the THINK! Foundation. The goal of the program is to work out systemic changes in the area of personal finance management and entrepreneurship education. The project involves surveys on "Poles' attitudes toward finance", the Entrepreneurship Development Program and competitions at universities and high schools as part of the game "First Million". In 2020, the program participants established a total of 25 new companies. 950 entrepreneurs are present on [www.rozwijamy.edu.pl](http://www.rozwijamy.edu.pl), a platform where over 900 webinars were held.
- **Business in Women's Hands** - a program implemented together with the Foundation for Female Entrepreneurship addressed to 60 women who want to start their own company. Thanks to lectures, training and individual work with female mentors, each of the female participants has a chance to start a business. The goal of the program is to establish a female company cluster operating in the territory of the Warsaw agglomeration. In 2020, the 7th edition of the program was implemented.
- **Microentrepreneur of the Year** - a competition organized for the last time in 2020 by the Association Inicjatywa Firm Rodzinnych (Family Business Initiative) with support from the Koalicja na Rzecz Mikroprzedsiębiorstw (Coalition for Microentrepreneurship). The aim of the competition is supporting entrepreneurship, encouraging people to set up their own companies and promoting the best of them as examples of effective economic actions. The title of the Microentrepreneur of the Year 2019 went to the company SVEP+ - a manufacturer of pneumatic light masts used when saving people's lives - mainly in emergency medical services vehicles or during medical emergencies. The winners in other categories were the following: Nano Sanguis in the PROGRESS category, Little Chef in the SENIOR category, MusicON in YOUNG BUSINESS, and Laava Tech in the START category.
- **Hello Entrepreneurship** - a program to support social entrepreneurship among migrants, men and women, in Poland, implemented in cooperation with the Ashoka Polska Foundation. The mission of the project is to use migrant talents and their hard work to jointly develop Poland's prosperity and social and economic success. Upon presentation of their initiative as part of the program, the participants receive comprehensive support according to their needs to make their ideas deliverable. Some examples of such support include: assistance in designing a business model, promotional support, facilitating contacts with investors and other companies. More than 80 originators proposed their ideas in the second edition of the project, which kicked off in the autumn of 2020. The purpose of the program is to establish 10 social enterprises by May 2021.
- **Shesnnovation Academy** - a pilot project to encourage women to launch start-ups in STEM fields. The program is conducted in cooperation with the "Prospects" ("Perspektywy") Educational Foundation. According to the 2018 report prepared by Startup Poland, only 26% of Polish start-ups have a woman among their founders. The project is addressed to female students, PhD students and graduates of technical and science faculties as well as to any other women who want to establish their own tech startup. It comprises a range of supporting tools which allow the participants to build necessary competencies, both business and soft competencies, so their dreams to start their own business can come true. The program also provides individual mentoring support by experienced female managers, female owners of technological companies, who are successful on the market, and by female representatives of the world of science. The project culminated with the establishment of 10 tech start-ups, which showcased their work during the Shesnnovation Academy Gala organized online in May 2020.

## #EMPLOYEE VOLUNTEERING PROGRAM - CITI VOLUNTEERS SUPPORT THE FIGHT AGAINST THE COVID-19 PANDEMIC

# Employee Volunteering Program

Citi Handlowy carries out the largest Polish employee volunteering program, which is coordinated by the Kronenberg Foundation at Citi Handlowy. It is designed with the aim of developing social commitment among the bank's existing and former employees.

In tackling the raging COVID-19 pandemic, the foundation faced some exceptional challenges with respect to the Employee Volunteering Program in 2020. The foundation focused on helping an ever growing group of people in need of emergency or long-term support while ensuring the engagement of Citi volunteers during the state of epidemic and major restrictions. It required the foundation to redesign the volunteering program and implement projects based on the principle of "social distancing".

The key initiatives carried out under the Citi Employee Volunteering Program in 2020 were the following:

- #SilentHeroes - a campaign supporting paramedics,
- 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.



# #SilentHeroes

The #SilentHeroes campaign was launched in cooperation with Citi volunteers during the first days of the pandemic. Thanks to the active support of volunteers, the foundation provided meals to over 350 paramedics from Warsaw and Olsztyn. With the support of donors and Citi Handlowy and Citibank Europe Plc., which doubled the raised amount, over 8,300 meals were prepared and delivered to medical personnel. This helped them survive the first, most challenging days in the new reality.

This special fundraising is aimed at supporting medical personnel, and in particular paramedics. They have continuously been our first line of defense against COVID-19, putting their lives and health at risk for all of us. Day after day, they face a high risk of infection - they are "Silent Heroes".

In order to increase the effectiveness of the fundraising, we launched a quick payment gateway, which boosted the engagement of private participants of the initiative. Moreover, the campaign caught the attention of clients, which allowed us, in cooperation with the bank's business partners, to initiate the following campaigns:

- donation of one percent of the amounts of FX transactions among corporate clients to the #SilentHeroes campaign (a 5-week campaign);
- Christmas presents for #SilentHeroes - instead of Christmas presents, corporate clients received wishes from the bank and were informed that, during this special time, the Christmas present budget would be donated to the #SilentHeroes campaign;
- the #SilentHeroes campaign was combined with virtual sports competitions - the covered kilometers were converted into donation amounts (Ironman);
  - ➲ 38,000 km covered under the COVID Relief Challenge; and
  - ➲ the run for the 20th anniversary of the Regional Processing Center in Olsztyn.

As a result of the #SilentHeroes campaign, we managed to purchase, in cooperation with the Emergency Services Support Foundation and the Polish Center for International Aid, the following:

- protective clothing for hospitals in Warsaw and Olsztyn;
- 2 mobile respirators - additional equipment for hospitals in Warsaw and Olsztyn;
- 7 portable ultrasound devices - additional equip-

ment for better COVID-19 diagnostics for 7 ambulances, which help to quickly check the condition of the lungs. It is the first such device in Poland that also allows paramedics to make a proper diagnosis of the casualties of road accidents, raising the chances of survival of people with serious internal injuries. This way, we can help almost 200 people a day who need emergency intervention;

- an advanced videolaryngoscope that allows paramedics to safely intubate patients.



## Skill-based volunteering

The foundation was also successful in developing a skill-based volunteering program by shifting contact online between experts and mentors with young people, young

entrepreneurs, women planning to start a business, female scientists trying to commercialize their ideas and migrants.

### Examples of long-term skill-based volunteering:

<b>NETWORK OF ENTREPRENEURIAL WOMEN (Citi FOUNDATION)</b>	12 female mentors supporting existing or newly established businesses
<b>"PERSPEKTYWY" EDUCATIONAL FOUNDATION (Citi FOUNDATION)</b>	18 mentors involved in 1-on-1 relations as well as conferences under the Shesnnowation Academy and IT for SHE program
<b>POLISH PARALYMPIC COMMITTEE</b>	2 mentors ran training for Paralympians entitled "How to build a strong brand?"
<b>"THINK!" FOUNDATION (Citi FOUNDATION)</b>	10 mentors helped young people create their own business
<b>ASHOKA POLSKA (Citi FOUNDATION)</b>	10 mentors supported migrants in establishing social enterprises
<b>JUNIOR ACHIEVEMENT (Citi FOUNDATION)</b>	7 volunteers were involved in organizing the Produkci micro-enterprise contest
<b>PSONI - Polskie Stowarzyszenie na rzecz Osób z Niepełnosprawnością Intelektualną (Polish Association For Persons with Intellectual Disability) ITAKA FOUNDATION</b>	13 volunteers helped solve specific issues of the NGO as part of the Citi Skills Marathon
<b>IT FOR SHE</b>	13 volunteers helped female IT students enter the labor market

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

The Citi Global Community Day, which took on a unique form in 2020 (of a 6-month campaign), gathered over 1,700 volunteers in Poland from Citi Handlowy and Citibank Europe Plc. It is the best result among all the countries in Central and Eastern Europe as well as Africa (within the entire Citi Group). The foundation managed to engage Citi employees in virtual volunteering (such as online private lessons for kids and programming lessons for students) as well as in activities organized in new formats, such as joint fundraising, collections of specific items and arranging packages for those in need, as well as planting plants.

In 2020, the volunteers were involved, among others, in the following volunteering activities:

- they made over 1,000 face masks for seniors;
- they delivered over 1,000 packages with necessities for seniors and veterans who live in welfare

institutions and community homes or who attend workshops of activity-based therapy;

- they designed a technological solution for the Polish Association For Persons with Intellectual Disability, which will provide an electronic schedule of activities and facilitate the operation of the institution;
- they organized a charity collection for children in educational care institutions in Warsaw and the Special Educational Center for Children with Hearing Disabilities in Olsztyn;
- they planted some greenery and painted benches at two welfare institutions near Warsaw;
- they prepared over 100 bank computers to be used by children (refurbishment of computers). The computers were provided to orphanages and primary schools, where kids can use them for remote learning.

The foundation supported the implementation of these initiatives through micro-grants and also in terms of logistics, helping volunteers implement the projects during a strict sanitary regime.

In order to increase the scale of the activities even more, the Employee Volunteering Program will be continued in 2021 based on a number of solutions developed in 2020.

In Q1 2021 we are planning to, among others, revive a grant competition for volunteers who wish to help groups directly or indirectly impacted by the pandemic.

#### STATISTICS OF THE EMPLOYEE VOLUNTEERING PROGRAM:

	2020**	2019	2018	2017
Number of projects	58	250	251	249
Number of beneficiaries	19,600	48,000	40,500	37,000
Volunteer involvement*	2,137	4,500	4,480	3,700
Number of projects in the "Wolontariusz na Bank!" ("Volunteer to Bank on!") competition	-	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

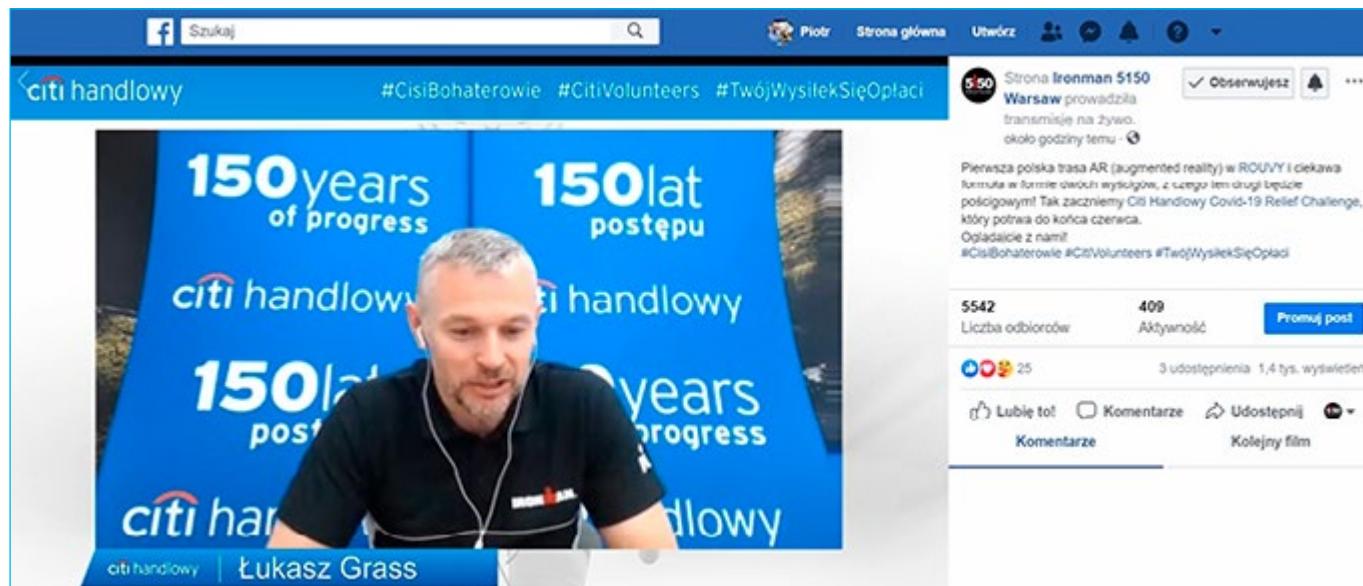
#### Live Well at Citi

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.

Last year, Citi Handlowy continued Live Well at Citi activities aimed primarily at responding to the needs of employees arising from the restrictions caused by the

pandemic, the spring lockdown and many months of remote work. Also in the social dimension, these efforts have been focused on measures supporting the fight against the coronavirus pandemic.

The COVID-19 pandemic has affected all aspects of life, including physical activity. Most of the sports events in 2020 did not take place, and the real world competitions were replaced by virtual competitions and challenges. Long weeks spent at home made people actively involved in sports willing to participate in these initiatives. Therefore, in an effort to combine business with pleasure, Citi Handlowy, in cooperation with the organizer of the IRONMAN Poland competition, initiated a virtual sports challenge for runners and cyclists, the aim of which was to support the "[Silent Heroes](#)" campaign and help in the fight with the effects of the pandemic.



The 5150 Warsaw triathlon competition, which was to take place on 14 June, was canceled, which is why the Citi Handlowy COVID-19 Relief Challenge was launched on that very day. The first day of the challenge was a virtual cycling race on the first Polish route made available to competitors in the Augmented Reality technology, and well-known from the 5150 Warsaw competition. In the second part of the challenge, which lasted until the end of June, participants had the choice of covering a distance of 40 kilometers on a bicycle or running any 10-kilometer route.



Participation in the Citi Handlowy COVID-19 Relief Challenge was free of charge, but each competitor could voluntarily make a contribution toward the purchase of state-of-the-art equipment for coronavirus diagnostics as part of the "Silent Heroes" campaign. Participants of the challenge covered a total of 10,000 kilometers, supporting a fundraiser to purchase equipment for rapid diagnosis of COVID-19.

The pandemic made us appreciate even more the benefits of sports: they are a great escape from the hardships of everyday life, but they also give us a sense of community and the awareness that we are all together in these difficult times. We also began to pay more attention to other aspects of a healthy lifestyle, looking for ways to boost our body's immunity. In response to these needs, Citi Handlowy organized, as part of Live Well at Citi, a series of workshops for employees on building immunity and staying fit during the pandemic. Experts in dietetics, sports medicine and trainers cooperating with Citi Handlowy answered questions on how healthy eating strengthens our immunity, how to wisely stay in

shape and avoid viruses, and explained the secrets of safe running practices for people of various skill levels.

In September, Citi Handlowy employees once again took part in a charity run organized by the Poland Business Run Foundation, which, like most sports events last year, took place in a new, virtual formula. By taking part in it, the Live Well at Citi competitors once again gave a chance for a better life to people after limb amputations. Citi in Poland has been involved in this event since the first Warsaw run in 2014. Although the run was different than it used to be due to the virtual formula of last year's edition of Poland Business Run, the goal was still the same: to raise funds for artificial limbs, rehabilitation and psychological support for amputees. Last year, six five-member teams comprising the employees of Citi Handlowy and the shared services center, Citibank Europe plc., competed in the run. Alongside them, the virtual run featured some titled Paralympic champions: Natalia Partyka, a four-time Paralympic female champion in table tennis, and Maciej Lepiato, a two-time Paralympic champion and a four-time World Champion for the disabled in high jump.

Involvement in Poland Business Run is another initiative through which Citi in Poland supports building a more diverse and inclusive society, contributing to a change in the perception of people with disabilities. For three years, Citi Handlowy has been a partner of the Polish Paralympic Committee, and as part of the global Team Citi Bank, it supports two players representing Poland.



## Cultural patronage and sponsoring

2020 saw a change in the form of cooperation with partners that organize conferences and other events, including educational and cultural entities. Citi Handlowy's activities focused on initiatives aimed at supporting entrepreneurs, clients, medical services and society, among other beneficiaries.

One of the events co-organized by the bank was the online conference "Virus-Proof Company", during which the winners of the Business in Women's Hands and the Microentrepreneur of the Year 2019 program were announced.

In 2020 the bank continued its sponsoring-based cooperation with the Polish Paralympic Committee. This cooperation is a part of a global initiative at Citi that supports the Paralympic movement and efforts to change the social perception of disability - to see the person, his/her passion and achievements.

As part of the global project **Citi Team**, Citi in Poland also supports two outstanding athletes - **Natalia Partyka**, a four-time Paralympic female champion in table tennis and **Maciej Lepiato**, a two-time Paralympic champion and four-time World Champion for the disabled in high jump.

Acting as an organization supporting the Paralympic movement in Poland, Citi Handlowy was the Main Sponsor of the **Final Gala of the 2nd Athlete of the Year 2020 Competition of the Polish Paralympic Committee**. Kinga Dróżdż, the winner of this year's Wheelchair Fencing World Cup in Eger, was named the Athlete of the Year 2020 in the 2nd Plebiscite of the Polish Paralympic Committee and received special, virtual congratulations from the Citi Handlowy volunteers and Sławomir S. Sikora, President of the Bank.



One of many activities through which Citi Handlowy has supported persons with disabilities and engaged in building a society that accepts diversity was Citi Handlowy's participation in the largest charity business run in Poland - Poland Business Run. This year, six five-member teams comprising the employees of Citi Handlowy and the shared services center, Citibank Europe Plc., competed in the Plebiscite. They were joined by the Paralympic champions from **Team Citi: Natalia Partyka and Maciej Lepiato**. Although the run was different than it used to be due to the virtual formula of this year's edition, the goal was still the same: to raise funds for artificial limbs, rehabilitation and psychological support for amputees. Whether they took part in the run or cheered for the bank's team, Citi Handlowy volunteers were active participants in the fundraising.

In 2020, the bank also partnered with Citi Handlowy COVID-19 Relief Challenge, an online competition whose participants had to cover either 40 km by bike or 10 km by running. Each competitor could choose any amount to donate to the #SilentHeroes campaign run by the Citi Handlowy Foundation, supporting paramedics.

In December 2020, Citi Handlowy became the title sponsor of the IRONMAN 70.3 Warsaw and 5150 Warsaw triathlon races planned in 2021. The bank also continues to be a sponsor of the IRONMAN Poland Gdynia and Enea IRONMAN 70.3 Gdynia races organized in August.



# 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 Banking Foundation named after Leopold Kronenberg 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 2020 to 31 December 2020 **[GRI 102-50]**, unless indicated otherwise herein. The Group publishes annual reports. **[GRI 102-52]** The last report was prepared for 2019. **[GRI 102-51]**

This Report contains corrections of information to the report for 2019. These adjustments concern changes in the consumption of certain utilities and the calculation of CO<sub>2</sub> emissions in 2019, recalculated in 2020, taking into account invoices for 2019, which were delivered after the date of publication of the report for 2019. **[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]**

# GRI Standards Content Index

[GRI 102-55]

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**Non-Financial Statements of Bank Handlowy w Warszawie S.A.  
and the Capital Group of Bank Handlowy w Warszawie S.A.  
for the year ended 31 December 2020**

**Signatures of Board Members**

23.03.2020	Sławomir S. Sikora	President of the Management Board	
Date	First and last name	Position/function	Signature
23.03.2020	Natalia Bożek	Vice-President of the Management Board	
Date	First and last name	Position/function	Signature
23.03.2020	Maciej Kropidłowski	Vice-President of the Management Board	
Date	First and last name	Position/function	Signature
23.03.2020	Dennis Hussey	Vice-President of the Management Board	
Date	First and last name	Position/function	Signature
23.03.2020	Barbara Sobala	Vice-President of the Management Board	
Date	First and last name	Position/function	Signature
23.03.2020	James Foley	Member of the Management Board	
Date	First and last name	Position/function	Signature
23.03.2020	Katarzyna Majewska	Member of the Management Board	
Date	First and last name	Position/function	Signature



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