

ANSWERS TO THE QUESTIONS RAISED BY A SHAREHOLDER AT THE ANNUAL GENERAL MEETING OF PKO BANK POLSKI S.A. ON 21 JUNE 2023

1. Does the Bank's adopted Code of Ethics include provisions for environmental concern and combating climate change? If yes, are they written and how are they implemented? If not, why is it not included, since the Code is also supposed to define "ethical attitudes in [...] the bank's relations with the environment"?

"The Bank's Code of Ethics" includes a provision on the Bank's concern for the environment (Chapter 2, Section V. 16. 3). According to the Code, "The ethical attitudes we present in our relations with the Bank's environment:

- 1) we support diverse forms of social initiatives that promote the development of the country and local communities,
- 2) we care about good relations with social partners,
- 3) to the extent of our ability, we care about the environment,
- 4) we oppose all corrupt practices.

The Bank has also adopted a "Code of Ethics for Suppliers or Bidders cooperating with PKO Bank Polski S.A. in procurement" which organizes the requirements in Bank-supplier/bidder-external environment relations, taking into account corporate social responsibility in terms of, among other, the environment and relations in the supply chain. According to the document, Suppliers/Bidders should, among other things: analyse their activities with due diligence in terms of environmental protection (including CO2 emissions, wastewater management, waste disposal, noise reduction, biodiversity protection), take into account generally applicable laws on environmental protection and waste management in each new venture, and conduct regular reviews of the Supplier's or Bidder's impact on the environment.

2. Why are the Bank Group's GHG intensity rates calculated without including Scope Three, which has the largest increase relative to 2021?

The Bank is focused on improving the measurement of greenhouse gas emissions generated by the Bank Group in all scopes. The increase in Scope 3 emissions in 2022 compared to the previous year (2021) is due to the expansion of the scope's reported data to include additional elements: for the first time WTT emissions were calculated, emissions from utilities consumption in space leased to third parties, emissions from business travel at subsidiaries, and employee commuting to work at subsidiaries were counted. As a result, the increase in Scope 3 emissions in 2022 compared to 2021 is due to an expansion of the range of emissions counted, rather than a nominal increase. The range of emissions used to count the intensity ratios (1 and 2) is the same in upcoming years, making it possible to compare changes over time.

3. How do 23.1% higher total emissions relative to 2021 fit into the bank's strategy to achieve climate neutrality?

The increase in total emissions (Scope 1,2,3) is due to an increase in Scope 3 emissions, and this in turn is due to an expansion of the scope of reported data (see answer to question 2). Emissions in Scopes 1 and 2, where the range of reported emissions did not change, decreased by 4.3%. The Bank will continue to systematically expand the range of reported emissions in Scope 3, and for this reason, they are expected to continue to increase in upcoming years. The reason, however, is improvement of the quality of disclosures, not increase in emissivity.

4. Why does the report still not include issues related to the bank's loan portfolio, by far the largest, major source of issues related to the operations of financial institutions?

In its Statement on Non-Financial Information, the Bank reported:

" As part of works on the Bank's Strategy 2023-2025, the Bank tried to estimate emissions generated by its product portfolio. The Bank does not have any data on the emissions of its customers, while some of them do not even have such knowledge about themselves. In order to estimate the emissions, data on the industry's average emissivity were used. The estimated product emissions in Scope 3 exceed the currently

reported emissions of the Bank in Scope 1 and Scope 2 by over 300 times. In the new strategy, the Bank declared that it will start emission calculations in Scope 3 and prepare the trajectory of emission reductions based on a scientific approach."

5. Has the PKO BP bank identified or is planning to identify financing restrictions for companies that do not have a path to climate neutrality?

At the moment, the vast majority of companies do not have developed standards and pathways to climate neutrality. There is no right knowledge and market practices in this regard. As soon as these standards are developed, the Bank will adjust its lending policies accordingly as it has now developed for financing renewable energy or financing high-carbon companies. It can be assumed that the natural consequence in the future will be a reduction of exposure to customers who do not take transition or sustainable actions, including decarbonization. The Bank's strategic goal indicated in the PKO BP 2023-2025 Strategy is to become a leader in transition financing.

6. How have the bank's investment and climate strategies changed after the new provisions of the EU taxonomy came into effect?

The Bank and the Bank Group are working to incorporate taxonomy compliance criteria into business strategy, goal setting, product design processes, and policies for working with clients and customers. In line with the new Strategy, the Bank has set a goal of achieving the highest volume of new financing for sustainable and transformational projects.

7. What is the bank's current level of exposure to sectors:

- a. Coal power industry;***
- b. Natural gas power industry;***
- c. Nuclear power industry;***
- d. Energy from biomass combustion;***
- e. Wind and solar energy?***

At the end of 2022:

- the Bank's exposures to the gas and nuclear power sectors were zero;
- the Bank's exposures to carbon-intensive sectors (including coal power generation) were 0.38% of assets;
- the Bank's exposures to "green" sectors (including energy production from Renewable Energy Sources - among others: wind and solar power) amounted to 1.92% of assets.

8. Are there provisions regarding a declaration to eliminate the bank's exposure to fossil fuel sectors, especially coal and gas?

In 2019, the Bank in the corporate segment adopted and implemented the High Carbon Energy Sector Financing Policy. The policy was updated in 2020 (tightening financing conditions to spread environmental awareness as well as support and accelerate eco-transformation). The policy aims to gradually change the structure of the loan portfolio by successively reducing exposure to customers and transactions based on coal (as an energy carrier). The policy covers, among others, hard coal and lignite mining industries, coal-related industries (e.g., mining machinery manufacturing, coal and coal derivatives trading), electricity/heat generation (excluding renewable energy sources) and complementary energy-related activities (transmission, distribution, combined heat and power plants).

Key policy points:

- in the field of hard coal and lignite mining, the production of stoves, furnaces and furnace burners (concerning the production of coal stoves) – a reduction in involvement (with the exception of coking coal as a raw material included in the EU list of critical raw materials),
- in the field of energy/heat production – no financing of new sources based on hard coal and lignite, and to gradually reduce the existing commitment. However in 2022, in view of the war in Ukraine, increase in energy commodity prices and the need to ensure coal supplies from alternative to Russia directions, realizing the dimension of social responsibility, the Bank decided to increase

financing in the heating sector and selective, transitional financing of transactions related to energy security (coal purchases),

- reducing financing for general purposes and transforming it into ESG financing that serves to: improve energy efficiency, change the energy mix, or modernize transmission networks (it is permissible to finance carbon-based investments, provided that the funds are used for modernization purposes to meet environmental requirements; in such a case, there is an obligation to precisely define the purpose of the financing and control the use of the funds),
- in terms of coal-related industries (e.g., production of mining machinery, trade in coal and coal-based products) – gradual limitation of involvement, precisely defining the purpose of financing and controlling the use, permissible financing of entities with a diversified portfolio of recipients or products/services (i.e., generating significant revenues from other sources, not related to mining) or transforming their activities.

The bank monitors the execution of the policy by reporting the share of loans to customers in carbon-intensive industries, which amounted to 0.38% of assets in 2022 (0.37% in 2021).