

Management Board  
of Bank Ochrony Środowiska S.A.

**General Meeting  
of Bank Ochrony Środowiska S.A.**

**Information on expenses incurred in 2021 on entertainment and on legal, marketing, public relations, social communication and management consultancy services.**

In accordance with Section 1 of Resolution No. 35/2017 of the Annual General Meeting of Bank Ochrony Środowiska S.A. dated June 6th 2017, the Management Board of the Bank is obliged to submit to the General Meeting a report on entertainment expenses and on expenses incurred on legal, marketing, public relations, social communication and management consultancy services, along with an opinion of the Bank's Supervisory Board.

**1. ENTERTAINMENT – the entertainment expenses totalled PLN 475.4 thousand and were incurred mainly for:**

- Promotional meetings with the Bank's business partners and clients, conferences and meetings with experts;
- Participation in workshops organised by the Bank's Management Board Office called 'BOŚ, the National Fund for Environmental Protection and Water Management, and the Provincial Fund for Environmental Protection and Water Management on the way to green transformation of Poland';
- Purchase of gifts for the Bank's clients;
- Support of the Bank's General Meetings, Supervisory Board meetings and Management Board meetings.

**2. LEGAL SERVICES – the expenses on legal services totalled PLN 6,155 thousand and included the cost of legal support:**

- For the Head Office, with respect to its day-to-day operations and litigation, including criminal and mortgage-related cases in 2021 */the Bank worked with nine law firms (on a lump sum retainer basis); one contract was terminated in 2021. The law firms were retained due to the need to reduce employment at the Legal Department and the related financial burden on the Bank/;*
- Related to the Bank's debt collection activities (relevant services were provided by three law firms under legal advisory agreements (on a lump sum retainer basis);
- For the business sales network – Business Centres (relevant services were provided by 11 law firms under legal advisory agreements (on a lump sum retainer basis);

- For the Bank's units in matters requiring specialist knowledge, provided in particular at the request of such units e.g. on intellectual property laws;
- With respect to litigation before courts of general jurisdiction, including cases related to (i) distribution of investment certificates, (ii) foreign currency loans and mortgages, and administrative proceedings, as well as legal support provided to the Bank's Management Board and Supervisory Board, in particular by issuing legal opinions as requested by the Management Board or Supervisory Board.

### **3. MARKETING – the expenses on marketing, public relations and social communication services totalled PLN 4,644.4 thousand and were incurred primarily for:**

- Advertising of banking products in mass media, mainly the Internet, but also in the press. The main product campaigns for business clients focused on the EKO+ for Business offering (investment and working capital loans), and for retail clients on the green mortgage loan, as well as the 'EKO kredyt Czyste Powietrze,' 'EKO kredyt PV Energia ze Słońca', 'Portfel Zapasowy', 'Przejrzysta pożyczka' and 'EKO Mobilni' loans. The 'Ekolokata Promocyjna' deposit and 'Na Zielony Start' savings account products were also promoted;
- Communication of the Bank's strategy for 2021–2023, strategic initiatives, organisational culture strategy and values, 30th anniversary of the Bank's establishment;
- PR campaigns for the following products: 'Clean Air' loan, 'My EV' programme, 'My ID' and BLIK payments in BOŚ, the negotiated settlement programme for loans denominated in CHF;
- Organisation of the first Idea-Business-Climate conference, initiating a reasoned discussion on the role of businesses in climate change mitigation, under the patronage of the Ministry of Climate and Environment and the National Fund for Environmental Protection and Water Management;
- Promotion of the Bank at major environmental and industry events, such as: the European Financial Congress, European Economic Congress, Economic Forum in Karpacz, Impact' 21, POLECO, as well as smaller ones, such as the European Forum of Local Governments, Corporate and Investment Banking Congress, Biomass and Biomethane Congress, Top Industry Summit, and CFA Annual Conference. Altogether, the Bank's experts participated in 50 congresses and conferences, where they spoke on 59 panels;
- Participation of the Bank's representatives in the following conferences and industry meetings, during which the Bank's offering of financial products designed to support environmental protection was presented: the POWERPOL Energy and Heating Congress, Energy and Recycling Forum, Envicon Congress, Heat and Gas Forum, Polish Heating Industry Forum, Eco-Forum International Congress, Ekogmina Conference, Carbon Footprint Summit 2021, Polish Wind Energy Association Conference, Thermal Modernisation Forum 2021, Aeropag Conference, Waste Management Forum, Polish Corporate Treasurers Association Conference;
- Organisation of a series of Business Breakfasts for corporate clients of the Business Centres attended by the Bank's Chief Economist and environmental engineers;
- Organisation of the 'Time for Blik' and (together with the Polish Bank Association) 'Ethics in Finance' contests for clients;
- Sponsorship of social and environmental projects, including: the TOGETAIR Climate Summit, PV Congress of the Polish Photovoltaics Association, creation of a mural in association with the State Forests, 40th anniversary of the Dietl Specialist Hospital in Kraków, Masterclass with NASA project of the Centre of National Creativity Foundation, Our Future Foundation conference;
- Preparation of promotional materials (posters, flyers, web banners, roll-ups, one pagers) for bank products, including: the EKO+ for Businesses offering, Clean Air loan, green mortgage loan, 'EKOLokata promocyjna' deposit, 'EKOkonto osobiste' personal account, 'EKOkonto oszczędnościowe' savings account, 'EKO Mobilni' loans, 'Portfel Zapasowy' (Spare Wallet product), 'Nasza Woda' (Our Water product) and 'Przejrzysta Pożyczka' (Transparent Loan), 'Ekokredyt PV Energia ze słońca' (Energy from Sun) loan for PV projects, financing for local

- government institutions, 'EKOpżyczka Pełnym oddechem' (Full Breath) loan for PGNiG customers, electronic materials as part of cooperation with firms installing photovoltaic panels;
- Purchase and preparation of gadgets and promotional/advertising materials to foster good relations with the Bank's clients, including: wall and book calendars, sweets, Christmas sets, bags, cups, waste recycling bags, brewer bottles, thermal mugs, notebooks, lanyards and pens. Most of the objects were delivered to the Bank's Branches and Business Centres;
  - Marketing research: 'Golden Banker' reports on the quality of banking services, Mystery Shopper – cyclical research into the quality of services at the Bank, product research on mortgage loans;
  - Building the image of BOŚ S.A. as a key financial institution to provide innovative financing of pro-environmental projects that contribute to Poland's sound development;
  - Shaping the desired perception of BOŚ S.A. among different target groups, taking into account the principles of transparency and sustainable development;
  - Strengthening positive relations with stakeholders of BOŚ S.A. by ensuring effective communication of the Bank's key processes;
  - Building public awareness of the need for pro-environmental projects and environment protection initiatives through educational and volunteer campaigns (forest planting, the Operation Clean River);
  - Conducting effective PR communications for banking products in the pipeline;
  - Protecting the Bank's reputation, including by offsetting the impact of third-party communications about BOŚ S.A.;
  - Conducting active communication on social media and developing BOŚ communities on Facebook, Twitter, LinkedIn, and YouTube;
  - Project meetings, information/performance meetings, competitions that strengthen employee identification with the Company through efficient and effective internal communication;
  - Coordination of the Bank's sports sections;
  - Managing the intranet portal and editing internal mailings to BOŚ employees;
  - Carrying out internal information campaigns (posters, flyers, intranet announcements, etc.);

Updating of the Brand Style Guide, with the commemorative logo for the Bank's 30th anniversary, valid only through 2021, cancelled.

#### **4. CONSULTANCY – the expenses on management consultancy services totalled PLN 2,870.2 thousand and were incurred primarily for:**

- Support in the development of the Bank's Strategy for 2021–2023;
- Report on assessment of the Bank's compliance with anti-money laundering and counter terrorism financing (AML/CTF) legislation;
- Optimisation of the process to implement the PFSA's AML recommendations;
- Support and guidance in developing the Group Recovery Plan;
- Implementation of the Road to the Cloud project – formulation of requirement specifications for cloud-based services, development of a vision for cloud computing adoption;
- Preparation of a taxonomy of ESG non-financial information for the Bank's financial statements and implementation workshops;
- Update of the price paths for Green Certificates and electricity, electricity price forecasts until 2035;
- Consultancy in anticipation of an ESG rating – Public Risk Rating and implementation of an ESG strategy;
- Review and audit of the Bank's interim and full-year financial statements;
- Continuous provision of tax advice;
- Bank employee satisfaction survey;
- Access to payroll reports, HR performance metrics and access to actuarial information;
- Banking sector pay ranking and salary benchmarking;

- Analysis of internal pay consistency and update of the remuneration scheme;
- Development of a new job position structure;
- Carrying out of a carbon footprint audit and delivery of a carbon footprint calculation report for 2020;
- Report on waste management in Poland;
- Validation of the cost-benefit allocation mechanism in the internal transfer pricing system in accordance with the guidelines and recommendations of the PFSA regarding management of the Bank's financial liquidity risk;
- Consultancy on implementation of changes to the NSFR calculation and reporting;
- Consultancy on implementation of the requirements laid down in CRR II regarding NSFR;
- Consultancy on independent appraisal of a portfolio of debt of housing communities the purchase of which is being considered by the Bank and services related to business development in green assets;
- Analytical work for implementation of a new intranet at the Bank.