

Sanctions and Financial Crime Countermeasures Policy

Document purpose and scope

The Policy sets out the criteria, roles, responsibilities and supervisory principles adopted by the Group to ensure compliance with national and international sanctions imposed by Poland, the UN, the EU, the USA and the UK. All employees are obliged to adhere to the Policy and report any potential compliance breaches relating to sanctions. The Policy defines:

- local and international sanctions programmes,
- sanctioned countries and territories,
- individuals, legal entities and other organisations subject to sanctions,
- restricted products and goods.

Which ESG-related issues does the Policy address?

The Group does not process financial transactions linked with individuals or entities subject to sanctions, nor with countries or territories listed in the sanctions policy. In circumstances defined by law, it may report sanctionable activities to competent authorities or implement restrictive measures. To ensure compliance with sanction requirements, the Group implements a range of measures:

- monitors sanctions programs, including the lists of sanctioned individuals and entities,
- applies a risk management and control programme to ensure compliance with financial crime prevention regulations,
- screens customers and their transactions for sanctions,
- incorporates sanction clauses into agreements with customers,
- trains all employees in sanction-related risks and assesses the effectiveness of such training, covering the scope of the Policy as well as associated procedures and guidelines, including controls and the process for reporting restricted activities,
- provides employees with the possibility to report irregularities anonymously via whistleblowing channels.

The highest management level responsible for the Policy

The sanctions compliance programme is based on the three lines of defence model as defined in the Bank's risk management framework. The Policy defines the responsibilities of individual organisational units and decision-making bodies. The Bank's Management Board ensures sanctions compliance, the implementation of the appropriate strategy and periodic reporting to the Supervisory Board. The latter is responsible for overseeing and monitoring the implementation of the internal management and control framework for sanctions.

Application across the Bank's subsidiaries

The Policy applies across the Group.