mBank S.A. Group Green Bond Framework

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Contents

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1. mBank Group

Set up in 1986, mBank Group is Poland's fifth largest universal banking group in terms of total assets and is ranked the same position by net loans and deposits (as of 31.03.2024). It employs 8,400 staff who work with around 5.7 million retail clients in Poland, Czech Republic and Slovakia and 35 thousand corporate clients. mBank's offer includes retail, SME, corporate and investment banking as well as other financial products and services such as leasing, factoring, brokerage, wealth management, investment funds, insurance, payment gateway and corporate finance.

For years mBank has been a synonym for innovative banking solutions. We were the first fully internet-based bank in Poland and today we set the direction of the mobile and online banking development. We are one of the strongest financial brands in Poland, listed on the Warsaw Stock Exchange since 1992. mBank's strategic shareholder is Germany's Commerzbank AG.

The detailed information on current shareholder structure is available at mBank's website: https://www.mbank.pl/en/investor-relations/shares/shareholders.html

Our approach to sustainability

Our role

As a financial institution, we have a particular responsibility and a key role to play in supporting global and local goals towards more sustainable future with climate change mitigation and adaptation as one of the priorities. We recognize the following main dimensions for banks in this respect: partnering and supporting clients in the green transition, mobilizing capital to sustainable economic activities and projects, and leading by example in environmentally and socially sustainable growth.

We aim to empower individuals, businesses, and communities to thrive economically but also contribute meaningfully to a sustainable world, based on ecosystems that satisfy human needs while also contributing to societal challenges. We want to remain one of the leaders of sustainable banking in Poland. We are aware of our share of responsibility for the climate, society, the financial health of our customers and compliance with our declared values.

Our commitments

Our efforts are guided by the objectives defined in the EU Action Plan for financing sustainable growth (EU Sustainable Finance Action Plan and the European Green Deal). Over the years, mBank has reaffirmed its commitment to a sustainable future by fulfilling Sustainable and ESG (Environmental, Social, Governance – ESG) regulations and actively participating in leading voluntary initiatives. We care about positive and lasting impact and we want to rely on recognized standards and scientific knowledge. By doing so, we draw strengths as a partner of important and well-known organizations and standards as: UN Sustainable Development Goals (SDGs), the United Nations Environment Programme Finance Initiative Principles for Responsible Banking (UNEP FI PRB), the UN Global Compact and the Science Based Targets initiative (SBTi) and Partnership for Carbon Accounting Financial (PCAF).

Reporting standards

mBank Group is also committed to the standards of public reporting. Our annual sustainability disclosures are presented in the Management Board Report on Performance of mBank S.A. Group, including the non-financial statement of mBank S.A. Group, and in the mBank Group ESG Report. Both reports are prepared in accordance with Global Reporting Initiative (GRI) standards.

The non-financial statement of mBank S.A. Group also addresses international guidelines and targets relevant to the Group's operations and the financial sector, such as the European Commission's guidelines on the reporting of non-financial information related to climate impact, the Sustainable Development Goals (SDGs). The report also includes the EU Taxonomy disclosures covering key performance indicators for environmentally sustainable operations of mBank Group.

The mBank Group ESG Report takes into account the guidelines contained in the Principles of Responsible Banking (PRB). The 2023 report is also our Communication on Progress report, as required by the UN Global Compact. We have also mapped the GRI indicators to the relevant UN Sustainable Development Goals (SDGs) based on the document 'Linking the SDGs and the GRI Standards' published by the Global Reporting Initiative.

The data contained in both reports are externally verified by an independent reviewer. The ESG report is available here:
https://www.mbank.pl/pdf/esg/esg-report-of-the-mbank-group-2023.pdf
The latest report on the independent attestation service is available on the mBank's investor relations website:
https://www.mbank.pl/en/investor-relations/, under the "Financial Results" tab.

In the course of subsequent works on annual disclosures, the Group's methodology will be updated on an ongoing basis and extended in terms of future reporting processes. In particular, we will incorporate into our reporting the changes resulting from the implementation of Directive 2022/2464i (Corporate Sustainability Reporting Directive, so-called "CSRD") to the national legal order, the publication of new regulations and guidelines of supervisory authorities.

From commitments to action

As ESG aspects constitute an integral part of our activity, they are reflected and embedded in mBank Group's business strategy for 2021-2025 entitled "From an icon of mobility, to an icon of possibility". At the mid-point of the strategy horizon, in December 2023, we revisited our goals and redefined them from the perspective of their further integration into our priorities, activity, risk and management processes.

We aim to:

- reduce to zero greenhouse gas emissions generated both directly by ourselves and indirectly by the credit portfolio we finance
- support sustainable growth with a focus on both financial and non-financial benefit of the society and our clients
- build credible relationships and strengthen the trust of our stakeholders by acting transparently and in line with ESG values

By 2025, we want to make progress with our ESG agenda and stand among our peer group. Following a transformative approach, mBank aims to be more than a financial institution. In addition to being a reliable partner in green transition for our clients, we will focus on sustainable finance, inclusive banking and own operations.

We have defined strategic directions of development in the coming years in three dimensions: environment, social, and governance. For each pillar, we have defined guiding principles, goals and key performance indicators.

Our actions for environment

Our role: We are actively partnering with our clients to lead the way in green and transition finance, simultaneously integrating sustainable practices into mBank's internal operations.

Strategic goal: Reducing greenhouse gas (GHG) emissions of our loan portfolio, steered by SBTi as the most prominent driver to become net-zero mBank will use Science Based Targets initiative methods to reduce the CO_2 emissions associated with its credit portfolio (scope 3 category 15). We plan to submit the motion with decarbonization targets by the end of September 2024. At least half of mBank Group's loan portfolio will be covered by SBTi. We aim at maintaining the carbon intensity of the Project Finance portfolio (energy production) at a nearly net-zero level, while detailed interim targets for other loan exposures will be set in the next step.

Key strategic targets and measures:

- transform our loan portfolio to reach net-zero emission level by 2050

Strategic goal: Partnering with our clients by offering products and services to stimulate their sustainable and green operations

We intend to finance sustainable development, responsibly guide our clients in their energy transformation and encourage them to implement ESG standards in their business activity. In the area of corporate and investment banking, we want to provide PLN 10 billion of green financing (for projects comprising renewable energy sources, circular economy, e-mobility and EU Taxonomy-eligible and aligned activities, implementation of the decarbonization strategy and similar purposes as well as in the form of Sustainability-Linked Loans (SLLs) and Green Loans)[1] by the end of 2025, including PLN 5 billion from mBank and PLN 5 billion from other sources such as consortia and green bond issuances arranged by mBank.

We intend to grant more housing loans collateralized by residential buildings that meet low carbon trajectory requirements. In particular, we target to increase the yearly sale of mortgage loans for real estate compliant with the "Nearly Zero Energy Building minus 10%" standard (eligible for Green Bond issuance) to 10% in 2023, 14% in 2024 and 18% in 2025 of total mBank's mortgage loan production. In parallel, we will actively promote investments that take into account ESG factors in order to expand their share in our clients' total assets under management. We want to achieve at least 50% of investment solutions managed within mBank Group to promote environmental or social characteristics (compliant with Article 8 of Sustainable Finance Disclosure Regulation) by 2025.

Moreover, we continue to encourage investors to allocate their capital into green assets. We will remain a regular issuer of green bonds, with a planned total volume of PLN 5 billion until 2025. The collected funds will be used to increase financing for the construction, renovation and purchase of residential buildings that meet low carbon eligibility criteria, subsequent renewable energy projects in Poland or other type of assets as defined further in this Framework.

Key strategic targets and measures:

- provide PLN 10 billion of green financing to corporate clients by the end of 2025
- increase the share of mortgage loans for real estate compliant with the NZEB-10% standard in total yearly sale of mortgage loans (by volume) to 18% in 2025
- offer in retail area at least 50% of investment solutions managed within mBank Group promoting environmental or social characteristics ("light green" in line with Article 8 of SFDR) by 2025
- issue green bonds worth PLN 5 billion till 2025

1 Transactions in line with generally recognised market standards (LMA, APLMA, and LSTA), inter alia Sustainability Linked Loan Principles or Green Loan Principles.

Strategic goal: Reducing own GHG emissions by decarbonizing our operations
We aim at using clean energy, with a minimum of 80% of the volume of electric energy purchased for the needs of the bank coming from renewable sources from 2023 onwards. We strive for electrification of our car fleet. We will define other dedicated actions, along with appropriate measurement, to achieve net zero in own banking operations in 2040 at the latest.

Key strategic targets and measures:

- become net zero in own operations by 2040

More information about mBank's ESG strategic goals, key targets and measures can be found in mBank Group's Strategy for 2021-2025: https://www.mbank.pl/pdf/relacje-inwestorskie/strategy-of-mbank-group-for-2021-2025en.pdf

Sustainability standards and key policies

All activities and business processes of mBank Group are conducted in compliance with the law, the recommendations and requirements of market regulators. The policies introduced in the Group ensure that environmental, social and labour matters are managed according to the highest standards. Appropriate regulations also guarantee respect for human rights and anti-corruption practice.

Credit policy for industries relevant to EU climate policy

In 2019, we introduced the Credit policy for industries relevant to EU climate policy which sets out the principles for identification and assessment of climate-related risks in highly emissive, energy-intensive industries and economic activities such as conventional power and heat production, coal mining and supportive activities (including manufacturers and suppliers of mining machinery, providers of ancillary services and coal traders), nuclear power production, shale gas exploration and processing, fuel transportation and trading. Following the annual policy review in 2023, the preferred areas of financing include projects supporting biodiversity and water management in energy-intensive industries, as well as targeted projects involving the construction of electric vehicle charging stations.

The Credit policy for industries relevant to EU climate policy explicitly excludes financing of entities operating in the mining sector. It also does not allow for general financing of entities engaged in coal-fired power generation of electricity and heating. According to the policy, targeted financing is allowed to existing clients only if the transition plan is provided. The targeted financing to new clients is limited to entities for which coal-derived energy/heat constitutes less than 30% of annual output and requires a decarbonisation plan. The policy does not provide for the possibility of financing nuclear power or the production, trade and disposal of radioactive materials (with the exception of the medical equipment and quality control equipment) and of financing entities whose core objective is shale gas exploration and production.

Policy for financing renewable energy sources (RES)

Taking into account the growing importance of energy security and the ongoing energy transition in Poland, mBank was one of the first banks to offer loans for wind energy. Having observed the rapidly growing role of photovoltaics, the offer was expanded to include this segment of the RES industry. According to the mBank S.A. Credit Policy on financing of Renewable Energy Sources (RES projects in project finance form), mBank earmarks PLN 6.4 billion for wind farms and photovoltaics (starting from PLN 0.5 billion in 2018, the amount was successively increased, the current level of the limit applies to 2024).

Year	2021	2022	2023
Projected capacity of large-scale RES projects (MW) financed by mBank	365.5	341.9	641.0

Policy on serving reputational risk-sensitive industries

mBank restricts the provision of services to companies in sectors that are considered socially controversial and violate the provisions of the “10 Principles of the UN Global Compact”. The Policy specifies industries that are not served by the bank, as well as those to which special rules of service apply. In line with this Policy, we do not establish relationships, among others, with entities which exploit valuable natural areas under protection (including the Arctic) or are otherwise engaged in gross violation of environmental regulations, operate based on child labour, forced labour or partake in other gross violations of human rights or are threatening the global cultural heritage.

Companies operating in the mining, power and construction industries, including the ones that mine coal or lignite, or extract crude oil and natural gas, undergo thorough scrutiny. Regardless of the sector, mBank does not establish business relationships with entities that operate in UN-sanctioned countries or with individuals or entities that engage in harmful tax competition.

The general exclusionary criteria in mBank’s policies from climate risk perspective are as follows:

Coal mining	We do not finance the construction of hard coal or lignite mines, the expansion of the production capacity of already existing mines and entities active in the extraction of coal or lignite.

Energy & heating	We do not provide general financing to existing or new clients: ▪ engaged in the generation of electricity or heat from coal and/or lignite, ▪ owning coal-fired power units, coal-fired power plants or developing coal-fired power generation (irrespective of the share of coal-fired power generation in total generation capacity, We do not provide targeted financing to new clients if: ▪ coal-derived energy/heat constitutes more than 30% of annual output, ▪ coal-derived energy/heat constitutes less than 30% of annual output and the entity has no documented transition or decarbonization plan to completely move away from coal within 5 years of the lending agreement, ▪ the financing is to support coal-related technology, ▪ the financing is targeted to maintenance, modernisation, expansion or other support of the operation of the coal-fired power industry (including suppliers of components/services/technology for this construction whose revenues from the coal-fired power industry exceed 30%). ▪ the share of electricity produced from coal hard coal or lignite is less than 30% of the generating capacity and the entity has no documented transition or decarbonization plan to move away from coal within 5 years of entering into a lending agreement, We do not finance: ▪ entities involved in the production or trade of radioactive materials (exception: medical equipment and quality control equipment) ▪ construction and development of nuclear power plants
Oil and other fossil fuels	We do not finance companies whose predominant activities are focused on shale gas exploration and extraction.
Other	We do not finance: ▪ entities which conduct activities aimed at the economic exploitation of environmentally valuable areas or areas under protection (including the Arctic) ▪ projects carried out in landscape parks, national parks, nature reserves, strict protection areas, Natura 2000 area, unless permits are extended and no protests from local community or press are recognised ▪ entities whose activities in other way grossly violate environmental protection regulations

mBank's sustainability standards, including key ESG policies, are available at its website: https://www.mbank.pl/en/about-us/corporate-social-responsibility/our-standards/

ESG management

The implementation of the ESG strategy is overseen by the Sustainable Development Committee of mBank Group S.A. ("Group Committee", Polish: Komitet Zrównoważonego Rozwoju – KZR). The Group Committee identifies the main directions of activities and proposes them to the Management Board, organises the ESG management system and supervises the course of initiatives in this area. The Group Committee issues decisions and recommendations regarding ESG policies and guidelines. Moreover, it coordinates the work of various organisational units and is a platform for dialogue on sustainable development.

The Group Committee has been established in 2020. It is chaired by the vice-president of the Management Board, Chief People and Regulatory Officer (CPR) who took this role over form the vice-president of the Management Board, Chief Risk Officer (CRO) in 2024. All members of the Management Board of mBank except for the President of the Management Board are members of the Group Committee with the voting right.

Strategic decisions concerning ESG in the Group are made by the Management Board of mBank S.A. They are preceded by consultations and arrangements with key stakeholders within the organisation. The reporting on ESG topics is provided to representatives of mBank's top management.

mBank's approach to ESG risks

mBank Group manages environmental, social and corporate governance risk on the basis of regulatory requirements and best market practices by developing risk management strategies, policies, and guidelines. This process is conducted at all levels of the organisational structure, starting at the levels of the Supervisory Board (including the Risk Committee of the Supervisory Board) and the bank's Management Board, through a specialised committe and organisational units responsible for risk identification, measurement, monitoring, control, and reduction, down to each business unit.

The management of environmental, social and corporate governance risks is defined in mBank Group's ESG Strategy. The strategic objective in line with its provisions, is to integrate ESG risks into mBank's risk management system. We will conduct an annual assessment of materiality of the ESG risks which we have identified. In 2023, we included ESG risks in the documentation of the Internal Capital Adequacy Assessment Process (ICAAP) and performed the first ESG risk materiality assessment.

Since 2021, we have carried out the analysis of ESG risk factors, as a mandatory part of our corporate client risk assessment process, in line with the recommendation of the European Banking Authority (EBA). We assess the ESG risks posed by a given client's business activity at the onboarding stage and then repeat it periodically. Clients applying for financing amounting to over PLN 8 million are assessed individually, while other corporate clients are assessed at the portfolio level, i.e. in terms of ESG risks specific to a given industry. The analysis is governed by SASB Standards, and relies on expert knowledge on climate risk in the Polish economy, and the employees' knowledge of the nature of the client's business activity.

In specific cases we expect our clients to carry out a legal or technical due diligence process.

The ESG assessment allows us to consciously build exposure, monitor the ESG profile of the loan portfolio and set directions of our clients' transformation more efficiently. It affects our Credit Policy, clients' access to financing and cost of loans offered to them. Where material ESG risks have been identified, their impacts should be reduced, mitigated or compensated accordingly. To support our clients, we offer them inter alia Sustainability-Linked Loans. In this case, our clients receive better financial conditions if they reach specified, measurable ESG goals within a predefined time limit. Where material ESG risks have been identified with insufficient or inadequate mitigants, mBank may decline to grant a loan.

More information on how mBank incorporates ESG factors in credit policies can be found here: https://www.mbank.pl/pdf/esg/standardy-esg-polityki-kredytowe-en.pdf or in the Management Board Report on Performance of mBank S.A. Group, chapter: Non-financial information / Key risk factors and risk management / Environmental, social and governance risks.

EU Taxonomy

Implementation of the EU Taxonomy in our processes (incl. credit granting), procedures and financial products is one of the objectives of mBank Group to fulfill the regulatory requirements. In striving to meet the goals of the EU Taxonomy, we adjust our credit process, the IT systems supporting it, as well as our control and reporting environment. In 2022, we introduced the EU Taxonomy as one of reference points when examining the environmental impact of banking products that we launch to the market, or modify. We assess their impact on ESG factors, and in the environmental area, we check how they can affect the objectives included in the EU Taxonomy. In 2024 we have introduced a process for flagging corporate banking exposures as Taxonomy-eligible and Taxonomy-aligned at the stage of granting financing.

mBank's ESG recognition

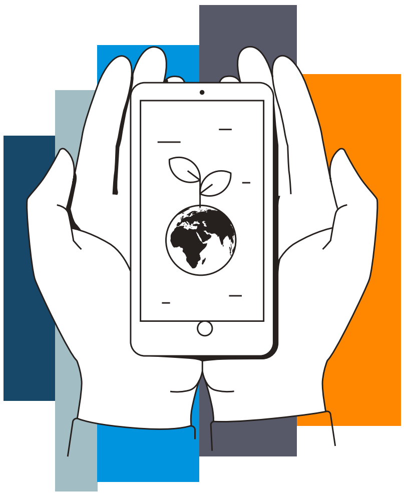
We are positively reviewed by independent rating agencies with regard to ESG standards at mBank Group. In 2024, we received an update to our ESG Risk Rating from Morningstar Sustainalytics[2], indicating the low risk of both our exposure to industry-specific material ESG risks and the way mBank Group is managing those risks. Our resilience to long-term, industry material environmental, social and governance (ESG) risks was also rated by MSCI[3] in 2024. Since 2021 mBank has been among the selected group of companies included in the Bloomberg Gender Equality Index[4] that recognizes publicly listed companies for active support to equal opportunities in the work environment.

2 http://www.sustainalytics.com/corporate-solutions/esg-solutions/esg-risk-ratings
3 https://www.msci.com/our-solutions/esg-investing/esg-ratings
4 https://www.bloomberg.com/gei/about/

Additionally, in 2023, the CDP organisation rated our environmental disclosures and performance at C on a scale of A to F. We hope to improve this outcome through the actions taken as part of the transition plan currently under development and other preparations to meet the requirements of the CSRD/ESRS. It is worth noting that mBank Group is subject to CDP assessment on domestic level, whereas in the case of many other banks operating in Poland, the assessment often covers the entire international group.

Up-to-date list and description of our ratings and mBank's ESG achievements is available at our website: https://www.mbank.pl/en/about-us/corporate-social-responsibility/our-achievements/.

2. mBank S.A. Group Green Bond Framework



mBank Group believes that Green Bonds are an effective tool to channel funds to projects that have demonstrated clear environmental benefits and contribute to the achievement of the UN Sustainable Development Goals (UN SDGs). By issuing Green Bonds, mBank Group intends to align its funding strategy with ESG goals set in the Strategy to support clients in the green transition and mobilize capital to sustainable economic activities and projects.

In addition, mBank Group aims to contribute to the development of the green bond market in Poland. mBank S.A. had already placed its first Green Bond with a volume of EUR 500 million in 2021 to refinance energy-efficient residential real estate. In 2023, mBank followed up with a Green Bond issuance of EUR 750 million with proceeds allocated into renewable energy projects or energy-efficient buildings.

mBank Group has updated this mBank S.A. Group Green Bond Framework ("Framework") that will hereafter serve as a reference document for all future issuance of debt instruments ("Green Bonds"). The proceeds or an equivalent amount will exclusively finance and re-finance, in part or in full, eligible assets ("Eligible Assets Portfolio"), defined, selected and reported in accordance with this Framework. This Framework supersedes the prior version published in February 2022 and the original version published in May 2020, to be aligned with the best market practices, evolving investor expectations and also to reflect the updated mBank Group's Strategy. Assets selected under previous versions of the Framework may remain part of the Eligible Assets Portfolio until maturity of Green Bond to which these assets can be allocated.

The current version of the Framework as well as its previous versions are available on mBank's website: https://www.mbank.pl/en/investor-relations/ratings-debt-instruments/green-bonds/

This Framework is aligned with the ICMA Green Bond Principles (ICMA GBP), published in June 2021 (with June 2022 Appendix 1)[5]. The ICMA GBP are voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the green bond market by clarifying the approach for issuance of a green bond. In alignment with these, our Framework is based on the following core components and key recommendations:

5 https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/

Core components:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting

Key recommendations (for heightened transparency):

- Bond Frameworks
- External Reviews

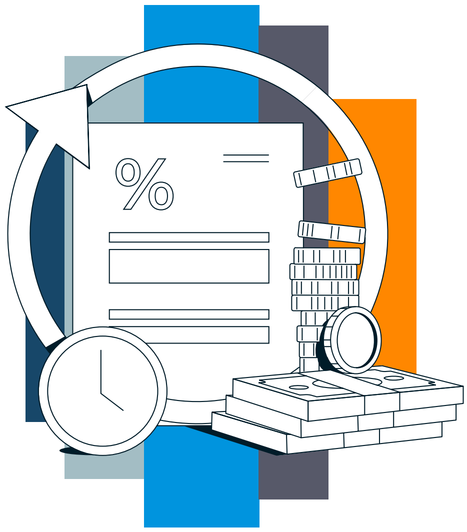
In addition, for Green Bonds that will be certified by Climate Bonds Initiative ("CBI"), the alignment with the Climate Bonds Initiative Standard (version 4 or newer)[6] will be assured.

The Framework may be further updated and amended occasionally to reflect market developments, including amendments to the ICMA GBP, changes to the Climate Bonds Standard or relevant environmental taxonomies and standards, with the aim of adapting to, and aligning with the best market practices. Substantial amendments to the Framework shall be subject to an updated Second Party Opinion.

This Framework will apply to any kind of "Standard green use of proceed bonds" or "Secured green standard bonds" as defined in the ICMA GBP, issued by mBank S.A. and/or its subsidiaries. In particular, it applies to the covered bonds ("Green Covered Bonds") issued by mBank Hipoteczny S.A., the mortgage bank subsidiary of mBank S.A. It may also be used to govern other green financing for which the use of proceeds is intended for an Eligible Assets Portfolio, compliant with selection criteria ("Eligibility Criteria") defined in accordance with this Framework.

6 https://www.climatebonds.net/standard/the-standard

3. Use of proceeds



mBank Group intends to allocate the proceeds of the Green Bonds issued under this Framework to new and/or existing projects (project financing) or other type of lending to clients[7] whose business activities or financed assets are identified to have a clear positive environmental impact, especially positively contribute to climate change mitigation or adaptation, natural resource conservation, biodiversity conservation, and pollution prevention and control and that meet the selection criteria set out in this Framework ("Eligibility Criteria").

The underlying Eligible Categories for the use of proceeds and the corresponding Eligibility Criteria are described below. In developing the Eligibility Criteria, mBank Group took into account the following reference documents:

- The ICMA Green Bond Principles
- The EU Taxonomy for Sustainable Activities[8]
- where possible, Eligibility Criteria have been designed to comply with the Technical Screening Criteria as set out in the EU Taxonomy Delegated Act at the time of publication of this Framework
- The United Nations Sustainable Development Goals (SDGs)[9]
- Climate Bonds Taxonomy and Climate Bonds Standard Sector Criteria (applicable for Green Bonds that will be certified by Climate Bonds Initiative)[10]

Additionally, in case of refinancing of Eligible Assets a **look-back period of maximum 3 years** from issuance date of the Green Bond[11] will be applied.

The list of Eligible Assets may be extended to other sectors and categories with clear environmental benefits, subject to update of this Framework and Second Party Opinion.

7 Defined as the financing for the acquisition of any asset or a right to use any asset (including, without limitation, loans, renting, leasing, and operating leases), among those described in the Eligible Categories.
8 https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/eu-taxonomy-sustainable-activities_en#why
9 https://www.undp.org/sustainable-development-goals
10 https://www.climatebonds.net/standard/sector-criteria
11 The first disbursement of the refinanced loan can be no earlier than 3 years before the settlement date of the green bond.

A. Green buildings

	Supported EU Environmental Objective(s)	UN SDGs Alignment	CBI Taxonomy
Green Buildings	(1) climate change mitigation: (b) improving energy efficiency		

Eligible assets (Section 7.1, 7.2, 7.3, 7.4, 7.5, 7.6 and 7.7 of the Annex I EU Taxonomy): development, construction, renovation and acquisition, maintenance, refurbishment of buildings that meet one of the following eligibility criteria within each category:

a. Residential real estate:

- New or existing residential buildings built after December 31st, 2020, complying with 10%-reduction in Primary Energy Demand (PED) of Nearly-Zero-Energy-Building (NZEB) Standard in Poland, based on Energy Performance of Buildings Directive (EBPD), implemented in Technical Condition 2021 (TC 2021)[12].
- Existing residential buildings built before December 31st, 2020, with minimum EPC level A or representing the TOP 15% low carbon buildings in Poland (best-in-class approach)[13].
- Refurbished existing residential buildings with a reduction of the primary energy demand (PED) of at least 30% against the building's energy performance before the renovation.
- Refurbished existing buildings or renovations designed to fulfill the cost-optimal minimum energy performance requirements in accordance with the Energy Performance of Buildings Directive (EBPD). Requirements for primary energy demand as referenced in TC 2014 and cost optimum report for Poland.
- New residential buildings complying with Technical Condition 2017 (TC 2017) or newer by year of construction or by Energy Performance Certificate are automatically eligible for qualification for green bonds where the mid-point of the bond term is no later than 2025, based on Climate Bonds Initiative (CBI's) Buildings Eligibility Criteria[14] in compliance with CBI's established residential market proxy for Poland[15]. The required technical conditions are subject to change, based on year of bond issuance, bond duration and is mandatory to comply with established 2050 zero-carbon linear trajectories for single-family or multi-family houses in compliance with CBI's criteria for low carbon buildings.
- New or existing residential buildings complying with year of construction 2017 or newer, depending on year of bond issuance and bond duration, based on CBI's Buildings Criteria in compliance with CBI's established residential market proxy for Poland.
- Refurbished existing residential buildings with an improved PED of at least 30%, based on data from EPC before and after the retrofit, depending on each bond term.

More detailed requirements apply and are going to be listed on the website of mBank Hipoteczny[16].

12 For buildings larger than 5000 m2 (1) the building upon completion undergoes testing for air-tightness and thermal integrity, and any deviation in the levels of performance set at the design stage or defects in the building envelope are disclosed to investors and clients (2) the life-cycle Global Warming Potential (GWP) of the building has to be calculated for each stage in the life cycle and is disclosed to investors and clients on demand.
13 The detailed parameters for buildings fulfilling the TOP 15% are provided in investor presentation for particular green bond series.
14 For green bonds issued after disclosure of this Framework update the Buildings Eligibility Criteria version 2.1 apply as published here: https://www.climatebonds.net/files/files/sector-criteria-buildings-criteria-v2-1-dec2023.pdf. For outstanding green bonds the eligibility criteria defined as of their issue date will be applied.
15 https://www.climatebonds.net/files/files/Residential%20Proxy%20Poland%281%29.pdf
16 https://mhipoteczny.pl/en/

b. Commercial real estate, such as office, retail, logistics and other buildings[17]:

- New or existing buildings built after December 31st, 2020, complying with 10% reduction in Primary Energy Demand (PED) of Nearly-Zero-Energy-Building (NZEB) Standard in Poland, based on Energy Performance of Buildings Directive (EBPD), implemented in Technical Condition 2021 (TC 2021)[18].
- Existing buildings built before December 31st, 2020, with minimum EPC level A or representing the TOP 15% low carbon buildings in Poland (best-in-class approach)[19].
- Refurbished existing buildings with primary energy savings of at least 30% against the PED before the renovation.
- Refurbished existing buildings or renovations designed to fulfill the cost-optimal minimum energy performance requirements in accordance with the Energy Performance of Buildings Directive (EBPD). Requirements for primary energy demand as referenced in TC 2014 and cost optimum report for Poland.
- New or existing commercial buildings compliant with CBI's Buildings Eligibility Criteria version 2.1[20].
- New, existing and refurbished commercial buildings which received at least one of the following certifications: LEED® "Gold" and above together with 30% improvement above the levels in ASHRAE 90.1.[21], BREEAM "Excellent" and above (where "Very good" can be acceptable with a minimum score of 70% in the Energy category), HQE "Excellent" and above, DGNB® "Gold" and above.

Under green buildings category are also qualified as eligible assets financings targeted towards improvements of building energy efficiency, including:

- Installation, maintenance and repair of renewable energy technologies and the ancillary technical equipment, including (but not limited to): solar photovoltaic systems, solar hot water panels, heat pumps, solar transpired collectors, thermal or electric energy storage and heat exchanger/recovery systems;
- Installation, maintenance and repair of energy efficiency equipment[22], for example: addition of insulation to existing envelope components, such as external walls, roofs, lofts, basements and ground floors, replacement of existing windows and external doors with new energy efficient solutions, installation and replacement of energy efficient light sources, installation, replacement, maintenance and repair of heating, ventilation and air-conditioning (HVAC) and water heating systems, including equipment related to district heating services, with highly efficient technologies;
- Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings, for example: zoned thermostats, smart thermostat systems and sensing equipment (including motion and day light control), building automation and control systems, building energy management systems (BEMS), lighting control systems and energy management systems (EMS), smart meters for heat, cooling and electricity.

17 Commercial buildings designed or intended for controversial activities with harmful social or environmental impacts (including tobacco, weapons, gambling), as well as industrial facilities used for extraction, storage, transportation or manufacture of fossil fuels are excluded from financing with green bond proceeds.

18 For buildings larger than 5000 m2 (1) the building upon completion undergoes testing for air-tightness and thermal integrity, and any deviation in the levels of performance set at the design stage or defects in the building envelope are disclosed to investors and clients (2) the life-cycle Global Warming Potential (GWP) of the building has to be calculated for each stage in the life cycle and is disclosed to investors and clients on demand.

19 The detailed parameters for commercial buildings fulfilling the TOP 15% criterium are provided in investor presentation for particular green bond series.

20 https://www.climatebonds.net/files/files/sector-criteria-buildings-criteria-v2-1-dec2023.pdf

21 6 years limit on bond tenor. Date of LEED certification must be within 5 years before bond issuance. Threshold is subject to change to comply with Climate Bonds Initiative's Criteria.

22 Provided that these renovation measures comply with minimum requirements set for individual components and systems in the applicable national measures implementing Directive 2010/31/EU and, where applicable, are rated in the highest two populated classes of energy efficiency in accordance with Regulation (EU) 2017/1369 and delegated acts adopted under that Regulation

B. Renewable energy

	Supported EU Environmental Objective(s)	UN SDGs Alignment	CBI Taxonomy
Renewable energy	(1) climate change mitigation: (a) generating, storing or using renewable energy or climate-neutral energy (including carbon-neutral energy), including through using innovative technology with a potential for significant future savings or through necessary reinforcement of the grid		

Eligible assets (Section 3.1, 3.3, 3.4, 3.5, 4.1, 4.2, 4.3, 4.5, 4.15, 4.16, 4.17, 4.25 of the Annex I EU Taxonomy): development, acquisition, maintenance and operations of renewable energy sources, understood as i.e. production of energy from renewable sources, manufacturing of equipment/appliances, development, expansions and maintenance of infrastructure, technology and processes related to smart grids[23], battery energy storage and district heating[24], connection of renewable energy production units to the electricity grid, transportation through the network (where the mix of renewable energy supported or integrated in the grid is not less than 90%).

Specific eligibility criteria comprise in particular energy generation and equipment manufacturing for:

- Onshore and offshore wind energy,
- Solar energy, including photovoltaic and concentrated solar heat and power generation projects (provided that 85% or more of the electricity production comes from solar energy sources),
- New hydropower plants if they meet one of the following: (i) life-cycle carbon emissions intensity below 50 gCO_2e/kWh, (ii) power density above 10 W/m2[25] or (iii) run-of-river without artificial reservoir, as well as the refurbishment or refinancing of existing hydropower plants provided that such plants meet one of the criterion for new hydropower plants and such refurbishment does not result in an increase in the size of the water reservoir,

provided a complete environmental and social impact assessment of these projects has been carried out (identified risk must be reasonably mitigated).

23 Smart grids are technologies/projects designed to improve grid efficiency, connect renewable sources and enable demand side response such as smart meters, IT systems supporting network control, sensors, measurement and control tools.

24 For district heating projects limited to distribution, the share of renewables must be at least 50%, as per the Energy Efficiency Directive 2012/27/EU. For projects involving heat/cool generation, 100% generation has to come from renewable, industrial waste heat or both (excluding waste heat from fossil fuel production and operations).

25 For hydropower facilities commencing operation in 2020 and after.

C. Clean transportation

	Supported EU Environmental Objective	UN SDGs Alignment	CBI Taxonomy
Clean Transportation	(1) climate change mitigation: (c) increasing clean or climate-neutral mobility	11 SUSTAINABLE CITIES AND COMMUNITIES	TRANSPORT

Eligible assets (Section 6.1, 6.3, 6.4, 6.5, 6.13, 6.14 and 6.15 of the Annex I EU Taxonomy):
development, manufacture and upgrade, acquisition, maintenance, operation and/or leasing of:

- passenger cars and commercial vehicles[26] – private and light commercial vehicles which transport private passengers along, as well as key components for such vehicles:
  - I. zero direct emissions transport along with key components, for example: manufacturing and bank's leasing of electric vehicles, manufacturing of batteries used in electric cars (i.e. high-density lithium-ion batteries);
  - II. other hybrid passenger and light commercial vehicles, for example: manufacturing and bank's leasing of hybrid vehicles, provided that hybrid vehicles with emissions of less than 50 gCO2/pkm (based on laboratory tests WLTP) may be eligible until 2025[27], thereafter they will not be eligible under this Framework;
- public passenger transport by road – buses (urban) and coaches (interurban) transporting public passengers along with key components for such vehicles:
  - I. zero direct emissions buses or coaches along with key components, for example: manufacturing and bank's leasing of electric buses or similar vehicles, manufacturing of batteries used in electric buses and coaches (i.e. high-density lithium-ion batteries);
  - II. other hybrid buses and coaches, for example: manufacturing and bank's leasing of hybrid buses, provided that vehicles with emissions of less than 50 gCO2/pkm (based on laboratory tests WLTP) may be eligible until 2025[28], thereafter they will not be eligible under this Framework;
- passenger rail transport rolling stock – rolling stock for the purpose of transporting public passengers:
  - I. zero direct emissions urban rail transit rolling stock, for example: manufacturing of electrified metro rolling stock, leasing of tramway carriages;
  - II. zero direct emissions rail rolling stock, such as manufacturing of electrified passenger rail rolling stock, leasing of passenger rail carriages;
- rail transport networks – zero direct emissions rail, passenger rail networks that meet a universal direct emissions threshold of 50 g CO2e/pkm or 80.47 gCO2/pmi, freight rail that meets a universal direct emissions threshold of 25 g CO2e/tkm or 40.23 gCO2/tmi and supporting infrastructure for the purpose of transporting passengers, goods[29], or a mixture of both, for example: construction of metro or tramway lines;
- infrastructure for low carbon transport – supporting infrastructure and logistics that link directly to one or more mode of transport, physical asset or activity, or facilities that improve the performance of supporting systems:
  - I. construction of public walking and cycling infrastructure; cycling schemes;

26 Excluding vehicles that are used for the purpose of transportation of fossil fuels
27 For passenger transport, the thresholds aligned with the EU taxonomy on sustainable finance are set at 50g CO2 per p-km in 2020 and valid until 2025, at which point only zero emissions vehicles (0g CO2 per p-km) will be eligible.
28 For passenger transport, the thresholds aligned with the EU taxonomy on sustainable finance are set at 50g CO2 per p-km in 2020 and valid until 2025, at which point only zero emissions vehicles (0g CO2 per p-km) will be eligible.
29 Transportation of fossil fuels is excluded from financing under this Framework

II. dedicated electric vehicles charging and hydrogen fueling stations (when separable from fossil fuel filling stations and garages);

III. construction and development, purchase, and/or operation of dedicated infrastructure for eligible rolling stock, railway lines and networks, for example: train and bus stations, traction maintenance depots, motive power depots for electric rolling stock, backup electricity generators.

D. Electricity transmission, distribution and storage

	Supported EU Environmental Objective	UN SDGs Alignment	CBI Taxonomy
Electricity Transmission, Distribution and Storage	(1) climate change mitigation: (b) improving energy efficiency	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	GRIDS & STORAGE

Eligible assets (Section 4.9 and 4.10 of the Annex I EU Taxonomy): assets and projects defined as:

- Transmission and distribution networks:
  - I. construction, upgrade and/or operation of 100% dedicated infrastructure directly connecting, or expanding an existing direct connection, between a power generation facility (wind energy or solar energy that meets the requirements of the relevant EU Taxonomy or Climate Bonds Standard Sector Criteria) and a substation or network, this infrastructure may include: overhead lines (conductors and insulators) and pylons, transformers, reactors and substations, underground cables, circuit breakers and switchgear;
  - II. manufacturing, installation, leasing and/or operation of equipment and infrastructure for which the main objective is an increase in generation or use of renewable energy, for example: the installation of technology that reduces the curtailment of renewable energy or increases its capacity factor in the energy system merit order;
- Electricity Storage facilities: construction, upgrade and/or operation of wholly dedicated battery facilities serving a power generation facility (wind energy or solar energy) that meets the requirements of the relevant EU Taxonomy or Climate Bonds Standard Sector Criteria;
- Dedicated supporting infrastructure to eligible transmission and distribution and storage assets and activities, for example:
  - I. operation of labour force and equipment for installing or maintaining upkeep and operation of eligible transmission and distribution, storage infrastructure manufacturing,
  - II. operation and/or leasing of vehicles which monitor performance of the assets and allow maintenance work to be done,
  - III. construction, leasing and operation of buildings which house maintenance equipment, dedicated staff or vehicles,

provided a complete climate risk and resilience assessment of these projects has been carried out according to Climate Bond Initiative Sector Criteria (identified risk must be reasonably mitigated).

E. Waste management

	Supported EU Environmental Objective	UN SDGs Alignment	CBI Taxonomy
Waste Management	(1) climate change mitigation: (d) switching to the use of sustainably sourced renewable materials	11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	WASTE

Eligible projects (section 5.3, 5.4, 5.5 and 5.9 of of Annex I of the EU Taxonomy): municipal waste collection, including wastewater treatment[30]; sorting and treatment activities, for which the final objective is the recycling[31] or reuse of waste; mechanical recycling (conversion through reuse or recycling of non-hazardous waste into another raw material for use, mainly energy) with conversion ratios of more than 50%; waste-to-energy plants are only eligible when plastics, metals and other recyclables are segregated from the feedstock.

30 Treatment of wastewater from fossil fuel operations is excluded.

31 For projects aimed at recycling electronic waste, there must be an E&S risk mitigation assessment to avoid health impact and leakages of toxic substances into surrounding environment. Vehicles' collection should meet Clean Transportation criteria defined in this Framework.

4. Process for project evaluation and selection

In order to ensure the alignment of the Eligible Assets to the criteria set out in this Framework, mBank Group have developed the following governance and processes:

Sustainable Development Committee of mBank Group S.A.

mBank Group had established a Sustainable Development Committee of mBank Group ("Group Committee", Polish: Komitet Zrównoważonego Rozwoju – KZR) that currently comprises of the following members of the Management Board:

- Chief People and Regulatory Officer (CPR) (as chairperson),
- Chief Risk Officer (CRO),
- Chief Financial Officer (CFO),
- Head of Corporate and Investment Banking,
- Head of Retail Banking,
- Head of Operations and IT,

that are supported (without voting right) by:

- Chief Sustainability Officer,
- Chief Environmental Risk Officer,
- Director responsible for Sustainable Development Reporting,
- Chairpersons of the Sustainable Development Committees established at the issuing entities/subsidiaries of mBank Group,
- experts whose participation is necessary due to the issues discussed.

The Group Committee is responsible for the updated content of this Framework as well as for the implementation and monitoring of the processes in place that it governs. In particular, the Group Committee ensures compliance of the issuances of Green Bonds with best market practices on a best effort basis and is responsible for constant monitoring of potential future changes in this area.

The role of the Group Committee is also to provide a platform for dialogue with key stakeholders within the mBank Group on matters related to this Framework, including, but not limited to:

- the Green Bond issuances under this Framework,
- the origination of Eligible Assets and monitoring of the Eligible Assets Portfolio volumes,
- the adequate governance procedures,
- the current reporting requirements.

In managing any further updates to this Framework, including amendment of the Eligibility Criteria or the list of Eligible Assets categories, the Group Committee may rely on and/or be supported by external parties and their relevant data sources, specifically in the process of eligible assets identification and evaluation, including assessment of non-financial impact. The Group Committee is also responsible for addressing any remarks to the Framework obtained from the Second Party Opinion (SPO) provider during the annual or other reviews.

The Group Committee coordinates consistent application of this Framework by all issuing entities within mBank Group. For mBank Group's parent entity, mBank S.A., the Group Committee will take the responsibilities of a local Sustainable Development Committee, as defined below.

Sustainable Development Committees of issuing entities

Each issuing entity of mBank Group had established a dedicated Sustainable Development Committee ("Committee") to govern its activity under this Framework, specifically in terms of Eligible Asset identification, evaluation and selection, management of proceeds, and reporting. In particular, given the organizational and regulatory environment, a separate Sustainable Development Committee for mBank Hipoteczny was established at mBank Hipoteczny.

The Committee of issuing entity consists of at least representatives of Treasury, Risk, ESG & Sustainable Finance, Assets origination and/or management areas, or others that the issuing entity may consider relevant.

The Committee's responsibilities are to:
- accept the Eligibility Criteria for a particular Eligible Assets' category,
- ensure Eligible Assets identification and selection in line with the provisions of this Framework,
- assure the implementation of relevant risk management procedures for ESG risk mitigation related to Eligible Assets,
- around the time of issuance of a new green bond series – review and approve the allocation structure and the list of Eligible Assets identified on the entity's balance sheet that will be used for the allocation under this new green bond,
- monitor the Eligible Assets Portfolio to identify volume of unallocated Eligible Assets available for use for any potential new green bond,
- ensure active management of proceeds,
- review the allocated Eligible Assets to ensure that they remain in line with the Eligibility Criteria of this Framework and confirm allocation of proceeds in accordance with this Framework at least on an annual basis,
- review and approve the annual report on the allocation and impact of the Eligible Assets,
- report to the Group Committee of any relevant development on the items covered above, including information on proceeds' allocation and potential threats to the planned allocation in case of shortage of Eligible Assets,
- submit proposed changes of the Eligibility Criteria to the Group Committee.

Matters outside the scope of issuing entity shall be ruled and managed by the Group Committee.

Selection Process

Assets financed and/or refinanced through Green Bond's proceeds are evaluated and selected based on compliance with the Eligibility Criteria, outlined in Section 4. "Use of proceeds".

mBank Group ensures that selected assets that become part of the Eligible Assets Portfolio, comply with our internal regulations, aiming for alignment with domestic and international ESG standards, laws and regulations. **Only projects that comply with our credit process and our policies, in particular Sustainability Standards[32] and exclusionary criteria obeyed at mBank Group, enlisted in Section 2. "Our approach to sustainability", are subject to further analysis from the perspective of Eligibility Criteria**. In case of projects with partial eligibility, the exact Eligible Assets' amount for the applicable components shall be decided by the Sustainable Development Committee.

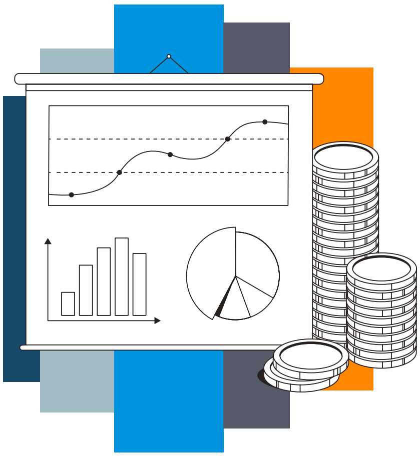
The eligible projects will be assessed from the perspective of their environmental and social impact as well as potential controversies, taking into account evolving regulatory environment, best practices and data availability.

Any amendments to the Eligibility Criteria will not apply to Green Bonds issued prior to the date of decision on change.

The Eligible Assets portfolio is monitored and reviewed at least annually, based on the internal reports presented to the Committee by the entities responsible for these assets/projects in their origination areas. Internal departments shall provide the Committee with comprehensive information to take a decision on approval of the Eligible Assets Portfolio and confirmation of its alignment with the Eligibility Criteria. In specific cases, when internal expertise may be not sufficient, assets' evaluation and selection may be supported by an external expert review.

32 https://www.mbank.pl/en/about-us/corporate-social-responsibility/our-standards/

5. Management of proceeds



mBank Group will manage proceeds from Green Bonds issued under this Framework according to a portfolio approach. Green Bonds' proceeds will be allocated to the Eligible Assets Portfolio based on the Eligibility Criteria and in compliance with the selection and evaluation process described in Section 5. "Process for project evaluation and selection".

mBank Group intends to ensure allocation of an amount equivalent to the Green Bonds' proceeds into the Eligible Assets Portfolio to the extent matching or exceeding these proceeds unless the applied standard allows for flexibility pocket. In case of CBI certified green bonds, at least 95% of the net proceeds of green bond must be allocated to projects and assets that meet the CBI's Sector Criteria. For any part of the net proceeds that finance projects and assets not fully compliant with the Sector Criteria requirements (up to 5%), detailed disclosures must be provided.

The allocation of proceeds from the issuance of Green Bonds will be finalized within the following 24 months after the Green Bond issuance date.

For each issuing entity, upon settlement of a green bond, the net proceeds will be credited to the entity's treasury account and incorporated into its general liquidity pool. The issuing entity keeps track of Eligible Assets allocated to all outstanding green bonds by earmarking them in internal information systems. This Allocated Assets Portfolio will be a subset of that entity's total Eligible Assets portfolio (i.e., all Eligible Assets identified on that entity's balance sheet). In particular, mBank Hipoteczny runs a cover pool (register of cover assets), based on which assets' eligibility will be monitored and reported.

Prior to the issuance of a new Green Bond, the Committee makes decisions on the intended allocation structure (financing/refinancing and Eligible Assets categories) and accepts the initial list of Eligible Assets that will be used for the allocation under the new Green Bond. The Committee decides on the addition or removal of contracts from the Eligible Assets Portfolio or the Allocated Assets Portfolio for business reasons, i.e. in the event of a decision to move part of the portfolio to mBank Hipoteczny, or a decision to withdraw from or enter into a particular business area and asset type.

The operational management of proceeds is further delegated to the Treasury area in cooperation with relevant business units responsible for Eligible assets origination and/or management. Their tasks include: qualification of new Eligible Assets compliant with Eligibility Criteria to the Allocated portfolio until full allocation of proceeds and replenishment of assets that are defaulted or terminated prior to the maturity of a Green Bond or otherwise lost eligibility. Replacement of the allocated amount with new Eligible Assets should take place as soon as reasonably practicable.

The balance of proceeds unallocated to the Eligible Assets Portfolio will be integrated into the treasury's liquidity reserve and invested on a temporary basis, in cash and/or cash equivalent and/or short-term liquid instruments. In particular, pending allocation or reallocation, mBank Hipoteczny will hold and/or invest any unallocated Green Covered Bond net proceeds at its own discretion, in its liquidity portfolio in money market instruments described under the legally binding Act of 29 August 1997 on Covered Bonds and Mortgage Banks.

mBank Group intends not to use the unallocated proceeds to finance GHG intensive projects, any projects which are inconsistent with the delivery of a low carbon and climate resilient economy nor controversial activities.

6. Reporting

All issuing entities within mBank Group are committed to report on any Green Bonds issued under this Framework in line with best market practice, including both allocation and impact reporting annually, until full allocation of the proceeds or in case of material changes.
In particular, mBank Hipoteczny will provide investors with separate reporting on outstanding Green Covered Bonds, governed by the rules described below.

The Committee of each issuing entity will be responsible for creating and publishing an annual report. The report shall comprise summarized information concerning Eligible Assets portfolio and all outstanding Green Bonds issued by the relevant issuing entity, as well as for each Green Bond separately the information on the allocation of proceeds and on the impact of the portfolio of assigned assets. The portfolio level disclosure results from confidentiality considerations and portfolio granularity.

The first Allocation Report shall be disclosed within a year from the issuance of the applicable Green Bonds at the latest, whereas subsequent annual reports shall be published regularly at a set date each year. After full allocation, a final Allocation Report shall be published, subject to external verification, and publicly available until maturity of all Green Bonds issued by the entity.

Specifically, for CBI certified Green Bonds, an annual report must be submitted within 12 to 24 months from the date of issuance of the debt instrument until its maturity to reaffirm conformance with the Climate Bonds Standard and to maintain certification. Any Post-Issuance Verification Report by an approved external verifier in any year is deemed to satisfy the CBI's requirement to submit an Update Report for that year. According to the Climate Bonds Standard, the Update Report shall contain allocation and impact reporting, as well as the confirmation that the allocated projects and assets are eligible under the relevant CBI's Sector Criteria.

Each issuing entity within mBank Group intends to provide annual reporting on Green Bonds in accordance with the approach described in ICMA's "Handbook – Harmonized Framework for Impact Reporting (June 2024)" or more up-to-date recommendations when applicable.

The allocation and impact reports will be made available on mBank's website at:
https://www.mbank.pl/en/investor-relations/ratings-debt-instruments/
For mBank Hipoteczny's Green Covered Bonds the relevant report will be published at: https://mhipoteczny.pl/en/investor-relations/green-covered-bonds/

Allocation reporting

The allocation report shall include the following information:

- the notional amount and maturities of the outstanding Green Bond Issues;
- the total amount of proceeds allocated to eligible assets/projects, and, where possible and relevant, divided into categories (e.g. residential or commercial buildings, wind, solar or water energy under renewable energy financing), number of projects, project status (working, under construction) and location. In case of projects where only a portion of financing is eligible, only the eligible financing amount will be reported;
- the year of allocation of the proceeds to the Eligible Assets Portfolio (representing seasoning of the portfolio) and overview of changes in the portfolio compared to the previous report (new Eligible Assets added to the Portfolio, removed assets due to repayment of underlying loans, projects' termination, non-eligibility decision and others);
- the amount or percentage of new financing and refinancing;
- the balance of unallocated proceeds (if any).

Additionally, when appropriate and subject to confidentiality obligations, the issuing entity of mBank Group may provide specific examples of eligible assets refinanced through the proceeds of the Green Bonds.

Impact Reporting

The impact report shall include information on the environmental impact of the Eligible Assets Portfolio as per each category of allocated assets, subject to the availability of information. Applied methodology may be described if necessary.

The impact report shall comprise aggregated results including only pro-rated share as percentage of mBank Group entity's financing of the total projects' results. Where applicable and feasible, the report may be supplemented with estimated lifetime results and/or project economic life.

The following indicators represent examples of impact indicator's disclosure which an issuing entity intends to use on the category level. This list should be considered non-exhaustive. These metrics may be updated or additional metrics may be provided in the future.

Eligible Assets Category	Potential Impact Indicators
Green Buildings (Residential and Commercial Real Estate)	▪ Estimated annual energy savings in MWh/GWh (electricity)/year ▪ Estimated annual GHG emissions reduced or avoided in tons of CO_2e
Renewable Energy	▪ Annual energy production from renewable sources in MWh ▪ Additional capacity of renewable energy plant(s) constructed or rehabilitated in MW ▪ Estimated annual GHG emissions reduced or avoided in tonnes of CO_2e/year

Eligible Assets Category	Potential Impact Indicators
Clean Transport	▪ Estimated annual GHG emissions reduced or avoided in tonnes of CO_2e/year ▪ Passenger-kilometres (i.e. the transport of one passenger over one kilometre) and/or passengers; or tonne-kilometres (i.e. the transport of one tonne over one kilometre) and/or tons ▪ Number of electric vehicle charging stations installed
Energy Efficiency	▪ Estimated annual energy savings in MWh/GWh (electricity) and GJ/TJ (other energy savings)/year ▪ Estimated annual GHG emissions reduced or avoided in tonnes of CO_2e
Waste management	▪ Waste that is separated, collected, treated and/or prevented, minimised, reused, recycled, before and after the project in % of total waste and/or in absolute amount in tonnes p.a.

7. External review

Second Party Opinion

This mBank Group's Green Bond Framework has been reviewed by Sustainalytics, who has issued a Second Party Opinion (SPO). Sustainalytics confirmed the alignment of this Framework with the ICMA Green Bond Principles and provided an independent assessment on the expected environmental benefits of funded projects.

The Second Party Opinion along with this Green Bond Framework are publicly available on mBank's website: https://www.mbank.pl/en/investor-relations/ratings-debt-instruments/

Verification

An issuing entity of mBank Group may request on an annual basis, starting one year after issuance and until maturity (or until full allocation), an assessment/limited assurance report on allocation of the Green Bond's proceeds to the Eligible Assets Portfolio, provided by an external auditor or reputable verifier.

For CBI certified Green Bonds the independent verification will be provided at least once after issuance, within two years of issuance. As required, the verification report and subsequent annual reporting during the term of the Green Bond will be publicly available on the issuing entity/mBank Group's website.

Certification

An issuing entity of mBank Group may seek certification for some of the debt instruments to be issued under this Framework. A pre- and/or (annual) post-issuance verification reports will be commissioned in line with the applied standard.

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