



Social Report 2013

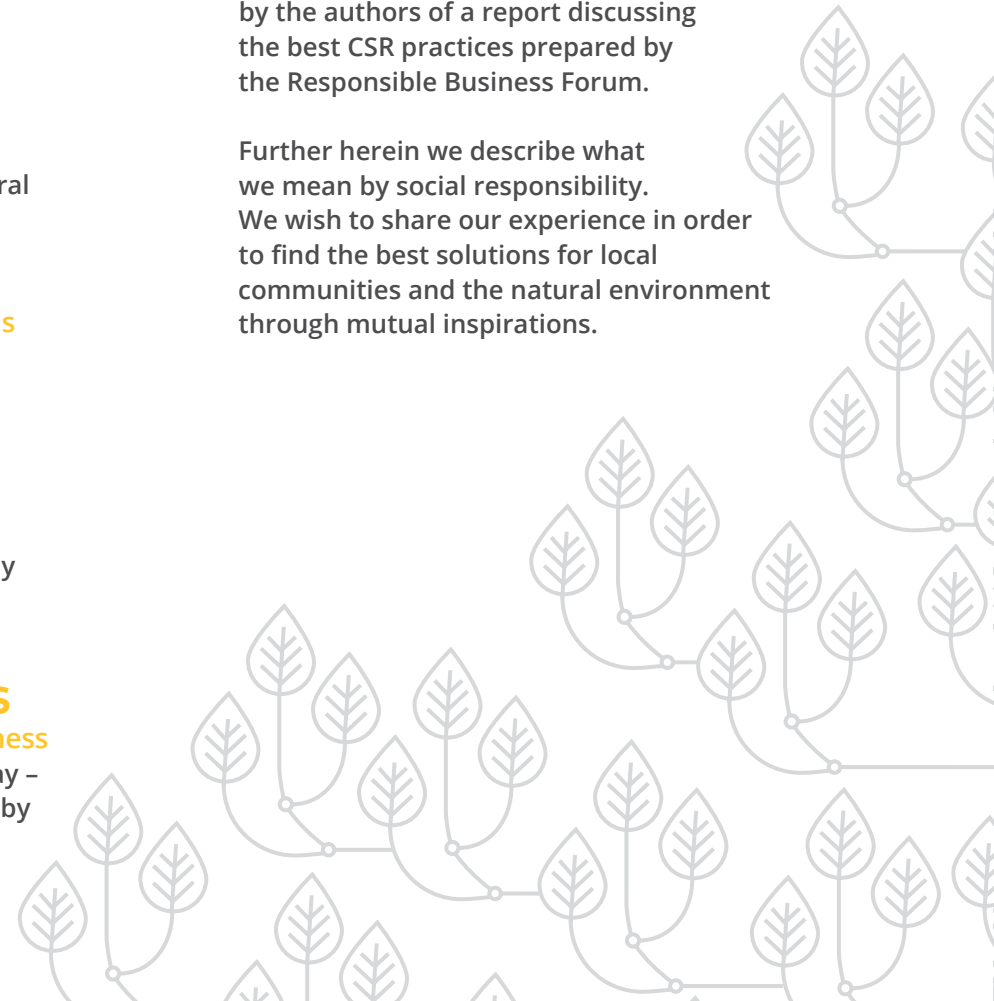
I help, therefore I am

-  **152 grants** for local social organisations a year
-  **1,200 hours** of voluntary work by the Bank BGŻ staff for the benefit of 7,000 people in need a year
-  **10%** of the employees participates in social activities
-  **525 scholarships** granted by the BGŻ Foundation throughout 10 years of the "BGŻ Class" ("Klasa BGŻ") programme
-  **48,000 young active ambassadors** of the "Ride with your head on" ("Jeżdżę z głową") programme – germ of civil society

-  **200,000 fans** of the "I Love Bike" ("Kocham rower") site – the largest biking profile on Facebook for the last three years
-  **nearly 800 meetings** with farmers to discuss the most important affairs of the agricultural and food production sector
-  **60%** of agricultural biogas plants created with our financial support
-  **over 6,000 social organisations** chose our Social Leader Package ("Pakiet Społeczny Lider")
-  **many initiatives building environmental awareness**
Only in one day – The Car-Free Day – we reduced our carbon footprint by 2.5 tons of CO₂.

These are only selected facts to depict the scale of our activities in 2013. Our initiatives have been appreciated by the authors of a report discussing the best CSR practices prepared by the Responsible Business Forum.

Further herein we describe what we mean by social responsibility. We wish to share our experience in order to find the best solutions for local communities and the natural environment through mutual inspirations.



*Ethics in banking is
a foundation for sound business
and customer trust.*

Dear Readers,

We wish to present you third edition of the annual Social Report of Bank BGŻ.

At the beginning of 2013 we already successfully completed most of the objectives of the corporate social responsibility strategy for the years 2010–2014. The effectiveness of our approach has been confirmed by the high position of Bank BGŻ in the financial sector ranking of responsible companies prepared by the Responsible Business Forum and PwC. We have reviewed the key areas of development and selected two priority directions of activities.

First of all, we focused on ethics in order to improve the internal strength of the organisation. Our employees developed a new Code of Ethics of the Bank by virtue of dialogue and multi-level consultations. In order to promote good practices we founded an Ethical Committee. Ethics in banking is a foundation for sound business and customer trust, whereas our own establishment of the internal mechanisms of dialogue and development is an investment in building ethical attitudes in everyday work and relations.

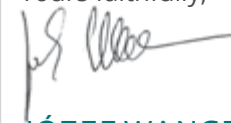
Another key area is cooperation with the external environment. As an institution of public trust we are committed to monitor our relations with the environment continuously and skilfully combine business objectives of the company with needs of customers we serve,

and of the environment in which we operate. This is our concept of sustainable business development.

We pay particular attention to building partner relations with our customers. We focused to an utmost extent on implementing such an approach towards the agricultural business sector. We have been consequently developing a broad range of properly selected products and serving the customers with our expert knowledge. We have been deepening social dialogue by organising meetings with customers all over Poland – so-called Customer Councils. Inspired by the Councils, we implemented – a year earlier than planned – the Nationwide Agricultural Talents programme as well as a number of smaller local initiatives, which have been very positively received by local communities. More and more often our projects are performed jointly by our employees and customers.

I am convinced that our approach as a socially responsible institution is a good investment in the high quality of our activities based on sustainable consideration of the interest of customers, employees and business.

Yours faithfully,



JÓZEF WANCER

President of the Management Board of Bank BGŻ

Introduction

We wish to present you the Social Report of Bank BGŻ for the year 2013. We wanted it to clearly reflect the philosophy connected with us being the bank of local communities, as well as with sustainable development issues. You can find it in both, electronic and paper version.

The electronic version, available at www.bgz.pl, contains more detailed information and has been prepared in accordance with the Global Reporting Initiative G3.1 standard, B application level, based on the economic, social and environmental indicators of our activities. It also comprises the GRI indicators of our financial sector.

The paper version has been prepared for our customers and social partners. Bearing in mind environmental protection, the report has been printed on ecological paper with the use of environment-friendly ink without UV lacquer.

The Report covers the activities of Bank BGŻ, including the Brokerage Office, BGŻOptima and the network of branches throughout Poland, as well as the BGŻ Foundation.

Throughout the year, the data is collected by nearly 30 CSR coordinators in all areas of the Bank's activity. The reporting process is coordinated by the Corporate Social Responsibility Department, whereas the collected data is subjected to internal audit and consulted with our social partners.

We wish to thank everyone engaged in preparing the report, specifically the CSR coordinators and our customers.

Enjoy the reading,



**MAŁGORZATA
ZDZIENICKA-GRABARZ**

*Director of the Corporate Social Responsibility
and Sponsoring Department*

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Bank of Local Communities



We are close

It takes no more than an hour to reach one of nearly 400 branches of Bank BGŻ from any place in Poland.

100 years

We know our customers well. We have been supporting them in everyday challenges for nearly 100 years. Some of the accounts run by our Bank go back to 2 or even more generations.

In our everyday activities we focus on four values:

1 CUSTOMER ABOVE ALL
We build long-lasting partner relations.

2 DELEGATING TASKS
We delegate tasks and make effective decisions, which enables us to achieve common objectives.

3 COOPERATION
We are open to the opinions of others.

4 TRANSPARENCY
Transparency sets base for building good and permanent relations with our employees, customers and business partners.





400 branches

The network of our outlets covers nearly 400 locations, mostly villages and small towns. We are the part of local communities, from which our employees and their families usually come. We do not need to organise formal meetings to know what happens in our neighbourhoods. Our dialogue takes place every day as we are always close.

Vicinity also became our business advantage. It enables us to discuss needs and expectations of our corporate and individual customers, and not only products that we offer. Inspiring meetings contribute to standing improvement of our offer and services, thanks to which we strengthen our position of banking leader in the agricultural and food processing sector.

25 % of agricultural loans

Every fourth loan in this sector has been granted by our Bank.

Together with our customers we have completed many innovative projects. For example, the first wind farm in Poland and 60% of agricultural biogas plants were created thanks to our support.

We wish to inspire our customers to undertake actions aimed at improving our environment. In that regard we have supported projects which serve energy efficiency higher and increased share of renewable sources of energy in Poland's energy balance. By financing ambitious investments we support the formation of new workplaces.

TOGETHER FOR THE ENVIRONMENT

For three years we have been an unquestioned leader in financing agricultural biogas plant projects. We have approximately

60 % market share

We are among three banks which

finance the largest number

of small and medium sized wind farm projects.

We strive to build financial awareness among individual customers, particularly as regards the necessity of securing their own future and that of their closest relatives. A wide variety of savings and investment products is available in the offer of BGŻOptima, which supports customers in the attainment of their financial objectives.

LOCAL APPROACH

Knowledge of local conditions means much more to us. It enables us to effectively support actions which serve the best interest of the residents, entrepreneurs and natural environment. **Since 2006 our social activities have been coordinated by the BGŻ Foundation.** We provide assistance and initiate actions focused on permanent change and improvement of the quality of life among local communities, with active participation of the beneficiaries themselves.



See page 21 for more information about the Foundation.

Products inspired by needs

We are constantly improving our product offer, listening to the opinions of our customers on daily basis.

The banking offer has never been as rich as today. To conceive a novel project which is perfectly tailored to the needs of our requiring customers is a major challenge. We have, however, come up with a tool to help us learning everyday cares and joys of our customers – we talk to them. Thus we can create and improve products better, to serve our customers in reaching their business and individual goals best.

Prestigious awards confirm the high quality of our products and their adjustment to customers' needs. Account with Bonus ("Konto z premią") included in our offer in 2013 was awarded the first prize in the personal accounts ranking of the Money.pl portal. Also the MasterCard Standard and MasterCard Gold credit cards count among the card leaders.



See page 40 to learn more about the awards.

It was our customers who inspired us to create innovative product packages which meet their expectations. AGRO LEADER ("AGRO LIDER") and Social Leader ("Społeczny Lider") packages have originated in this way.

WE SERVE THE AGRICULTURAL BUSINESS ENVIRONMENT

Our roots made us care for agricultural and food processing sector growth. We listen, support and share our expert knowledge. Our customers avail of the network of our Agricultural Experts (“Eksperci Agro”) who also support Bank employees by providing knowledge about the sector and products.

800 meetings

In 2013 the Agricultural Experts had organised nearly 800 meetings attended by local farmers. We also formed a base for discussion on important aspects for the agricultural and food processing sector. Examples of such opportunities to exchange views are, among others, the Agricultural Conferences and Agricultural Breakfasts, which have been organised since 2006. During the meetings, which are held regularly throughout Poland, we discuss the forecasted agricultural raw materials prices, agricultural business support programmes, sources and methods of financing, and agricultural techniques.



The AGRO LEADER Package is an ideal offer for those who wish to gain many banking services and products facilitating business in the agricultural and food processing sector on very good conditions. Thanks to the package our customers are able to focus on what they know best – development of their farms and enterprises.

Maciej Piskorski

Director of the Agricultural Products Department

SOCIAL LEADER PACKAGE

Our flagship, which also originated in customers' needs, is the Social Leader Package, the so-called "account with the heart". Quickly it became the product most frequently chosen by social organisations.

6,000
foundations and associations

The solution first proposed in 2012 was already chosen by over 6,000 foundations and associations.



The Social Leader Package was created in consideration of local markets and support for the entities of major importance to local social development. Our local diagnosis has confirmed that organisations encounter many obstacles at the very beginning of their operation. We wanted to make it easier for them to have a good start. I am happy because I know that our product is of real help. And I am glad that I can contribute to the social responsibility provided by Bank BGŻ.

Iwona Wójcińska
Product Manager of the Social Leader Package



We needed half an hour to select a bank for our foundation. The matter was simple: on Internet forums for NGO's the Social Leader Package by BGŻ was the only one being recommended. This is the only account on the market prepared especially for non-governmental organisations.

Krzysztof Szczerbacz
President of the "Teraz Senior"
Foundation

The example comes... from the customer

We are inspired by those entrepreneurs whose aim of running business is not only the financial benefit. Among our customers there are plenty, who would like to share their resources for the social benefit and contribute to the long-lasting change in the quality of life in the region of their companies' operation.

An example of such an approach is the company JMP Flowers from Stężyca. Its owner, Jarosław Ptaszek, decided to face the challenge of language education among young people in his town. He managed to unite dedicated partners – not only our Foundation but also the Stężyca Friends Society (Stowarzyszenie Przyjaciół Stężycy), local authorities and schools. The subject-matter care over the training was given to the Lingue Mundi Foundation.

40 participants in the English Club

Thanks to our common actions we had selected 40 of the most motivated young residents of Stężyca who were granted a half-year intensive language course called the English Club. Ten of the best participants went to a summer language camp later.

Inspired by our partners from Stężyca and knowing the local educational needs, we invited Stężyca schools to take part in our educational programmes, such as local citizenship programme “Ride With Your Head On” (“Jeżdżę z głową”) or the programme of the Warsaw Banking Institute – THE BUG (“BAKCYL”).



See page 28 for more information about the “I Ride With Head On” programme.



For us, as for every family company, the quality of living in our town is very important. We wish to contribute to its development as far as we can. With the BGŻ Foundation we discussed the key problems of Stężyca and the actions we could take to help solving them. This is how our proprietary programme – the English Club – came into being – off-school English classes for secondary school students in Stężyca.

Jarosław Ptaszek
JMP Flowers

Together we can do more

Market research sheds some light on the needs of our customers but nothing can replace face-to face discussions. Thus we established the **Customer Councils (“Rady Klientów”)**, which are regular meetings with our customers of the AGRICULTURAL segment.

During the meetings we encourage our customers to speak up and state their opinions. What we do is listen about how our products and services meet their requirements or not. We discuss local social problems as well. We share experiences, inspire each other, and search for opportunities of joint actions for the social and economic development of the regions.

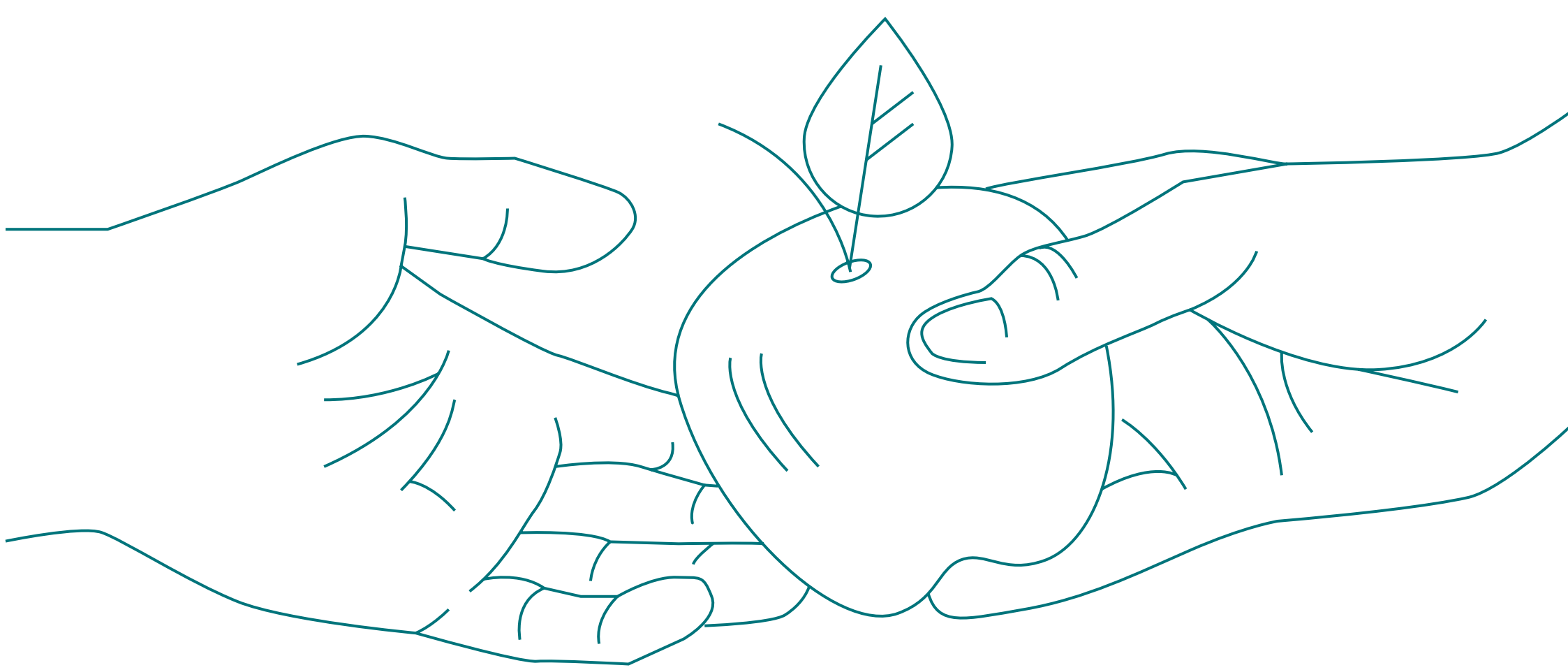
9 Customer Council meetings

In 2013 meetings with customers were held in all nine operating regions of our Bank.

The meetings bring closer cooperation not only between the Bank and the entrepreneurs but also within the local business environment, which contributes to the economy growth of the region.

Confirmation of the importance of dialogue is the fact that the customers, regardless of the geographic locations of their companies, have been unanimous with the challenges of modern agriculture. Together, we agreed that one of the main challenges nowadays is agricultural education. This became the grounds for the **Agritalents (“Agrotalenty”) programme, within which we establish local partnerships for agricultural education and its innovative development.**

 **More information on the programme may be found on pages 22 and 23.**



Social engagement

Support has many faces

Every employee may choose from a wide selection of social activities adjusted to his/her interests, capacity and to local needs. Thus our engagement is characterised by an extensive range and effectiveness of actions.

The most important among such actions are:

› **CORPORATE VOLUNTEERING PROGRAMME – “YOU CAN COUNT ON ME”**

In 2013 edition, the grant competition “You Can Count on Me” (“Możesz na mnie polegać”) covered 112 employees who helped over 7,000 beneficiaries

› **SOCIAL PROJECTS CARRIED OUT TOGETHER WITH THE BGŻ FOUNDATION**

Such as: BGŻ Class (“Klasa BGŻ”), “I Ride With Head On (“Jeżdżę z głową”), Agritalents (“Agrotalenty”) and THE BUG (“BAKCYL”). 66 employees took part.

› **GRANT PROGRAMME**

In 2013 we donated 152 grants to local social organisations.

› **INDIVIDUAL INITIATIVES OF BRANCH EMPLOYEES**

Such initiatives include e.g. free of charge rendering of the Bank premises for the needs of local events, or organisation of meetings on local problems. In 2013 such support was provided by 110 employees throughout Poland.



“Noble Branch”
“Nobel Employee”

APPRECIATION FOR THE BEST

With their everyday engagement, employees improve our position as Bank of Local Communities. We appreciate those with special achievements and grant them the titles: “Noble Branch” (“Oddział bez granic”) and “Noble Employee” (“Szlachetny bez granic”).

152 social organisations

The grant programme started in our Bank in 2011. **Since then, on the initiative of our employees, we have provided support to over 150 organisations all over Poland yearly.**

WE SUPPORT MAINLY:

- › local cultural and social initiatives
- › education and development through sports.

Also in 2011 corporate volunteering programme commenced. A year later we launched the “You Can Count on Me” (“Możesz na mnie polegać”) grant competition. Employees who have their own ideas for social change may apply for grants within the competition. Besides financial support they are also granted with assistance from the BGŻ Foundation.

1 day leave for social actions

Every employee is provided with one day leave to be spend on social actions, which is guaranteed by the Working Regulations binding at the Bank.

There is a saying that examples come from head. Therefore, we enrolled in the Presidents-Voluntaries Coalition 2011 (“Koalicja Prezesi Wolontariusze 2011”) from the very beginning. Within the Coalition, managers of the largest companies on Polish market discuss the necessity of social engagement of business and devote their time, experience, knowledge and skills to voluntary work. **It has become a tradition that the Presidents of our Bank sign the Coalition Declaration.** The idea of voluntary work is also being spread to other managers of our Bank who initiate social activities followed up by their teams.

Also participants of the “Prestige” (“Prestiż”) employee development programme within the planned path try volunteering work. They engage in social actions in their towns or villages, as well as during training workshops.

 More information on Prestige may be found on page 31.



The variety of competition projects brings education and inspiration to our team.


In eight projects of the I edition, 40 Bank volunteers participated in the contest and helped 800 people in need. A year later, 112 volunteers helped 7,000 charges of 22 organisations.

1  62

1 volunteer of Bank BGŻ
helped 62 people

Voluntary work, as we have proven, is a positive addiction.

40% of branches take part in subsequent editions of the competition, 80% of them support “their” organisations even after finishing their project. In fact, most of the “You Can Count On Me” programme participants involve in social issues – mainly – outside of the competition.

 *Our project ended with a double success – on the one hand, children who are aware of the problems of disability and how to help their disabled friends and, on the other, an impulse for broader debate on disability and integration. I’m convinced that the experience of the children participating in the workshops stirred discussion in many homes, contributing to reflection among their parents and older siblings.*

Małgorzata Makowska
Volunteer of the Bank Branch
in Zduńska Wola

Helping can be addictive

80% of BGŻ volunteers engage socially also after the completion of their projects.

Thanks to the fact that employees of our branches come from local communities, they notice the appearing problems faster. Hence it is not a coincidence that most of our activities originate from their inspirations. They combine forces with partners (including Bank customers, local authorities, non-governmental organisations or media) in order to act for the benefit of their neighbours and the natural environment best.

The employees of the branches have also a decisive influence on the distribution of funds under the grant pool intended for supporting social organisations. **The employees care for the quality and usage of the funds and for the final effects of the projects.**

40%

of branches participate in subsequent editions of the “You Can Count on Me” competition.

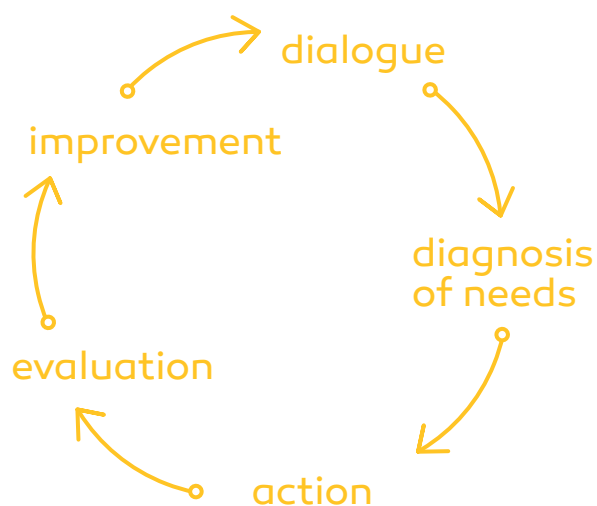
Together, reliable partners and our dedicated employees create teams which proved that big changes do not only require big money but big hearts and passion.

Investment for the future

Young people are perfectly aware of what they want. However, they often encounter barriers which only adults may help remove.

We wish to help wisely, which means that we want our actions to bring about a permanent social change. In short, we start up social machines which may further operate without our assistance. Since 2006 the Foundation has been joining forces with local non-governmental organisations and coordinating the corporate volunteering in our Bank.

The Foundation also performs its own social investment projects for the educational access and local civil society .



We pay particular attention to educating youth.

10 years of BGŻ Class

In 2013 we celebrated the tenth anniversary of our scholarship programme – BGŻ Class (“Klasa BGŻ”). The programme is aimed at the most talented graduates of secondary schools in small towns and villages with low standard of living.


For ten years, along reliable partners, we have achieved stability of the programme. We have been provided with support by secondary schools from which our grant holders originate, as well as five prestigious high schools, in which the participants continue their education. Apart from financial support BGŻ Class members receive full social and educational assistance (boarding school, food, books, additional classes). We care for the educational and professional development of the scholarship holders also after the programme completion.

525

participants of 10 editions
of BGŻ Class

In 2013 the BGŻ Class consisted of 175 students. The educational and professional successes of the previous 350 alumni have inspired the local youth. Among the graduates of the BGŻ Class you will find the best lawyers, doctors, biochemical engineers, astronauts, pilots or head hunters... They differ in their professions but are united by their belief that a person's value is proven not by their position but what they can offer to others.

An integral part of the BGŻ Class is the programme of engaging the scholarship holders in the "You Can Count on Me" activities. It is nothing odd to them, as most of them distinguished themselves with their social engagements already in secondary school. Within the programme, only in 2013, students of the BGŻ Class participated in 450 projects devoted to social care, voluntary work, culture and sports.

 *We want the social investment in us to be paid back to the world.*

Paulina Popławska

A graduate of the first year of the programme from 2003

5,000

social projects

Since the very beginning of the programme, the number of projects carried out by grant holders has reached five thousand.


Another of our educational landmarks is the comprehensive BGŻ programme of Agritalents ("Agrotalenty") intended for the most distinguished representatives of the young farmers generation --innovators. The inspiration for the programme came from one of the Customer Council meetings.

25,000

students of

360

agricultural schools



Within the programme we give scholarships to the laureates of the Agricultural Knowledge and Skills Competition (Olimpiada Wiedzy i Umiejętności Rolniczych). In 2013 the 27th edition of the prestigious competition was held, over 25,000 students of nearly 360 agricultural schools took part.



THE BGŻ AGRICULTURAL TALENTS PROGRAMME CONSISTS OF MANY ACTIVITIES:

annual educational scholarships of the BGŻ Foundation for 40 laureates of the Agricultural Knowledge and Skills Competition

meetings with key customers of Bank BGŻ – people of success

opportunity to participate in traineeship and apprenticeship programmes at Bank BGŻ

annual bridge scholarships of the BGŻ Foundation for the ten best students of the third and fourth years of agricultural higher education schools in cooperation with the Polish-American Freedom Foundation (PAFF)



The scholarship received is a tremendous support to me, both as a student and as a micro-entrepreneur. It is nice to be able to apply in practice the innovations I have learned at the university.

Wojciech Dyga

Student of the Warsaw University of Life Sciences – SGGW (bridge scholarship by PAFF)

Our ambition is to develop and popularise new agricultural standards in Poland. We liaise with institutions and companies which also care for the same. Among our natural partners are customers, well-known universities and local associations.

In 2013 we signed an agreement with the Warsaw University of Life Sciences (SGGW) in Warsaw. The cooperation covers activities for the development of education as well as common scientific and research projects.

Support has power

Apart from our own scholarship and educational programmes we also support the activities of social organisations which, similarly to us, care for the idea of improving the educational level of society, giving equal opportunities for the development of talented youth of various backgrounds or the prevention of social exclusion of other groups.

Non-governmental organisations are the foundation of the civil society. They know the social needs best, they also have infinite energy and contagious optimism. In a systematic manner they assist people in need and, thanks to their expert knowledge, they have the chance to contribute to a permanent improvement of social attitudes.

We know that sometimes even a little support given to the right partner can go a long way.



The first educational platform “Sign me English”, financed by the BGŻ Foundation, won the prestigious “European Language Label 2013” award granted by the European Commission.

The free-of-charge platform supports a growing number of students with impaired hearing from all over Poland in learning the English sign language. What is more, the idea was initiated by the very students and their teacher.

We are also proud of our cooperation with the SYNAPSIS Foundation. The social campaigns organised by the Foundation – “Employ an Ace” (“Zatrudnij Asa”) and “Autism Misguides Thoughts” (“Autyzm wprowadza myśli w błąd”) were awarded within the Social Campaign of the Year 2012 competition and have permanently changed the social and professional perception of people suffering from autism or Asperger syndrome.

We Love Bikes

Bikes are not only our favourite means of transport but also an important symbol of socially engaged sponsoring.



I Love Bike is the most popular biking page on Facebook.

“I Love Bike” (“Kocham rower”) is not only the name of the most popular biking page on Facebook (over 200,000 users), which we initiated in 2010. It is also an expression of our life philosophy and fascination with that sport. Many of us commute to work by bike, others practice recreational cycling. For years, we have encouraged people to switch cars to bicycles. There is no better and cheaper method to gain health and well-being, not to mention care for the natural environment.

Therefore, our engagement in promoting cycling is wider than sponsoring the largest cycling events or placing Bank BGŻ logotypes on the t-shirts of the best Polish cyclists. We have been fully engaged in supporting amateur and recreational cycling. We are happy to see three-year-old participants of the Children’s Bicycle Race (“Dzięcięce Wyścigi Rowerkowe”), employees commuting to work or entire families spending active holidays on “two wheels”.

We are proud to have a significant share in the cycling revolution which has been sweeping through Poland for some years. In 2013 Poles bought over a million bikes – which is more than passenger cars!


We also believe that a passion for cycling – as for any sport – can teach consequence, perseverance, the ability to overcome one’s weaknesses and to continuously raise standards. This is what we wish to teach young people in order to facilitate their start in adult life.

This is why we care so much for the activation of local communities by means of sports. We care especially for school clubs and cycling sections in villages and small towns, which are often headed by volunteer organisers whose passion for cycling ignites a love for this sport among young students.


The employees biked  15,000 km

 Warsaw


In many communities cycling – one of very few available active and healthy leisure activities – positively stimulates the development of children and builds local social bonds. The shared passion integrates not only the young competitors and their fans but also other residents.

 *Thanks to the financial support of Bank BGŻ we have achieved our objective, that is sports training for children and youth and a wise way of engaging them in their free time, as well as improving physical and social development standards. All this wouldn't have been possible without the engagement of the Bank.*

Artur Chodor
MTB Obiszów Team

 *Thank you very much for the years of cooperation! Thanks to the support of Bank BGŻ we were able to promote biking as an active pastime, as well as a way to spend time with family and friends in our village and at the same time appreciate our surroundings. We have taken children away from computers and encouraged even families with grandparents to have fun on bikes!*

Marek Karczewski
Organizer of the “Kurpiowskie Piaski” race,
Ostrołęka

 *We began with a common bicycle event in Grójec in 2012. In 2013 we educated youngsters on rules of safety in road traffic together, especially those from the most neglected environments. Together we went on rallies and trips. And we already have plans for next year!*

Artur Sochaczewski
President of the WGR KiS Association

CHILDREN'S BICYCLE RACES

We don't forget about the youngest. Children's Bicycle Races organised since 2011 are very popular. In 2013 the event was held in 8 towns. In each of them a multi-colour peloton of children on their bikes (classical and running ones) was an unforgettable sight. Many additional attractions were awaiting, promoting learning about the principle of safe riding by fun.

2,  **young cyclists**

In 2013 our bicycle races were visited by nearly 2,000 children between 3 and 10 years of age. That is 500 more than the year before, which is the best evidence that the kids love bikes just as we do.

 Details may be found at www.wyscigirowerkowe.pl

Ulan-Bator



BIKING BREAKFASTS AND PICNICS

Many employees of the Warsaw Head Office of the Bank commute to work by bike.

Three years ago we created a 40-stand bicycle parking lot, which is now practically full regardless of the season.

We are continuously promoting commuting by bike. Regularly, we take part in "Car Free Days" during the European Mobility Week. Thanks to switching to bikes during that week together with the fans of the "I Love Bike" fan page we saved over 2.5 tons of CO₂.

The number of ecological transport lovers has been growing also thanks to the **Biking Breakfasts** ("Śniadania rowerowe"). For the last four years we hosted a hundred of the most enthusiastic cyclists.

This year, cyclists biked 15,000 kilometres in total for us all to meet.

At their destination they were awaited by a free-of-charge bicycle service, breakfast and attractions promoting eco-friendly attitudes. Every year since 2008 an employee biking picnic is held in the most beautiful biking places of Poland. The event contributes to integration together with sports fair play rivalry.

If we were to sum up the distance ridden by us within the last nine years, this would take us from Warsaw to Ulan Bator and back.

Those of us who wish to develop their passion for bikes may join the amateur BGŻ ESKA Team. At the moment the team consists of 20 members who regularly participate in amateur MTB and road competitions winning cups and champions' titles.



For details see www.bgzeskateam.pl

SUM UP OF THE 2013 BIKING BREAKFAST:

225 kg smaller

carbon footprint - in order to counterbalance the emission we would have to plant at least 3 big trees

we have metabolised so many calories that we could eat at least

150 fatty doughnuts

if we were to cover the distance by car, we would have to spent approximately

PLN **700** on fuel

RIDE WITH YOUR HEAD ON –ATTITUDES INSTEAD OF REGULATIONS

Although we care for bikes the most, we remember that the safety of cyclists depends on all participants of road traffic and their mutual relations. By implementing the educational programme “Ride with Your Head On” (“Jeżdżę z głową”) we teach that the safety of cyclists comes not only from respecting regulations and code provisions. It requires a responsible attitude and respect for others.

The strength of the programme is of social changes spreading far and wide.

At the beginning, we addressed educational issues to 360 teachers who, using their own experience and the provided multimedia educational packages, passed their knowledge onto 9,000 students. These students passed their enthusiasm to 48,000 young cyclists. In total nearly 150,000 residents of as many as 200 villages and towns engaged in actions for improvement of safety on roads in their localities.

20%

The programme has also brought a 20% growth of road safety awareness.

The most important role in the programme is played by secondary school students – agents of change. They inspire and mobilise the local decision-makers to take actions for improving road safety. In 70 villages and towns innovative ideas proposed by the students and local police units have been implemented.



For details visit
www.jezdzezglowa.pl

360
teachers

9,000
students

150,000
residents



Responsible organisation



Responsible employer

We aim at creating conditions which can bring the best out of our employees.

Every employee of the Bank, regardless of the position they occupy, has the opportunity to develop professionally as well as to improve the competencies and skills necessary for the performance of work at the present or future position.

80 % of unlimited time contracts

We create stable working conditions – over 80% of staff agreements are hired for an unlimited time.



60 of managers are women

We have been improving programmes for exemplary employees, such as the “Prestige” Potential Development Programme (“Program Rozwoju Potencjału Prestiż”) or “Sales Talents” (“Talenty Sprzedaży”) programme. The integral part of both is social engagement.



See page 17 for more details on social engagement.

In 2013 the training activities focused on developing the skills and competencies of those employees who support the performance of the Bank’s strategic objectives. In total the training courses were attended by 53,910 people, including 41,408 participants of e-learning courses.

Over
53,000
training participants

ETHICS COUNTS

We pay utmost attention to building a business based on stable ethical foundations. In 2013 we introduced the Ethical Code of Bank BGŻ, which is the result of yearly work of 100 people representing all of the areas of the Bank's operation. The draft Code was additionally widely consulted with employees.

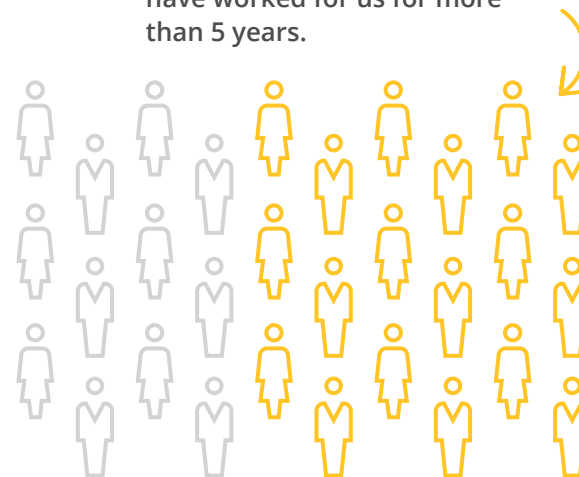
We appointed an Ethics Committee chaired by the President of the Bank Management Board. The Committee assists the employees of Bank BGŻ in solving ethical dilemmas in various areas, both as refers to business and human resources.

The Ethics Committee helps in establishing ethical standards where the binding legal regulations or internal regulations fail to provide such solutions. The Committee issues recommendations with regard to the method of conduct in specific cases. **Minutes of each Committee meeting are published for the employees on the intranet.**

We want our organisation to be perceived as a good and desired workplace. Competitive, transparent remuneration, as well as bonus and incentive systems are absolutely necessary nowadays. Nevertheless, we understand our employer responsibility in a much broader sense – we want our employees to enjoy the balance between professional and private life. If the nature of work allows, our staff may do some work at home (e.g. one day a week), after arranging this with their superior.

WE GIVE EXPERIENCE HIGH ESTEEM

Roughly **60%** of the team are people who have worked for us for more than 5 years.



20% Every fifth employee of our Bank is older than 50 years.

5 days of additional holiday leave a year

The employees who reflect above standard engagement and achievements may be awarded by their managers a bonus holiday, which means that the regular holiday leave may be longer for even a week (5 labour days)!

We care for the health and well-being of our employees and their families. The comprehensive private medical care on preferential conditions was availed of by nearly 4,200 employees. Moreover, they took out preferential medical packages for 1,000 of their relatives.

In 2013 we supported the recreation of 3,580 employees and 1,065 of their children. We provided financial support to 418 employees in a difficult situation and 318 former employees (old age and disability pensioners) of the Bank. Our staff also availed of 402 housing loans.

The employees who celebrate an important family event (e.g. their wedding) receive one more day of holiday leave than provided for in the Labour Code.

We promote a healthy lifestyle and physical activity, where the aforementioned biking passion is a priority. Thanks to Multisport cards employees may care for their physical condition the way they like availing of the services of over 2,000 sports centres throughout Poland.

2,100

employees avail of additional sports activities

In 2013 the offer was used by approximately 2,100 Bank employees and about 200 members of their families.

In symbiosis with the environment

The natural environment does not need big changes but everyday actions and good habits which result in a big impact in the end.

WHICH LETTER OF THE ALPHABET IS THE MOST ENVIRONMENT-FRIENDLY? R.

In order to really help the environment, it is sufficient to abide by the 3R principle:

R **Reduce:** avoid unnecessary purchases, disposable packaging and excessive printing

R **Reuse:** use the reverse side of one-sided printouts, pass on a newspaper to a colleague once you have read it, use reusable shopping bags or bags made of eco-friendly paper

R **Recycle:** reduce and separate waste, dispose of electronic waste in designated places only

We abide by these principles on an everyday basis, remembering the “baby steps” rule. Every day we are striving to change our habits with the benefit of the natural environment in focus.

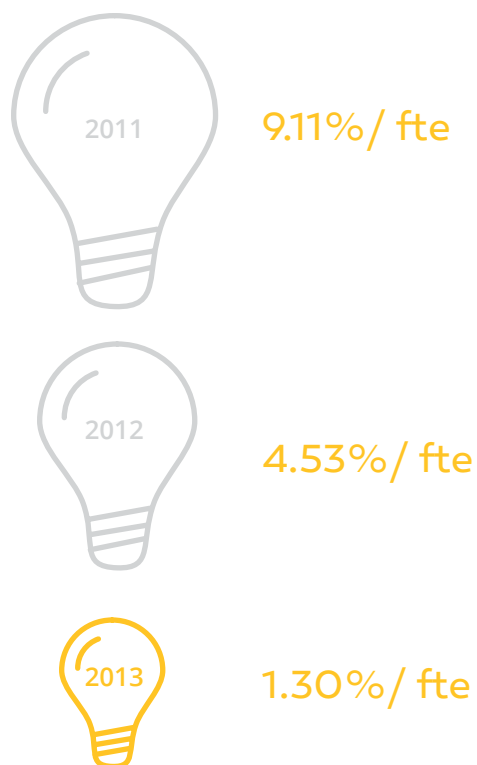
By simple but consistent actions we have introduced changes in four main areas:

- > PAPER
- > ENERGY
- > WASTE
- > WATER

-8,606 GJ

Since 2011 we have reduced energy consumption by 8,606 GJ.

WE REDUCED ENERGY CONSUMPTION PER EMPLOYEE



In 2012, on the initiative of the employees, we established the Green Office ("Zielone Biuro"). This common undertaking is the manifestation of how we want to live and work in order to mitigate the negative impact of our activities on the environment. Thanks to minor changes of habits, we live not only in a more economical way, but also in a way that is more healthy and comfortable.

Green Office is a place where we promote the ecological ideas of our employees.

We segregate waste at the Head Office. Containers for paper, glass and plastic waste stand on staircases on each floor.

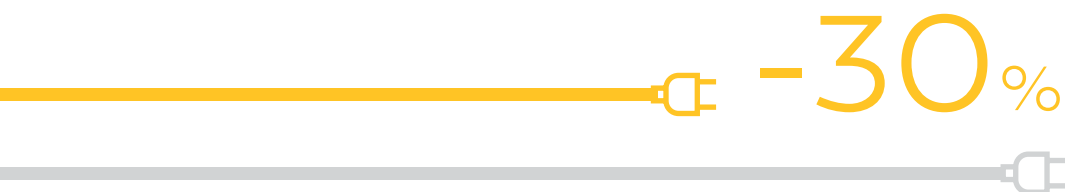
In 2013 the Administration and Property Management Department purchased 111 waste bin sets for selective waste collection at 72 Bank outlets.

3 tons of electronic waste

The collection of electronic waste organised in accordance with the 3R principle has been joined by many employees who brought their home electronic waste. **We have collected the total of over 3 tons of such waste.** Thanks to the cooperation with the Nasza Ziemia Foundation and the Stena Recycling company, the waste has been utilised in an environmentally-friendly manner.

WE SET A GOOD EXAMPLE

We checked the energy consumption in a LED lighting pilot programme at one of our Bank branches. We installed LED technology with automatics adjusting light emission to daylight intensity. Thanks to the change the Branch consumes 30% less electric energy now.



Energy consumption
at the pilot Branch:

- 2013
- 2012

VIRTUAL DISCS, REAL SAVINGS

**- 8 % energy
consumption**

Systematic replacement of hardware at the BGŻ Processing Centre and virtual techniques application, enabling a more effective use of IT resources, has contributed to a reduction of electric energy consumption by IT hardware by 8%.

**-195 tons less
of annual CO₂
emission**

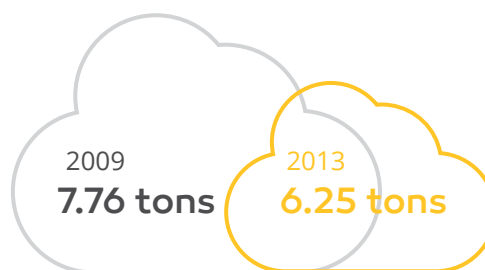
Thanks to the project our Data Centre consumes 220 GWh of energy less, which means a 195-ton reduction of the annual CO₂ emission.

A FOOTPRINT WE DO NOT WANT TO LEAVE



Carbon footprint is the footprint left on the environment by emitting CO₂ and other greenhouse gases to the atmosphere. Therefore, we care for monitoring the emission and limiting our negative impact on the environment.

-1.51
tons of emitted CO₂



Since 2009 we have managed to reduce the quantity of CO₂ emitted by each employee from 7.76 tons - to 6.25 tons. Just to compare: the average value of emission in Poland is 8.6 tons per person. We are, however, aware that the reduction of the impact on the environment is a never ending job.

WHAT DOES THE CARBON FOOTPRINT CONSIST OF?

- › **direct emission** (16% of total emission) – gas, car fuel
- › **indirect emission** – electric energy (except for renewable sources), heating
- › **other indirect emissions** – including paper consumption and airplane travel

Tomorrow begins today



We do not rest on our laurels. There is still a lot to be done.

2014



We will still work for the sustainable development of the Bank.



The ethics in business will remain our priority in working and business relations.



We will focus on the measurement of the effectiveness of our activities and the social change we have managed to bring about. The standard methods of our operation will be verified and improved.



We wish to constantly extend the scope of cooperation with non-governmental organisations and build coalitions for solving the problems which are the most important to our employees and local communities.



We will develop actions to limit our negative environmental impact with particular attention paid to LED lighting systems.



WE ARE STILL LEARNING AND ARE OPEN TO DIALOGUE

We wish to improve, therefore we will be grateful for any comments regarding our activities. Any suggestions on how to prepare the next year's report better will also be very valuable.



Please contact agnieszka.kielczyk@bgz.pl

GRI Certificate



Statement GRI Application Level Check

GRI hereby states that **Bank BGŻ** has presented its report "Corporate Social Responsibility Report 2013 Bank BGŻ" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level B.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 08 September 2014



Ásthildur Hjaltadóttir
Director Services
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 27 August 2014. GRI explicitly excludes the statement being applied to any later changes to such material.

Awards

For the last 3 years we have been evaluating and verifying our activities in the area of sustainable development. Our position among leading companies of the financial sector in the Responsible Companies Ranking ("Ranking Odpowiedzialnych Firm") has been very solid since. Our start was acknowledged and awarded first place among Ranking debutants.

The authors of the Ranking – the PwC consulting company and the "Dziennik Gazeta Prawna" daily, under the auspices of the Responsible Business Forum ("Forum Odpowiedzialnego Biznesu") – analyse specific measurable data.

We are also happy with the awards for our products. These confirm that the development direction we had chosen is right and brings balance between striving for business excellence and social engagement.

WE ARE PARTICULARLY PROUD OF:

The 2013 Responsible Business Leader award

"Lider Odpowiedzialnego Biznesu 2013" (in the categories: financial sector and large corporates) in the competition organised by the Employers of the Republic of Poland ("Pracodawcy RP") and the CR Coalition ("Koalicja CR")

First place

in the 2013 Ranking of Social Responsibility of Polish Banks – ranking by the Agency for Social Rating ("Agencja Ratingu Społecznego") and the "Gazeta Bankowa" journal

Third place

in the 2013 Ranking of Responsible Companies in the Financial Sector

First place

for the Account with Bonust ("Konto z premią") in the ranking of the best personal accounts carried out by the Money.pl portal

Second place

for BGŻ MasterCard Gold in the golden credit cards category and **third place** for MasterCard Standard in the ranking of silver cards carried out by the Money.pl financial portal

*The 2013 Report was published in electronic form,
while its short version was printed on ecological paper.
What does this mean for the natural environment?*

Quite a lot, and specifically:

-36 kg

less of waste

-998 l

less of water consumed

-92 kWh

less of energy consumed

-59 kg

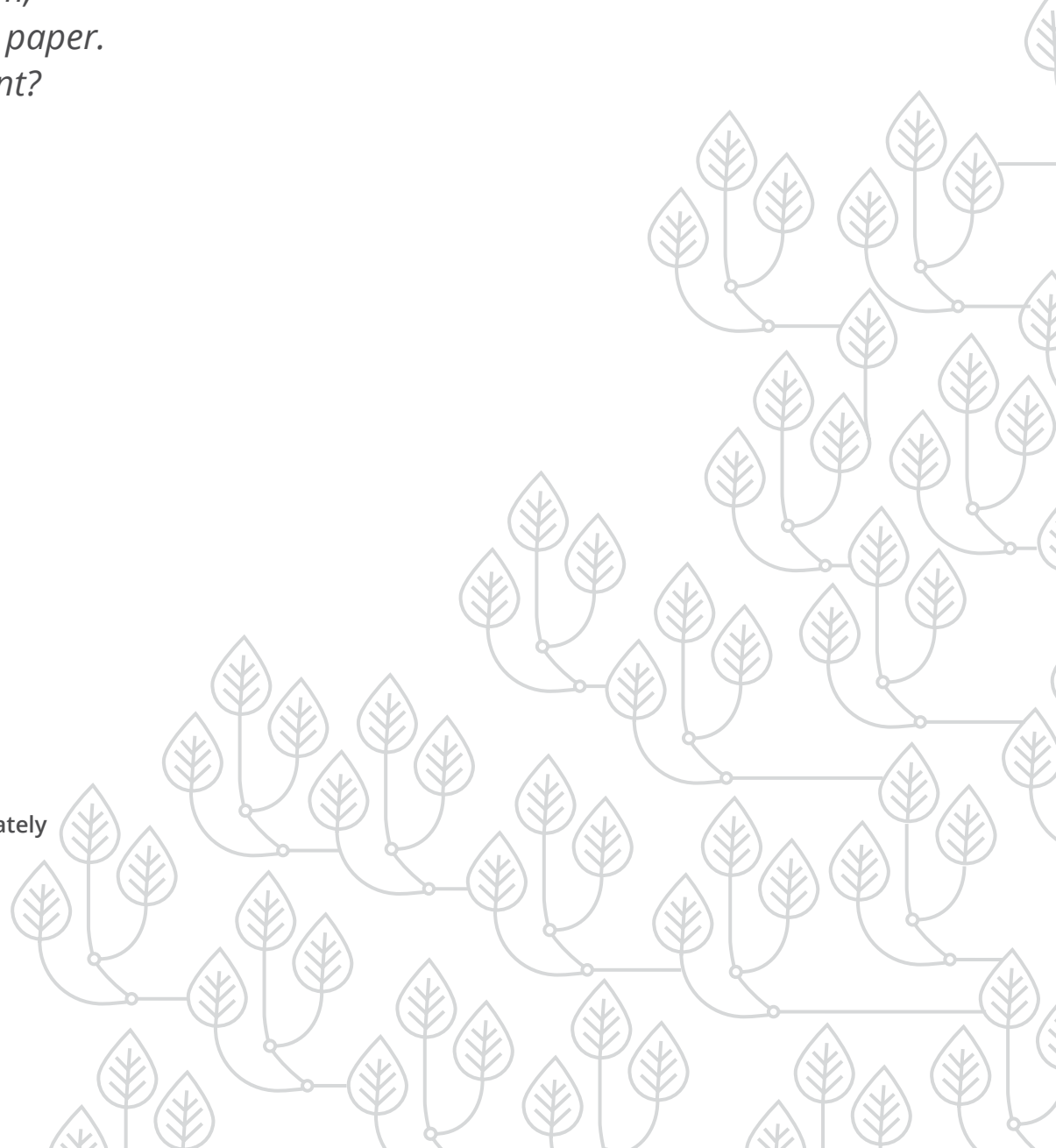
less of wood utilised

-71 km

less distance travelled in
a medium European class car

-7 kg

of greenhouse gases (emission
equivalent to driving approximately
70 km by car)



Full version of the Report in Polish available at:



www.bgz.pl/odpowiedzialnosc_biznesu

