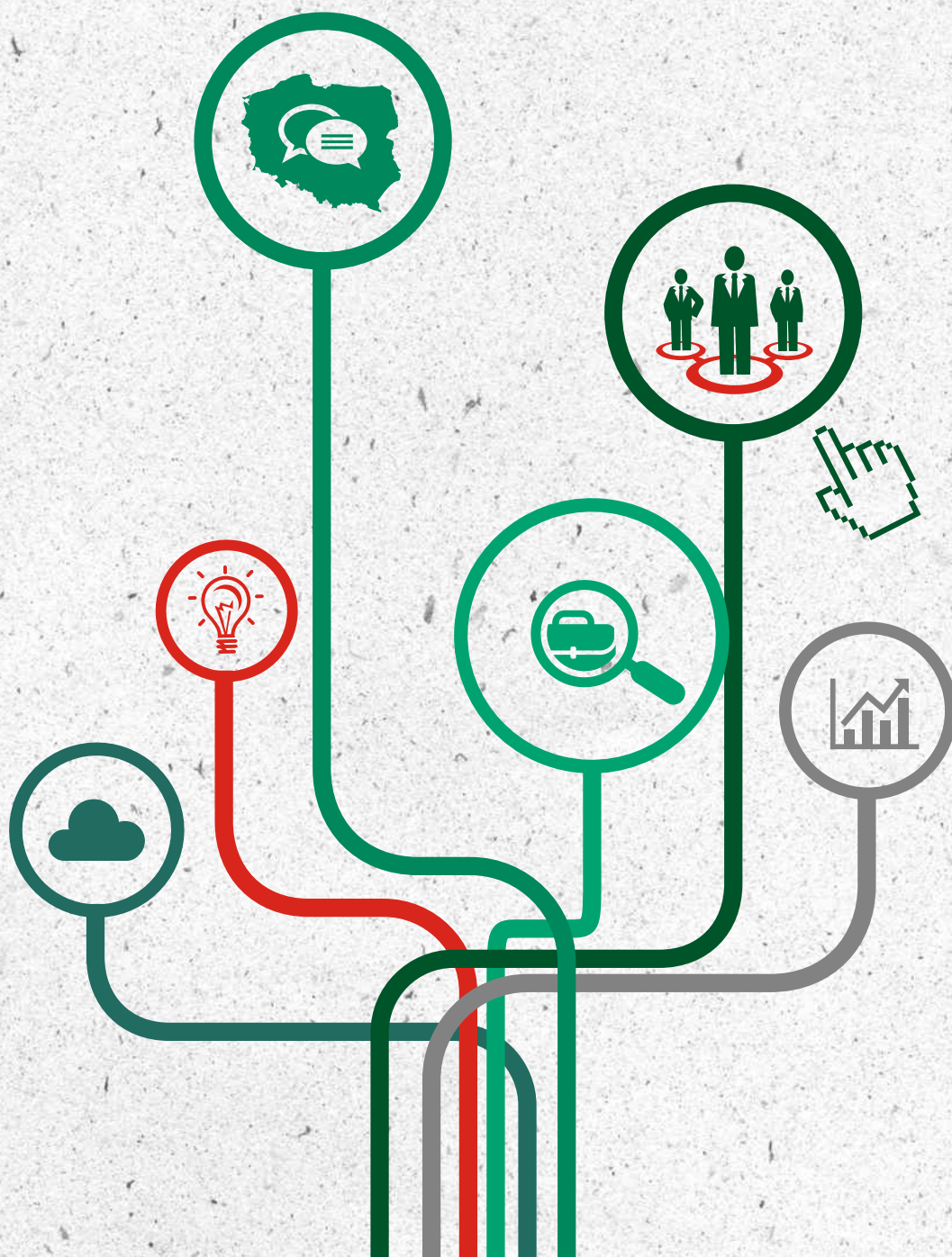


# CSR REPORT

for **2013**



Bank Zachodni WBK

 Grupa Santander



# Awards received

In 2013, Bank Zachodni WBK received the following awards and distinctions in recognition of:

## ... Innovativeness



- IT Leader of the Banking Sector 2012 and Hits of 2013 awards for products available in the 'buy-by-click' formula
- IT Leader of the Financial Institution accolade in the 11th edition of a competition organised by Gazeta Bankowa in the category "Back-office Systems" and an honourable mention in the technology competition "Hits of 2013" for 'buy-by-click' products
- First place in the Mobile Trends Awards competition for the mobile application of Bank Zachodni WBK and the award of the Internet users for the best mobile solution. The award was granted for the year 2013 and presented at the beginning of 2014
- The Mobile Shopping Service in BZWBK24 won the "Innovation of 2013" title

## ... Our way of doing business



- Company of the Year 2013 title awarded at the Economic Forum in Krynica
- Financial Brand of 2013 – an award received from the Gazeta Finansowa weekly for sustainable and coherent development of the bank, innovativeness and friendly relationships with retail and business customers
- Number three among banks in the TOP500 ranking published by Rzeczpospolita and 7th place in the sub-ranking of the Most Valuable Companies according to Rzeczpospolita.
- Best Bank 2013 – for the greatest operational effectiveness in the 'Large Bank' category in the 21st edition of the Best Bank competition organised by Gazeta Bankowa.

## ... Building trust and relationships with stakeholders



- Reliable Brand title in the Banks category of the ranking published by the Reader's Digest in which over 18,000 customers cast their votes
- Sponsor of Culture in the City of Gdańsk – the title was awarded in appreciation of the bank's support for the exhibition "Dialogue of the Masters: Callot, Goya and Tiepolo" in the National Museum in Gdańsk
- The Socially Devoted Certificate awarded in recognition of the high standards in communication with customers through social media. The bank has 137,000 Facebook followers and is the unquestionable leader among Polish banks in this respect.



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## An interview with **Mateusz Morawiecki**, President of the Management Board of Bank Zachodni WBK

***Mr. President, Bank Zachodni WBK has just published the first Corporate Responsibility Report in its history. This is certainly an important step towards the transparency of reporting non-financial data and sustainability of the bank's operations. What does Corporate Social Responsibility (CSR) mean to you and the institution you are in charge of?***

**Mateusz Morawiecki:** We understand corporate social responsibility and sustainable development as responsibility for the environment in which we operate. We carry out our business activities in a sustainable way and make every decision taking into account the interests of all our stakeholders. Our priority is to enhance the bank's credibility by following a responsible approach and acting in accordance with the best standards of corporate governance, public disclosure and employee relations, while respecting the social and environmental factors. It is also important to us make a positive and effective contribution to the social and economic development of our country.

***Is CSR somehow linked to the bank's business strategy?***

**M.M.:** In our opinion, CSR is not an addition to the business but an integral part of our core activity. Therefore, our efforts that have been undertaken for many years have always been linked with the business strategy and only then considered as justified. I strongly believe that isolated activities implemented in an uncoordinated and incoherent way, without reference to the company's vision, mission and objectives would not be effective. They would not support improvement and innovative growth of the organisation or help to mitigate risks and negative impacts.

As a result, the company would not be able to recognise the true potential and long-term benefits offered by CSR, including identification of gaps, elimination of risks and development of new business opportunities. We are aware of the fact that the highly competitive and consolidated market of banking services demands from us a fresh and innovative approach. Good products alone are not enough anymore. Therefore, last year we launched a program called the New Generation Bank, the purpose of which is to help us respond to the customers' expectations much faster. This is where we see our potential for future growth.

***How is the CSR area in Bank Zachodni WBK influenced by the fact that you are a member of the Santander Group?***

**M.M.:** Being part of a large, powerful, international financial group present on many markets worldwide opens up various opportunities for us and gives us access to vast experience in different areas of our business. In line with the principle 'Think Globally – Act Locally', we adapt Santander's experience to our reality and needs. It is worth emphasising that our main shareholder's priority is to do its business in such a way as to contribute to the social and economic development of the countries in which it is present, consider the impact of the conducted operations on the natural environment and maintain mutually beneficial relationships with all stakeholders.



### **Why has the bank decided to publish the CSR report right now? Did anything particularly important for the bank happen in 2013?**

**M.M.:** There were at least a few reasons behind the decision. The global economy is still recovering from the crisis. Examples from America have shown that socially responsible companies coped with the crisis better than others. Our first CSR report presenting the bank's approach and activities in the area covers year 2013, which was a challenging year for the Polish economy, for the domestic banking sector and for our bank. It was a time of reviewing development strategies and testing the strength of all financial institutions.

Despite the rather unfavourable macroeconomic environment, we managed to achieve all the planned objectives, including the successful process of integration between Bank Zachodni WBK and the former Kredyt Bank which was undoubtedly our biggest challenge in 2013. Last but not least, having attained the current stage of our organisational development, we have decided it is the right time to sum up and present our CSR achievements to date.

### **What benefits can you see in reporting?**

**M.M.:** The benefits are multi-dimensional. On the one hand, we get a more holistic and accurate picture of our own company and, on the other, we enhance our market credibility. The CSR report will tell us to what extent our CSR strategy is being delivered and whether we are working towards the set objectives. It is also an opportunity to identify the areas which generate satisfactory results versus those which still require improvement. Thanks to the report, we will be able to track less tangible processes and trends which should be helpful in managing the organisation and its impact. Finally, reporting non-financial data is gradually becoming a market requirement. In addition to data strictly related to business performance, investors, counterparties and business partners more and more often expect access to other information. In this way, they get a better insight into business risks and future development potential. And we want to be transparent and credible, both to ourselves and to the market.

### **Why is your first CSR report based on the Global Reporting Initiative (GRI) standard?**

**M.M.:** We are now the third largest bank in Poland with ambitious growth plans and a member of the international Santander Group – this is both a privilege and a commitment. With the growing significance of non-financial indicators, reporting is a must. To make our report trustworthy and comparable, the data have to be presented in a common format. Such a format is guaranteed by the most popular and advanced Global Reporting Initiative standards.

### **How did you work on the report and who was involved? Did you take care to reflect the voice of your stakeholders?**

**M.M.:** From the very beginning of the reporting process, we focused on the dialogue with our stakeholders. More than 90 employees participated in preparing the report, both directors and operating staff members who on a daily basis take care of the areas with relevance for CSR, carry out the agreed activities<sup>1)</sup> and monitor the achievements of the objectives<sup>2)</sup>. We also held a dialogue session attended by more than 20 of the bank's key external stakeholders. We asked them what messages and subjects should be included in our publication. In the report, you will find numerous references to their opinions and suggestions. There is no doubt that without the involvement of those persons the report would not present a full picture of the bank and would not cover many important aspects of crucial significance to the bank and its stakeholders.

### **What CSR achievements are you most proud of?**

**M.M.:** First of all, I am proud that our CSR activities have met the demanding criteria of the evaluation committee and gained us admission to the RESPECT Index of socially responsible companies.

I am also satisfied with the dynamic development of two programmes addressed to the younger generation which are every important to us: Santander Universidades and the School Card.

### **What are your plans for the future? Which direction will the bank pursue developing its CSR policy?**

**M.M.:** We have many plans but also many challenges on the horizon. The next step in the development of the corporate social responsibility area in the bank will be to draw up the CSR strategy which will help us consolidate our positive impact on the environment. We want to further strengthen our role in the Polish finance sector, despite the fact that we are already well-perceived by customers, investors and the market. We want to increase our focus on customers and their needs, improve the service quality, strengthen customer relationships, increase efficiency and expand multichannel services, all that under the umbrella of the above mentioned New Generation Bank programme.

We will keep developing the social programs of financial education and entrepreneurship addressed to young people. This does not mean, however, that we will not be open to other aspects of the social and economic life in our country, because the main distinctive feature of our bank will be a quick response to the changing needs of the Polish people.

1) work on projects

2) their results

The structure and content of this report is based on the dialogue with our stakeholders.

## About the Report

A dialogue session attended by senior managers and the President of the Board

A dialogue session with the operating team responsible for drafting the content and data collection

A dialogue session under the Best of the Best programme.

A dialogue session with external stakeholders

**We are presenting to you the first Corporate Social Responsibility Report of Bank Zachodni WBK S.A. at a time which is very special to us. Following acquisition by the Santander Group we joined the global financial group and in January 2013, as a result of a merger with Kredyt Bank, we became the third largest bank in Poland. Therefore, 2013 was for us a year of major efforts aimed at building a homogenous organisational culture and developing a uniform approach to corporate social responsibility.**

With this report we are laying the foundations for the future thinking of the bank's CSR strategy. This is why we refer to it as the "opening report" and treat it as the first step towards setting new directions and new strategic objectives and incorporating them in every activity area of Bank Zachodni WBK.

### This publication is intended to:

- provide reliable information about the stakeholders of Bank Zachodni WBK between 1 January to 31 December 2013
- describe both our successes and the challenges we faced last year,
- initiate a long-term dialogue about the key responsibility areas in the bank.

### While preparing the report, we took into consideration:

- expectations of our internal and external stakeholders identified in the course of dialogue with them,
- assumptions of the global corporate social and environmental responsibility policy of the Santander Group,
- international standards and reporting rules,
- guidelines on preparing reports according to the Global Reporting Initiative standards.

We gathered the data for the report in accordance with the sustainability reporting guidelines - Global Reporting Initiative version G 3.1, including the sector supplement. The process of data gathering reflected the assumptions adopted by the Company concerning the calculation of the indicators. The obtained application level B has been confirmed by the Global Reporting Initiative via the Application check service. The report will be prepared and published annually.

The data collected for the report have been sourced from the Company's internal data management systems. One of the consequences of the merger was the need to harmonise two separate data collection and reporting systems.

Whenever due to the time needed to implement such changes we had to make certain exclusions in the 2013 report, the information is provided next to the relevant GRI indicator.

### Dialogue or how we found out what is important for the environment

In Bank Zachodni WBK we understand that building long-term value requires – in addition to business priorities – also lasting relationships with the environment, based on trust and openness. Hence, while working on the report, we put a lot of emphasis on the dialogue with external and internal stakeholders, including representatives of the supervisory institutions and authorities, the regulators, financial institutions, non-governmental organisations, higher education institutions and the media. The dialogue session with external stakeholders was facilitated by independent consultants from PwC, in accordance with the internationally recognised standard AA1000 SES (AccountAbility).

### A comment from an external stakeholder



#### Irena Pichola, PwC

*In the process of corporate social responsibility reporting, the focus is now on the evaluation of materiality based on stakeholder feedback. The materiality of issues is a starting point for the whole reporting process, improvement of the CSR management quality and preparations for the implementation of the CSR strategy covering the material aspects. The trend is reflected in the latest reporting standards GRI G4 which will become binding for all companies publishing GRI compliant reports as of 31 December 2015. This means that the selection of significant aspects through the process of Identification and Prioritisation of issues based on a dialogue with key stakeholders should now become the major focus of companies. The multi-stage dialogue process carried out by BZ WBK in conformance with the AA 1000SES standard with the aim of identifying crucial issues is a valid evidence of the bank's mature and honest approach to the idea of CSR reporting. It is also a valuable exercise preparing the company for the transition to new GRI standards.*

## Materiality matrix

As a result of the identification and prioritisation process and in response to the expectations expressed by external stakeholders during the dialogue session, a materiality matrix was drawn up – a map showing key topics and concerns of significance to us and to our partners which are covered in this report.

### Strategic

- 1 Financial performance of the company
- 2 Impact on the environment local community
- 7 Transparent and reliable information about products and services
- 8 Responsible marketing and advertisement
- 9 Responsible lending and responsible sale of products and services
- 10 Compliance with regulations
- 12 Development of new, innovative products and sales channels
- 13 Security of customer data and information
- 14 Customer service standards (including complaints and customer rights)
- 21 Internal ethics (human rights, freedom of speech and association, preventing discrimination)
- 26 Impact on the local economic and social development, including the stimulation of local entrepreneurship
- 29 Adapting products, services and sales channels to the changing social, demographic and cultural patterns (ageing society, growing access to information, increased mobility)

### Very important

- 3 Presentation of the product portfolio
- 4 Increasing the availability of products to disadvantaged groups
- 5 Indirect economic impact on the market
- 6 Procurement practices and vendor relations
- 11 Responsibility in business relations (including anti-corruption policies, relations with the regulator)
- 15 Investor relations
- 16 Dialogue with the environment (active ownership)
- 17 Basic employment data of the company
- 18 Compensation and terms of employment
- 19 Diversity management and equal opportunities
- 20 Employee training and development (including talent management and incentive schemes)
- 22 Work safety and hygiene
- 23 Dialogue with employees (including complaint management)
- 24 Financial education
- 25 Implementation and evaluation of community engagement programmes (including the Foundation, employee volunteer work)
- 28 Care for the needs of disabled customers
- 30 Sponsorship

### Important

- 12 Development of new, innovative products and sales channels
- 15 Investor relations
- 27 Development of relations with local government
- 31 Energy efficient solutions (energy, emissions, transport).
- 32 Sustainable sourcing and use of resources and materials (including paper, water)
- 33 Sustainable waste management
- 34 Adding 'green' products and services
- 35 Including environmental aspects on the assessment of product risks

## Report format according to stakeholder expectations

### Stakeholder expectations expressed during the dialogue session:

- A suggestion was made that instead of figures and statistics, more emphasis should be placed on the presentation of the achievements through case studies and interesting facts about the implemented programmes.
- The report should be a strategic document, therefore it should not list all of the activities that were carried out but only the ones of key significance, with an explanation of the rationale behind those actions.
- Description of the bank's objectives and aspirations in the context of the historical background to demonstrate progress and win the trust of the readers..



Impact of CSR aspects on the company's operations (0-3)



Materiality of CSR aspects for the stakeholders (0-3)

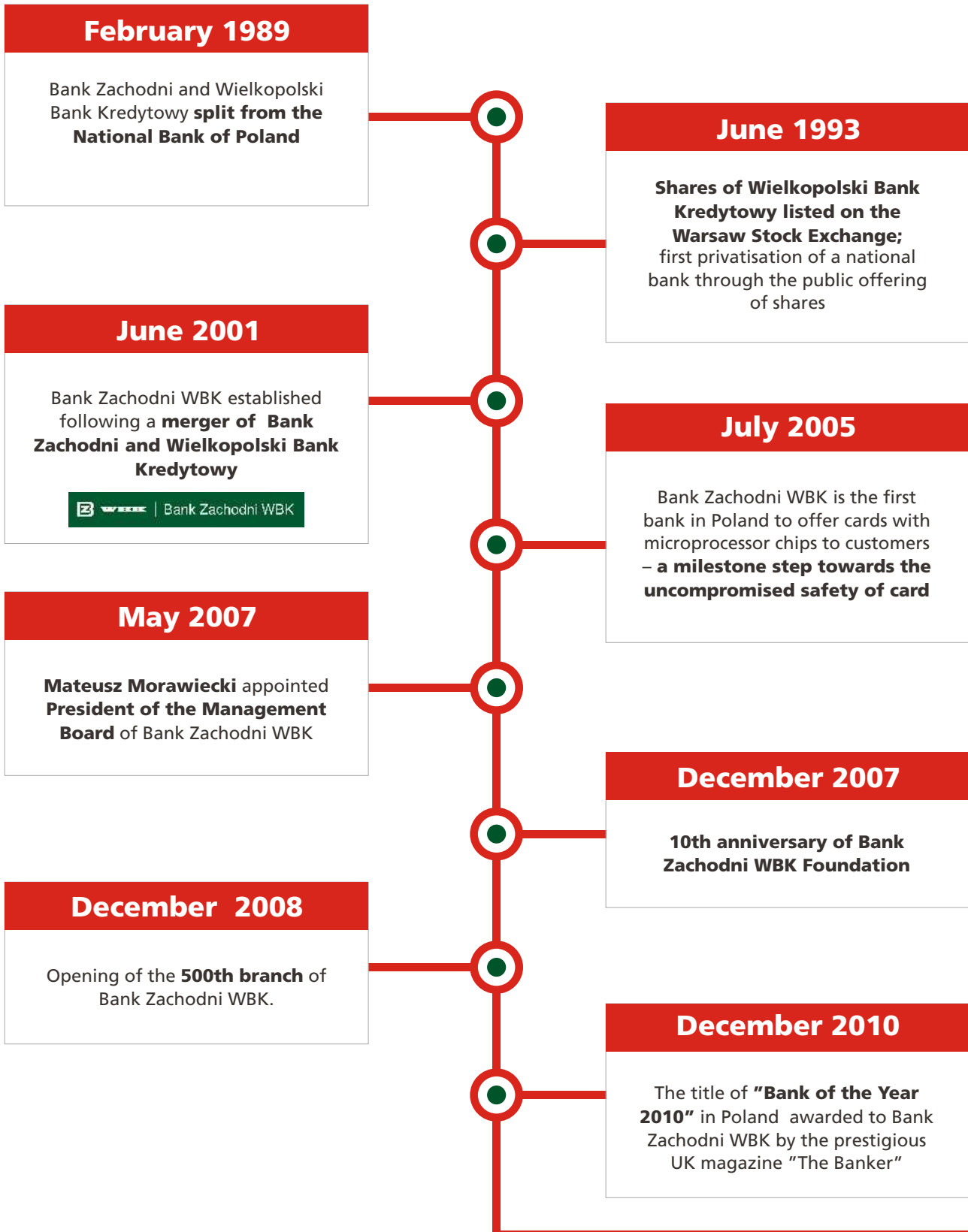
We have tried to select a format of the report with a view to the fact that it is a multifunctional document addressed to a wide audience. In the report we present GRI indicators for 2013 only but we add comments referring to the bank's major achievements and challenges. In subsequent years, we will be reporting the indicators cyclically to make sure you can track the trends.

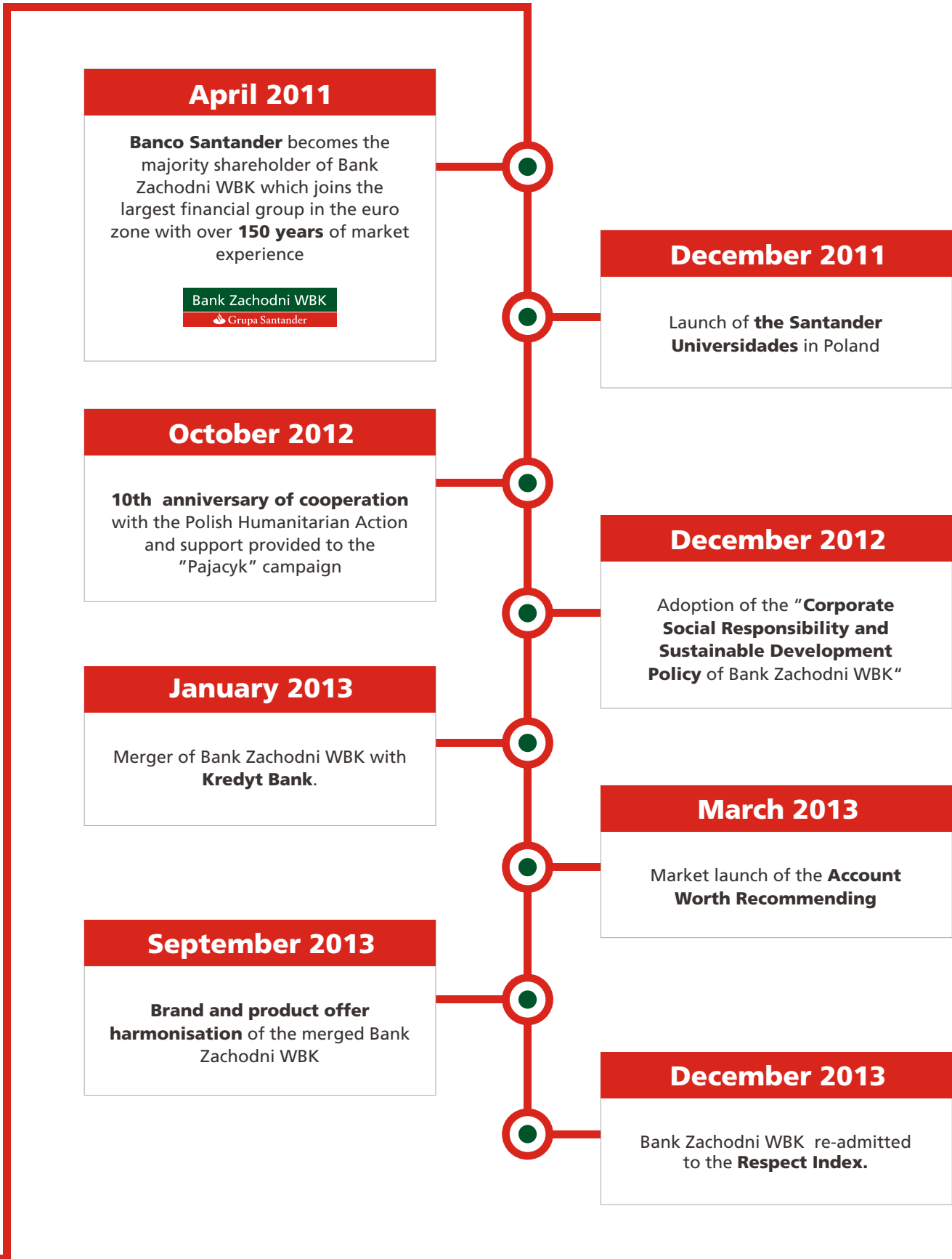
The publication of this report will not put an end to the dialogue that has been initiated. Your opinions and comments are very important to us and we encourage you to share them with us via electronic mail



The person responsible for coordination of the corporate social responsibility activities in Bank Zachodni WBK is **Katarzyna Teter**, CSR Manager. Please send all your comments about the report by email to **katarzyna.teter@bzwbk.pl**.

# Important Dates in the History of Bank Zachodni WBK









*Bank Zachodni WBK  
is one of the largest financial  
institutions in Poland.*

# HODNI WBK

Stakeholder expectations  
expressed during the dialogue session:



Information about the code of conduct adopted by a bank with foreign capital operating in a country with capital shortages and whether the bank respects such principles as shared responsibility, solidarity, transparent criteria of lending and responsible financing.

## Bank Zachodni WBK in numbers

- **Third largest bank** in Poland in terms of the value of assets, deposits and loans portfolios and the number of outlets
- **PLN 357m** of Corporate Income Tax was paid to the state budget and the value of assets totalled **PLN 103 367m**
- **943 outlets** (including 113 partner outlets)
- **1,385 ATMs**
- **4.2 m customers**

**4.2** m  
**customers**

Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.

Value

Operating costs (after deductions)

1,728,425

Compensation and benefits

1,210,645

Payments to capital providers

710,943

Payments to the government

311,614

Community investments

32,952

Retained earnings

701,081

### Vision

The Bank of satisfied Customers  
and People working with passion

### Mission

- **Customers:** Our customers perceive us as a trusted partner providing them with modern, top-quality solutions.
- **Employees:** We build a strong, highly motivated team. We invest in staff development and commitment and create a friendly work environment.
- **Society:** We care about the wellbeing and sustainable growth of local communities and the whole country.
- **Shareholders:** Our aim is to maximise value for our shareholders.

## Values

### Customer satisfaction.

We focus on the Customer, their expectations and satisfaction. Simplicity, professionalism and individualised approach allow us to build valuable long-term relationships founded on mutual trust.

### Innovativeness.

We keep working on new, technologically advanced banking solutions. We respond to the changing needs of our Customers, invest in their development and facilitate access to banking services.

## About Bank Zachodni WBK

Bank Zachodni WBK S.A. is one of the largest financial institutions in Poland. As of 31 December 2013, the share capital of Bank Zachodni WBK was **PLN 935,450,890** divided into 93,545,089 ordinary bearer shares with a nominal value of PLN 10 each.



### Strength.

Our strong market position is a result of robust balance sheet and prudent risk management in accordance with the international standards of the Santander Group. Our activities generate benefits not only to the bank's customers. We also support the development of local communities and the whole country.

### Leadership.


Our managers release the energy of our employees by inspiring them, motivating, determining development directions and jointly building the value of our bank.

### Commitment.

We build the commitment of our employees by the cooperation, partnership and trust which allow us to deliver our tasks with enthusiasm and go beyond the set goals. The employees have influence over the bank's development directions and are proud of working for a bank which focuses on stakeholder satisfaction.

### Ethics.

We operate with respect for the law and internal regulations, guided by the transparency principles in our conduct and procedures.

<b>Number of employees</b>	<b>12,084</b> 
<b>Net sales</b>	<b>PLN 1,611.5 bn</b>
<b>Total capitalisation by debt</b>	<b>1,885,414</b>
<b>Total capitalisation by equity</b>	<b>13,584,432</b>
<b>Total assets</b>	<b>PLN 103,367,046 k</b>
<b>Identity of beneficial ownership</b>	<b>Banco Santander</b>
<b>Percentage of ownership of largest shareholder</b>	<b>70</b>
<b>Market served</b>	<b>Poland</b>
<b>Bank's head office</b>	<b>Warsaw, Poznań, Wrocław (registered office), Lublin</b>



BANCO SANTANDER  
**70%**  
ownership

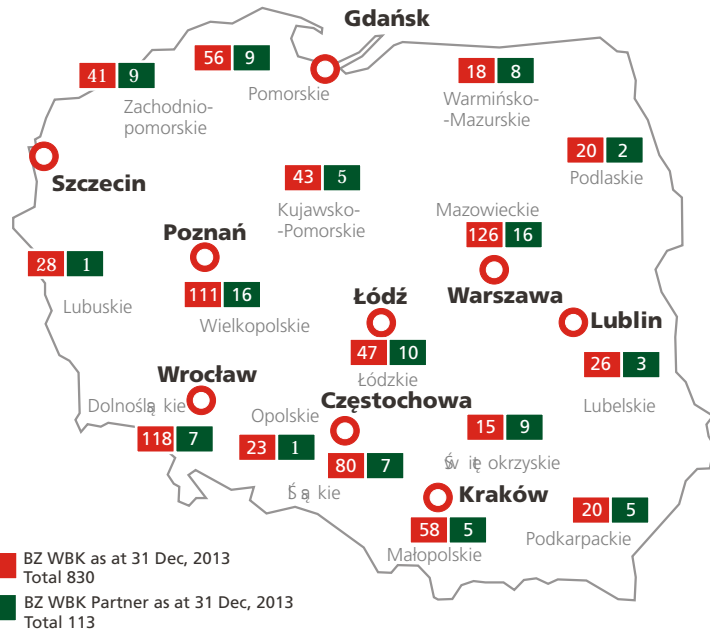
We are one of the fastest growing banks. Our customers include personal customers micro-companies and SMEs serviced by Retail Banking, businesses, local authorities and public sector entities – customers of Business and Corporate Banking and the largest international and Polish corporations attended by Global Banking&Markets. The Bank Zachodni WBK Group which is not covered by the scope of this report also offers brokerage services, asset management, investment funds, leasing, factoring and a full range of bancassurance services. .

**Accessibility to customers**

Thanks to our long-term experience combined with an innovative approach we offer state-of-the-art products through a countrywide network of branches and partner outlets and via electronic channels including mobile banking.



**A comment from an external stakeholder**



Bank Zachodni WBK assesses, on an ongoing basis, the effectiveness of distribution of the bank's in respective macro regions. We keep developing and rationalising our network with a view to expansion into new areas. Our main criterion, in addition to filling in blank spots on the map, is the profitability of our access points. Usually, the first access points are ATMs or micro-units which probe the demand in new areas. We focus on developing long-term, mutually beneficial relations with our customers and, consequently, growing the scale of our business.



**Witold Orłowski, Chief Economist, PwC**

The overall objective of any financial institution is to maximise the value for shareholders by way of satisfying the needs of customers. However, the economic and fiscal effects being the key P&L measure of the institution's business performance, do not fully reflect the actual value contributed by the company to its external environment. The idea of Total Impact Measurement and Management is based on the detailed assessment of not only direct, but also indirect impact exerted by a business on the environment. The bank pays taxes to the state budget and creates new jobs while developing its branch network to increase the availability of banking services. It offers a source of income for the employees and their families and an opportunity to increase living standards. The social impacts generated by companies are external effects which are usually not reflected in their financial statements. Understanding both the positive and negative influence of businesses on their environment creates foundations for building mutual trust between companies and their stakeholders. Thanks to an awareness of the variety of impacts which can be attributed to businesses, they stop being perceived as organisations driven exclusively by profit. Bank Zachodni WBK's attempt at the assessment of its impact in relation to the accessibility indicator is a first step towards the total impact measurement in accordance with the latest trends observed among the best organisations in the world.

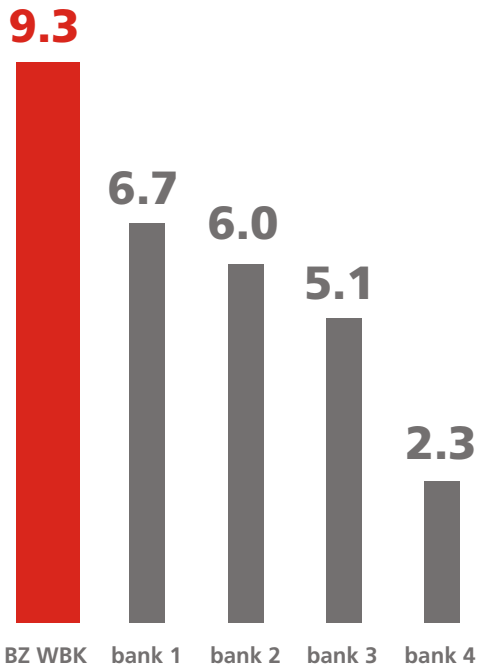


**Distribution of the bank's outlets in economically disadvantaged regions of Poland:**

Province	LHDI	Number of branches	Change(+/-) in the no. of branches	Number of ATMs	Number of ATMs Change (+/-) in the no. of ATMs	Number of Partner outlets	Total no. of access points (branches, Partner units, ATMs)	% share of access points
Świętokrzyskie	36.78	15	0%	22	0%	9	46	2%
Łódzkie	39.28	47	-2%	73	3%	10	130	6%
Lubelskie	39.55	26	0%	43	0%	4	73	3%
Kujawsko-Pomorskie	41.22	43	-2%	66	2%	5	114	5%
Warmińsko-Mazurskie	42.33	18	0%	23	-4%	8	49	2%
Zachodniopomorskie	42.89	41	-2%	59	2%	9	109	5%
Podkarpackie	43.77	20	0%	27	-4%	5	52	2%
Lubuskie	44.36	26	0%	63	3%	0	89	4%
Podlaskie	44.4	20	0%	32	0%	2	54	2%
Dolnośląskie	46.34	118	-2%	241	-1%	7	366	16%
Opolskie	46.95	23	0%	47	0%	1	71	3%
Śląskie	49.54	80	-1%	125	-1%	7	212	9%
Wielkopolskie	50.22	111	-1%	243	3%	16	370	16%
Pomorskie	51.14	56	-3%	83	-3%	9	148	6%
Małopolskie	51.93	58	0%	73	-1%	5	136	6%
Mazowieckie	60.21	126	-5%	168	-7%	16	310	13%

**BZ WBK has the largest number of branches versus the size of the bank out of the five largest banks in Poland.**

The bank has on average 9.3 branches per each billion worth of assets (based on data for 2013). This means that our bank is more determined than our competitors to reach smaller customers and satisfy their needs.

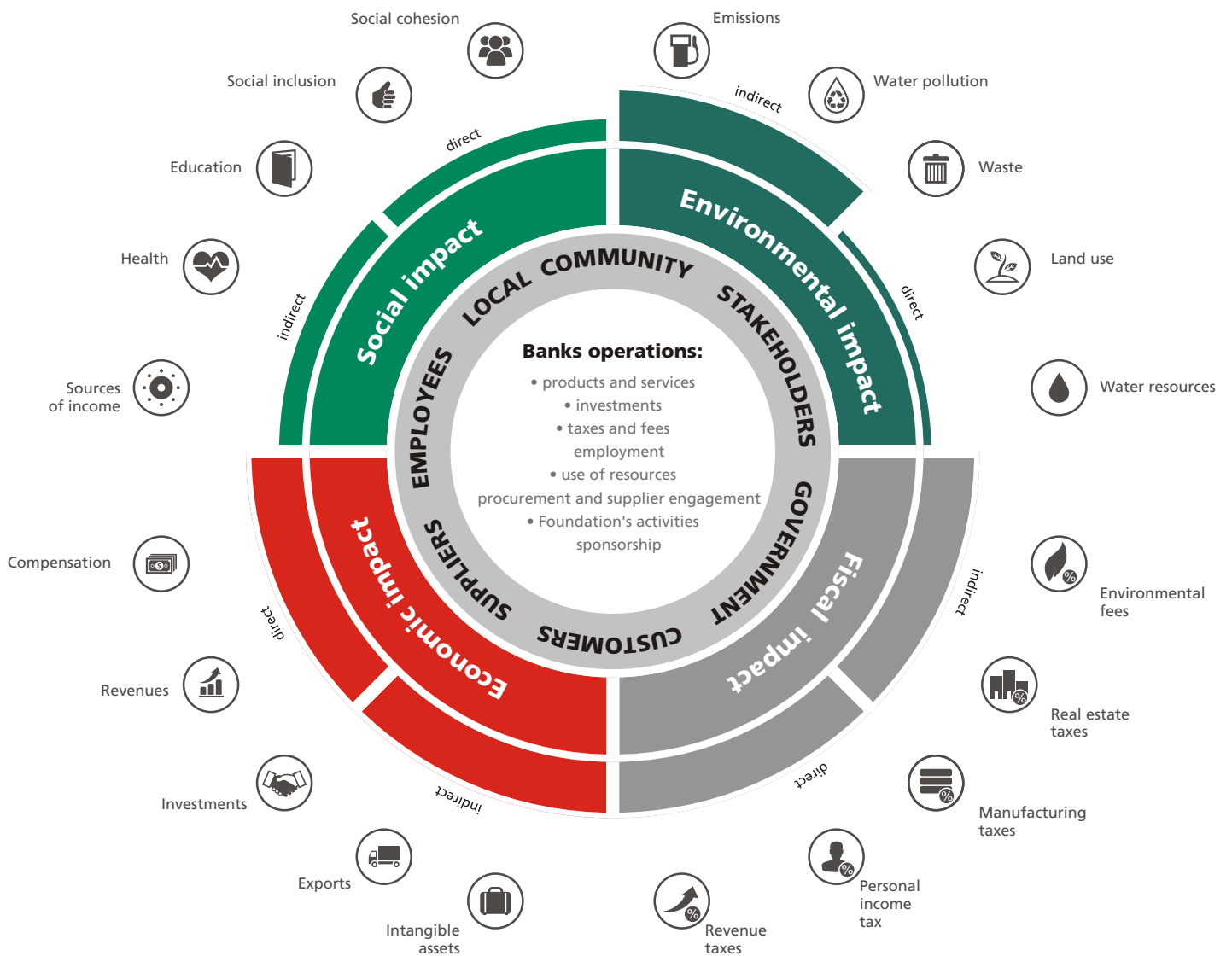


### Corporate Social Responsibility and Sustainable Development Policy of Bank Zachodni WBK

The Policy in force in the bank sets forth the approach and defines the key aspects of the corporate social responsibility and sustainable development. The majority of the topics are covered in detail by the bank's internal regulations. The Code of Best CSR Practices in Bank Zachodni WBK supplements the Policy and is appended to it. The Policy applies to the entire organisation and was implemented in

December 2012 by force of a Resolution of the President of the Management Board. The bank is planning to draw up a corporate social responsibility strategy which will be helpful in the assessment of progress made by way of reference to measurable objectives.

### Map of impacts

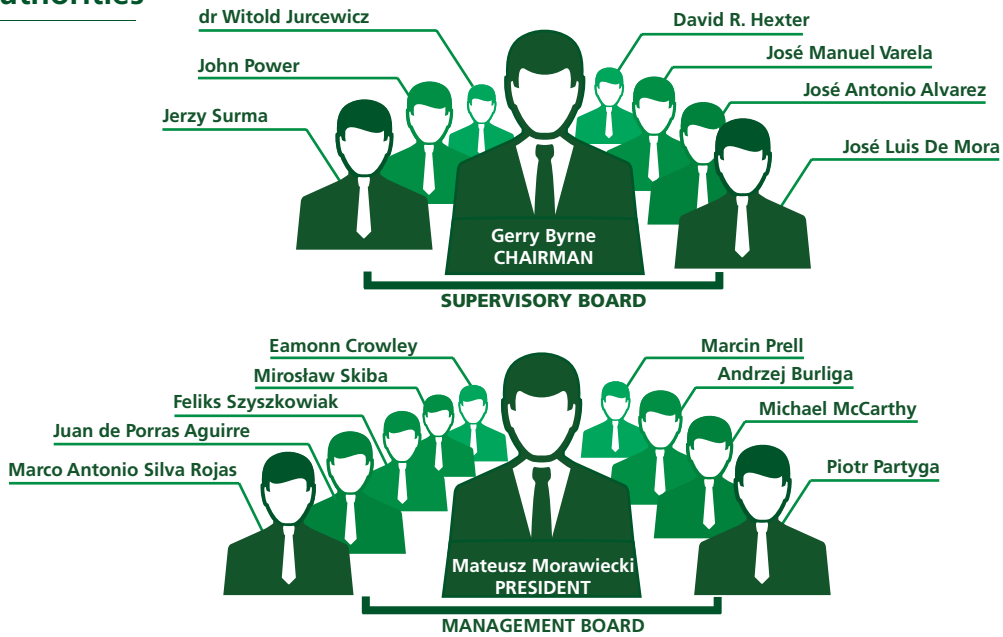


Developed on the basis of the Total Impact Measurement and Management methodology of PwC

Stakeholder expectations expressed during the dialogue session:

The report should include definitions of the bank and banking services (in a traditional understanding), with an indication of the bank's main purpose and information what effect its operations have on the wide range of stakeholders and the whole economy. The bank should also describe its responsibility towards the external

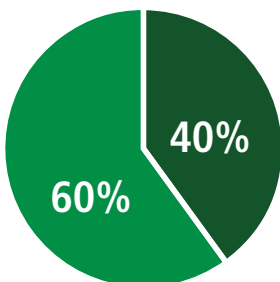
Company authorities



Organisational structure



Members of the Supervisory Board and Management Board by Age



Supervisory Board

- 30-50 years
- >50 years



Management Board

- 30-50 years

### Stakeholder expectations expressed during the dialogue session:



Providing information about the process of the recruitment of candidates for managerial positions.

The Supervisory Board exercises on-going supervision over all aspects of the bank's activities. It consists of at least five members appointed for a joint, three-year term of office. The Supervisory Board members, including the Chairman of the Supervisory Board, are appointed and removed by the General Meeting of Shareholders. Pursuant to the bank's Statutes, at least half of the Supervisory Board members should have an independent status. The following Supervisory Board committees operate in Bank Zachodni WBK: Audit and Compliance Committee, Risk Oversight Committee and Remuneration and Nominations Committee.

Annual reports on the activities of the Supervisory Board and its Committees, together with the reports on the review of the bank's and Group's annual reports and assessment of the Group's performance, including the internal control and risk management systems, are published in the current reports informing the market about the resolutions adopted by the Annual General Meetings of Shareholders of Bank Zachodni WBK.

The Management Board consists of at least three persons (including the Management Board President) appointed by the Supervisory Board for a joint three-year term of office. The members of the Bank Zachodni WBK Management Board are appointed and removed in accordance with the Commercial Companies Code, the Banking Law and the bank's Statutes. At least half of the Management Board members, including the President, should have higher education, be permanent residents of Poland, speak Polish, have good knowledge of the Polish banking market and sufficient experience of the domestic market to manage a Polish banking institution.

The Management Board members run the bank's affairs jointly, and in particular define the bank's mission, set long-term action plans and strategic objectives, prepare assumptions for the bank's business and financial plans, approve the plans and monitor their performance, regularly report to the Supervisory Board on the bank's position in the scope and at the dates agreed with the Supervisory Board, appoint permanent and ad hoc committees and designate individuals responsible for managing the work of such committees. The committees are composed of both Management Board members and persons from outside the Management Board. In order to avoid conflicts of interest, pursuant to Art.377 of the Commercial Companies Code, if a conflict arises between the interest of the company and the interest of a Management Board Member or his/her spouse, first or second degree relations or associated persons, the respective Management Board Member is obliged to refrain from participating in the voting on such matters and may demand that his/her decision be recorded in the minutes of the meeting.

The permanent Committees appointed by the bank's Management Board include Risk management Committee, Credit Committee, Anti-Money Laundering and Terrorist Financing Committee, Compliance Committee and Local Product Marketing and Monitoring Committee.

### Supervision and assessment of sustainable development aspects

All codes and policies in force in the bank, including those pertaining to social, ethical and environmental issues, are subject to regular reviews, with the outcomes reported to the Management Board. Members of the Management Board are granted discharge for the performance of their duties on the basis of the annual report on the bank's activities, the key part of which is a summary of the implementation of all policies in force in the bank, including the Corporate Social Responsibility policy. The report is approved by the Supervisory Board, following a positive recommendation from the Audit Committee. Members of the Management Board and Supervisory Board are jointly responsible for the economic, social and environmental performance outcomes. The remuneration of the Management Board Members is conditional on the bank's financial performance, however, the annual performance evaluation is developed on the awareness that the achieved results are a function of many aspects, including the crucial 'human factor' i.e. the relations with employees, customers and external stakeholders.

### Compliance, ethics and risk management

Bank Zachodni WBK operates in strict conformance with the internal corporate governance principles and the Best Practices of WSE Listed Companies.

The internal audit and risk management functions are supervised by the Audit and Compliance Committee of the Supervisory Board of Bank Zachodni WBK S.A. while strategic directions for risk management are set by the Risk Management Committee (KZR).

The bank has an integrated risk management framework ensuring that all risks having material impact on the bank's operations are identified, measured, monitored and controlled. Within that structure, selected units have been made responsible for particular stages of the risk management process with an aim to guarantee independence of the risk management functions from the risk taking functions

Membership of the Management Board members and senior managers in the crucial Committees ensures a high quality of management and a coherent approach to the risk management strategy. All Management Board Members are also members of the Risk Management Committee.

One of the basic elements of the risk management framework of Bank Zachodni WBK is setting the levels of risk that the bank is ready to accept in its day-to-day business. The acceptable risk level is expressed in the form of quantifiable limits set out in the "BZ WBK Group Risk Appetite Statement" approved by the Management Board and the Supervisory Board. The bank conducts a detailed review of the limits with regard to the existing and potential risks, market conditions as well as the financial and capital plan at least once a year.

Bank Zachodni WBK has a bilateral credit rating agreement with Fitch Ratings Ltd. which assesses the Bank's financial credibility.

**Stakeholder expectations expressed during the dialogue session:**



**Description of the dividend policy**

One of the objectives of Bank Zachodni WBK is to create value added for its shareholders. To this end, the bank has a policy of profit distribution which assumes the distribution of half of the generated net profit to shareholders in the form of a dividend.

The value of the dividend can be higher or lower depending on the regulatory requirements, the capital requirement predicted on the basis of the development plans, including mergers and acquisitions and assessment and forecasts of the general economic risk related to the bank's current and future operations.

**We actively participate in the Polish and international CSR initiatives implemented by the industry**

BZ WBK is a signatory of the Equator Principles as a member of the Santander Group and supports a number of national initiatives, such as the "Best Banking Practices" or the "Code of Best Practice of the Financial Market".

BZ WBK is a member of the Polish Institute of Directors, Lewiatan Confederation (formerly known as PKPP Lewiatan) and the Association of Polish Banks.

**Stakeholder expectations expressed during the dialogue session:**



**Information about the bank's involvement in working groups and projects as part of the cooperation with the Association of Polish Banks.**

**BZ WBK, as a member of the Association of Polish Banks, participated in the work of the following teams:**

Depository Banks Council, Public Relations Council, Working Group on Agriculture and Rural Areas, Working Group on Energy Sector Financing, SEPA Poland, Property Finance Committee, Working Group on the LEADER Initiative, Financial Service Quality Committee, Banking Law Council, Banking HR and Training Committee, Working Group on Financing Transportation and Infrastructure, Consumer Loans Committee, European Funds Working Group, Polish Banking Qualification Standards Committee, Working Group on Mitigation of Natural Disaster



Results, Payment Systems Committee, Bank Security Committee, European Banker Certificate Committee, Banking Cards Issuers Council, Polish SWIFT Users Committee, Working Group on JST Financing, Bank Arbitrage Council, Working Group on Financing NGOs, Churches and Religious Organisations, Electronic Banking Council, Fishing Industry Financing Working Group, Supervisory Regulations Advisory Committee, IFI Working Group, Car Finance Banks Council, Technology Finance Loans Working Group, Non-Treasury Debt Securities Council, Environmental Projects Working Group, Tax Council, Working Group on 2020/30 Strategy and Programme, Direct Debit Working Group, Settlement Agents Committee and the Finance Management Council.

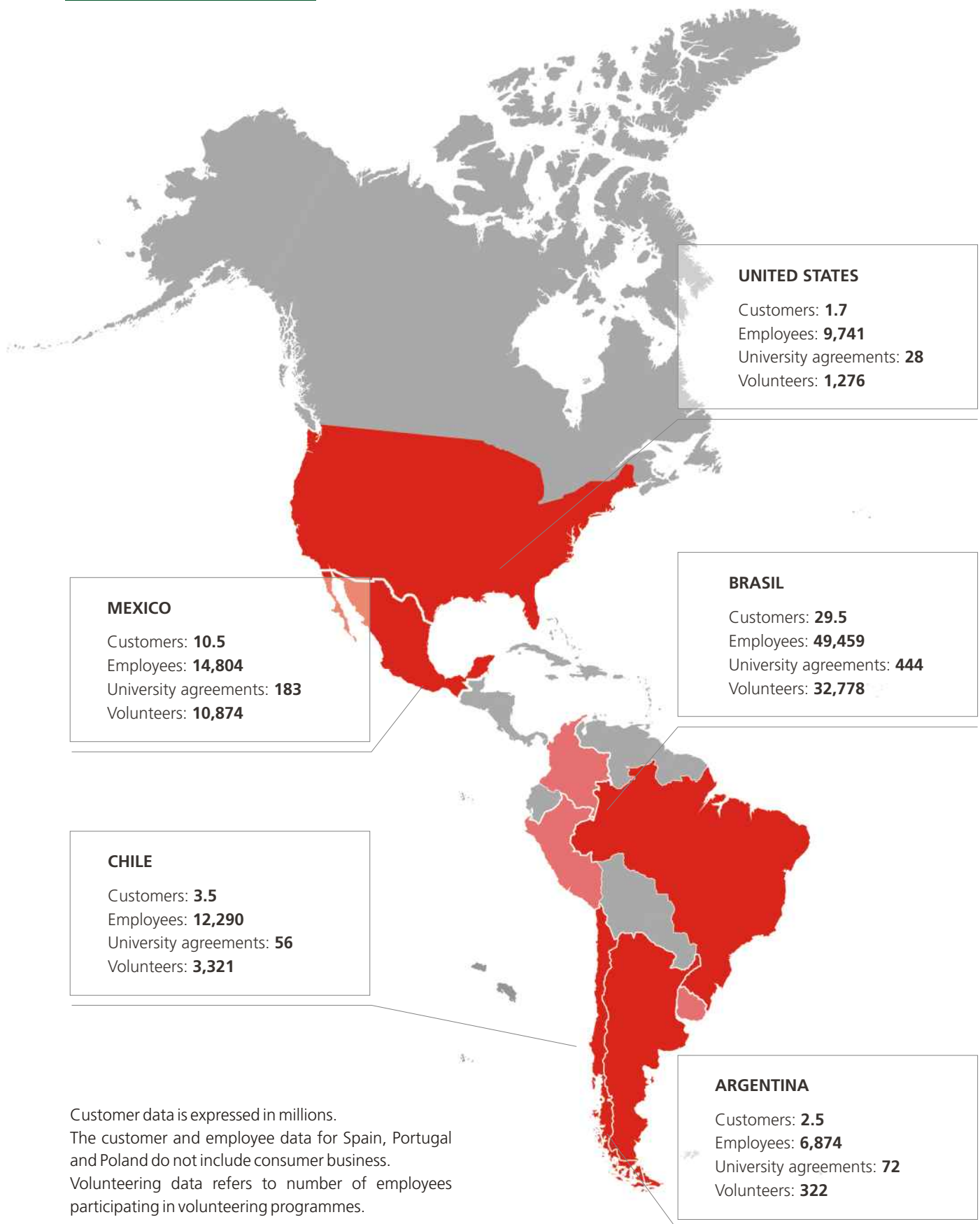
## Our stakeholders

Key stakeholders of Bank Zachodni WBK identified from the perspective of the business strategy, direct and indirect impacts of the organisation and the way of engaging them in a dialogue.

Stakeholder group	Communication channel
<b>1</b> Retail customers and SMEs	<ul style="list-style-type: none"> <li>- branches</li> <li>- info line</li> <li>- the Internet (the bank's blog, social media profiles, the Bank of Ideas)</li> <li>- customer satisfaction surveys</li> <li>- meetings, seminars, training events, e.g. "Entrepreneur's Academy"</li> </ul>
<b>2</b> Corporate customers and GBM	<ul style="list-style-type: none"> <li>- relationship managers</li> <li>- Corporate Banking Centres</li> <li>- conferences</li> <li>- road shows</li> </ul>
<b>3</b> Investors and analysts	<ul style="list-style-type: none"> <li>- General Meetings of Shareholders</li> <li>- quarterly presentations of results</li> <li>- meetings</li> <li>- conferences</li> <li>- stock exchange messages and press releases</li> </ul>
<b>4</b> Market regulators and supervision authorities	<ul style="list-style-type: none"> <li>- regular meetings</li> <li>- reports</li> </ul>
<b>5</b> Employees	<ul style="list-style-type: none"> <li>- the Intranet</li> <li>- company newsletters</li> <li>- internal meetings</li> <li>- management road shows</li> <li>- employee attitude surveys</li> <li>- chats with the bank's senior managers</li> <li>- Performance Management process</li> <li>- integration events (e.g. Annual Hiking Event 'Rajd Bankowca')</li> </ul>
<b>6</b> Local communities	<ul style="list-style-type: none"> <li>- activities of the Bank Zachodni WBK Foundation</li> <li>- voluntary service of employees</li> <li>- conferences, local events</li> </ul>
<b>7</b> Media	<ul style="list-style-type: none"> <li>- conferences and press briefings</li> <li>- interviews, expert commentaries</li> <li>- one-to-one meetings</li> <li>- press releases</li> </ul>



## Part of the **Santander Group**

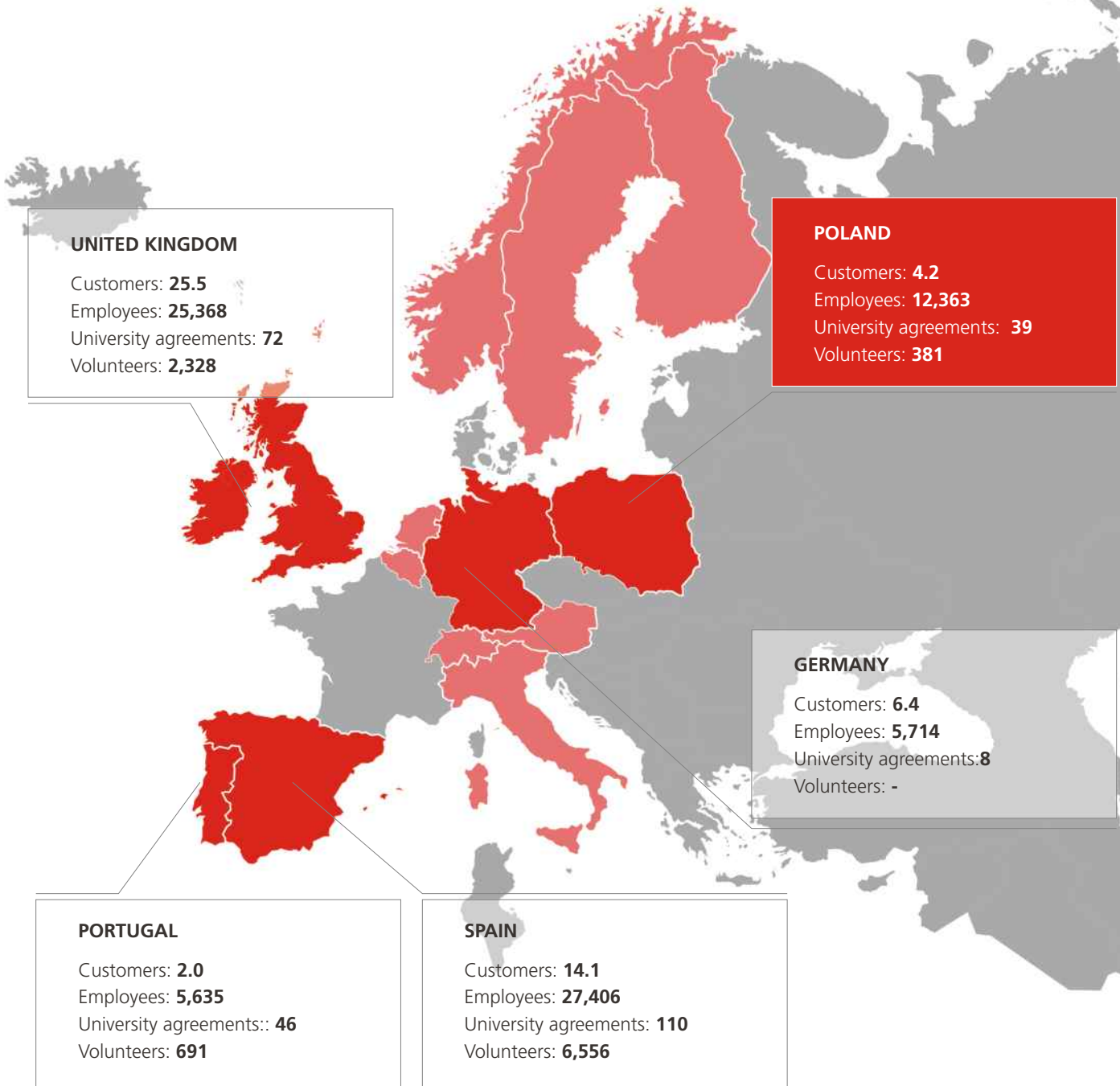




Grupo Santander's geographical diversification is balanced between mature and emerging markets, which contributed 47% and 53% of the earnings in 2013, respectively.

The Bank's presence is focused on 10 main markets: Spain, Germany, Poland, Portugal, the United Kingdom, Brazil,

Mexico, Chile, Argentina and the United States. The Bank also has a significant amount of market share in Uruguay and Puerto Rico, consumer financing business in other European countries, and a presence in China through the wholesale banking and consumer finance business.



● Main countries

● Other countries where Banco Santander conducts its operations include Peru, Puerto Rico, Uruguay, Columbia, Norway, Sweden, Finland, Denmark, the Netherlands, Belgium, Austria, Switzerland and Italy,

# EMPLOY

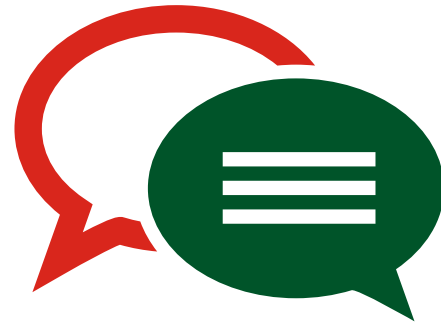


*We do our utmost to create for our staff a favourable environment for engagement in creative and innovative projects.*

***We want our people to feel that they are taking part in building the banking business of the future.***

***Piotr Partyga***

# YEEES



## An Interview with **Piotr Partyga**, Member of the Management Board of Bank Zachodni WBK who is in charge of the Business Partnership Division

### ***Which of the developments taking place in BZ WBK last year were most important from the employees' point of view?***

**Piotr Partyga:** The most significant event was certainly the merger of BZ WBK and Kredyt Bank under a common brand of Bank Zachodni WBK. It was a strategic development for the whole organisation and a major challenge for all of us. We needed to face the tough market reality and satisfy the needs of all customers.

Unfortunately, some of the employees had to leave as a result. Nevertheless, the merger itself turned out to be a great success because we have become a bigger, stronger and more competitive bank and can now offer better security to our staff. What is important is that, we achieved a synergistic effect in the area of employee competences. What worked best in both institutions now serves the purposes of one combined organisation. So, although we still have a lot to do in terms of building a uniform organisational culture based on values and competences, with the qualified and committed staff on board we can look into the future with optimism.

### ***A merger of two large banks is never easy for staff. What did you do to help them find their place in the new structure and be able to deliver the ambitious goals effectively?***

**P. P.:** In order to facilitate the employees' transition to the new, merged organisation we offered them a range of training programs, including courses and workshops for the new staff

members, lectures on business ethics and outplacement and inplacement programs and we carried out an employee attitude survey. We have done all that because we really want each employee, regardless of their gender, work experience, job role or any other distinctive feature, to feel good about their work, to feel recognised and valued and to be satisfied and proud of working for Bank Zachodni WBK.

### ***How can you stimulate the creativity and innovativeness of employees in the banking sector which is so heavily regulated?***

**P. P.:** By a curious paradox, all the restrictions and standards which we are subject to give us additional motivation to look for innovation, a unique solutions which will make us stand out on the market and be a source of competitive advantage in the eyes of the customers, employees, our colleagues and business partners.

We do our utmost to create for our staff a favourable environment for engagement in creative and innovative projects. We want our people to feel that they are taking part in building the banking business of the future. This is why we launch in our bank such initiatives as "Best of the Best", "Golden Ideas" or "Bank on Women". They offer an opportunity for our employees to act on their innovative ideas and help the bank face the ever changing reality.



### ***And what about other competences necessary to run a reliable and successful bank?***

**P. P.:** We are constantly focusing on upholding our staff's commitment to their daily work. We invest a lot of effort and energy in creating a comfortable work environment for our employees and motivate them to continuous development. Such an approach helped us build a loyal team of people for whom responsibility is a key value at work. As a result, we have managed to minimise the reputational risk to which every bank in the world is exposed. A core part of the New Generation Bank program launched in 2013 is a multidimensional employee development program. We believe that its implementation will be a way to untap the full potential of our staff and secure the stable development of our integrated bank in the future.

#### **Stakeholder expectations expressed during the dialogue session:**



The bank should provide information about solutions implemented for disabled employees, both at the stage of the recruitment process and subsequently, while adapting workstations for use by disabled persons.

At present, the bank does not employ people with disabilities which would require the adaptation of workstations to special needs, apart from the standard requirements, such as staff toilets in every BZ WBK outlet.

In 2012, the "Traineeship Without Barriers" programme was launched to make it possible for disabled students of universities associated with Santander Universidades to work as trainees in the bank. The project was awarded an accolade in 2013 by the Student Parliament of the Republic of Poland. There are no special solutions in the bank for disabled job candidates at the stage of the recruitment process.

# How We Develop in a Dynamic and Sustainable Way

Total workforce by employment type, employment contract, and region, broken down by gender



## Ethical bank, ethical employees

### Stakeholder expectations expressed during the dialogue session:



The stakeholders wanted to know whether the bank has adopted any codes of conduct and if so, what areas they cover, and whether the internal code of conduct is available for review by external stakeholders. Suggestions were also made to include information about the audits/ monitoring of conformance with the code of conduct and about the frequency of revisions of the code of conduct to make sure it is kept up to date and relevant.

At Bank Zachodni WBK, we truly value our reputation and for that reason we strictly follow in our daily work the applicable laws, corporate governance principles and the highest ethical standards which laid the foundations for our organisational culture many years ago.

2013 was a special year for the Bank with regard to the promotion of ethical conduct among our staff. By force of the Management Board resolution of 9 January 2013 we adopted a new General Code of Conduct consistent with the standards of the Santander Group. The document is much bigger than the previous Code of Business Ethics and – in addition to general ethical standards – also contains a great number of specific provisions pertaining to e.g. relations with employees, customers and suppliers, management of conflicts of interest, protection of data and information and preventing corruption. The Code is supplemented with detailed guidance intended to facilitate the interpretation of the rules by employees. The Code in force in the bank is available for review by external stakeholders on the bank’s website, in the Investor Relations section.

## “Speak Openly” Policy

The bank promotes openness and honesty in relations with its staff. Therefore, since 2005 we have had in place a policy called ‘Speak Openly’ under which employees can anonymously raise any issues of concern, including breaches of the applicable rules or instances of misconduct. Each employee who is in doubt may seek expert support by calling a dedicated telephone line or sending an email to a dedicated address.

Each message will be responded to, since the Policy obliges the bank management to react to all reported irregularities or non-conformances in time to prevent their negative impact on the bank’s reputation. The Policy is in force across the entire bank and is consistent with the equivalent regulations of the Santander Group. In 2013, ninety three issues were reported.

The implementation of the Code was supported with e-learning activities initiated in October 2013 and offered in the first place to the Business Support Centre (head office) and employees of the bank’s subsidiaries.. In this way, by the end of 2013 we had trained 24.08% of managers and 38.14% of back-office staff. The training of branch employees is scheduled to take place in 2014. The online course teaches the employees whether they can, for example, accept a gift or how they should behave in the contacts with representatives of public authorities or government officials.

The Code of Conduct applies to all BZ WBK employees regardless of their place of work or form of the employment contract. Managers at all levels are obliged to promote the highest ethical standards and put an emphasis on ethical ways of doing business. The Code has been fully endorsed by the bank’s top management and the Board.

Bank Zachodni WBK does not restrict itself to the actions described above. We want to further reinforce and develop the ethical awareness of our staff. We are planning to continue ethical training in the bank and provide our people with clear guidance and support any time they make important or difficult decisions.

### A comment from an internal stakeholder



#### Leszek Taterka, Compliance Manager

*Last year was a period of changes and new challenges to most employees and that was reflected in the number and nature of issues reported by our staff under the Speak Openly policy, via the anonymous help line and the ethical mailbox. We have been managing those communication channels since 2004. Each report is recorded and evaluated. We have spent many years convincing our colleagues that they should not be afraid of raising any issues of concern. The employee can be certain that the reported matter will be investigated and they will receive feedback on the outcomes of the investigation. If the employees wish to remain anonymous we keep their identity confidential. The topics of the reports in 2013 varied considerably. The majority pertained to the code of conduct i.e. breaches of the business ethics rules. In five instances the alleged non-conformances were subsequently confirmed and the individuals found guilty of misconduct were subject to the appropriate sanctions. Other reports concerned employee relations. In those cases, HR specialists were very helpful in evaluating the matters brought to our attention by the staff. None of the reported issues has been classified as critical for the bank's operations or reputation.*

### Business ethics in the employee attitude survey

Since 2004, an Employee Attitude Survey has been carried out annually in Bank Zachodni WBK. The process is always handled by an external agency to ensure the confidentiality and anonymity of all participating staff members. We always make sure that the questionnaire covers the subject of ethical conduct. The information gathered from the survey is analysed by the Management Board at the level of the whole bank and locally, for each organisational unit. In this way we obtain meaningful information on the analysed subjects.

The survey is also a tool which allows detecting signals of improper conduct, such as discrimination, sexual harassment or mobbing. The indicators are monitored at the central level. When it seems necessary, certain issues are examined more closely and appropriate interventions are designed. The results in the 'Ethics' section often inspire us to implement various preventive strategies addressed both to the employees and managers of the bank.

The bank also has in place a Procurement Policy and the Rules of Impartial and Objective Engagement in Relations with Existing and Potential Vendors and Counterparties". The mechanisms provided for in those documents help us identify at an early stage illegal or unethical practices and vendors who may violate employee rights or make use of forced labour or child labour. In 2013 we did not identify any such instances so there was no need for measures aimed at eliminating those malpractices.

### The following codes, policies and procedures are in force in the bank to prevent non-compliance with general laws and the bank's internal procedures:

- General Code of Conduct with detailed guidance
- Code of Conduct on Securities Markets
- Policy of Managing Conflicts of Interest
- Policy and Guidelines on Information Barriers
- Policy of Managing Reputational Risk in Product Commercialisation
- Policy of Accepting and Offering Inducements
- Anti-Money Laundering Policy, and
- Occupational Safety and Hygiene Policy.



## Respect and Dignity at Work Policy

The bank has an Internal Audit team which conducts audits in accordance with the annual audit plan approved by the Audit and Compliance Committee of the Supervisory Board. The audit plan is prepared on the basis of the risk analysis, taking into account the requirements of the regulator and the expectations of the Management Board. The audit activities cover all subsidiaries which are members of the BZ WBK Group and the bank's branches. In 2013, we audited 40 branches accounting for 4.8% of the total number of business units, which we examined in terms of the risk of corruption. Each branch audit covered such topics as cash management, the loan portfolio, current accounts, investment products, operations and services and other aspects, such as conformance with the external and internal regulations in force.

All the regulations were implemented to make sure that in any circumstances our employees will act solely in the interest of the bank and its customers and not in order to gain any personal benefits thanks to relations maintained or actions carried out on behalf of the bank. In 2013, no instances of corruption were identified, therefore there was no need to undertake any measures to counteract corruption.

### The bank of equal opportunities

#### Stakeholder expectations expressed during the dialogue session:



The report should cover the subject of diversity including the juggling of multiple roles and the employment structure by gender and age.

Out of 12,000 of the bank's employees, the majority (75.41%) are women, persons between 30 and 50 years of age (68.34%) and Polish nationals (99.79%). Bank Zachodni WBK aspires to be an equal opportunity organisation i.e. to offer equal opportunities for professional development and promotion to all employees regardless of their gender, age or other factors.

In January 2005, the bank adopted the "Respect and Dignity at Work" policy which covers such issues as discrimination, sexual harassment and mobbing of employees from their managers or colleagues both in the workplace and during conferences, training or integration events.

The objective of the policy is, on the one hand, to prevent misconduct by clearly pointing out behaviour which is not accepted by the bank and which is contradictory to its culture and values and, on the other hand, to eliminate effectively all identified instances of unacceptable behaviour. In the event of policy breaches, the affected employees are informed what they are supposed to do and where they can find support in the organisation. Such an approach helps to solve potential problems within the organisation and minimises the risk of court actions which is of great importance to the bank's image and reputation as an employer.

Two instances of discrimination were reported in 2013. The first one was an email from an employee requesting for a reaction to a situation. After the analysis of the incident and consultation with senior managers of the unit and with the HR manager, the complaint was rejected as unjustified.

The employee did not appeal against the decision. The other report is currently being investigated in accordance with the formal procedure set forth in the Respect and Dignity at Work Policy.

**The Respect and Dignity at Work Policy is consistent with the Polish Labour Law and with the EU regulations on counteracting discrimination, sexual harassment and mobbing in the workplace.**

1. The 'business unit' shall be understood as a branch of BZ WBK S.A.

Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	Value
<b>Breakdown of employees by gender, of whom:</b>	
Male	24.59%
Female	75.41%
<b>Breakdown of employees by nationalities:</b>	
Polish nationals, of whom:	99.79%
Female	75.50%
Male	24.50%
Non-Polish nationals, of whom:	0.21%
Female	36.00%
Male	64.00%
<b>Breakdown of employees by age:</b>	
Below the age of 30, of whom:	18.70%
Male	24.78%
Female	75.22%
Between 30 – 50 years of age, of whom:	68.34%
Male	26.13%
Female	73.87%
Above the age of 50 years, of whom:	12.96%
Male	16.16%
Female	83.84%
<b>Breakdown of governance bodies' members by gender:</b>	
Male	100.00%
Female	0.00%
<b>Breakdown of governance bodies' members by nationality:</b>	
Polish nationals, of whom:	60.00%
Female	0.00%
Male	100.00%
Non-Polish nationals, of whom:	40.00%
Female	0.00%
Male	100.00%
<b>Breakdown of governance bodies' members by age:</b>	
Below the age of 30 years, of whom:	
Male	0.00%
Female	0.00%
Between 30 – 50 years of age, of whom:	100%
Male	100.00%
Female	0.00%
Above the age of 50 years, of whom:	0.00%
Male	0.00%
Female	0.00%

The majority of branch managers are women – out of 871 branch directors 559 are women.



**Stakeholder expectations expressed during the dialogue session:**



The report should present a comparison of the compensation of employees of different genders occupying positions of the same grade.

The entry level wage of employees of Bank Zachodni WBK compared to the local minimum wage is 179.78%. The minimum wage is stated in the Remuneration Regulations of BZ WBK and there is no differentiation by gender.

Ratio of the basic salary of women to men (100%) by job grade in the organisational hierarchy		Comments
<b>Top management (grade 20 and above)*</b>	<b>71.8%</b>	Under-representation of women mainly in the support functions; a group of expats (mainly men) with above-standard remuneration
<b>Senior management (grades 18-19)</b>	<b>92.2%</b>	
<b>Middle management (grades 15-17)</b>	<b>86.6%</b>	The value of the indicator is driven down mainly by grade 15 where the jobs of the former Kredyt Bank show a large difference in compensation value.
<b>Senior specialists/ experts (grades 17-18)</b>	<b>98.7%</b>	
<b>Intermediate specialists/ experts (grades 14-16)</b>	<b>86.5%</b>	
<b>Junior specialists/ experts (grades 11-13)</b>	<b>92.6%</b>	

\* Job grades according to the Hay Group methodology



**Bank Zachodni WBK  
friendly to mothers**

The creation of equal opportunities in the workplace is an important element of the BZ WBK approach to its staff. Our Policy of Supporting Women During Pregnancy and Maternity helps to juggle family and job responsibilities.

Young mothers working for the bank are offered the following additional perquisites:

- an additional 3-week paid leave available right after the end of the statutory maternity leave – in 2013 three hundred thirty four women took advantage of that option,
- an opportunity to switch temporarily from a full-time job to a part-time job, flexible hours and – if possible – task-based working time,
- an adaptation period and exemption from delivering the sales targets in the first month after returning to work from a maternity leave.

To keep our female employees on maternal leave updated on developments in the bank we send them once a month the company newsletter with information about developments in the bank, changes in the policies and procedures and interesting articles on maternity-related topics.

**A comment from an internal stakeholder**



**Anna Radomska – Development and Employee Relations Director**

*The policy of supporting women during pregnancy and maternity is a lasting element of our organisational culture. Its purpose is to encourage women to return to work after maternity leave. Young mothers most often take advantage of the option of an extra 3-weeks paid leave. All the privileges offered under the policy are also available to fathers if they decide go on parental leave instead of the child's mother. Our experience, however, shows that this rarely happens. During six years since the implementation of the policy only five fathers took advantage of the policy perquisites (versus 300-500 women each year).*

## Return to work and retention rates after parental leave by gender



1. The number of persons who used the leave has been calculated taking into account the employees who were on parental/ child care leave in 2013 for more than 14 days and the number of persons who returned from the leave has been calculated taking into account the employees who returned to work until 31 December 2013 after a leave of more than 14 days. The figures concerning persons who continued to work for the organisation for the 12 months after returning to work from a parental/ child care leave are unavailable., of whom:



### Stakeholder expectations expressed during the dialogue session:



The report should provide information whether the bank carries out employee satisfaction surveys.

Employee attitude surveys are treated in Bank Zachodni WBK as a foundation for the improvement of people management and a way to increase their commitment. The surveys are addressed to all staff members but participation is voluntary. The employees have a great confidence in our Employee Attitude Survey which has become a permanent element of the bank's organisational culture, as evidenced by high response rates (2010 – 79%, 2011 – 76%, 2012 – 82%, 2013 – 61%).

The 2013 survey investigated in particular two areas with impact on the performance of the bank's staff. On the one hand, we tried to identify the factors that decide about the commitment of BZ WBK employees and, on the other, we wanted to know what support our employees should be offered to be able to work more effectively.

We are aware of the fact that motivation alone is not sufficient. Managers should take care to ensure an appropriate level of engagement and make use of employees' potential. They should also create a favourable work environment for the employees. Through the Employee Attitude Survey each employee can provide feedback which is useful in diagnosing the areas which require improvement as ways of increasing staff commitment. Based on the survey results, actions are planned both at the whole organisation level and locally in micro regions and divisions.

Stakeholder expectations expressed during the dialogue session:

“ Readers of the report should be informed how the bank handled the workforce restructuring process in the context of changes taking place in the organisation. A suggestion was made to describe the relations and communication with employees during that time and to mention internal training or other forms of support and/ or retraining offered to prepare employees for taking new roles within or outside the bank.

As a socially sensitive company we feel responsible also for employees who leave our Bank. An outplacement programme addressed to such employees was initiated in May 2013. The purpose of the programme is to help them find employment after leaving BZ WBK. Outplacement services in our Bank present a complex approach based on three key assumptions:

1. A successful career depends on the conscious and long-term building of a personal brand on the market.
2. We approach each employee individually.
3. The programme should provide practical advice to employees adapted to the current labour market situation.

Stakeholder expectations expressed during the dialogue session:

“ Provide information about staff turnover.

Total number of newly hired employees, employees leaving employment and the rate of employee turnover by age, gender and region	Value
<b>Total number of employees hired by the company during the reporting period, of whom:</b>	<b>5,668 persons</b>
Female	<b>4,188 persons</b> <small>(including 3 496 as a result of a merger with Kredyt Bank)</small>
Male	<b>1,480 persons</b> <small>(including 1180 as a result of a merger with Kredyt Bank)</small>
Below the age of 30 years	<b>1,514 persons</b> <small>(including 917 as a result of a merger with Kredyt Bank)</small>
Between 30 and 50 years of age	<b>3,490 persons</b> <small>(including 3 111 as a result of a merger with Kredyt Bank)</small>
Above 50 years of age	<b>664 persons</b> <small>(including 648 as a result of a merger with Kredyt Bank)</small>
<b>Breakdown of employees hired during the reporting period, of whom:</b>	
Female	<b>73.89%</b>
Male	<b>26.11%</b>
Below the age of 30 years	<b>26.71%</b>
Between 30 and 50 years of age	<b>61.57%</b>
Above 50 years of age	<b>11.71%</b>
<b>Total number of employees leaving employment during the reporting period, of whom:</b>	<b>2,081 persons</b>
Female	<b>1,384 persons</b>
Male	<b>697 persons</b>
Below the age of 30 years	<b>75 persons</b>
Between 30 and 50 years of age	<b>1,112 persons</b>
Above 50 years of age	<b>210</b>
<b>Breakdown of employees leaving employment during the reporting period, of whom:</b>	
Female	<b>66.51%</b>
Male	<b>33.49%</b>
Below the age of 30 years	<b>36.47%</b>
Between 30 and 50 years of age	<b>53.44%</b>
Above 50 years of age	<b>10.09%</b>

### The programme consisted of two components:

1) A workshop available to all employees leaving the company. Its purpose was to prepare them for a successful job search through:

- Boosting their self-esteem
- Helping them build a personal brand/ an attractive offer for a future employer.
- Activating and motivating workshop participants to look for a job
- Providing knowledge, skills and tools useful to job seekers, including information how to:
  - reach employers in a non-standard way
  - distinguish oneself from other job candidates
  - develop a network of personal contacts
  - answer difficult and unusual questions during job interviews
  - make use of social media when searching for a job
  - work with recruitment agencies,
  - write a professional CV and a motivation letter
- Raising the participants' awareness regarding their preferred direction of career development
- Understanding the emotions associated with the loss of a job/ searching for a new job and translating them into actions

2) Individual consultations offered to persons from the age group which, according to statistics, are less employable and had worked for the bank for many years. Such employees could count on the assistance of external career consultants and tailor-made advice.

### What are the advantages of such consultations?

- Choosing topics suitable for the participants' needs
- In-depth diagnosis of participants' experience, achievement and competences
- Defining the potential directions of future career development
- Working out an individual action plan and job search methods
- Individualised job application documents (CV and a motivation letter)
- Rehearsing for a job interview with immediate feedback (preparation for specific interviews)
- Advice on negotiating employment terms
- Communication with employers (ongoing monitoring of the explicit and implicit labour market)
- Psychological support as and when required (including the work on motivating potential).

### FIGURES:

The programme is growing month after month. In May 2013 only a few people attended the workshop and in September there were over 30 participants. Altogether, 156 employees took part in the workshop by the end of the year.

Individual consultations were offered to 12 persons of whom six have already been re-employed and the status of the other six will be checked three months after the end of the consultations. What is more, the workshop format, its quality and topics covered are highly appreciated by employees, as evidenced by the workshop satisfaction survey results (the average score is 3.8 on a scale of 1 to 4) and a growing number of attendees.

### A comment from an external stakeholder



**Beata Kapcewicz – President of Architekci Kariery, an external agency hired by the bank to develop and deliver the workshop and individual consultations as part of the outplacement programme.**

*Outplacement programmes are offered by employers who understand that employees who have worked many years for one organisation may not have had an opportunity to build their brands on the market and acquire competences necessary for success on the labour market.*

*Outplacement programmes may be delivered internally (in which case HR staff are the career consultants) or in partnership with an external contractor. Working on the outplacement programme for BZ WBK, I saw exceptional commitment on the part of the entire HR function. HR employees were preparing for the role of career consultants to provide support to people going through a difficult period of changes. The very fact that the company has decided to acquire such competences and invested time, money and human resources in that process demonstrates that it feels responsible for the future of those who helped to build the value of the organisation over recent years even after they cease to be part of it.*

## Comments from internal stakeholders

### Feedback from participants of the outplacement programme (former employees):

*Thanks to the training workshop it was easier for us to go through this difficult and painful stage. - Agnieszka and Ewa*

*The consultations gave me a lot of food for thought and focused my attention on new aspects and job search strategies which I have never considered before. During the two sessions we discussed my strengths and area for improvement. I also received a list of books which can be helpful in finding a new employer or deciding on a new career.– Robert*

## INPLACEMENT



Readiness for a number of career changes during a lifetime is a characteristic feature of the current labour market which favours people open to changes and capable of quick re-orientation. The same is true of our organisation.

In 2013, over one thousand internal job competitions were announced in Bank Zachodni WBK.

Additionally, in May 2013 an inplacement programme was launched for people interested in transfers between different units of the bank, particularly from the Business Support Centre to Branch Banking in order to join the sales force. Under the inplacement programme employees were offered an opportunity to continue employment in the organisation and received professional re-orientation support (potential assessment, training, monitoring and internship).

Between May and the end of October, more than 70 people enrolled in the inplacement programme and one-third of them have already been employed in new units or are being trained for new jobs.

### The programme offers the following key benefits for respective stakeholder categories:

#### Employee

- Professional development – new career opportunities in Branch Banking.
- Personal development – new skills, a bigger picture of the organisation, higher labour market value.
- An opportunity to discover a natural talent for selling.

#### Manager

- Acquisition of trustworthy, loyal employees knowing the organisation and having a network of contacts in the Business Support Centre.
- Theoretical background (employees with a lot of banking knowledge e.g. of the processes, products, credit policies and finance).
- A comprehensive process of job adaptation for employees (an attractive trainee package).
- An opportunity for taking advantage of unique employee competences in the branch/ region.

#### Organisation

- Creating a database of candidates for business advisors and relationship managers.
- Making use of the employees' potential.
- A complex process of the professional reorientation of employees.
- Improvement in the communication between Branch Banking and the Business Support Centre.
- Implementation of an innovative solution on the market.

# How We Stimulate Employee Creativity

## Stakeholder expectations expressed during the dialogue session:



The report should include information about the availability of an innovation platform where employees can propose improvements in the bank's operations and participate in the development of solutions to different issues.

An important element of the Santander Group strategy is to draw on the Group's international capability, also in the area of designing solutions. The best practices are shared within the framework of training programs, working groups and projects.

### "El Mundo" Exchange Programme

Bank Zachodni WBK participates in the El Mundo programme run by the Santander Group which is addressed to key individuals from the point of view of business development. Participants spend 3-4 months in one of the countries where Santander operates working on a particular business project. Each participant has a mentor and at the start of the project is assigned a number of tasks for which he/she is individually accountable.

#### Main objectives of the programme:

- promotion of training and development of professionals from the Santander Group,
- creating an opportunity for gaining experience in the global operations of the Group,
- exchange of the best practices within the Group,
- implementation of projects of key significance for the development of employees and their units.

**In 2013, two employees of BZ WBK took part in the El Mundo programme.**

## A comment from an internal stakeholder



### Bogusław Dziewięcki – Capital Requirements Department Director

*The El Mundo is one of the main projects of the Santander Group facilitating international exchange of specialists and knowledge and experience sharing.*

*In addition to the challenge of working on an international project team, El Mundo is also about daily work and the performance of job duties among new people, in a new business and IT environment and on a much larger scale. While working for Banco Santander, each task requires not only a local perspective of a given division or country but also a global point of view of the whole Santander Group.*





### The Third Edition of “Best of the Best - Out of the Box” programme in the Business Support Centre

The “Best of the Best – Out of the Box” programme has been developed as a response to the current needs of the organisation: a demand for non-standard solutions giving rise to a competitive advantage and for mutual understanding and effective cooperation above organisational barriers.

The programme has been launched to make a better use of the best employees’ potential and is addressed to employees with the best scores in the annual Performance management Process (the top scorers are the elite of the workforce accounting for only 3% of all employees). The Business Support Centre is so big that the best performers often do not have a chance to work with each other and thanks to the „Best of the Best” initiative they get to know each other, share ideas and best practices, learn more about the whole organisation and integrate themselves with each other and with the bank’s senior managers. The programme consists of a series of regular meetings and workshops.

“Best of the Best” is the only programme which in a comprehensive way caters for the potential of people with the biggest influence over the success of the Business Support Centre, promoting them across the organisation and encouraging and motivating them to continue their efforts and excellent performance. It shows the participants how they can enhance their impact on the organisation. The programme also has an effect on staff retention. The beneficiaries are asked about their expectations and future aspirations so that the organisation can take steps to create opportunities for realising their professional ambitions within the bank.

Another positive outcome of the programme is employee integration, particularly important after the merger of the two banks.

The assembly of talents from the whole Business Support Centre resulted in working out a new “out of the box” approach to different business topics. Thirty seven top performers from the Centre were invited to take part in the most recent edition of the programme.

The project participants started from working in the Personal Loans Department where they focused on inventing innovative CRM and marketing campaigns, supported by business experts from the area.

The second module involved designing solutions to promote mobile banking among the employees of the Business Support Centre. The best initiatives were selected for implementation in 2014, in partnership with the Centre staff.

The last part was devoted to corporate social responsibility. Participants reviewed the provisions of the bank’s CSR policy and became ambassadors of social responsibility in four areas: the work environment, the natural environment, local communities and market and customers.

The Programme also offered an opportunity to attend a personal efficiency workshop, public address workshop and individual coaching and skill upgrading sessions.

### The “Golden Idea” Competition for employees of the Operating Services Area

The Golden Idea competition is the internal project of the Operating Services Area. The competition promotes non-standard, innovative solutions for reducing the operating costs of the BZ WBK Group and improving the efficiency of processes, procedures and activities in the Area.

All employees of the Operating Services Area were invited to participate. Through involvement in the project they were able to actively influence the processes in the Operating Services Area with a view

to their optimisation by identifying opportunities for improvement and proposing necessary changes.

In 2013, 43 individual and team ideas were submitted involving altogether 45 employees. The seven winners whose proposals were considered most innovative and practical at the same time received financial awards.

### The 'First Step' Development Programme in the Business Support Division

The aim of the programme is to create favourable conditions for personal development of the most committed and ambitious employees – specialists and experts – with above-average performance results.

More than thirty employees of the Business Support Centre take part in each edition of the programme. They are given an opportunity to work together and share their experience and also to look at the bank's business from the perspective of Branch Banking.

During the programme employees take part in a number of activities which enhance their knowledge and skills and learn how to set themselves specific and measurable objectives and achieve them. They also learn how to draw up personal development and career plans in the bank, take advantage of feedback, resolve conflicts and have good public address skills. Teamwork experience gained during the planning and implementation of a community welfare project is also of great value. For instance, during the 2nd edition of the programme five welfare activities were carried out, including an evening of Christmas carol singing for seniors, an integration event for disabled children and a project promoting a healthy diet among schoolchildren). In each case, there were more than twenty beneficiaries of the activities.

Over nine months of the programme's duration, the participants also have a unique opportunity to learn from the knowledge and experience of top management members through mentoring support and to get to know the operating rules and specificity of other areas of the bank during the BZ WBK Tour.

After completion of the programme, participants bring back to their teams fresh energy and new ideas and are better prepared to propose improvements in changing the Business Support Centre and the whole bank for the better. They are also more aware of the opportunities for personal development and of their career and life objectives.



### Leaders of the Future

In 2012 and 2013, the tenth edition of the prestigious Leaders of the Future programme addressed to individuals with managerial potential was held. The initiative is very popular – every year a few hundred people take part. For the bank, the programme is an excellent platform for selecting candidates for junior managerial positions. Thanks to the Leaders, we can be sure that the leadership values of future managers will be consistent with the bank's strategy and values and suitable for the challenges which the bank faces. Sixty-eight participants of the 10th edition of the programme selected in a multi-stage recruitment process met throughout the year at numerous workshops, worked on their Personal Development Plans and took advantage of mentoring support. Future managers must have the ability of strategic thinking. Therefore, a discussion panel with members of BZ WBK's top management was an important point on the programme agenda.

For 10 years, participants of the Leaders of the Future Programme have been using the acquired managerial skills in community welfare projects. Participants of last year's edition of the programme helped the children from Jasiak Mela "Beyond Horizons" Foundation. **Through a range of activities and events (such as runs, photography workshops, auctions, sale of calendars or hand-made gadgets) they managed to raise PLN 60,000 which was spent on the purchase of prosthetics for people who have become disabled because of accidents.**

**A comment from an internal stakeholder**



**Daria Sorówka, a participant of the 10th edition of the Leaders of the Future programme**

*Taking part in the 10th edition of the Leaders of the Future programme was an invaluable development opportunity for me. I have learned how to be a good leader effectively managing the business and people, which rules, how to avoid common mistakes and which principles I should stick to. I found out that a manager should be competent and demanding but at the same time fair and considerate. The values which a manager should be guided by in daily work include respect, honesty, diligence, trust and collaboration since teamwork is nowadays the key to success. Participation in a welfare project was an opportunity to apply multidimensional and methodical management skills in practice. Now I know how to combine business goals with doing something good for people, the organisation and yourself.*

**CSR activities incorporated in the development programs and initiatives implemented in the bank**

One of the best practices in our bank is to engage beneficiaries of development programs in CSR initiatives. The participants of all development programs are expected to take part in a CSR project or campaign.

What is also important is that we leave the choice of ideas and activities to the participants (a short CSR workshop is only held before). Such an approach is intended to raise the participants' awareness of the bank's social responsibility and real-life examples help to get more people onboard.

Another best practice is to involve programme participants in identifying the potential beneficiaries of CSR activities. When people can choose the actual beneficiaries of the implemented projects they feel more responsible for their outcomes.



## Local employee development initiatives

### "A Step into the future"

in Dolny Śląsk macro region

The purpose of the programme was to develop employees with a managerial potential by providing them with basic knowledge on business and people management. The workshops organised as part of the programme covered such topics as the manager's role and responsibility, sales performance and finance management, communication, operational risk management in branches and teamwork and the effective motivation of team members.

The programme was implemented from September 2012 to February 2013 with the participation of 15 staff members of whom 5 have already been promoted to managerial positions.

### The "Leadership Academy"

in Wrocław macro region

The Leadership Academy Program was organised in response to a high recruitment demand for managerial positions in the macro region. In order to ensure a practical approach to the knowledge and skills taught, one of the trainers at each event was the Regional Director. The training focused on such subjects as self-presentation, customer in the sales process, team management, coaching, financial performance management and sales tools.

An additional value of the workshops was the involvement of business experts, also from sectors other than banking. The programme went on from April to June 2013. Out of the total of 19 participants, seven have already been appointed managers.

### "Złota 15" programme

in Wielkopolsko-Lubuski macro region

The purpose of the programme was to enhance the competences of employees and prepare them for leadership roles in the future. The target participants were employees with no experience in team management but with a potential for taking up managerial positions in the bank in the future. There were no eligibility criteria in the enrolment process (such as employment duration or annual performance evaluation results) other than the perceived potential and willingness to learn.

The programme was launched in May 2013 and scheduled to last one year. The fifteen participants attend, on average, two training sessions per quarter of the year, to learn such skills as self-presentation, team management, personal development planning and giving feedback or managing time effectively. The workshops are prepared by regional directors on the basis of the identified needs of the employees. The participants also have their mentors who support their development and acquisition of competences and skills.

## Employee volunteering activities

### Stakeholder expectations expressed during the dialogue session:

The report should include information about employees' voluntary work e.g. types and number of projects, number of involved employees and number of hours spent on volunteer services in 2013.

## We support volunteering activities

The employees of Bank Zachodni WBK are sensitive to the needs of local communities and the environment in which our branches conduct their operations. We promote and support the bottom-up initiatives of our staff and do not impose any volunteer actions centrally. We also try to help our employees develop their passions with a positive contribution to overall success. The Foundation of Bank Zachodni WBK supports voluntary actions initiated by our staff.

Each group of employees who want to engage in volunteer work can apply to the Foundation for a grant to a maximum amount of PLN 3,000.

**Altogether 45 employee volunteer projects were implemented in 2013, the total value of financial support to those projects offered by BZ WBK amounted to PLN 86,000 and 381 bank's employees became volunteers.**

Volunteers share with us their own ideas responding to the actual needs of the local communities and actively seek support of other partners and sponsors. The best initiatives take part in an annual competition for the Volunteer Project of the Year and the winning team receives an extra PLN 3,000 for the next project on their agenda. The campaigns awarded in 2013 included the "Green Way" – an educational project promoting a healthy diet and knowledge about fruit and vegetable farming organised for children with a hearing impairment. Another project which received support thanks to our volunteers is the 'Gift of Blood' campaign promoting the idea of blood and bone-marrow donation

**'Happy Library'**



The 'Happy Library' campaign was developed specifically for the young patients of **hospital wards all over Poland**. The eligible wards receive bookcases with a collection of over 170 classic and popular books and audio books for children and teenagers. The list of books in the collection was drawn up in partnership with experts in children's literature from Warsaw University and the National Library in Warsaw.

The programme was launched by the Kredyt Bank Foundation in 2011 and is now continued by the Bank Zachodni WBK Foundation. During the first edition the books were donated to oncology and haematology wards, a year later to orthopaedics wards in 2013 we entered into cooperation with cardiology and cardiosurgery clinics in Poland. The campaign combines support to help in the recovery of young patients with a contribution to their intellectual and emotional development.

The programme would not have been possible without the involvement of the bank's staff that visit the hospitals and organise workshops for patients. Each year more than 100 volunteers meet with hospitalised children. For many of the volunteers it was their first experience in volunteering and the first step to regular engagement in CSR projects.

**A comment from an internal stakeholder**



**Wiktor Wawreszuk – Director of Branch no. 1 of Bank Zachodni WBK in Biała Podlaska**

*The beginning of my work as a volunteer dates back to the time before I joined the bank. I was requested to donate blood to a terminally ill person and that's how I became an honorary blood donor. Already in the bank I noticed that I was very lucky to work with good people who never refused to help those in need. Together, we have successfully executed a few dozen volunteer projects, mainly in partnership with the BZ WBK Foundation.*

*In addition to the great satisfaction of doing good things (such as helping disadvantaged children and teenagers to take care of their future), volunteer work is also an opportunity to meet many interesting people – activists, other volunteers and, last but not least, beneficiaries. You get a chance to see your colleagues in action and learn many surprising things about them and common work is a great way to develop strong bonds with people.*



# How We Create a Bank of Professionals Working With Passion and Commitment

## Induction Package

### Stakeholder expectations expressed during the dialogue session:

The report should provide information on how career paths are defined in Bank Zachodni WBK. Additionally, the types of training programmes offered (specialist, job-related) should be described.

At Bank Zachodni WBK, we understand the need for staff development and work comfort therefore we support our employees from the first day of joining the bank.

Newly hired employees in Branch Banking take part in an induction programme which is intended to prepare them for their job and guide them through the difficult initial adaptation period by way of:

- effective introduction of the new employee to their job duties:
  - ? ✓ providing knowledge (e.g. about products, systems) and developing skills (e.g. selected soft skills) required to do their job in accordance with the job profile,
  - ✓ presenting the specificity of operations in the organisational unit which the employee will work for,
- induction of the new employee into the operations of the whole bank:
  - ? ✓ providing necessary knowledge about the bank (its processes, procedures, products and organisational units, etc.),
  - ✓ getting acquainted with the bank's mission, vision, strategy, culture and the values and behaviours promoted by the bank.

The programme provides new employees with knowledge about the bank, organisational culture, policies in force, customer service standards, selling techniques and the IT systems used in daily work. Each new employee and manager receives a set of materials for use at different stages of the induction process e.g. the Induction Programme Diary or an e-learning training pack.

One of the elements of the programme is a 2-week adaptation training course delivered in the training centres. New employees participate in a number of training modules:

- Introduction to the organisation
- Customer service standards
- Training in selling techniques
- Systems training.

The systems training part ends in an exam which shows whether the new employee is ready to provide services to customers and can be assigned an authorisation profile.

An important element of the adaptation programme is feedback which the new employee receives from his/her manager. The programme involves regular meetings with the manager during which the next steps of the employee's professional development are discussed and the completed activities are reviewed.

The induction programme is a crucial element of the training system supporting employees in the performance of their job duties. It is generally appreciated by employees who emphasise the fact that the programme facilitates their professional development and achievement of success at work.

### Participants' evaluation surveys – average scores of the induction programme

Scoring on a scale of 1 to 4. The training programme is assessed on the basis of the five questions listed below. The last column shows the average score for 2012 and 2013 combined. The total line shows the average score of the five questions combined.		
	2012	2013
The training objectives were clear and understandable	3.87	3.93
The training content corresponded to the set objectives	3.77	3.89
The training content was relevant and enhanced my knowledge	3.77	3.83
Thanks to the training course I acquired and developed skills useful in my job	3.74	3.85
The training content was well balanced in terms of theoretical background and its practical application	3.57	3.83
<b>Total</b>	<b>3.74</b>	<b>3.86</b>

## Investment in the employer brand

2013 was a very difficult time for the employees of BZ WBK. The merger with Kredyt Bank meant a lot of new tasks and responsibilities for the staff. Following the merger, downsizing of the workforce was necessary. Extensive changes do not help in building the employer brand, however, an opportunity occurred to enhance BZ WBK's image of an attractive employer, i.e. increased demand for Branch Banking staff. As we usually recruit college students and graduates for sales jobs in the branches, we addressed our message to that group.

### A new version of the [www.bzwbk.pl/kariera](http://www.bzwbk.pl/kariera) website

Our new career website is addressed to people interested in working for BZ WBK. It contains not only current job offers but also a lot of information about work in the bank, employment terms, development opportunities etc. The information is supplemented with short interviews with employees, longer conversations with four persons from Branch Banking and 27 mini-interviews with the employees of different units of the Business Support Centre (head office). For the purpose of the new website, a photo shoot was held in the Warsaw branch with the bank's employees.

### BZ WBK profile in the "Career Plus – Sales" guide for students

"Career Plus – sales" is a guide for students printed in 10,000 copies, available also in the electronic form. The BZ WBK profile takes two pages out of the publication. On the first one there are two interviews with our employees and on the other information about work in Branch Banking, including a chart of a career path. The advertisement in the guide is supplemented with the employer's profile on [www.karieraplus.pl](http://www.karieraplus.pl) website which in the first month after publication was viewed 350 times.

### Production of materials for use during career fairs

We have prepared printed materials for use during career fairs and other meetings with prospective employees (a job opening/ training opportunity announcement template, a brochure on career in BZ WBK) and we have also produced 3,000 promotional gifts such as pens, magnetic bookmarks and key chains with the BZ WBK logo.



## Performance Management Process

The Performance Management Process in Bank Zachodni WBK is a key people management process founded on dialogue between the manager and the employee. Its purpose is to enhance the readiness of the entire organisation to face the growing business challenges by way of:

- Introducing employees to the strategic objectives of the organisation and their team and the key challenges throughout the year
- Defining performance results expected from the employee in the respective year
- Employee commitment and development and creating a career path
- Determining resources required to carry out the set objectives
- Evaluation and documentation of the employee's individual contribution to the performance of their team and the whole organisation.

The Performance Management Process covers all employees regardless of the employment contract type. The difference between the PMP and the annual evaluation process commonly applied in other companies lies in:

- Partnership between the manager and the employee: either party can initiate the process, present their point of view and the outcomes of each stage of the process (objectives, evaluation) are mutually agreed.
- Dialogue and feedback are the basis of the process e.g. during annual reviews throughout the year.
- Employee commitment – showing clear activity directions, creating favourable conditions for sharing ideas and providing honest feedback.
- Development – at the planning stage objectives are set up to develop skills and enhance knowledge and the achievement of the objectives is monitored during discussions between the manager and the employee.
- A dedicated programme for top performers – such employees are requested to prepare Individual Development Plans and receive additional funds for the implementation of planned actions. In 2013, 400 persons took part in the programme.

The Performance Management Process has been conducted in the bank since 2002.

## We take care of the continuous development of our staff

The training offer to our employees must be consistent with the strategic objectives. Therefore, training activities are planned centrally in our bank, with the active involvement of people from Branch Banking and the key business areas.

BZ WBK staff members take advantage of a broad range of tools supporting the development of professional skills, including distant learning (e-learning and webcasts), group and individual workshops (internal and external), language courses and specialist training programmes. All training events are available to the employees on the same conditions.

In 2013, a number of training initiatives drawing on the Santander Group's training model were implemented, such as the Risk Academy, the Audit Academy, e-learning courses prepared internally in the Group and traineeship opportunities in other divisions for key experts and managers.

Training activities in 2013 focused mainly on securing efficient customer services following the merger and on implementing uniform knowledge standards among all staff. The integration programme for Branch Banking which included a package of workshops, e-learning courses and traditional training courses, covered all employees of the former Kredyt Bank. The total number of workshop participants last year was 1,542 and almost 100% of Branch Banking upgraded their knowledge through e-learning.

The main topics covered in the training sessions included product knowledge, customer service systems and applications, loans for SMEs and operational security of branches. Upon completion of the integration programme, more than 650 loan certificates were issued. The skills acquired during the training were shared and broadened in the branches via a system of branch traineeship and hands-on exercises at test workstations.

At the same time, the Business Support Centre (head office) worked on the harmonisation of head office processes and training initiatives supported the implemented changes. The workshops focused on process and product knowledge, integrated new teams around common objectives and served the purpose of working out new collaboration rules in the merged teams.

An important element of staff development is the opportunity to apply the acquired skills in practice and sharing knowledge with other team members. Therefore, employees taking part in the training are encouraged by their managers and HR business partners to share the acquired knowledge and skills with colleagues from the same area. Also the majority of messages about training events for Branch Banking include a reminder to share the knowledge learned with team members after returning to work. In order to facilitate compliance with this recommendation, 'knowledge pills' are made available to employees on the Intranet with the key points covered in the training course.

Programmes for skills management and lifelong learning that support the continued employability of people and assist them in managing career ending	Value
<b>Employee training and support programmes aimed at skills development include:</b>	
<b>Internal training</b>	<ul style="list-style-type: none"> <li>• Induction training for new employees</li> <li>• Mandatory work safety e-learning course BHP</li> <li>• Employee training under the UNO project for Branch Banking staff of the former Kredyt Bank on products, systems, tools, credit risk and safety</li> <li>• Training under the integration projects for the Business Support Centre covering such topics as:               <ul style="list-style-type: none"> <li>• SME loans (systems, standards, transactions)</li> <li>• corporate loans under the credit partnership model and related applications</li> <li>• IT systems.</li> </ul> </li> <li>• e-learning courses</li> </ul>
<b>Subsidising external training and education</b>	<b>The bank offers subsidies to the financing of postgraduate courses, BA and MA programmes and doctoral studies in management, finance, IT, real estate, debt collection and other, as well as certified courses in the area of audits, finance, HR and other.</b>
<b>Support programs in transitional periods for retiring and displaced employees include the following forms of assistance:</b>	
<b>Termination payment upon retirement</b>	<b>Payments made to retiring employees in accordance with Work Regulations</b>
<b>Assistance in finding re-employment</b>	<b>Outplacement programme</b>



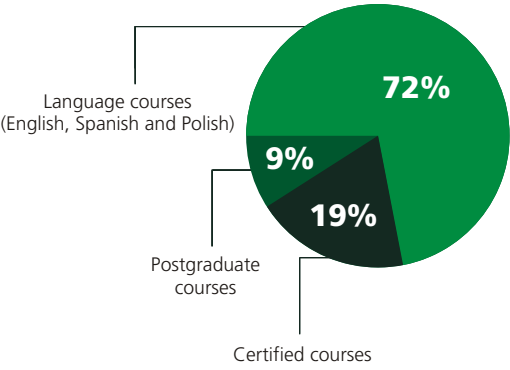
Average hours of training per year per employee by gender and by employee category	Number
<b>Total number of hours of training per year per employee:</b>	
Senior management (directors and above)	47.59h
Middle management (managers)	73.38h
Other	35.42h
<b>Total number of training events per year per employee:</b>	
Female	40.86 h
Male	42.44 h



# Training in numbers

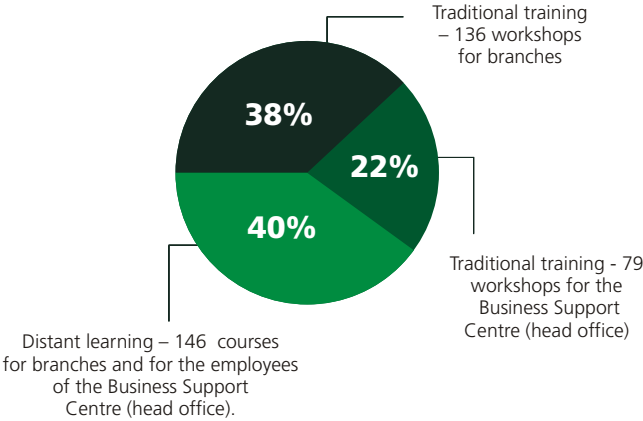
All training activities offered in 2013 were available on the same terms to all employees of the merged bank.

To support the enhancement of employee qualifications and skills, BZ WBK provided subsidies to the following types of training:



Percentage breakdown of beneficiaries of subsidised training

In 2013, the bank offered:



Additionally, the bank supported the development of agent competences in the network of BZ WBK Partner outlets. In 2013, the number of training participants was approximately

**470** persons **in 40** training events

The main topics covered included:

- induction to work in the outlet
- CRM tools
- cashier courses, verification of documents authenticity



## Statistics of participation in training activities

(employees of branches and the Business Support Centre)

<p>The number of persons trained in the bank in 2013 (excluding long-term training – postgraduate and language courses):</p> <p><b>Branches: 91 333</b></p> <p><b>Business Support Centre: 16 013</b></p> <p><b>Total: 107 346</b></p>	<p>The number of persons participating in traditional and distance training courses in 2013:</p> <p><b>Traditional courses : 18 457</b></p> <p><b>E-learning: 88 889</b></p> <p><b>Total: 107 346</b></p>
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In **2013**, there were **483,402** hours of training in the bank which means that each employee spent on average **40 hours (five working days)** learning and developing their skills.

The total expenditures on all centrally planned training activities **exceeded PLN 17m** i.e. on average **PLN 1,428** per one employee. Out of the total of all training participants, **78%** were women.

### A comment from an external stakeholder

Representatives of companies which provide training services to BZ WBK:



#### Iwona Skiba, Vice President of ODITK

*ODiTK has been a training partner of Bank Zachodni WBK since 2004 r. I used the word 'partner' not a 'training service provider' intentionally, because over the many years of our cooperation we have always been treated as a partner. BZ WBK is a demanding and inspiring partner attaching great importance to the whole training process – from the identification of training needs to evaluation – and paying attention to project effectiveness. What is important, training effectiveness is monitored not only by trainers and external consultants but also by highly competent training managers, coordinators and business owners of the projects representing the bank. Therefore, BZ WBK has been awarded by us a number of times (in 2011, 2009, 2008 and 2007) with the Neptun Award presented by the ODITK Group since 2006 to companies which offer particularly valuable training support to their staff and were reliable partners in the implementation of training and consultancy projects.*

#### Dr Iwona Napłoszek, Strategic Director, Exbis Eksperci Biznesmenom

*Bank Zachodni WBK takes a holistic approach to training organisation: from the diagnosis of needs which allows to adapt the kind of training which is offered to the actual demand, to after-training activities, such as consultations and specialist support. As a result, the bank is perceived as a reliable and responsible employer that takes care of the development of its staff and of the quality of the training provided. From the point of view of a training company, BZ WBK is a demanding partner motivating us to the continuous improvement of the quality of the services offered, expecting clear procedures and action plans and excellence in delivery.*

Case study: Experience Exchange Programme

The programme was launched in 2010 to create an opportunity for sharing knowledge and experience directly with the employees of other departments. The programme consists in 1-2 day study visits in selected organisational units of the bank.

**There are four versions of the Experience Exchange Programme in BZ WBK:**

1. Employee traineeship in the Business Support Centre (head office).
2. Traineeships of Business Support Centre staff in branches.
3. A day with the bank's spokesperson.
4. Traineeships in the Telephone and Electronic Banking Centre.

In order to take part in the programme an employee should contact the programme coordinator or directly the selected unit. Subsequently, the parties agree on a traineeship plan and thematic scope. The programme offers a unique opportunity to change the perspective and look at the implemented projects from the point of view of the persons concerned.

The Experience Exchange Programme is an important element of the BZ WBK organisational culture. The idea of the programme is regularly promoted on the Intranet and email communications with emphasis placed on the opportunities and benefits related to traineeships in other units of the bank.

**Advantages of the Programme:**

- development of strong relationships and mutual trust between the Business Support Centre and Branch Banking,
- understanding the specificity of work in the visited areas,
- an opportunity to view one's own work from the perspective of business partners,
- a review of initiatives implemented by the Business Support Centre (head office) in real life,
- sharing opinions and observations,
- a source of new experience and knowledge,
- improvement of communication and collaboration between different units,
- exchange of experience and practices between units,
- change of the participants' perception of work in branches and in the Business Support Centre (head office)

**Statistics of participation in the programme since its launch in 2010:**

- **Traineeship in the branch** **600 persons**
- **Traineeship in the Business Support Centre (head office)** **670 persons**
- **Traineeship in the Telephone and Electronic Banking Centre)** **125 persons**
- **A day with the bank's spokesperson** **80 persons**

Bank of Knowledge

The Bank of Knowledge is an internal library of Bank Zachodni WBK. The idea of such a library originated ten years ago and its main assumption was to create a collection of books and audiovisual materials on management, communication, coaching or leadership for use by the bank's employees. Some of the publications are available in English and Spanish. There is also a separate section of magazines and audio books which is systematically expanded.

Altogether, there are around 2,000 titles in our library- the majority are books written in Polish and English. Thanks to our vast and diverse resources, each employee may develop not only their professional competences but also private interests.

Depending on the needs, the Bank of Knowledge executes 50 to 100 orders a month.

## Intelligent incentive systems for employees

### Stakeholder expectations expressed during the dialogue session:

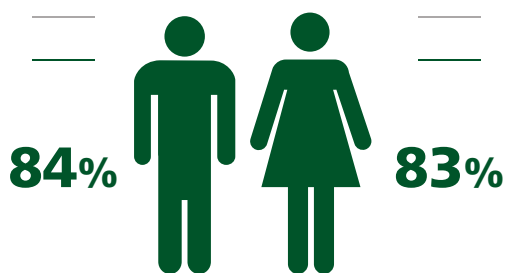


The report should present information on the incentive scheme implemented in the bank, with an indication of the factors determining employee remuneration and the amount of bonus and description of the non-financial incentives offered by the bank.

Providing information whether the bank has a remuneration policy and how it is communicated to employees.

### Percentage of employees receiving regular performance and career development reviews by gender (according to closed evaluation forms as of 11 March, 2014)

#### Percentage of employees subject to regular performance and career development reviews by gender:



The bonus system in Bank Zachodni WBK reflects the specific nature of the bank's operations. The branch network employees and the employees of the Business Support Centre (head office) are subject to different remuneration rules. In every unit, the bonus system is strictly linked to the performance of the unit.

The amount of bonus is also conditional on the individual achievements of employees.

The tools applied by the bank allow for recognition of both team efforts and individual contributions of each employee, particularly those involved in the most difficult projects or particularly active in the delivery of their units' objectives.

One of such tools is the Performance Share Program which covers approximately 500 of the bank's key staff members. The fourth edition of the programme took place between 2011 and 2013.

Other bonus schemes are launched annually. At the beginning of each year, employees are informed about the rules of the bonus award. Such an approach allows for a flexible response to the market situation.

**In order to enhance the position of Bank Zachodni WBK as the first choice bank for customers and to increase the focus on customer expectations, a number of FR-related initiatives were launched under the New Generation Bank programme. In Q4 of 2013 a series of focus group sessions were held with Branch Banking employees (approximately 1,500 persons) in order to collect additional ideas that would support the programme. The selected ideas which can improve customer focus are currently being implemented or are scheduled to be implemented in the near future. Furthermore, work is in progress in the HR area on career paths, regeneration of recruitment models and induction programs and changes in the performance management system.**

### What are the distinctive features of the bonus systems implemented in the bank?

- Alignment of the bonus policy with market trends (we have been working for many years with a renowned agency which conducts market research for us on remuneration systems in the banking sector)
- Clear and transparent rules which are measurable and verifiable.
- Pay for performance (also with regard to variable remuneration components)
- Appreciation of teamwork and the individual contribution of employees.
- Open communication with all employees using different channels: information on the intranet, emails, presentations and meetings with employees – from top managers to individual staff members.

# Comfortable and Safe Working Conditions

## We create a safe workplace

As a responsible employer we take care to ensure that each employee works in safe conditions. Workplace safety is supervised by the Work Safety and Hygiene Committee, the members of which include representatives of all trade unions in the bank, employee and employer representatives and an occupational medicine physician. The measures implemented by the Committee are intended to improve the quality of the work environment and conditions in the bank. The Committee meets on a quarterly basis.



The bank keeps an electronic register of work accidents in accordance with the legal regulations in force and the bank's internal regulations. Information about accidents is reported annually to the Management Board in the form of an assessment of the work safety status. Electronic reports are regularly sent to the Central Statistics Office while ad hoc hardcopy reports are required in the case of fatal, serious and mass accidents which must be reported to the National Labour Inspection and the Public Prosecutor's Office immediately after the accident has occurred.

We are monitoring working conditions on an ongoing basis conducting annual safety audits. On the basis of the audit findings decisions are made to upgrade selected workstations or buy additional equipment. Our efforts aimed at improving work safety have been recognised and appreciated by the National Labour Inspection/ Between 2005 and 2013 four employees of the bank received an honorary distinction in recognition of contributions to safety at work".

In 2013, there were no instances of identified occupational diseases or accidents affecting subcontractors working for the bank.

Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by gender	Value
<b>Injuries, occupational diseases, lost days and absenteeism of employees during the reporting period by gender:</b>	
Number of accidents affecting employees, of whom:	67.00
Female	60.00
Male	12.00
Number of fatal, mass and serious accidents involving employees, of whom:	2 mass accidents
Female	7
Male	0
Total number of lost days due to work accidents affecting employees, of whom:	1616
Female	892
Male	724
Accident incidence rate:	5.54
Female	4.96
Male	0.99
Accidents seriousness rate:	22.44
Female	14.87
Male	60.33

Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	Value
<b>Which of the benefits specified below are generally available to full-time employees but are not offered to temporary or part-time employees:</b>	
Life insurance	no, this is a standard benefit available to all employees regardless of the employment contract type
Medical care	no, this is a standard benefit available to all employees regardless of the employment contract type
Disability/ Incapacity to work insurance	no, this is a standard benefit available to all employees regardless of the employment contract type
Additional retirement benefits	no, this is a standard benefit available to all employees regardless of the employment contract type
Employee share packages	no, share award criteria do not stipulate any employment contract type restrictions
Other	

In the bank there are no defined benefit plans for employees.

### Medical care for all employees

The bank offers employees preventive medical care provided by Medicovert centres which guarantee a high quality of healthcare services and a full range of diagnostic and laboratory tests. Employees are also offered an opportunity to take out medical cover for their family members on preferential terms.

### We take care to ensure comfortable conditions at work and development to our staff

#### *Social benefits financed from the Company Social Benefits Fund*

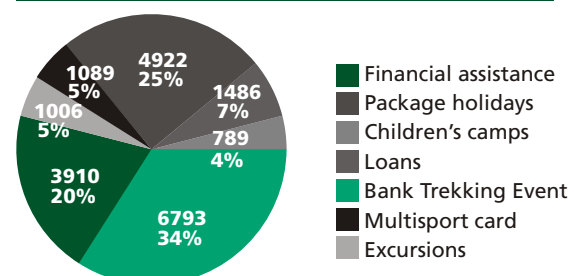
The social activities of Bank Zachodni WBK are financed from the Company Social Benefits Fund and are coordinated by the Social Committee appointed in consultation with the trade unions. The purpose of social programmes is, on the one hand, to ensure equal access to social benefits and services and, on the other to offer employees valuable ideas for spending free time, often together with their families. In the latter case, the goal is to facilitate maintenance of appropriate balance between professional and personal life.

The bank offers a wide range of social benefits, including:

- Financial assistance available to employees in difficult life situations caused by disease, financial or family problems, accidents etc. or when special needs arise (e.g. purchase of school starter kits, etc.)
- Subsidising different forms of holiday expenditure (package holidays, summer and winter camps for children between 7 and 17, etc.)
- Housing loans
- Various forms of sports and recreation activities e.g. organised excursions, Multisport programme or the Annual Trekking Event.

#### Percentage of employees who took advantage of different forms of social benefits in 2013.

**Numbers of persons (employees, pensioners and disability benefit receivers) who took advantage of different forms of social benefits in 2013 (one person may have used a number of different benefits). In 2013, 19 995 received assistance from the bank's Social Benefits Fund.**



### “Santander is You” Race

In September 2013, employees of the entire Santander Group for the fifth time took part in a relay race promoting team spirit and strengthening bonds between different divisions of the Group. The annual Santander Is You race is a permanent event on the bank’s agenda. In previous years, representatives of all divisions met in Spain, Chile, the UK and Mexico. In 2013, the race took place in Portugal. The overall distance covered by the relays was 300 km – from the first Santander head office in Porto to the current head office in Lisbon.

In accordance with the slogan “Driven by values. More connected than ever” participants, proud of being part of one of the leading banks in the world, worked together to achieve the best result as a team. The BZ WBK Group was represented by three runners.

### Employee Information Centre

The Centre was opened in 2008. By calling one telephone number employees can obtain information about HR and payroll policies and regulations, social benefits, performance management, bonus regulations etc. Questions can be also be emailed to the Centre.

Over the six years since the launch of the Centre, the number of incoming calls has increased 2.5 times which demonstrates how useful it is to the employees. Most questions concern the social benefits fund.



### A comment from an internal stakeholder



**Aleksandra Kaczmarek, BZ WBK representative in the fifth edition of the race**

*Running race events are an excellent platform for integrating people from all over the world in a joint effort. People become one joyful, open and friendly team, as if they knew each other for ages. I am very happy that I made so many friends in such a short period of time. I hope that our friendships will last and we will have a chance to meet again. The beautiful memories will stay with me forever.*

**We reward our staff for their contribution into the development of our organisation and we appreciate their daily efforts**

### Case study:

### Annual Bank Trekking Event “Rajd Bankowca”

The trekking event is a corporate initiative available to all current and retired employees of the bank who can participate in it on preferential terms. It has been organised for 19 years and is the biggest corporate event in our bank. The nineteenth event which took place in 2013 attracted over 1,000 employees and their families.

Participants came to the venue in 32 coaches from all over Poland to explore 38 mountain hiking trails in Karkonosze (both on the Polish and Czech side of the border), the Izerskie Mountains, the Sokole Mountains and the Jeleniogórska Basin. Some of the trails e.g. “The Wonders of Poland and Czech Republic” or “Trotting, Canterring and Galloping” were so popular that the hikers had to be broken into groups. Similarly to previous years, people chose 4-day hikes or cycling tours and some decided to try the extreme climbing route. On Friday evening integration get-togethers with live folk music were organised on each of the routes. Additionally, on the family routes special activities for children were prepared. Sixty-seven children below the age of seven took part in the event.

On Saturday, a traditional festival was held at the foot of the picturesque St. Ann’s mountain in Sosnówka and it was attended by all of the bank’s staff who participated in the event and their families. The event started with sports and fitness competitions between nine teams of volunteers. Other participants could take part in volleyball and soccer tournaments.

# MARKET EN

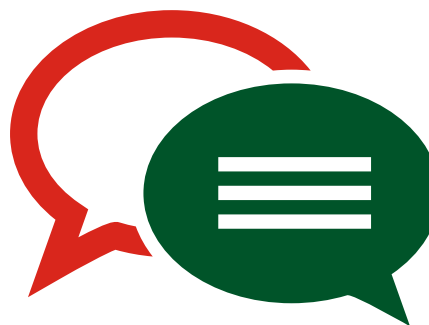




*The common denominator  
of our approach is the rule  
that the customer is always  
the centre of attention.*

*Mirosław Skiba  
Michael McCarthy  
Juan de Porras Aguirre*

# VIRONNMENT



## An Interview with Mirosław Skiba (Retail Banking), Michael McCarthy (Business and Corporate Banking) and Juan de Porras Aguirre (Global Banking & Markets)

Different customer groups have different needs and for this reason three separate divisions are in charge of cooperation with customers: Retail Banking, Business and Corporate Banking and Global Banking & Markets which provides services to the largest, international corporations. Our questions will be answered by Members of the Management Board who are responsible for those areas: Mirosław Skiba (Retail Banking), Michael McCarthy (Business and Corporate Banking) and Juan de Porras Aguirre (Global Banking & Markets).

### ***Are there any distinctive features of Bank Zachodni WBK in terms of the approach to customer service despite the differences between the three categories of customers?***

**Mirosław Skiba (Retail Banking), Michael McCarthy (Business and Corporate Banking) and Juan de Porras Aguirre (Global Banking & Markets):** The common denominator of our approach is the rule that the customer is always the centre of attention. We focus on identifying their needs and on preparing a suitable business response. It is worth emphasising that we are not a product-oriented but a customer-oriented organisation. In 2013 we took on a challenge to re-think the values which we offer to our customers in order to improve the approach to each of the customer groups in each of our divisions.

One of the main changes in the approach to retail customers was to assign responsibility for particular customers to specific relationship managers. Each relationship manager has a portfolio of his/her own customers and is expected to identify their needs and customise the proposal so that the customers are offered product and services which they really need and not the ones the bank would like to sell to them. We take care to build mutually beneficial, long-term relationships. We want to be a true partner to our customers perceived not only through the financial perspective.

### ***Did the merger carried out at the beginning of 2013 affect the comfort of your customers?***

**M.S.:** Needless to say, a merger of two banks is a huge management challenge in terms of organisational changes or harmonisation of IT systems. WE set ourselves a goal that no customer should suffer any inconvenience in relation to the merger process, particular in terms of customer service quality. The process was well planned. Preparations for the merger began precisely 576 days in advance and involved 200 staff members. I think we can call the whole process a big success. It took us only one month to rebrand 318 branches of the former Kredyt Bank. Customers were gradually prepared for the changes through the introduction of different colour profiles in transaction services, a special campaign in the branches and the websites and a dedicated helpline with information about the planned changes in the product offer, branches and ATMs under a new brand. Our financial performance results for 2013 demonstrated clearly that we did not get stuck in reorganisation processes and made a good use of new opportunities and a new economy of scale. We acquired 460,000 new personal accounts and recorded a two-digit growth in the number of SME customers and a record-high sales of cards.

**J.P.A.:** The two banks became one on 4 January 2013 and only three days later sales staff were calling our customers in person to show them that despite the brand change the business relationships and relationship managers had not changed. We were open to discussions with customers and responded to all their questions and doubts regarding the changes. The process turned out to be a success because we adopted an approach founded on a dialogue, assuming that our stakeholders have the right to express their fears and concerns and we need to know about them and resolve them as effectively as we can.



Mirosław Skiba



Michael McCarthy



Juan de Porras Aguirre

### ***Has the bank's responsibility towards the customers remained the same?***

**J.P.A.:** Yes and no. Two years ago BZ WBK became a part of the worldwide Santander Group. The bank's point of view on the scope of its responsibility has changed. The major goal of the three divisions is to gain the trust of our customers, investors and the market environment. All transactions carried out locally in Poland have an impact on global performance and on the remaining 52 countries. This perspective gives rise to an additional sense of responsibility on our part when making financing decisions in GBM, particularly with regard to risk management. We rigorously obey risk management standards even if sometimes this means we have to give up on certain customers. We do not support particular sectors and large transactions are assessed in terms of related risks according to our Equator Principles.

**M.M.:** Our biggest responsibility towards the market and large companies is to provide support to the development and growth of the Polish economy ("We help business to grow").

**M.S.:** We are trying to increase the availability of products and services to various groups of customers, also persons with special needs. Our main responsibility is to adapt the product and service offer to the individual needs of customers.

### ***What will be the bank's focus in the future in terms of maintenance of the standards and improvement in the product and service quality?***

**M.S.:** In Retail Banking we will be concentrating on the implementation of a new approach to customer segmentation in order to better align our offer with customer needs. Efforts have

also been undertaken to improve the customer service quality, both through new service standards and simplification of processes and procedures. We are also working on modifications in the incentive scheme which should promote the implemented changes. In each case, solutions will be worked out both for retail customers and small and medium-size enterprises. We will be developing the Entrepreneur's Academy because we see that it really helps the whole SME sector to grow and build relationships between business people from different regions. We are also planning to expand the idea of Business Incubators and make better use of the fact that we are now operating within a worldwide network.

**M.M.:** We are part of the worldwide Santander Group but we want to be a partner who understands the needs of local business. We are building local teams to be able to act quickly, identify the risks and understand better the local market reality despite the increased geographic reach and scale of the business operations.

In Corporate Banking, we have also designed a comprehensive sales efficiency improvement programme which has been implemented since the first quarter of 2014. Currently we are working on solutions aimed at increasing the effectiveness of key sales and after-sales processes.

**J.P.A.:** We will be concentrating on ensuring good workplace atmosphere because we realise that better internal relationships and the way in which we treat each other will translate into the quality of our relations with customers. We will be developing our internal dialogue capability and learning to identify the needs of various employee groups and respond to them. One of the challenges we want to tackle in the coming years is the topic of diversity.

# How BZ WBK Implements Innovative Solutions to Increase Customer Comfort and Service Availability

## How do we know what our customers expect?

### Stakeholder expectations expressed during the dialogue session:



The report should provide information whether the bank conducts customer satisfaction surveys and, if so, what the results are.

In the contemporary world the pace of changes is so fast that in order to maintain market leadership and competitiveness, knowledge about the market, customers and their expectations must be enhanced continuously. Therefore our bank systematically assesses the degree of customer satisfaction and implements appropriate corrective and improvement actions in response to the identified issues.

In 2013 we surveyed our customers twice asking them about satisfaction with BZ WBK services and we benchmarked the results against competitive banks. The adopted methodology was consistent with the surveys carried out across the entire Santander Group so we were able to compare BZ WBK's performance against other banks in the Group. The survey covered the following areas:

- Service efficiency and response time
- Employee commitment
- Customer-friendly service
- Knowledge and competence of the bank's staff
- Delivering on promises by the bank's staff,

The Customer Satisfaction Index (net satisfaction index) reached the level of 20%. Due to the fact that the survey covered the period of a merger between Bank Zachodni WBK and Kredyt Bank maintenance of the results at a stable level should be considered a success. The survey formula was changed in 2013 and, for that reason, it is not possible to compare the results against previous years' results.

Additionally, in 2013 research projects were initiated to assess the customer satisfaction index in significant moments of the Customer's relationship with the bank, such as opening a personal or business bank account or purchasing a credit card.

We invited all new customers who opened a bank account in our branch to take part in the study. Respondents were most satisfied with such aspects as staff friendliness, politeness, commitment and competence. Reasons for dissatisfaction mentioned at the time of opening an account included difficulty in logging on to the service for the first time and waiting for the service a long time.

For the purpose of the research, a special application was developed to which results of the survey questionnaires completed by customers are uploaded on an ongoing basis. The application is accessible in the online mode to branch directors and business owners who can review the opinions of the customers who opened an account in a particular branch. Together with the application, a service of the notification about untoward events has been made available. If a customer rates the service quality poorly, an alert is immediately sent to the branch director. Upon receiving such information, the director may quickly contact the customer to enquire about the issues which occurred during the interaction with staff or the activation of the product.

As the survey results have showed, the areas which require our special attention include the time of waiting for the service and quick and efficient service. We have decided to take care of those aspects immediately. On the basis of the information gathered, we have started working on making the first login to electronic banking services easier for our customers. We have paid special attention to the feedback received upon opening an account and to an in-depth analysis of problems with first-time login. To reduce the service waiting time we continue to install cash deposit machines in those outlets where customers complain about waiting too long. Thanks to the opinions of our customers contacting the bank's call centre and time spent in trying to connect with a consultant has been considerably reduced by limiting the number of options selected in the Interactive Voice Response system.

In our bank, the customer is the most important, therefore, we try to align banking hours with the conditions on the local market. The decision about the business hours of a branch is made on the basis of such factors as the number of our bank's outlets in a given location, the size of the branch (the number of customers and employees), its situation (centre of a city, near major roads, residential districts), the local market potential and the business hours of competitive banks.

The branch is not the only point of access to our bank. We offer other access channels, such as electronic services (BZWBK 24, Mobile), a call centre, ATMs and cash deposit machines.

### Stakeholder expectations expressed during the dialogue session:



In the context of the customer-oriented approach declared by the bank, the report should provide an explanation of shorter branch business hours and long waiting time for the withdrawal of cash, particularly in the case of foreign currencies.

The requirement of prior notification about the intention to withdraw money in foreign currencies is related to the fact that such currencies are not legal tender on the territory of the Republic of Poland. Their purchase on the interbank market requires time and additional transport and it is not always possible to acquire the necessary amount of money in the requested denominations at once. The bank wants to be fair to its customers and avoid situations of not having the requested amount in a foreign currency at the time of the customer's visit to the branch. It should also be noted that in the case of individual customers, prior notification is required in the case of the withdrawal of foreign currency amounts equivalent to PLN 5,000 or more which rarely are unplanned situations.

#### The Bank of Ideas

Customer satisfaction surveys is not everything. For the last five years, we have offered our customers a dedicated social networking service available online at [www.bankpomyslow.bzwbk.pl](http://www.bankpomyslow.bzwbk.pl), where they can express opinions about banking products and services, share ideas for improvements, comment on the proposals of other users and vote for the best solutions. We use the platform to test customers' reactions to new products already at the conceptual stage.

**The service has over 7,500 registered users who have posted more than 10,000 comments and proposed more than 4,500 ideas, of which 106 were implemented only in 2013 (versus 26 in 2009, the first year when the service began to operate).**

Such keen interest in the Bank of Ideas shows us how important it is to our customers to have an opportunity to take part in shaping the services which they use. All proposals are analysed in detail and the best ideas are implemented in practice.

We are proud that our customers are willing to share with us their time, knowledge and experience and take up the roles of new product testers or experts. The originators of ideas are also very effective brand ambassadors. The most active customers are assigned a special status which distinguishes them against other customers and the authors of the implemented ideas additionally receive financial awards.

### Investment in the knowledge of customer advisers



### Stakeholder expectations expressed during the dialogue session:

The report should put an emphasis on the significance of collaboration with the SME sector and present the bank's contribution to the success of companies from that sector.

At Bank Zachodni WBK we realise to what extent customer satisfaction depends on the professional competences of our advisers. Therefore, a systematic upgrading of the skills of our SME advisers is one of the pillars of our bank's business. Four years ago we launched a programme called the SME Skills Academy the purpose of which is to develop the skills of our advisers. In each macro region the Academy trainers are employed and their role is to up-skill staff members and manage their knowledge certification programme.

**Our investments in staff competences were recently appreciated by the MONEY.PL portal which ranked the bank's SME advisers third in Poland in the "Best Customer Service" category (bank number two had the same score as BZ WBK). The ranking covered thirty Polish banks.**

### Breakfasts with Entrepreneurs

Frequent interactions with our business customers help us understand their needs better and adapt our offer to their expectations more effectively. One of the more interesting initiatives in this area are meetings with our customers in the form of business breakfasts. In 2013, a few hundred of such breakfast meetings were held and attended by thousands of entrepreneurs. During the meetings we tackled not only subjects related to banking services but also changes in the tax regulations, succession planning and the role of networking in order to get a better insight into the reality of doing business by our customers and the challenges they have to face.

### Entrepreneur's Academy 2014

In relations with customers we do not restrict ourselves to meeting their needs only. We wish to support the growth of our customers and their businesses through a range of different educational activities. The biggest event is the series of business conferences held across Poland under the renowned brand of the Entrepreneur's Academy.

In 2014 we are planning to organise 50 meetings to be attended by approximately 5,000 business customers. Lectures on strategies which guarantee success will be delivered by military experts with battlefield experience. We are positive that the meetings will inspire business owners and managers to compete for leadership in their respective markets. The series of conferences are scheduled to take place in the first half of 2014.

## Innovations offered to customers

### Stakeholder expectations expressed during the dialogue session:

Description of the link between innovation and the business objectives of the bank.

All innovations in the bank are intended to serve the needs of our customers and are not implemented for the sake of technology only. We know that customers expect from us, above all, simple and clear service rules and universal and transparent processes in all situations.

### Innovations related to technological development and a new lifestyle

Mobile banking services are used by 22% of mobile phone users worldwide. In Poland, it is only 12% at the moment but the rate is systematically growing (Mobile Life 2013, TNS).

**Among two million Poles who interact with banks via mobile phones there are also BZ WBK customers who can use such services as:**

- **Cash withdrawal from ATMs without using a card.**
- **A possibility of doing mobile shopping and taking advantage of promotions and discounts.**
- **Access to products available 'by click' in the mobile channel.**
- **Money transfers using mobile phones and a possibility to withdraw from ATMs operated by BZ WBK, Euronet and eCard all over Poland amounts between PLN 50 and PLN 2,000 already 10 minutes after a mobile money transfer is executed. The beneficiary must only have a mobile phone and does not even need a bank account. The service is available 24/7.**
- **A money transfer with a QR code in BZ WBK 24 Internet.**
- **Access to bank accounts via smartphones.**



Innovations in BZ WBK are not limited to mobile banking. We do our utmost to make sure that the bank's services are easily available, quick and efficient:

- BZWBK24 TV is an application for Samsung Smart TV sets which offers access to bank accounts on the TV screen.
- Comfortable pre-paid cards are appreciated particularly by the participants of music festivals and other mass events.
- Express Elixir bank the transfers guarantee transfer of money from one account to another within the matter of a few minutes – both via the Internet and the mobile channel.
- A virtual adviser offers help to customers at any point in time.
- Automatic scanning of identity documents is an innovative way of customer identification without the need of manual copying and data entry.

### IKO consortium

Payments executed via mobile phones and related functionalities are developed within a framework of the IKO consortium. Alior Bank, Bank Millennium, Bank Zachodni WBK, mBank, ING Bank Śląski and PKO Bank Polski have entered into an agreement on strategic cooperation in the area of development of a common standard of mobile payments. The resulting project is unique due to its large scale.

The objective of the project is to build a shared infrastructure for mobile payments in Poland. The new authorisation and settlement standard will be available to all market participants, including other banks and merchants. The agreement sets out the basic assumptions and the schedule of project activities managed by a joint venture supervised by domestic financial market regulators.

Mobile banking is treated by Bank Zachodni WBK as a strategic development direction. We want to participate in the building of mobile payment systems which are expected to become a standard and offer our customers the widest range of acceptance opportunities. Thanks to the project, several million bank customers will be able to execute mobile payments under a single settlement standard.

Consequently, customers will be able to pay for products and services in the vast majority of traditional and online points of sale, use ATMs and transfer money to mobile phone numbers.

### City cards

In response to the needs of local communities we launched the so called 'city cards', an innovative solution integrating the functionality of a prepaid card and a public transport pass. A customer visiting a branch may additionally top up his/her transport pass. In 2013, the city of Łódź entered into cooperation with our bank, following Wrocław and Poznań. To date, 220,000 PEKA cards have been issued in Poznań, 20,000 URBANCARDS in Wrocław and close to 5,000 MIGAWKA cards in Łódź.



### An offer addressing specific needs of our retail customers

#### Stakeholder expectations expressed during the dialogue session:



The report should include a description of how the bank prepares its offer for different customer groups and what criteria are used in the process. The stakeholders mentioned, in particular, the information about the customer segmentation rules applied by the bank and how the evaluation of customer complaints influences the process of structuring the offer and improving the customer service system.

Information should be provided whether at the stage of designing its products the bank takes into account the needs of financially disadvantaged persons e.g. by offering a low-cost bank account with simplified service rules.

The needs of our customers are not limited to technological novelties. The bank's offer is addressed to people of different ages and in different life situations. We are well aware of the fact that we should make our offer as transparent and easy to understand as possible and help our customers overcome the difficulties that they are faced with.

### Account Worth Recommending

In the last quarter of 2012, BZ WBK carried out market research which has demonstrated that customers expect from banks free-of-charge personal accounts with clear and simple operating rules. Therefore, in 2013 we decided to launch the Account Worth Recommending, a personal account with no pre-conditions and a simple and transparent set of rules. At the end of 2013 we had 393,047 active Accounts Worth Recommending.

#### Active 50+ account

Bank Zachodni WBK was the first financial institution in Poland to prepare a special product offer for customers from the 50+ age group, with an aim to promote their activity and mobility. All customers who decide to open the Active 50+ account and who meet the additional criteria set out in the regulations receive Nordic walking poles as a gift. The promotional campaign started on 1 June 2010 and is extended every year. The current project will go on until 31 December 2014.

#### Results of the campaign:

- 142,862 Active 50+ accounts opened
- 78,350 Active 50+ accounts opened during the promotional campaign
- 54,634 Nordic walking pole sets distributed

The account was awarded in Newseek's Friendly Bank ranking published on 27 September 2010.

### Goodbye Franc

In response to the expectations of borrowers with loans denominated in Swiss francs, the bank offered the possibility to convert their loans on preferential terms.

### Stakeholder expectations expressed during the dialogue session:



The bank should provide information whether it has any assistance programmes for heavily indebted customers, including information about a policy in force in this regard and any educational activities addressed to borrowers.

The bank has developed a process for customers who have problems with the repayment of their debts which aims at an amicable and mutually beneficial resolution of such situations. The bank's unit in charge of collaboration with such customers is the Retail Customers and SME Loan Restructuring Departments which look for the most favourable solutions from the customer's perspective. In line with the adopted strategies, the bank undertakes numerous attempts to facilitate debt repayment. At each stage of the process it is possible to find a solution for voluntary repayment of liabilities. The customer is only expected to demonstrate a willingness to repay a debt and take actual actions in support of the declarations made.

### Stakeholder expectations expressed during the dialogue session:



Ensuring a high quality of service evident in the appropriate approach to customers and product availability and ease of use, combined with the feeling of security and fair and honest treatment, particularly at the stage of entry into an agreement.

Organising educational and information activities for customers concerning the products offered and responsible sales (e.g. in the case of the concurrent sale of investment and credit products).

With regard to responsible sales, the bank has implemented the General Code of Conduct obliging each employee to prevent and counteract misselling. We also pay close attention to quality selling which is reflected by branch rankings. We recognise the need for educating customers on subjects associated with borrowing money. In the year under review we developed a tool (to be implemented in 2014) which should help customers take advantage of the credit offer in a conscious and responsible way. It is a free of charge online game "Your Family Budget" ([www.twojbudzetrodzinny.pl](http://www.twojbudzetrodzinny.pl))

### Financial services with a social factor

#### Visa Silver Pajacyk

At BZ WBK, while designing products we are trying to encourage customers to support important charity causes. In partnership with the Polish Humanitarian Action, we have prepared a special credit card Visa Silver Pajacyk. For each card issued, an amount of PLN 10 and a fraction of the value of each transaction executed with the card are transferred to the Foundation's account.

### In this way, over the period of 10 years, we have donated to the Pajacyk campaign PLN 4.5m which helped to finance 1.8 million meals for children from disadvantaged families.

Only in 2013, the donation amount was PLN 314,000. People eagerly give small amounts of money to those in need, particularly when the underlying technology makes it easy for them. Therefore, from January 2014 an option will be available on the Mobile Shopping platform to provide financial support to people in need regardless of the time and place... It is the first solution of this kind available in a mobile banking application.

In order to provide additional motivation to our customers we do not charge fees for the withdrawal of cash for charity and other non-profit organisations. a cele charytatywne i organizacje pożytku publicznego.

#### A comment from an external stakeholder



fot. Danuta Węgiel



#### Janina Ochojska, Chairperson of the Polish Humanitarian Action

*Since 2002, Bank Zachodni WBK has been successfully encouraging many people in Poland to support the activities of our organisation through using a credit card dedicated to the Pajacyk campaign. The involvement of a renowned institution in the campaign helps to promote the idea of helping people in need, in this particular case by providing equal educational opportunities to children from disadvantaged families. Many customers have liked the formula proposed by the bank and have been supporting our cause, for which we are very grateful. Over ten years of cooperation, Bank Zachodni WBK donated to us PLN 4.5m funding 1.8 million meals for children who, for various reasons, do not qualify for social welfare support.*



## An offer addressing the specific needs of our business customers

BZ WBK works closely with corporate customers and supports the growth of their business. We have a team of 200 customer advisers responsible for all aspects of relationships with customers who prepare tailored solutions meeting the needs of our customers. Product Specialists help customer advisers in the personalisation of products and advise them which solutions meet the profile of a particular company. Credit partners monitor the management of product related risk and the Business Call Centre provides ongoing telephone support in the case of customers' questions or needs.

We offer our corporate customers a highly advanced service platform iBiznes24. It is a modern electronic banking system offering a comprehensive range of services available from only a few banks in Poland, including:

- the Trade Finance module which supports ordering, execution and settlement of letters of credit, collections and guarantees issued by the bank and by third parties,
- the Treasury e-FX module which allows reviewing market FX rates and transaction execution,
- the Cards module offering access to reports, electronic statements and a history of transactions for corporate cards,
- the e-Applications functionality which enables the remote modification of a number of users and their authorisation profiles and ordering new products or services without signing additional agreements,
- the possibility of obtaining information about financing lines and pooling structures, and
- an option of executing key operations (transfers and deposits) online.

The Trade Finance module of iBiznes 24 is intended for institutional customers (medium-size and large enterprises and corporations) who execute transactions on domestic and foreign markets. The advantages of the product include transparency (monitoring of operations and their authorisation process by the respective users from the moment of their entry into the system until completion) and functionality (remote, secure and quick processing of transactions 24 hours a day 7 days a week). It is possible to process letters of credits and guarantees issued by the bank and third parties, export and import collections, placement of change requests and other instructions.

## International Desk – global actions implemented locally

Thanks to the bank's membership in the Santander Group, we have been able to offer our corporate customers access to new markets and help them more effectively in the international expansion of their business to all countries where the Group operates. A few dozen customers have already requested us for assistance in opening bank accounts and obtaining financing in other countries of the world, mainly in the UK, Mexico, Brazil and Chile. The development of international operations is supported by the bank on many levels, both in the case of foreign companies investing in Poland and local businesses which are trying to enter foreign markets. In 2013, we closed large financing deals for an

Italian manufacturer of sealing systems (Corporate Business Centre in Wrocław), a Spanish corn and rice producer (Corporate Business Centre in Poznań), the leasing of Polish buses to a customer in Spain and the sale of mining equipment manufactured in Poland to a customer in Argentina (Large Corporate Department). We also provide services to numerous medium-size Spanish and Portuguese businesses trading on the Polish market and offer them 'easy landing' and simplified procedures within the Group. At present, the International Desk in the Corporate and Business Division supports the international activities of more than 100 foreign and Polish customers.

Thanks to an agreement signed in 2014 with the IBOS international banking network we can support our customers also in countries where the Santander Group is not present. Under a simplified procedure, a bank account can be opened in many countries of the world without the need for physical presence in the country, translation of corporate documents or the apostille certification. The Santander Group banks based in Brazil, Mexico and Chile have just joined the IBOS alliance so the convenient banking rules are now also available to our customers in those countries. Furthermore, pursuant to an agreement between the Group and Wells Fargo we can also offer a full range of banking services from a leading US bank to make up for Santander's limited presence on the East Coast

In October 2013, a seminar was held in partnership with the ProChile organisation on investment opportunities in Chile. Meetings with Polish and Chilean experts were attended by more than 60 Polish companies. At the end of November 2013, the Corporate Business Centre in Wrocław organised a similar event devoted to investment opportunities in Mexico. Our partners in organising the conference included the Mexican Embassy, ProMexico and Aquarius Consulting. In the first half of 2014, we are planning to meet with our customers to discuss the options in Morocco where Polish investors can count on the support from the Attijariwafa Bank, a member of the Santander Group).

Since the beginning of 2013, we have assumed patronage over a series of road shows held in the major cities of Spain which promote investments in Poland. In partnership with TGC, we have published a Spanish language guide on doing business in Poland entitled "Haciendo Negocios en Polonia". A similar publication in Portuguese is now being prepared and will be published in an electronic and hardcopy format in the first half of 2014. The guide will be promoted during seminars for entrepreneurs interested in the opportunities offered by the markets of Portugal, Brazil and Angola. It is worth noting that Brazil is one of the markets with the best prospects according to the Polish Ministry of Economy, together with Mexico and the United Arab Emirates (in all of those countries the Santander Group conducts its operations).

## A special offer for employees of companies that are customers of Bank Zachodni WBK

The employees of companies banking with BZ WBK have received a special personal account offer with a bonus of PLN 100 for transferring their salaries to new accounts and up to PLN 150 per month (for the first three months) for executed card transactions. The project has been implemented in conformance with the 'One Bank' idea which assumes strict cooperation between the different divisions of retail, business and corporate banking.



## Barrier-free service programme

### Stakeholder expectations expressed during the dialogue session:

The report should describe examples of marketing or information campaigns which target customers with different kinds of special needs.

The "Barrier-free Service" programme has been going on in the bank for 3 years now and its main objective is to ensure the full availability of banking services to people with disabilities. To date, a number of solutions have been implemented facilitating the use of products and services offered by the bank.

One of the examples are the bank's branches where all architectural barriers have been eliminated. Such branches are now certified as Fully Accessible and offer priority service, as well as comfort and the feeling of security to disabled customers, pensioners and pregnant women.

To ensure the highest customer service quality, we have also developed special service standards for customers with disabilities which are in force in all branches certified as Fully Accessible. In other branches, the standards serve as good practices which are often followed by branch staff.

Another element of the programme is the adaptation of the BZWBK24 Internet service for use by visually impaired customers. The service is equipped with a screen reader functionality which is very useful for customers with visual impairments.

### A comment from an external stakeholder



#### Jolanta Kramarz, President of Vis Maior Foundation

*It is very good news for me that a time has come when banks treat barrier-free service as an element or even a priority of their policy towards retail customers.*

*I came across BZ WBK during at least three conferences devoted to the subject of disabled people's presence in the public space, including banks. They talked openly and willingly about needs and expectations of disabled customers.*

*Together with the bank's employees we made a video on providing services to visually impaired customers. We spent together many long hours but the bank's staff were really committed to fine-tuning the script and drafting the collaboration plan. Recently, we proposed to the bank organising a series of classes for young people with visual impairments and, as usual, we received an enthusiastic response and many detailed suggestions already at the application stage.*

*We could suspect that such activities are nothing more than good PR but the reality is quite different. Bank Zachodni WBK takes care to make its website, administration panel and mobile applications accessible to customers with visual impairments. Similarly, with ATMs most of which are now equipped with voice functions. This means tangible investments and tangible outcomes. Visually impaired customer can feel like all other customers – appreciated and respected.*

*I am positive that as a Foundation we can always count on active partnership with BZ WBK in the scope of economic education of visually impaired people and promoting their consumer rights in banks.*

**We were also the first ones on the Polish market to offer talking ATMs which provide audible instructions to visually impaired customers. Every sixth ATM in our network has a voice communication functionality and is equipped with an earphone socket for the comfortable listening of voice messages.**

### Stakeholder expectations expressed during the dialogue session:

The readers of the report should be informed about changes which have been implemented under the "Barrier-free service" programme in 2013 in branches, ATMs, etc. The bank could also provide information whether research was conducted to assess the impact of the programme on increased sales to customers with special needs (i.e. programme beneficiaries) and whether the entire programme has been evaluated in order to formulate conclusions for the future.

As part of the activities aimed at increasing the accessibility of banking services to disabled customers we have expanded our network of ATMs adapted for use by persons with visual impairments to 215 machines.

Due to the major challenge for the bank last year arising from the merger and integration with the former Kredyt Bank, we did not attempt to open new branches with Full Accessibility certificates. Our activities focused on promoting the idea of a disabled customer-friendly bank in the local communities.

To date, no research has been carried out to assess the impact of our efforts on an increase in the sales of products and services to customers with special needs.

### Stakeholder expectations expressed during the dialogue session:



The stakeholders wanted to learn whether employee training in providing services to disabled customers was an ongoing initiative or a one-off project.

As part of the Full Accessibility certification process covering 100 outlets, all employees underwent training on providing services to customers with disabilities.

Subsequent educational activities took the form of cascade training between the employees of branches.

Additionally, in 2013 an e-learning course 'Special Needs Customer Service' was launched. Its purpose was to refresh the knowledge of staff members who participated in the traditional training course and to prepare new employees for interactions with customers with disabilities. In 2014, the next stage of training is planned.

## How We Win the Trust and Loyalty of Our Customers

BZ WBK has made a commitment to conform with the ethical conduct values towards all customers in all activities and wants the transparency and openness in communication to be visible to all external stakeholders. A matter of key significance is to ensure the uncompromised security of the customers' personal data and financial information.

### Personal data and financial information security

### Stakeholder expectations expressed during the dialogue session:



The report should include information about the security of cards issued by the bank.

An independent confirmation of our bank's conformance with the highest data security standards is the certification for compliance with the ISO/IEC27001 standard and the Payment Card Industry Data Security Standard (PCI DSS). To maintain a valid certification, the bank needs to continuously improve the security standards. To this end, we are systematically implementing state-of-the-art data protection solutions and procedures. Conformance with the certification requirements is regularly controlled by independent institutions.

The ISO/IEC 27001 standard is an international norm applicable to information security management systems which sets forth a number of requirements concerning the establishment, implementation, management, monitoring and review of such systems. In view of the growing risks related to electronic banking

and the card business, since 2009 our bank has been regularly renewing the ISO/IEC 27001 certificate to obtain reasonable assurance that the information security management system, BZW BK24 electronic banking services, authorisation and settlement methods and the personalisation of cards conform with the best world class standards and practices. Verification of conformance with ISO/IEC 27001 requires an independent, third-party audit which has to check the effectiveness of more than 133 technical security solutions (including anti-virus systems, firewalls and protection of the card personalisation centre) and operational safety measures (internal procedures and standards).

Visa and MasterCard developed the Payment Card Industry Data Security Standard (PCI DSS) defining rigorous requirements in the scope of card data processing. Since 2008, our bank has undergone annual checks of conformance with the standard to assure its customers (card users) that their data are managed according to the best practices worldwide and that transactions are secure. One of the main focus areas of the PCI DSS is a restriction on the overt use, collection and transmission of real card numbers in applications, databases, information media, computers, servers and computer networks. Each year, we undergo certification for the fulfilment of over 200 requirements including data encryption, testing the security of systems and processes, anti-virus software, password management, etc.

The users of our cards can take advantage of an additional method of payment security. If the provider of goods or services fails to fulfil their obligations or the provided products or services do not meet the agreed terms of contract, the customer can easily get back the money through the reversal of the transfer of funds by the bank (chargeback). Chargeback is a free service offered for each type of a card.

Additionally, customers using mobile services in 2014 will be able to use a free service called mySafety Mobile. mySafety Mobile involves:

- E-sticker: a unique protection of a mobile phone or tablet in the event of loss or theft.
- Immediate SIM card blocking.
- Remote blocking of a mobile phone or a tablet.
- A mobile phone or tablet location service.
- A text message sent via mySafety to the lost mobile phone: "This mobile phone has been blocked by mySafety Mobile and its loss has been reported to the police. If you have found it, please call 800 800 110 and collect a reward!"
- 24-hour mySafety Emergency Concierge service.
- Covering logistic expenses and payment of the finder's reward under the mySafety programme.

#### Stakeholder expectations expressed during the dialogue session:

The bank should provide information about steps taken in 2013 to facilitate the use of electronic banking services. The services should be more intuitive and reliable. The report should also include an explanation of the reasons of major technological failures which occurred in 2013 and how they were handled.

#### Operational issues: breakdowns of transaction systems and no possibility to execute bank transfers from company accounts

In 2013, a number of big banks in Poland suffered problems with the performance of electronic banking services or ATM transactions. At one time there even occurred a series of operational incidents affecting the customers of various banks. Performance issues happened also in Bank Zachodni WBK and caused the great dissatisfaction of customers and an increased number of complaints. As a result of service unavailability, a group of customers either had no access to their money or could not transfer funds from their accounts. As can be expected in such a situation, customers expressed their annoyance using all official channels of communication with the bank, such as the website, Facebook, [bzwbk.pl](http://bzwbk.pl) blog, the info line and the Press Office. The information about problems with the transaction systems was quickly picked up by the media. The bank updated its customers on the efforts to restore the functionality of the system from the very beginning and provided answers to all questions from the media and customers. A dedicated crisis team composed of IT experts and employees of the affected bank areas was immediately appointed under the leadership of a Member of the Management Board. The customers who were not able to execute electronic transfers were requested to visit the bank's branches or partner outlets, so a decision was made not to charge any fees for all such transactions (both domestic and international), to compensate for the inconvenience.

#### Best practices in the area of responsible marketing and communication

##### Stakeholder expectations expressed during the dialogue session:

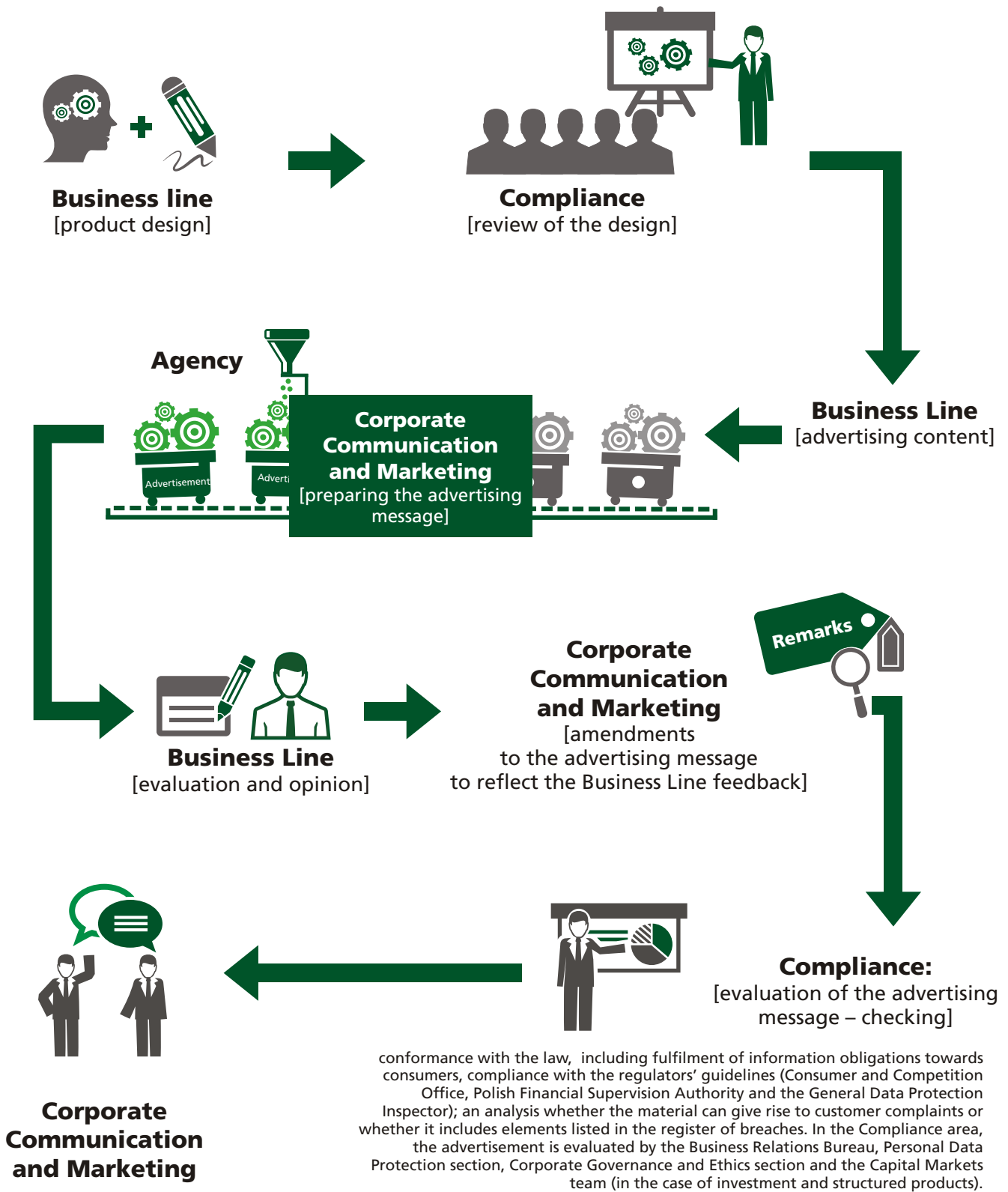
The transparency of the bank's products should be ensured so that they can be compared against the products of other banks and offered to those customers who really need them, while making sure that the product-related information and operating principles are understandable to customers.

All promotional activities planned and carried out by Bank Zachodni WBK are in line with the principles of advertising banking services developed by the Polish Financial Supervision Authority. But that is not all. In order to ensure the compliance of advertising and promotional materials of the BZ WBK Group companies with the applicable legal regulations, recommendations and good market practices, we have implemented the **Manual of Compliance in Advertising and Marketing Communication** of Bank Zachodni WBK.

All advertising messages are subject to the Manual requirements and may not be misleading in any way and disclaimers, if any, must be clearly visible to readers. Marketing messages are always subject to approval for conformance with the Manual. The following information must be specified in each case:

- Bank accounts – the annual interest rate on the funds deposited in the account, the variable interest rate and the effective interest rate.
- Cash loans – the interest rate on the loan and, separately, fees included in the total cost of the loan, the value of the total cost of the loan, the annual percentage rate, duration of the agreement, the total amount repayable and the instalment amounts.
- Insurance – information should be provided about any exclusions or limitations of the insurer's liability; the agreement template must be presented for review (general terms and conditions of insurance); and the insurer's full name should be specified.
- Investment products – all information provided by the bank to advertise or promote its services should be reliable, explicit, unambiguous and may not be misleading; the name of the investment firm must always be revealed; the information should be phrased in a way that is understandable to the average representative of the target group; important aspects, claims or warnings may not be disregarded, neglected or presented in an unclear way and benefits from the service may not be emphasised unless all risks related to the same service are explicitly and honestly described.

### Advertisement designing process



**While preparing advertising materials we stick to the following rules:**

- Each advertisement should be honest and may not mislead customers or contain ambiguous statements.
- The advertising message should allow for a review of its entire content, including any disclaimers or warnings which form an integral part of the advertisement.
- All disclaimers, footnotes, references and warnings must be printed in a legible font, always horizontally, on a light coloured background.
- Disclaimers should provide additional information and may not contradict the main message.
- If the advertised product or service gives rise to costs, the advertising message should include information about the related fees and charges and indicate where comprehensive information about the advertised product can be found.
- The term "guaranteed" should be used with great caution and only in situations when there is 100% certainty that the use of such a term is warranted.
- Words like "best", "first" or "leader" and adjectives in the superlative form should be used in the context of an advertisement supported by objective assessment e.g. market research, a ranking published by an independent firm or institution, etc.
- The results of a survey, statistical research, rankings must always be provided with information about the source of the information.
- The information about participation in the obligatory deposit guarantee system (Bank Guarantee Fund) may not be used for advertising purposes and should be limited only to information about being a member of that system. The acceptable form of such information in the advertising message is: Bank Zachodni WBK is covered by the deposit guarantee system of the Bank Guarantee Fund
- All advertising materials have to include the full name of the product or service offered and of the bank i.e. Bank Zachodni WBK.

Detailed guidelines are also available for advertising bank accounts, credits, loans and insurance products. In 2013, no instances of non-conformance with the product or service information and labelling regulations were identified. There were also no instances of non-conformance with voluntary codes concerning marketing communication, including advertising, promotion or sponsorship.

**Stakeholder expectations expressed during the dialogue session:**



The bank should provide information about the merger process and describe how the bank's structure has changed following the merger and how the integration of systems and employee teams proceeded within the framework of the new structure. The stakeholders were also interested to learn about the current status of the merger and the future steps planned.

**The merger with Kredyt Bank**

On 4 January 2013, after meeting all legal requirements, Bank Zachodni WBK merged with Kredyt Bank. As a result of the transaction, the third largest bank in Poland in terms of the value of assets and number of outlets was established.

The end of September 2013 marked the end of another stage of the integration process. The product offer across the entire network has been unified and the Kredyt Bank brand has been substituted with the Bank Zachodni WBK brand under which the merged bank will operate. The whole process will be completed in 2014 when all customers will be using the same electronic and mobile banking systems.

**Legal merger  
4 January 2013**

Joint cash loan and bank account campaigns



**Business integration and brand migration  
30 September 2013**

- Uniform product offer (for new sales)
  - Joint sales network
- The same service standards in branches



**Technological integration  
2014/2015**

- One electronic banking system and the same operational processes

### Communication during the period of changes

For Bank Zachodni WBK, a merger is an opportunity for the increased effectiveness of our bank. Therefore, since the beginning of the year we have optimised the network of outlets and made appropriate changes in the organisational structure and the product policy. Thanks to all those actions, we managed to achieve the first business synergies much earlier than we had expected. This has motivated us to set more challenging objectives for 2014 and 2015. The effectiveness of the integration process is evidenced in the fact that long before the change of the branch signage and full integration of systems we offered the Customers of the merged bank a common product, as early as two months after the legal merger took place.

#### The customers of both banks were updated on the changes on an ongoing basis through:

- an information campaign “We are changing for you” – window clings in the branches, leaflets, a website dedicated to the merger topic,
- current updates published on the Internet e.g. announcement of branch rebranding, closing the old website and change of the transaction systems colour profile,
- a dedicated help line providing information about changes in the product offer , branches and ATMs after rebranding, etc. All questions and doubts were answered.



In 2013, the process of the Kredyt Bank brand withdrawal from the market was completed. All Kredyt Bank outlets changed their signage to Bank Zachodni WBK, the website was substituted with www.bzwbk.pl and the colour profile of the transaction system was changed although for the time being it is still operated under the old name. The launch of a single brand was accompanied by an integrated advertising campaign which enhanced the bank’s positioning as an institution focusing on long-term relationships with customers based on mutual trust and supporting customers in the achievement of their plans. Advanced and efficient financial solutions are intended to be the bank’s distinctive feature.

### The integration process in numbers

- 1** 576 days of preparations
- 2** Over 200 people involved in the process
- 2** 318 outlets of ex-KB branches rebranded during one month

#### As of 30th September, all customers of Bank Zachodni WBK have had:

- a common network of branches and ATMs
- a uniform, comprehensive product offer
- harmonised customer service processes
- uniform marketing communication
- a new colour profile of the online banking system
- a single website.

#### Electronic communication with customers (BZWBK 24 Internet)

BZWBK24 Internet is a transaction service via which customers can manage their funds online, 24 hours a day, without leaving home. It is also a comfortable tool which can be used to order products ‘by click’. First and foremost, however, the service allows for ongoing contact with the bank thanks to:

- tailor made offers prepared in the ‘A Special Offer For You’ tab
- email messages received in BZWBK24
- E-statements
- an easy option to request contact with the adviser



### Stakeholder expectations expressed during the dialogue session:



The bank should provide information about the complaint management system and the impact of complaints on changes in the product offer and improvements in the customer service, with an indication whether each reported complaint is evaluated by the bank, on what terms and how non-standard cases are treated.

A request for information about the resolution of disputes, the current or planned use of mediation in relations between the bank and its customers and the appointment of a Customer Care Officer in the bank.

### A complaint is a gift of knowledge on how to become better

#### A comment from an internal stakeholder



#### Wioletta Urbańska, Director – Customer Ombudsman

*We treat complaints as a gift because they provide us with valuable knowledge about the needs and expectations of our customers. Thanks to the lessons learned from complaints we implement corrective actions in the bank to avoid customer dissatisfaction and improve our products and services.*

### Complaint management process

Complaint management procedures in force in the bank are consistent with external regulations and with the recommendations of the Polish Financial Supervision Authority.

Customers can report complaints verbally in the bank's head office or any other unit in charge of customer care, in writing by sending the complaint to the bank's address, by telephone or by electronic channels.

### When a customer is not satisfied with the response to a complaint, they can appeal in writing:

- against the employee's decision – to the director of the unit evaluating the complaint,
- against the unit director's decision – to the Customer Care Officer of Bank Zachodni WBK.

Bank Zachodni WBK has adopted an innovative approach to complaint handling. A few years ago we were the first financial service institution in Poland to appoint a Customer Care Officer.

The BZ WBK Customer Care Officer supervises the process of complaint management, represents the customers' interest in the bank and acts as an internal appeal body in the complaint evaluation process.

As part of the complaint management process, the number of received complaints is monitored. On the basis of the conducted analysis, actions are identified, recommended and implemented to improve the bank's processes, products and services and to eliminate the root causes of complaints.

### Improvement of after-sales customer service

The quality of customer service is our absolute priority. Since 2006, our Quality Management System has been certified for conformance with the ISO 9001:2008 standard. At present, 43 processes are in the course of certification, covering the sale of products and services to retail, corporate and Wealth Management customers in branches and in electronic channels. We are systematically increasing the number of certified processes and take care to maintain the appropriate quality level, as evidenced by the results of numerous internal and external audits, inspection and certification checks.

The maintenance, improvement and expansion of the Quality Management System would not be possible without the great commitment of our staff. Customer satisfaction and the success of our organisation depend heavily on our reliable work. Quality improvement and the enhancement of the customer experience has become a daily practice in our bank. We are not planning to limit our actions to the maintenance of the ISO 9001:2008 certificate. Our goal is to manage all quality initiatives in an integrated way and systematically increase the quality of provided services and the effectiveness of implemented business models.

In 2011 we were the first company in Poland to obtain the certificate of conformance with the EN 15838 standard implemented by the European Commission in 2009 in response to common dissatisfaction with the quality of customer service provided by call centres. The reasons for dissatisfaction included unclear or incorrect information provided, long waiting time for connection with a consultant, many referrals during one call and a rather unfriendly approach of staff to callers. The standard sets forth strict criteria which must be met if a call centre wants to operate properly and manage the contacts appropriately from the point of view of customer satisfaction.



## Compliance and risk management

### Stakeholder expectations expressed during the dialogue session:



The bank should provide information about its wide range of compliance activities.

#### At present, four processes meet the EN 15838 requirements:

- Sale and support of bank products over the telephone and the Internet to retail customers.
- Business customer service and support via telephone.
- Internal customer service and support via telephone.

In 2013, the Call Centre management system was expanded to include the Telephone Monitoring Office, in charge of monitoring the payment of overdue amounts. It is the first unit of this kind in Poland certified for conformance with EN15838.

Ten years have passed since the opening of the bank's call centre. Over that time we have gained a lot of experience which has helped us to overcome major issues and challenges in this area. Conformance with the requirements of the EN 15838 standard makes us a leader among call centres in the banking industry.

One of the elements of the integration process initiated in 2013 was the development of common customer service standards in all outlets. At the start of the project we set ourselves the goal of defining a set of standards which will increase customers' satisfaction from working with the bank, meet their expectations concerning privacy during service and ensure the provision of reliable information about products. The new standards will be implemented in the first half of 2014.

#### A comment from an internal stakeholder



**Adam Stachura – Chief Communication Development Specialist, BZ WBK Communication Centre, responsible for call monitoring services**

*Listening to randomly selected calls handled by Help Desk advisors is a guarantee of maintaining the highest service standards and providing valuable support to branch staff. In this way we make sure that the answers given are correct and our customers receive accurate and exhaustive information.*

Formalised principles of corporate governance have been in force since 2002 i.e. since the publication of the first edition of best practices by the Warsaw Stock Exchange ("Best Practices for Public Companies in 2002").

The corporate governance principles followed by the bank are collected in a document entitled "Best Practices of Companies Listed at the WSE" appended to the Resolution of the WSE Council of 21 November 2012. The principles are available for review on the WSE's website (<http://corp-gov.gpw.pl/>) and in the bank's online service for investors ([www.inwestor.bzwbk.pl](http://www.inwestor.bzwbk.pl)). It is an updated version of the best practices which entered into force as of 1 January 2013.

Legal and regulatory (compliance) risk is defined, in line with the Basel Committee's approach, as the risk of sanctions imposed by supervisory authorities or of reputational damage to which the BZ WBK Group may be exposed in the event of a breach of applicable legal regulations, guidelines of the regulators and other codes and standards which pertain to the Group's activities. Dedicated units were made responsible for particular compliance processes in the Bank Zachodni WBK Group.

The scope of responsibilities of the Legal and Compliance Division covers compliance with legal and regulatory requirements in selected business areas, including market launches of new products, respecting customer rights, anti-money laundering activities and protection of sensitive information and personal data.

The responsibility for identification, interpretation and dissemination of knowledge about other legal and regulatory requirements across the Group has been assigned to organisational units with relevant competences. The conformance with the labour law is overseen by the HR Management Division, with tax regulations and reporting requirements by the Accounting and Financial Controlling Division and with prudence norms by the Risk Management Division.

The bank's Management Board has adopted the Compliance Risk Management Policy approved by the Supervisory Board. Pursuant to the policy, the Compliance Area has been given extensive discretions as a unit supporting the management in effective mitigation of the bank's compliance risk. All identified issues are reported to the Risk Management Committee and the Audit and Compliance Committee of the Supervisory Board.

The Audit and Compliance Committee carries out periodical reviews of crucial sources of non-compliance identified by the Compliance Area in the course of monitoring new products, regulators' activities, proposed changes in legal regulations and customer complaints. The Risk Management Committee oversees the fulfilment of regulatory obligations and approves the rules of internal control and the compliance policy, making sure that the Compliance Area remains independent of the business units and has sufficient resources to carry out its duties properly.

### A comment from an external stakeholder



#### Krzysztof Pietraszkiewicz – President of the Polish Bank Association

*Over the last 25 years, thanks to joint efforts of the authorities, investors, customers and employees we have built a stable, modern and effective banking system in Poland. We have made very good use of the freedom restored after the political system change and our success is no accident. A number of critical decisions were made by the Polish government at the right time, including a constitutional guarantee of the autonomy of the National Bank of Poland, establishment of the Bank Guarantee Fund, appointment of a powerful banking sector regulator and extensive training and education of human resources. We owe the success mainly to many thousands of bank employees in Poland who have always known that banking is a business founded on trust and the feeling of security and that banks play a key role in the market driven economy. It takes many years to develop confidence in banks. People often entrust their lifetime savings to banks and share with the bank staff confidential information counting on their discretion, competent advice and assistance, when necessary. Thanks to banks, thousands of citizens can fulfil their personal aspirations, expand their businesses and maintain and create jobs. From time to time, banks have to make difficult restructuring decisions or undertake corrective actions because the economy is a live organism which passes through different stages of development. Difficult situations also occur in the lives of individual customers.*

*It is of crucial significance to make sure that banks' operations are well understood by customers and consistent with all applicable legal regulations and any doubts in this respect must be promptly clarified. Proposed solutions must be optimal from the point of view of customers, but also banks which have to take into account the expectations of all stakeholders. Such an approach requires not only knowledge but also extensive experience. It has been a great pleasure to observe progress in this area made by BZ WBK. The well-coordinated efforts of many people working on new products in partnership with IT experts and in strict consultation with Legal and Compliance functions have brought excellent results which deserve true respect and recognition. It is for that reason that the voice of the bank's representatives matters so much in our community, but also in many public debates.*

### Focus on the products

#### Stakeholder expectations expressed during the dialogue session:



The report should highlight the fact that higher-risk products (e.g. hybrid products) are subject to close supervision and particular care at the time of providing information to customers is required.

Prior to market launch, each product has to undergo a lengthy review process and collect the feedback and approvals of many people. In the first place, the acceptance of 10 units in the bank is required which assess the potential risks to the bank and to the customer.

The applicable rules are set forth in the policy of reputational risk management in relation to product commercialisation, the Product Approval Procedure and the regulations of the Chairman of the Savings and Investment Products Strategy Committee, in particular including the Regulation on the Quality Control of Investment Product Selling (Prevention of Misselling) and the Recommendation on the Provision of Services to Customers from the 70+ Age Group Upon the Sale of Investment Products. The financial products selling model is modified and approved by the Committee, acting in consultation with the specialists from the Compliance Area.

New product concepts are first submitted to appropriate committees (BZ WBK Savings and Investment Products Strategy Committee, BZ WBK Credit Policy Forum) which review them for conformance with the strategy in force in the BZ WBK Group and decide whether work on the products can be continued.

The Product owner (the person in the organisation made responsible for the new product launch) completes an application, obtains the opinions of legal and tax experts and fills in the "Register of Product Risks", in accordance with the "Manual of Operational Risk Management in New Initiatives" in force in the bank.

All the documents mentioned above are then forwarded by the Product Owner to the Compliance Officer who coordinates the evaluation of the application and initiates the process of obtaining opinions from all organisational units of the bank listed in the application.

Each unit issuing an opinion assesses the new product from the point of view of risk for the bank/ Group and for the customer. To continue work on the new product, all opinions must be positive. Some of them are issued conditionally i.e. certain conditions must be met before the product can be implemented e.g. staff training, changes in procedures or IT systems, monitoring of product sales, etc.

Furthermore, products which require development or modification of IT parameters or solutions are subject to the change management process. The policies referred to above can be found on the Compliance Area's website and in the database of the bank's internal regulations.

### Sanctions imposed by the Office for Competition and Consumer Protection in relation to alleged collusion in setting interchange fees

In 2013, Bank Zachodni WBK was a party to one legal action for anti-competitive behaviours and anti-trust and monopoly practices.

The reason for the legal steps taken against us was the bank's appeal against an unfavourable decision of the President of the Office for Competition and Consumer Protection who recognised the agreement of 18 banks, including BZ WBK, concerning the setting of the amount of interchange fees charged for transactions executed with Visa and MasterCard cards in Poland as an anti-competitive practice. At present, the appeal procedure is in progress and the execution of the imposed sanctions has been suspended.

Moreover, in 2013 six legal proceedings concerning alleged non-compliance with the law and regulations were completed (excluding environmental and product sanctions) before the General Inspector for Personal Data Protection and the Office for Competition and Consumer Protection, of which four cases were dropped and in two cases the bank was obligated by the Office for Competition and Consumer Protection to implement specific measures (non-financial sanctions). No financial sanctions were imposed on the bank in relation to the abovementioned non-conformances and no dispute resolution proceedings were instituted in 2013.

In 2013, no fines were imposed on Bank Zachodni WBK for non-conformance with laws and regulations concerning the provision and use of products and services.

through the proactive provision of information about the development of the Group and other significant facts which may have an impact on their actions or decisions and which satisfy their demand for information. The purpose of such activities is to promote and enhance the image of the BZ WBK Group in the capital market.

In 2013, standard investor relations activities were continued. Investors, shareholders and stock exchange analysts had a chance to meet with the Bank's Management Board at a number of broker conferences in Poland and abroad, road-shows and individual meetings. In 2013, Bank Zachodni WBK took part in eight investor conferences.

In relation to the merger with Kredyt Bank announced on 4 February 2013, an Investor Day was organised. Members of the bank's Management Board and Supervisory Board presented the merger plan and long-term strategic objectives for the merged institution.

Traditionally, four conferences for analysts were held in 2013 to discuss the bank's quarterly results. In accordance with the best practice, the conferences were broadcast online in Polish and English and the recordings were made available on the bank's websites ([www.inwestor.bzwbk.pl](http://www.inwestor.bzwbk.pl)).

The online service for investors ([www.inwestor.bzwbk.pl](http://www.inwestor.bzwbk.pl)) presents all of the current information and significant developments in Bank Zachodni WBK.

### Stakeholder expectations expressed during the dialogue session:



Declaration of the degree of transparency in communication with investors.

Bank Zachodni WBK places an emphasis on effective communication with shareholders and investors. The main responsibility of the Investor Relations Office is to maintain relations with institutional investors and stock exchange analysts



**During the year, the Investor Relations Team, held 76 meetings with investors during road-shows and over 200 meetings with investors and analysts.**

# How We Act Effectively, Respond to the Needs and Offer Added Value

## Stakeholder expectations expressed during the dialogue session:



The report should emphasise the bank's role as an institution supporting entrepreneurs and creating new jobs through the implementation of a strategy of "growing with the customers".

## BZ WBK as an initiator of economic changes

In March 2011, Bank Zachodni WBK won a competition for the manager of the Urban Development Fund established under the JESSICA (Joint European Support for Sustainable Investment in City Areas) programme. The purpose of the initiative developed jointly by the European Commission, European Investment Bank and the Council of Europe Development Bank is to provide support to permanent investments in urban areas.

Under the JESSICA programme we have offered preferential funding to investors planning urban regeneration projects, mainly in the area of the Metropolitan Area of Szczecin which covers the cities of Szczecin and Stargard Szczeciński and nine municipalities (Goleniów, Gryfino, Stare Czarnowo, Police, Dobra, Kołbaskowo, Kobyłanka, Stargard Szczeciński and Nowe Warpno).

The proposed projects could receive financing from the Fund of up to 75% of the total eligible expenditures with a maximum repayment period of 20 years.

In 2013, eight JESSICA loan agreements were signed in relation to regeneration projects in Szczecin and Stargard Szczeciński. In this way, the whole amount of funds under the bank's management has been contracted.

## The projects funded under the JESSICA programme include:

- renovation of the Stara Dana building in the Centre of Szczecin
- renovation of a historical building of the former Kosmos cinema
- reconstruction and expansion of the existing building of the former municipal power plant to be converted into an office and service centre
- restoration of industrial functions in the Szczecin-Skolwin district by supporting the resumption of the operations of an old paper mill
- renovation and adaptation of a historical building of the old slaughter house in Łasztownia district.

## Participation of BZ WBK Finance & Leasing in PolSEFF - an initiative developed by the European Bank for Reconstruction and Development to finance investment in energy efficient solutions implemented in Polish SMEs

Since 2011, BZ WBK Finance & Leasing has taken part in the PolSEFF scheme. The Polish Sustainable Energy Financing Facility is an initiative developed by the European Bank for Reconstruction and Development which has launched a EUR 190m credit facility to finance energy efficiency investments in the Polish SME sector. PolSEFF addresses its offer to small and medium size enterprises which are interested in investing in new technologies and equipment reducing energy consumption or generating energy from renewable sources. The financing can take the form of a loan or lease up to the maximum amount of EUR 1m.



**Projects implemented under the PoISEFF mechanism can be divided into three main investment categories:**

- Investments in equipment and solutions from the List of Eligible Measures and Equipment (LEME)
- Large scale investment projects in the area of energy efficiency, renewable energy and energy efficient buildings
- Suppliers' investment projects

The investment which can, for instance, consist in the purchase of construction, manufacturing or agricultural equipment should reduce energy consumption by at least 20% versus the technology used earlier.

**The leader in SME guarantees**

In April 2013, the Government launched a programme of support for micro-, small and medium-size companies under which security is offered for loans drawn by such companies in the form of De Minimis Guarantees. In this way, business owners who do not have sufficient assets which can be offered as loan collateral have received access to financing.

At the end of 2013, we were number two in Poland in the sale of such guarantees, both in terms of the number (close to 8,000) and value (nearly PLN 800m) of guarantees. The achievement of such an excellent result could not have been possible without the commitment of all SME advisers employed in our branches. It is worth noting that SME customers can take advantage of the Government Guarantee Programme in each of our branches.

In 2014, we want to improve our sales processes to make sure that the process of applying for a guarantee is even friendlier for each customer of the bank.

**LOCAL**



***We target our actions in particular at the younger generation.***

*Our projects are addressed to children, school pupils and college students. We want to instil in them and develop qualities which will make them more entrepreneurial and active citizens.*

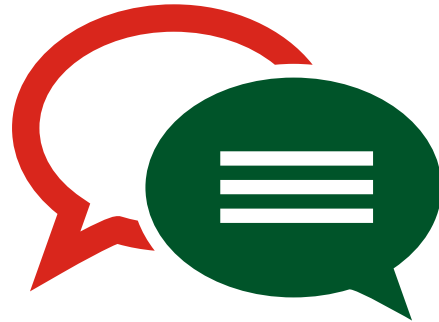
***Artur Sikora***

# COMMUNITY

### Stakeholder expectations expressed during the dialogue session:



The report should include comprehensive information about the social programmes implemented by the bank, with an indication of their business rationale. Descriptions of the programmes should provide information about the target groups and the value of funding allocated by the bank to particular projects.



## An Interview with **Artur Sikora** – Head of Corporate Communications and Marketing Area

***The bank has been engaged in the Santander Universidades, the BZ WBK Foundation has been operating for 16 years and branches carry out numerous local initiatives. Can you think of a single idea that is a common denominator to all of the social activities of Bank Zachodni WBK?***

**Artur Sikora:** Yes, it is the development of a civil society whose members make conscious decisions, are active and entrepreneurial and pay attention to their external environment. Such a society can cope better with the inevitable challenges of the modern world and market environment, such as macroeconomic changes, new technologies, financial exclusion, market requirements, etc. Many companies engage in various community activities to enhance their positive image, but we take it one step further. We want our actions to make a real difference to society.

***Who is the key beneficiary of the bank's social activities?***

**A.S.:** We target our actions in particular at the younger generation i.e. children, school pupils and college students. We want to instil in them and develop qualities which will make them more entrepreneurial and active citizens with open minds, but at the same time aware of their roots, history and cultural heritage.

Why do we focus so much on entrepreneurship? Because in our opinion it is the key to identifying business and educational opportunities on the Polish market, making use of one's own potential and beginning to think about professional development and a career while already in college. We are trying to promote the entrepreneurial spirit within the framework of Santander Universidades, a programme of collaboration with higher education institutions. We support college education, the development of new technologies, research, scientific programmes and we stimulate the interaction between academia and the business community. In more practical terms, this means helping

future entrepreneurs, managers and scientists spread their wings and start their own activities on a micro scale in order to boost the growth of the Polish economy on a macro scale.

We also care about the financial education of young people. We want the future customers of financial institutions to manage their finance in a conscious way and feel at ease in the changing market environment. To this end, we offer a number of innovative programmes, such as the Leaders of Europe, the Business Zone game or our latest project, an educational game Your Family Budget.

Additionally, the bank wants to promote among young people the spirit of responsibility for our external environment. We believe that young people with wide horizons, numerous interests and aspirations who want to take their future in their hands and who can correctly identify the social problems in their environment can really change our reality for the better. Such an approach is adopted in the programmes implemented by the Bank Zachodni WBK Foundation, e.g. the Bank of Ambitious Youth or the Bank of Children's Smiles.

I believe that as a company conducting successful business operations in Poland we have an obligation to give something in return by supporting local communities, Polish education, culture and national heritage. Keeping up the historical and cultural past is actually one of the factors which often determines the selection of projects sponsored by the bank.

By cultivating Poland's history and tradition we strengthen the national identity and, consequently, the affinity for Polish brands, products and services. This is probably the essence of our approach.

***Which social issues observed in Poland do your activities respond to?***

**A.S.:** The key challenge on which we focus is counteracting social exclusion. When we talk about exclusion, we think of the whole range of reasons for this negative phenomenon, from disability and poverty to the inability to adapt to present-day reality.



We also try to react to such issues as the low mobility of young people limiting their employability or low degree of entrepreneurship.

We are aware of the fact that discrimination against disabled persons is, according to conducted research, one of the most frequent examples of unequal treatment in Poland. In our country, approximately 12%<sup>1)</sup> of the general population are people with different degrees and types of disability. It is a large group of people with limited access or no access to social life. Therefore, we have created a unique project in our industry called the "Barrier-free service". Its purpose is not only to increase the availability of bank products but also to facilitate participation of the disabled in various walks of social life, including cultural and educational events.

### ***Which of the bank's CSR achievements in 2013 are you most proud of?***

**A.S.:** One of our flagship projects is the Santander Universidades which assumes cooperation with universities, investments in research, widening of horizons, getting new experience, but also finding new leaders and developing their consequences.

We are proud of many unique initiatives, but the one I would like to particularly highlight is the Barrier-free Service. It is a very important project to us to which we pay a lot of attention and effort. The project is the only one of this kind in the whole Group and is treated as a benchmark. On the Polish market, BZ WBK is a pioneer and a leader offering a broad range of services to people with special needs. Our activities in this area follow the guidelines stated in the Convention on the Rights of Disabled Persons. Another project which makes us stand out in the Group and on the Polish market is the School Card Project, the purpose of which is to increase the security standards in schools, promote modern financial solutions and educate young people in the area of economics.

### ***How has joining the Santander Group influenced the bank's commitment to CSR activities?***

**A.S.:** This remarkable event marked another stage in the bank's corporate social activities. We are glad to be part of the Santander Group which gives us an opportunity to take advantage of valuable experience and share and exchange knowledge with people from other countries, sometimes very different from Poland in terms of their culture and social issues. It is a great inspiration to us. Our ambition is to develop innovative programmes, implement above all divisions and aligned with our local social needs, making use of the potential and resources of the Santander Group.

### ***What are your key challenges and plans for the coming years in this area?***

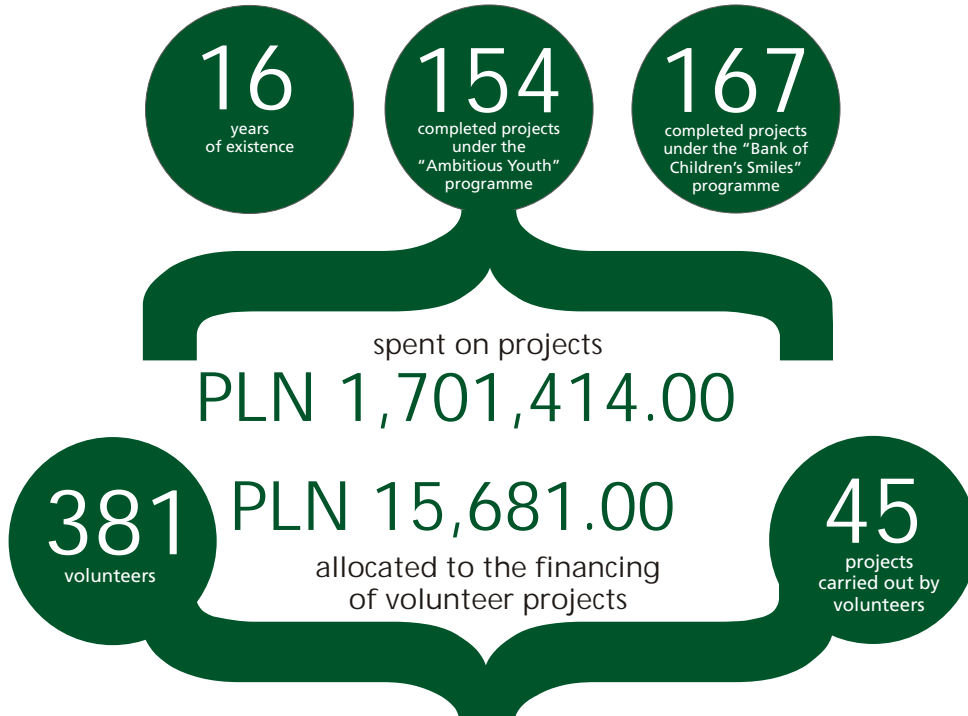
**A.S.:** With regard to social activities, we come across the same challenges on a daily basis as other financial sector institutions in Poland. The key challenge for us will be to demonstrate the impact and the direct and indirect effects of our actions in a measurable way. To this end, we want to make use of the Total Impact Measurement & Management (TIMM) technology. To our company, being responsible means focusing on continuous improvement and listening and responding to the stakeholders' needs.

## The Bank Zachodni WBK Foundation

### Our mission:

“We do not want to be only a corporate giver, but also an initiator and partner in numerous social projects”

Bank Zachodni WBK Foundation in numbers:



The Foundation supports initiatives implemented in three major thematic areas:

1. Development and education
2. Economic, social and civic activity
3. Culture, history and national heritage.

The Bank Zachodni WBK Foundation wants to be a partner for educational institutions and youth organisations which attract ambitious, creative and responsible young people who work on educational, civil and social causes.

## Tools:

Grant programmes

Employee volunteer work

Partner projects

Proprietary programmes

## Foundation History

The Bank Zachodni WBK Foundation was established in 1997 as a "Help the People" Foundation of Bank Zachodni WBK. Following the merger of Bank Zachodni and Wielkopolski Bank Kredytowy, the Foundation changed its name to the current one. In 2004, the Foundation obtained the status of a public benefit organisation and, as a result, can be supported by taxpayers who can allocate 1% of their tax to the Foundation. The Founder is Bank Zachodni WBK.

For a number of years, the main beneficiaries of the assistance provided by the Foundation were children from disadvantaged

families. The largest grant programme called the Bank's of Children Smiles was addressed to them. In 2010, the Foundation updated its mission and launched another grant programme called the "Bank of Ambitious Youth" whose goal is to motivate young people to be active in their local communities and disseminate the idea of entrepreneurship. For the last two years, the programme has been setting the main direction of the Foundation's activities – the "Youth Target". Since 2010, the Foundation has been coordinating the volunteer work of Bank Zachodni WBK employees. It helps them organise local events for children in orphanages or hospitals, pensioners, disabled persons, accident victims, etc.

### Stakeholder expectations expressed during the dialogue session:



To describe briefly the benefits from the bank's cooperation with different institutions and organisations.



### A comment from an internal stakeholder:

#### Eliza Dzwonkiewicz – President of the Management Board of the Bank Zachodni WBK Foundation



*The Bank Zachodni WBK Foundation allocates the majority of its annual funds to two grant programmes: the Bank of Children's Smiles and the Bank of Ambitious Youth. We work together with NGOs, cultural institutions, churches, schools, kindergartens, libraries, orphanages, community day-care centres etc. In order to apply for a grant, the applicant has to complete an online form which can be found on our website and get in touch with the Director of the nearest branch of Bank Zachodni WBK. In this way we can verify the credibility of organisations which seek our support and identify the problems which local communities face.*

*The Foundation also carries out partner projects collaborating with institutions which guarantee high quality and competence. In 2013, the Foundation's partners included the Museum of Polish History, Leon Schiller's Film, Television and Theatre School, the Department of Mathematics and Information Technology of Wrocław University and a number of NGOs, such as the Win Health Foundation, the Laboratory of Care Foundation and DePrimario Foundation. All those institutions have turned out to be trustworthy, reliable partners with high qualifications in areas of importance for the Foundation. Our beneficiaries appreciate such partnerships because through them we can act more effectively, rationally and on a bigger scale.*

*To our great satisfaction we can observe that thanks to our involvement many organisations and community groups, particularly in smaller localities, develop their activities and more actively engage in initiatives of critical significance for the future of the younger generation in Poland. We believe that both our own actions and our collaboration with other entities contribute to the building of a civil society and help to enhance the potential of different communities and individuals.*

In order to achieve a genuine social change, we need to target our actions at the youngest citizens. An important target group of our activities are children in a difficult economic or health situation. They inspire our employees to get engaged in numerous voluntary initiatives which address not only the physical but also emotional needs of young beneficiaries.

### The Bank of Children's Smiles

The Bank of Children's Smiles programme is a micro-grant scheme developed specially for institutions and welfare organisations working on a daily basis with children from dysfunctional or disadvantaged families. Many of those children do not have in their families basic conditions needed for their proper development. The BZ WBK Foundation supports projects which are based on an individual approach to children. The executed projects promote social sensitivity, civic activity, responsibility for oneself, for other people and for the whole country and demonstrate positive role models.

**The Foundation launched the programme in 2004. In 2013, the total funding allocated to 167 projects carried out under the Bank of Children's Smiles amounted to PLN 495,626.**

### The Bank of Ambitious Youth

The purpose of the Bank of Ambitious Youth programme is to make young people aware of the fact that their own future, but also the future of their local community, our nation and country, depends on their education, initiative, activity and social sensitivity. The programme teaches how to identify the needs of local communities, define objectives, set up working groups, solve problems and implement local initiatives. One of the programme goals is to define the skills and competences which an individual needs in order to be a productive member of a civic society, such as knowledge, interpersonal communication, social sensitivity, leadership competences and building the leader's position. A socially responsible approach should be rooted in history and culture, both in a local and national dimension.

The Bank of Ambitious Youth is one of the two grant programmes carried out by the Bank Zachodni WBK Foundation. The first one was held in 2010.

**In 2013, the Foundation supported 154 projects with a donation to the amount of PLN 1,261,600 PLN.**

We want to be close to real problems and respond to real needs. Therefore, many of our branches undertake their own, local initiatives.

### A bone marrow donation campaign organised in the Pomorsko-Kujawski macro region

As many as 78 branches of Bank Zachodni WBK from the Pomorsko-Kujawski region took part in the campaign "Bone Marrow Donation Day for Tadek and Others" organised in partnership with the DKMS Foundation of Stem Cell Donors in Poland.

The purpose of the campaign was to unite all employees of the macro region around the idea of bone marrow donation and to raise the level of awareness concerning leukaemia and its treatment. The campaign slogan was "Share the Love, Join the Fight".

Over two days (28-29 October, 2013), more than 1,600 persons registered themselves as potential marrow donors. All districts of the Pomorsko-Kujawski macro region participated in the campaign. Branch employees registered volunteers who wanted to become bone marrow donors and provided them with information about the related procedure and about the value of their donation to the patients. The information about the campaign was disseminated through a number of partner institutions, such as churches, police stations, schools, fire stations and local authorities.

**– The campaign initiated and carried out by the staff of our macro region gives me a feeling of great satisfaction** – says Tomasz Orsztynowicz, Director of the Pomorsko-Kujawski macro region. Thanks to their passionate commitment, the initiative turned out to be a real success. The feedback which we have received from our customers to date means that we have taken the right direction.



# How we support the genuine social change in Poland

A real social change cannot happen overnight. It requires investments in the future and gradual improvements achieved thanks to implemented actions. Being aware of this, we have decided to support academic institutions which educate our future leaders and entrepreneurs. We are positive that the promotion of innovativeness among the younger generation today will bring excellent results to the Polish economy tomorrow.

## Santander Universidades in a global dimension

The Santander Universidades launched in Poland in 2011 is a part of the Global Santander Universidades Division which has managed Banco Santander's support to the academic community for over 17 years. The programme has been founded on an idea that investments in the development of a conscious and well-educated society in the countries where the Group conducts business operations are worthwhile. Universities play a crucial role in these processes and, for that reason, can count on our support.

Thanks to a stable, long-term and robust strategy, Santander Universidades has become the Group's flagship project and has made Santander the single financial institution most engaged in supporting higher education worldwide.

### Santander Universidades in numbers:

- over 1,100 cooperation agreements with universities in 20 countries of the world, including Oxford University, Harvard University, Princeton University, Cambridge University and Yale University,
- more than 4,450 research projects currently in progress all over the world,
- a scholarship programme "Santander Grants" with 31,700 beneficiaries including university employees, students, doctoral students and graduates.

### A comment from an internal stakeholder:



**Michał Kuczmierowski,  
Santander Universidades  
Programme Director**

*Over two years, we have developed the biggest programme of cooperation between the business community and academia in Poland. We are trying to provide the universities with a range of tools which will help them face the challenges of a dynamically changing reality more effectively, climb up in international rankings and become incubators of innovative ideas which will enhance the national economy. By implementing numerous projects in different fields of both the humanities and pure sciences we want to make a contribution to building powerful academic centres in Poland and create opportunities for sharing ideas and knowledge on a worldwide scale under Global Programmes and traineeship schemes. 2013 was a year in which we initiated a great number of activities the effects of which we will observe in the near future.*

## Santander Universidades in Poland

The partnership of Bank Zachodni WBK and the academic community has been going on for more than 15 years. Until 2011, the bank was engaged mainly in sponsoring activities, supporting the educational and developmental projects of universities. The cooperation became more formalised and structured thanks to implementation of the Santander Universidades . The decision to offer the programme in Poland was to a certain extent our response to the condition of higher education in Poland i.e. underfunding of institutions and research projects, mismatch of the educational offer versus the demand on the labour market and limited involvement of the business community in promoting the entrepreneurial spirit among students, graduates and academic staff and in the commercialisation of research outcomes.

Under the project called "A Vision of Sustainable Development of Polish Business Until 2050" carried out under the patronage of the Ministry for the Economy, challenges related to the sustainable development of business in a long-term perspective were defined and market opportunities for long-term stable growth were identified. It has been concluded that the key determinants of Poland's sustainable economic development in the future are: education, innovation and more effective cooperation of different groups of interest, including the business and the academic communities.

In response to those challenges, we have decided to support the development of entrepreneurship and research, particularly in the field of advanced technologies, increased mobility of students and academic staff, the promotion of networking, exchange of knowledge on a global scale and propagation of the Spanish language and culture.



## Santander Universidades in Poland in numbers:

- **39 Polish** universities which are members of Santander Universidades, of which 8 joined the programme in 2013.
- **8 universities** among the top ten higher education institutions in Poland, including Warsaw University, Adam Mickiewicz University in Poznań, Warsaw University of Technology and Warsaw University (according to the ranking published by Perspektywy).
- **PLN 2.7 million** worth of contracts signed in 2013 for the support of research projects conducted by Polish universities.

## What are the objectives of Santander Universidades in Poland?

The activities of the Santander Universidades are addressed to students, academic staff and graduates of all types of higher education institutions (universities, medical schools, technology universities etc.) and its main objectives include:

- development of networking and exchange of knowledge on a global scale,
- development of research activities,
- providing support to the commercialisation of research results,
- development of new technologies and increased mobility of students, faculty staff and graduates, and
- boosting entrepreneurship.

## Development of networking and knowledge exchange on a global scale

An important part of Santander Universidades are the Global Programmes which offer a chance of direct cooperation between Polish universities and the most prestigious educational institutions worldwide. The overall goal is to facilitate the sharing of ideas, knowledge and experience on an international arena.

So far, 25 students and faculty members from Poland participated in Global Programmes in the United States, Germany and Singapore (15 in 2013).

## We offer scholarships and traineeships

Bank Zachodni WBK also supports partnership between business and academia by participating in the development of traineeship and scholarship programmes. In 2013, two students from Poland went on 6-month international scholarships organised as part of the Santander Universidades and one person came to Poland for a similar scholarship. Additionally, under the detailed cooperation agreements, each institution can delegate 5 students for internships held in Bank Zachodni WBK.

Overall in 2013, 462 students and 228 graduates completed internships in Bank Zachodni WBK. Additionally, 280 trainees participated in the "Summer Traineeship Programme" organised in the bank's branches for students and graduates.

**In evaluation questionnaires, as many as 97% of interns and trainees declared a willingness to continue working for Bank Zachodni WBK.**



## A comment from an external stakeholder:



### Daniel Pietrzak – a student of Mikołaj Kopernik University in Toruń, participant of the Global Programme in Cologne

*The Cologne Summer School on Media Sciences which I had a chance to attend in August 2013 was a training course organised by the University of Cologne. The period of over three weeks was packed with lectures, hands-on training classes, visits to the local institutions associated with media and to the headquarters of German printed and electronic media.*

*The lectures were delivered to a group of 25 persons from 12 different countries. I was under a great impression of the openness of the lecturers who encouraged us to interact and contact each other even after the workshops.*

*Of course the summer school was more than just lectures and official meetings. A range of excursions and integration activities were offered to us in our free time. A chance to meet many interesting people with whom I keep in touch up to now has been a great added value of the programme.*

*I can say without hesitation that it was one of my best summer months ever. I really appreciate the opportunity of participating in the Global Programme thanks to Santander Universidades.*

### We provide funding to innovative research projects

The bank has detailed agreements with 22 universities in Poland and under those agreements 56 research, educational, development and technology projects, as well as initiatives supporting entrepreneurship and student mobility are currently being implemented pursuant to those agreements. In 2013, seventeen agreements were signed covering 39 projects).

### A comment from an external stakeholder:



#### Professor Krzysztof Rybiński – Rector of the Vistula Academy of Finance and Business

*The projects implemented by BZ WBK in partnership with the Vistula Academy of Finance and Business can serve as a model of ideal collaboration. For instance, the report on a pioneering analysis of all economic laws adopted in Poland after 1989 showing to what extent public interest has been protected versus the interest of pressure groups, has been used by the Ministry of Justice and the Ministry for the Economy to design changes in the law in Poland. Our cooperation under the Santander Universidades has been working excellently. The good experience gained is very helpful while designing new projects. One of them is aimed at changing the way in which entrepreneurship is taught in high schools.*

*There is no doubt that Santander Universidades introduces new quality standards of cooperation between universities and businesses and, for that reason, it has truly deserved a nomination in the Competition of Banking and Insurance Leaders for the best CSR programme implemented by a bank in 2013.*



### The “Vistula Eduness Summer School” of the Vistula Academy in Warsaw of Finance and Business - A project addressed to an international audience

The purpose of the project was to promote modern concepts related to the management of services in business and public administration according to the “Design Thinking” philosophy developed by David Kelley. The concept is based on an assumption that true innovation can happen when powerful interdisciplinary groups create a culture of collaboration, discovering different opinions and perspectives. The project consisted of a summer school and workshops during which Service Design tools were used, such as the Customer Journey Map, Personas, Blueprinting, Mystery Shopping and drama elements e.g. Storytelling and Bodystorming. At the end of the project a publication was issued describing the participants’ experience and outcomes of their creative work.

### New technologies in support of a social change – LEVABIT personal hoist - University of Rzeszów

The purpose of the project was to build a prototype of a personal hoist with a wireless remote control system to help lift and move people with disabilities. The equipment would be helpful in such situations as the patient’s transition from bed to wheelchair. The hoist has a gripping device which fits under the patient’s arms and applies force proportional to the patient’s body weight. The two straps under the patient’s thighs facilitate the positioning of the body. The patient can be lifted, transferred and moved around using a remote control. The LEVABIT personal hoist is a response to the needs of disabled people and their carers. It improves the patients’ comfort and gives them a degree of autonomy in situations in which they normally would have to rely on the assistance of other people.

The project demonstrates the practical application of new technologies for the benefit of people.

It is worth noting that the innovative solution which has been worked out is the only one of this kind on the Polish market.

### Counteracting financial exclusion of elderly persons – the “Banking Inclusion” project of the University in Łódź

The project was addressed to people from the 50+ age group, residents of the Province of Łódź who did not use banking services. Its purpose was to diagnose the demand for financial education and develop a programme to provide equal opportunities and access to banking knowledge to senior citizens.

The project involved a survey of 500 inhabitants of the Łódź Province over the age of 50. The least known products according to the respondents were micro-loans (15.6% of responses), mobile payments (20.1%) and prepaid cards (20.3%). Additionally, evaluation of best practices and programmes addressed to elderly persons by different banks operating on the territory of the province was carried out. Half of the respondents admitted that their choice of a savings account had been based on their own experience and on information obtained in the branch. Information provided by employees of a given financial institution turned out to be significant to 38.6% of respondents. Every fifth respondent mentioned TV and radio programmes as a significant factor in deciding about the choice of an account.

On the basis of the survey results recommendations were developed on the equalisation of opportunities for access to banking knowledge which served as the basis for the financial education strategy for people over the age of 50.

Recommendations for actions on the part of banks to counteract the phenomenon of banking exclusion and raise the level of financial awareness included a review and evaluation of activities undertaken by banks in Poland to enhance the level of financial knowledge and the identification of solutions for people from the 50+ age group as examples of good practices.

Recommendations for local institutions acting for the benefit of people over the age of 50 by shaping their financial awareness included a review and evaluation of activities of public institutions and non-governmental organisations in Poland engaged in the propagation of financial knowledge and identification of solutions for people from the 50+ age group as examples of good practices.

The University has also published a series of articles devoted to financial education.

### Development of entrepreneurship in the region The project “Your own business step by step. Setting up and managing a small company” University of Łódź (Faculty of Management)

The purpose of the project was to support the economic development of the Łódź region by helping young entrepreneurs adapt to changes taking place in the business environment.

The project followed the idea of life-long learning and involved a group of thirty young entrepreneurs planning to start their own businesses. During a three-stage training course, participants developed managerial skills, acquired basic knowledge about planning and organisation of work, accounting and marketing and learned about available ways to source funding.

As a result of the project, its beneficiaries developed basic skills required to manage their own businesses.

#### A comment from an external stakeholder:



#### Professor Włodzimierz Nykiel – Rector of the University of Łódź

*Continuous improvement of the education quality and a possibility to conduct pioneering research projects are of fundamental significance to our university. We take care to ensure that our students and faculty members can develop their competences in the area of implementation of innovative research and projects contributing to the enhancement of our science and economy. Our graduates should be as well prepared as possible to enter into the increasingly competitive labour market.*

*Therefore, in 2012 we decided to join the Santander Universidades programme. Since then, we have worked together on three projects which presented an interesting challenge to our faculty staff and students and had a real impact on the local community.*

*I can responsibly say that Santander Universidades offers an opportunity to gain unique experience and competences for our students, graduates and faculty members.*



**The labour market and unemployment  
“The New Activity – New Culture (NANK)” project  
– University of Szczecin**

The project was initiated by researchers from Szczecin with an aim of establishing a politically neutral, interdisciplinary, regional think-tank for persons interested in the development of intellectual concepts and practical measures which would boost up the labour market in the region of West Pomerania, with a particular focus on graduates – the current and potential unemployed. The idea behind the NANK project was to combine broadly understood intellectual and practical activities for the development of the regional labour market and entrepreneurship, in particular to reduce unemployment and increase the professional activity of the unemployed. Worth emphasising is the fact that people are in the very centre of the New Activity – New Culture concept. Therefore NANK also offers professional psychological and educational support to persons in difficult life situations.

Thanks to NANK, a number of educational and promotional initiatives were successfully completed serving the purpose of knowledge dissemination and development of the labour market and entrepreneurship. One of the examples is certainly the third visit of Professor Frithjof Bergmann in Szczecin. In November 2012, Professor Bergmann met with the students and faculty members of the Faculty of Economics and Management, representatives of local authorities and other persons interested in the situation on the labour market. The lecture entitled “Towards the economy contributing to human development” was an opportunity to share experience and exchange views on the constantly changing labour market. In March 2013, Professor Grzegorz Kołodko delivered a lecture at the Faculty of Economics and Management entitled “Where the world is heading? Political economics of the future”. The meeting was co-organised by the representatives of NANK in Szczecin.

One of the most important deliverable of the “New Activity - New Culture” project was the publication issued in June 2013 “What’s up with the job market? West Pomerania in the Interdisciplinary and International Perspective” edited by Stanisław Flejterski. Close to fifty authors from Poland and other countries contributed to the book. It is an exceptional publication on the subject of the labour market in West Pomerania, including the directions of its future development and opportunities and prospects for favourable changes.

**Research to commemorate  
victims of totalitarian systems**

**Polish Genetic Base of Totalitarianism Victims  
– The Pomeranian Medical University**

The Polish Genetic Base of Totalitarianism Victims was established in September 2012 as a result of an agreement between the Pomeranian Medical University in Szczecin and the Institute of National Remembrance in relation to the project “Searching for Unknown Burial Places of Victims of Communist Terror Between 1944 and 1956”. As a result of the exhumation process conducted on the Powąki meadow in Warsaw, more than 200 bodies of people killed by communist secret service agents have been discovered. To date, thanks to the work of the scientists from the Polish Genetic Base of Totalitarianism Victims, 28 deceased persons have regained their names and personal identity.

The Polish project attracted interest of foreign institutions, including the University of Cambridge and the University of Amsterdam. The methodology can be useful for the purpose of research conducted on crimes committed by totalitarian regimes, including the Holocaust. The developed procedures of DNA processing based on mathematics and statistics can also be used in the investigation of mass disasters.

Funding for the Polish Genetic Base of Totalitarianism Victims is provided under the Santander Universidades.

**Financing the development of science in Poland**

Building strong and stable relationships with universities is a long-term process regulated by agreements with the Santander Universidades and sponsoring agreements. In 2013, we carried out 20 sponsoring projects. Most of them aimed at propagating science, and knowledge of economics, finance and history.

In partnership with the Polish Academy of Science, we carried out a project of Summer Research Traineeship the purpose of which was to promote collaboration between the scientific community, businesses and institutions which wanted to improve their processes, products and services using mathematical and IT methods. Companies and institutions presented various issues and problems and teams of students and researchers (usually young) working under the supervision of persons with the required research experience analysed them and looked for solutions. In 2013, 108 candidates registered for the project and 24 qualified and participated in it.

We also took part in the 18th Science Festival organised by the Warsaw University, the motto of which was "No investment in science means investment in ignorance". The idea of the Festival was to cross the barriers between strict sciences, natural sciences, humanities and social sciences and bring them all together. During the last edition of the Science Festival, 538 meetings were held and 140 sessions for high school students were organised, in addition to large events, such as the Children's Science Festival, the Geological Picnic and an Open Day in the Astronomy Centre of the Polish Academy of Science.

A number of higher education institutions have been engaged in the Festival of Science, including those which are members of the Santander Universidades programme: the Warsaw University, the University of Technology in Warsaw, the Warsaw School of Economics, Leon Koźmiński Academy, the Warsaw University of Life Sciences, Cardinal Stefan Wyszyński University in Warsaw and the University of Social Sciences and Humanities in Warsaw. More than 50,000 people attended the 18th Science Festival.

For the last 15 years, Bank Zachodni WBK (now operating through the Santander Universidades programme) has been supporting the 'Golden Mouse' competition addressed to students of the first year of evening and full-time studies at the Faculty of IT and Electronic Economy who attend Information Technology classes. The competition involves preparation, of professional business projects using state-of-the-art IT or mobile technologies, working individually or in teams of two people. To date, nearly 6,000 students participated in the competition.

### Product support to change agents

Bank Zachodni WBK also offers a broad range of products and services meeting the needs of customers from the university segment e.g. students, graduates, faculty and administration staff of Polish higher education institutions and supports the development of service channels dedicated to those customers to enable convenient use of all available services.

### The School Card Project

The School Card project was developed in close partnership between Bank Zachodni WBK and local governments, in response to the needs associated with a lower degree of security in schools and the observed lack of basic knowledge on microeconomics and personal finance among young people.

In order to enhance the security standards, the bank provides and donates a complete system of access control to be used by schools (card readers at the doors). In this way, access of unauthorised persons is effectively prevented. All pupils, teachers and staff members receive School Cards. In addition to the basic function of a school ID required to enter/exit the school grounds and move around, school cards can also be used as payment cards (after depositing funds on card accounts). Funds can be deposited by way of a bank transfer and cards can be used to pay for transactions executed in the shops and online and to withdraw money from ATMs. School cards can also be integrated with the library systems or be used as electronic registers and mark books or swimming pool passes.

The project implementation is fully financed by the bank.

The project is targeted at public high schools, junior high schools and, in justified cases, also primary schools. Branch directors and bank managers work closely with school headmasters defining jointly the opportunities for providing educational support and organising classes in financial education.

All schools participating in the project introduce special courses in economics (budget management and entrepreneurship) developed by methodology experts on the basis of the approved curricula for junior high schools and high schools and delivered by



experts from the bank.

The BZ WBK School Card is the only programme in Poland which effectively combines security and economic education. We work together with 42 local authorities across the country. In 2013, 71 new schools joined the project (the total number is 127).

In 2013, Bank Zachodni WBK organised the School Card Congress which was a knowledge exchange forum for schools participating in the programme. It was attended by close to 100 partner school headmasters and directors of branches coordinating the cooperation.

The main objectives of the congress included:

- to create an opportunity for meeting other partner schools and networking,
- to present different possibilities of using and developing the functionalities of the access system on the examples of good practices, and
- to present and discuss the educational plan for schools.

Our development plans include enrolling new schools in the programme, creating a special platform for sharing knowledge and good practices between partner schools and introducing a solution to measure progress in the acquisition of finance management knowledge by the pupils.

# How We Promote Active Participation in the Integrated Society

We operate 943 outlets and we are present all over Poland offering products and financial services. As a bank with a countrywide reach, we can participate in counteracting social exclusion in different ways, not only by increasing access to banking services. In order to contribute to the building of social capital in Poland we address our activities to different stakeholder groups, such as people with disabilities by facilitating their access to culture, children with health problems or children from disadvantaged or dysfunctional families by providing them with the required support and young leaders by developing their sense of responsibility and activity. As a member of the Santander Group, we also aspire to provide better access to the global cultural heritage to Polish people.

## Counteracting social exclusion

Different places have different needs. Therefore, in order to be a true partner to local communities in which we carry out our business operations we come up with numerous initiatives addressed to various stakeholder groups. Below find a description of our flagship projects.

### “Make One Step – Leave a Trail”- a project implemented under the Leaders of the Future programme in partnership with the Jasiek Mela Foundation.

For ten years, the participants of the Leaders of the Future programme have been using their managerial skills while implementing projects for the benefit of people in need. In 2013, the Leaders participating in the 10th edition of the programme helped the beneficiaries of the Jasiek Mela Foundation “Beyond the Horizons”. An average man makes around 10,000 steps every day. Such a number is a great challenge to a disabled person after limb amputation. The purpose of the project “Make a Step – Leave a Trail” is to disseminate information about prosthetics available in Poland and to hold a number of workshops for the beneficiaries of the Jasiek Mela Foundation (race runs, photography workshops, auctions, sale of calendars or self-made souvenirs). The leaders raised in total PLN 60,000 which was spent on the purchase of prostheses for accident victims. However, “Make a Step – Leave a Trail” is more than just a fundraising event. It is also a larger social campaign for the benefit of disabled people waiting for prostheses and an educational campaign on prosthetics in Poland. We are deeply convinced at BZ WBK that each step made by a disabled person with a new prosthetic leg will leave permanent trail in the lives of other people.



Bank Zachodni WBK wants to develop a “barrier-free culture” and, for this reason supports initiatives which are aimed at removing any barriers which prevent access of disabled people (with visual or hearing impairments, intellectual impairments and other disabilities).

The Bank participates in initiatives addressed only to the groups with special needs or also to general public e.g. shows of movies with audio description or with special subtitles for persons with hearing impairments.

Thanks to the Bank’s involvement, in 2013 6,000 people with disabilities participated in dance and choreography workshops in Wielkopolska under the project “The 5 senses. eMOTION” and 12,000 disabled children and young people received educational materials distributed in Wielkopolska and in other parts of Poland.





**“The 5 senses. eMotion”  
- one of the top 20 educational projects  
in 2013 in Poland**

Under the project, 250 educational and cultural events for people with disabilities were held in Poznań and in other town of the Wielkopolska region. The workshops were led by 45 experienced dance instructors, choreographers and teachers who tried to discover individual expression in each participant, recognise their movement potential and help in the practical application of the knowledge gained during seminars and meetings.

The closing ceremony of the project was held on 22 November 2013 in Aula Artis Hall of the University of Humanities and Journalism in Poznań. In a performance of the Polish Dance Theatre the “Desert” directed by Paulina Wycichowska which was staged on that day, disabled workshop participants appeared next to professional dancers from one of the best dance ensembles in Europe.

“The 5 senses. eMotion” was the third cultural project for persons with disabilities in the “5 Senses” cycle. The first one was an exhibition of visual arts for the visually impaired people held in the National Museum in Poznań (“The 5 senses. Audio-description”) in 2011. A year later, a music project for persons with hearing impairments was carried out in partnership with the Amadeus Chamber Orchestra of the Polish Radio (“The 5 senses. Pause”).

**A comment from an external stakeholder:**

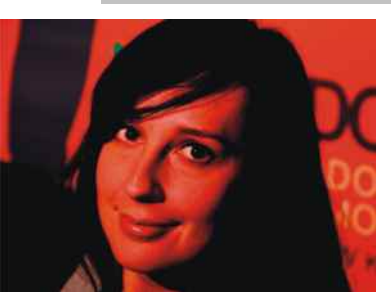


**Paweł Gogołek, an organiser of  
„The 5 senses. eMotion” project,  
More Than One Production**

*“The five senses” cycle of projects gives disabled people an opportunity to participate in educational and artistic events from which they have normally been excluded. The projects completed by us to date have been a journey into the unknown for people with hearing, visual and intellectual impairments and physical disabilities. As a result, we aroused new interests in art and culture in the project participants. Similar cultural initiatives have been implemented in different places in Poland. Our projects receive support under a number of cultural and social welfare programmes, however, the involvement of Bank Zachodni WBK S.A., our partner and sponsor of the “5 senses” cycle from the very beginning is most valuable to us because it is motivated by a true passion and willingness to counteract social exclusion.*

### 4th International Documentary Film Festival HumanDOC

#### A comment from an external stakeholder:



#### Dominika Springer, the HumanDOC Foundation

*Since 2011, Bank Zachodni WBK has been providing support to the HumanDOC International Documentary Film Festival. Thanks to the assistance of our sponsor, some of the festival films can be adapted to the needs of people with visual and hearing impairments. This initiative is of a great value for the HumanDOC Festival which aspires to develop our sensitivity to other people and, on the other hand, is an example of an innovative and unprecedented approach in Poland. We are the first documentary film festival to present the adapted films on the Internet for a few weeks, free of charge, via the Iplex.pl film portal. As a result, people with visual and hearing impairments from small towns and villages have an opportunity to watch our films. It is very important to us since thanks to documentaries which usually show the current reality in different places of the world and major global issues and challenges, disabled persons have a chance to fully participate not only in culture, but also in the public debate on topics important for the whole world and for our common future.*



The HumanDOC festival shows a range of best documentaries in the world. The films give us an insight into different aspects of the present world, social and cultural changes, the biggest challenges and global interdependencies. The objective of the festival is to raise the level of public awareness about the main issues which the societies of emerging countries face and their causes. It is the first event in Central Europe and the third one worldwide which combines world class documentaries with a reflection on global issues.

In 2013, Bank Zachodni WBK once again supported the organisation of the festival. The bank was a partner to the event also in 2011 when some of the documentaries were for the first time shown with audio-description or special subtitles for people with hearing impairments. People who had earlier been excluded from such a form of entertainment now obtained access to a valuable cultural event. The films adapted to the demand of audiences with special needs were watched over a period of one month by more than 5,000 people from all over Poland.

The HumanDOC Festival is a barrier-free cinema. The fourth edition of the Festival took place in cinemas of 14 cities of Poland at the same time, including Warsaw, Poznań and Wrocław. The documentaries were also available on the IPLEX.pl platform and the related application for smartphones and tablets. In addition to traditional film shows, a group of films adapted to the needs of people with visual and hearing impairments were made available. Bank Zachodni WBK was a sponsor of the shows. As part of the Festival, DVD with the festival films adapted to the needs of people with visual or hearing impairments has been issued.

In order to facilitate the development of awareness of global challenges, during the festival Bank Zachodni WBK presented a Special Award to Stefano Liberti, a recognised journalist, for the documentary entitled "The Closed Sea". The documentary shows the problem of illegal emigration through an example of a dramatic expedition of fugitives who want to live a better life in the future, running away from Libya ravaged by war, across the Mediterranean Sea to Italy.

### A party for children from day-care centres, orphanages and social care institutions in Wrocław.

The initiative was originally an idea of volunteers working in our bank who wanted to do something for children in a difficult life situation. Its purpose is to integrate them with the children of the bank's employees who also attend the party. While organising the party we work with a number of organisations and become well-known in our local community. The idea is motivated purely by our compassion – there is no business rationale behind it. Every year the bank's employees are engaged in preparations for the party which is attended by approximately 100 kids from different institutions. In 2014, the party will be organised for a fourth time.

In our activities, we do not forget about those who are often disregarded.

The objective of the "LEARN FROM PUPILS" project is to encourage the younger generation to share their knowledge on technological innovations with the older generation. Special classes are organised during which pupils act as teachers and the pupils are their teachers, parents and grandparents. The topics are proposed by the young teachers who know best what they are good at. The main idea is to teach the course participants to apply their technological knowledge in practice. The most interesting scenarios of classes are awarded.

In addition to purely educational outcomes, the project has another benefit which consists in bridging, at least to some extent, the generation gap. We implement the project in partnership with the "De Primario" Foundation. In 2013 the participants were 34 teams from 19 schools (close to 140 students). The project will be continued in 2014.

### We work for the sake of development of the national heritage

By tradition, the financial sector has been supporting for many years projects related to the national heritage. In 2013, we had a pleasure to participate in a number of major cultural events in Poland.

### Stakeholder expectations expressed during the dialogue session:

Provide detailed information about the bank's sponsoring activities, including support to cultural heritage (museums, theatres, etc.) and describe the outcomes of such activities.

In 2013, BZ WBK supported the development of cultural heritage, inter alia, in the area of painting (the exhibition "From Cranach to Picasso"), photography (BZ WBK Press Photo) and film. For many years, the bank has been engaged in various projects promoting the Polish history and tradition because we believe that strengthening of the national identity helps to build the civil society. Additionally, the projects which we initiate require from the involved parties a lot of activity and entrepreneurship i.e. the qualities which we have always valued and promoted.

The focus on national remembrance is also reflected in the careful selection of projects sponsored by Bank Zachodni WBK. In 2013, the bank provided funding to a TV series "Time of Honour" presenting the story of five members of the special military forces during WW2. We also continued our partnership with the Museum of the Warsaw Uprising and supported the celebrations of the 69th anniversary of the Warsaw Uprising and the preparations of a location-based game "Your Photo from the Uprising" which helped the people of Warsaw learn the reality of their city during WW2. The players had to cover a distance of five kilometres along the streets of the southern part of the central area and of Mokotów where scenes from the Warsaw Uprising were acted out and the players had to take pictures. Bank Zachodni WBK is also an active participant of the celebrations of the independence day on 11 November. In Gdańsk, the bank acting in partnership with the SUM society, supported the Independence Parade attended by 20,000 persons.

### A comment from an external stakeholder



### Jan Ołdakowski, Director of the Warsaw Uprising Museum

*Over 10 years of its existence, the Warsaw Uprising Museum successfully completed a number of important projects concerning the events which took place in August and September 1944. We are trying to present the subject of the Uprising and of contemporary Warsaw in many different ways, including innovative and attractive solutions which will appeal mainly to young people. As part of our activities we carry out educational projects, organize concerts, theatre performances, film shows, exhibitions or workshops for children. We also prepare historical publications and publications concerning the city of Warsaw which are addressed to the general public.*

*Thanks to the cooperation with Bank Zachodni WBK which has been going on for over 5 years now, we have had an opportunity to plan our activities in a long-term perspective. This is particularly important in the case of annual celebrations of the Uprising anniversaries. The bank is a sponsor of a cyclical location-based game "Your Photo from the Uprising" which attracts more and more participants every year. It is our joint success.*

**"From Cranach to Picasso. The Santander Collection", National Museum in Wrocław**



Over a period of 87 days since its opening, 84 400 visitors came to see the exhibition "From Cranach to Picasso" which Bank Zachodni WBK organised in partnership with the Banco Santander Foundation (Spain) in the National Museum in Wrocław. The choice of the museum was not an accident. With a vast and unique collection of artworks, the Lower Silesian museum is one of the most renowned institution of this kind in Poland. Thanks to the project, many inhabitants of Wrocław for the first time in their lives had a chance to stand in front of a painting by El Greco, Rubens or Picasso – the most famous Spanish artists or foreigners painting for the Spanish rulers. The collection was presented in different Spanish cities and in a number of places in America, but in Europe, Poland was the first country after Spain to host the exhibition.

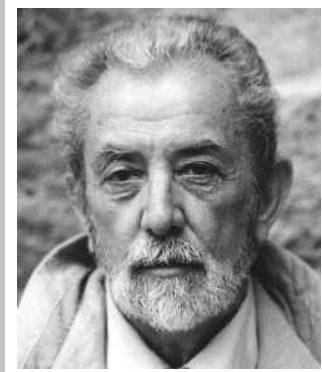
The collection encompasses 52 paintings, 9 drawings and 2 sculptures representative of the development of art from the 16th century until 1970's. The exhibition also displayed a number of outstanding painters from the Netherlands (Pieter Pourbus, Pieter Paul Rubens and Anton van Dyck), Italy (Tintoretto) and Germany (Lucas Cranach). The most famous masterpieces presented in the exhibition include The Sermon of St. John the Baptist by Lucas Cranach the Elder; the Crucified Christ with Toledo in the background by El Greco, The Virgin Mary As a Child, Asleep by Francisco de Zurbarán; and Don Diego de Mexía, Marquis of Leganés by Anton van Dyck.

The promotional campaign advertised the event not only among to art lovers. Information was disseminated via local and national media which eagerly described the masterpieces from the collection. A great number of employees of Bank Zachodni WBK visited the Wrocław Museum taking advantage of special passes. The Museum also organised a number of side events inspired by the collection, including a workshop for children on the Children's Day.

Worth emphasising is the fact that the success of the exhibition has enhanced the image of Wrocław as the European Capital of Culture of 2016.



**A comment from an external stakeholder**



**Mariusz Hermansdorfer,  
Director of the National  
Museum in Wrocław**

*The Santander collection is the first so valuable collection of European art presented in the Museum. For the Polish audience who do not have a chance for contact with world class masterpieces on a daily basis it is a unique opportunity. The Banco Santander Foundation and Bank Zachodni WBK deserve our deepest gratitude and recognition for showing this wonderful collection to us.*

## “BZ WBK Press Photo”

– a competition for professional photo reporters

The competition has been organised by Bank Zachodni WBK since 2005. In 2013, the 9th edition of the event took place. The exclusive media patron of the competition has been ‘Rzeczpospolita’. The project is addressed to professional reporters and its purpose is to present the best Polish press photography documenting important events and ideas in Poland and abroad.

The competition is, on the one hand, a platform for presentation of the output of Polish press photographers to motivate and support them in their quest for new subjects and professional development. On the other hand, the project enhances the image of Bank Zachodni WBK as a socially engaged institution. An important aspect of the project is the involvement of Branch Banking employees and integration of the customers around such events as the exhibitions of awarded photographs in city galleries all over Poland or free of charge photography workshops for young photographers.

The 2013 edition of the competition was held from January 2013 to February 2014 and attracted a record-breaking number of submissions – 7,600 photographs taken by 433 photo reporters. One hundred and seventy works and 38 participants were awarded in the competition.

- The Photo of the Year award went to Andrzej Grygiel from the Polish Press Agency. The awarded photo shows patients of the Cardiology Ward of St. Barbara Regional Specialist Hospital no. 5 in Sosnowiec celebrating a goal scored by the Polish national football team in a match against Greece during EURO 2012. The award of Bank Zachodni WBK went to Andrzej Hrechorowicz (a freelancer) for the photo report “The Cursed Soldiers” and Rzeczpospolita awarded Adam Warżaw (the Polish Press Agency) for a photograph showing damage caused by a tornado in the area of Bory Tucholskie.
- After the competition, a cycle of national exhibitions was organised in 15 cities of Poland (April 2013 – February 2014), including w Kielce, Olsztyn, Poznań, Szczecin, Sopot, Gdańsk, Łódź, Łomża, Kraków, Toruń, Wrocław, Katowice, Lublin, Legnica and Białystok.
- Each exhibition lasted from 2 to 13 weeks and was attended on average by 1,000 visitors. Altogether, 20,000 people visited the exhibitions across Poland. Concurrently, 15 two-day workshops were organised. The workshops were available free of charge to young people interested in photography and were led by Kinga Kenig, one of the judges in the competition. Four hundred people took part in all workshops (26 per one workshop, on average).

### A comment from an external stakeholder:



#### Andrzej Grygiel, the Polish Press Agency, winner of the Photo of the Year Award 2013

*In the context of poor quality of texts and photographs observed commonly on the press market due to continuous efforts aimed at reducing the operating costs, every initiative supporting and promoting professional journalism is extremely valuable. The BZ WBK Press Photo competition has over the years become one of the two most important press photography competitions in Poland. Every year, works of Polish photo reporters are evaluated and the best ones receive awards. The competition is not only one of the important platforms for sharing opinions on press photography in Poland, but also an opportunity for discussions about its condition and development directions, as well as about the expectations towards a good reporter photo. It can set the direction for young people starting their careers as photographers in this strange world of journalism and art.*

### Master and Apprentice

– child raising in the Second Polish Republic

The Bank Zachodni WBK Foundation, acting in partnership with the Museum of the Polish History and the Leon Schiller Film and Theatre School in Łódź carried out an educational project entitled “The Master and the Apprentice – Child Raising in the Second Republic of Poland”. Students of junior high schools and high schools were asked to identify and describe persons who had influenced the upbringing of young people in the Second Polish Republic, such as teachers, team leaders, social activists or priests.

Out of 200 received submissions, the judging panel selected six which passed on to the second stage of the competition. Authors of awarded works (teams of participants) were invited to take part in a film workshop during which they learned how to work on a documentary. In collaboration with the Film School students, the participants prepared short films about their ‘masters’ which they had selected and described in the first stage. The films were shown in November 2013 in Iluzjon Cinema.



# How Our Financial Education Activities Make Poles Comfortable in the World of Finance

## Stakeholder expectations expressed during the dialogue session:



The report should include information whether, and if so, in what way the bank informs people about new technological solutions, including mobile payments or proximity card payments, highlighting their advantages such as simple use and security, particularly in respect of elderly persons who could use such solutions to simplify the execution of many operations. The stakeholders suggested offering educational courses in products and services at Third Age Universities or in senior clubs.

Financial Education is one of the key responsibilities of the financial sector. The majority of institutions engage in such activities. Increased involvement in the economic education of the society was mentioned in the national survey conducted by SMG/KRC under the CR coalition, as of Polish stakeholders from the sector (<http://www.koalicjacr.pl/wyniki-badan.html>). In addition to high-quality content, we will be focusing on innovative forms of communication which will help us reach the target groups more effectively.

## Increasing entrepreneurship through financial education

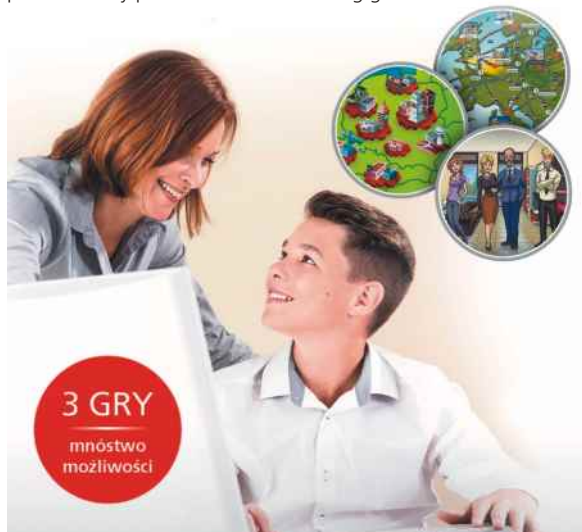
Young people (directly and indirectly through cooperation with universities)

Micro-companies and small companies

Socially excluded persons (seniors, disabled people)

## Three different educational games

Entrepreneurship lessons are an obligatory component of the curriculum. How to teach entrepreneurship in an attractive and friendly way without appropriate materials? Bank Zachodni WBK has prepared three out-of-the-box solutions in the form of professionally produced and interesting games on economics.



**BZ - Business Zone** – an online educational game intended for students of high schools and junior high schools. The purpose of the game is to develop one’s own business and earn as much money as possible. The game presents to young people, in an attractive way, the reality of running a business in Poland and teaches them how to set up and manage a company. Events which occur to the players, such as overdue payments, tax office inspections, sudden and unexpected expenditures and salary payment reflect the true aspects of running a business. The game promotes persistence, ingenuity and honest management of the business. Over 1,000 students took part in each of the three editions of the game. In 2013, the Foundation allocated PLN 6,852.02 PLN to that project. The game is available online at [www.business-zone.com.pl](http://www.business-zone.com.pl)

**Your Family Budget** – an online educational game intended for young people from the age of 16, until retirement. Players manage their family budgets and – in the meantime - learn how to plan personal finance and develop entrepreneurial spirit. The mechanism allows to check the consequences of one’s own decisions in a long-time perspective. The purpose of the game is to educate people, among other things, on prudent borrowing of money and avoid falling in the trap of spiral debt. The game is available online at [www.twojbudzetrodzinny.pl](http://www.twojbudzetrodzinny.pl)

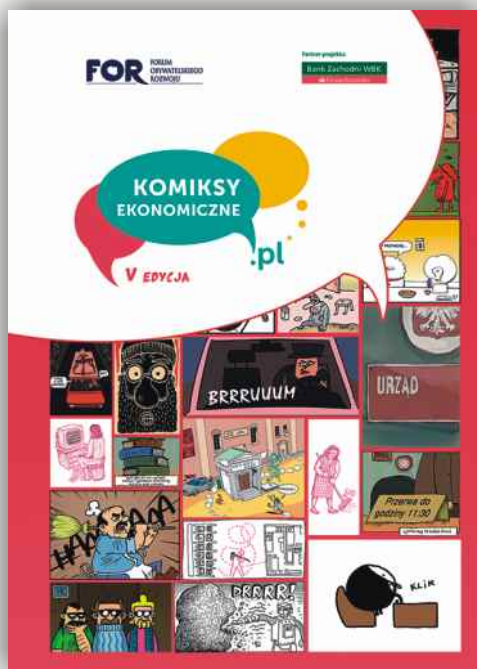
**Leaders of Europe** – an educational board game for children and youth from junior high schools and high schools. The project has been initiated and carried out by volunteers from Bank Zachodni WBK. It checks the basic knowledge in finance and business while “travelling” around different countries in Europe. The game helps to build relationships not only between young people and their teachers, but also between teachers and parents. To date 400 schools and over 36,000 pupils took part in the game.

### A comment from an external stakeholder



#### Emilia Klima, President of the Management Board of the Civil Development Forum Foundation

*Economic education through comic books and cartoons has been enjoying a growing popularity among students and teachers in Poland. Therefore, during each edition of the project, we raise the quality of publication and the number of copies of the prepared materials which make learning about the economy more pleasant. Financial education is a key to conscious decision making in adult life: from everyday shopping, through choice of a university, a place of work, a method of saving, investing and borrowing money and voting in the election. The implementation of this exceptional project has been possible since 2008, when the mutually beneficial-cooperation started between the Civil Development Forum Foundation and Bank Zachodni WBK which has been actively supporting improvement of the economic knowledge of Poles for many years*



### Economic Cartoon

The purpose of the project is to propagate the knowledge of economics among Poles, in particular among junior high school and high school students. Each edition starts from a competition for a comic book or a cartoon presenting selected economic aspects in an attractive, visual format, interesting to people from all age categories.

The best works awarded in the competition serve as the basis for scenarios of classes held to introduce children and youth to the basic economic concepts. The scenarios are prepared by economic education trainers acting in consultation with the Civic Development Forum.

The bank has been a co-organiser of the competition since the first edition. Thanks to the competition, students receive attractive and transparent materials which help them understand better important economic ideas.

Authors of popular cartoons and comic books are invited to take part in the competition. As a result, they have a chance to present their skills in front of the best Polish drawers and comedians. The awarded works are subsequently published in the form of a special album distributed to several thousand schools in Poland. Lesson scenarios are distributed to teachers free of charge.

#### What do teachers think about economic comic books?:

- They appreciate the non-standard, creative form of the message, its clarity and transparency. Students like the materials more. Teachers believe that cartoons and comic books are more effective tools for introducing economic concepts to students than traditional books and manuals.
- 94% of teachers are of the opinion that the materials exhaustively cover the relevant topics and appreciate the practical approach to the subjects,
- 79% of teachers are of the opinion that the materials are useful in their daily work with students and as many as 51% plan to use the materials once a month.

Results of an online survey prepared by FOR and completed by 67 teachers (October 2013).

## The "Innovative Poland. How to Skip the Crisis?" competition

Bank Zachodni WBK is ready to support projects which promote creative thinking, entrepreneurship and innovation. One of such projects is a competition "Innovative Poland. How to Skip the Crisis" organised by the Freedom Institute.

In 2013, the first edition of the competition was held called the "City of the Future" because it focused on the problems of living in a city.

All categories of participants were accepted: individuals, teams, students, scientists or people with ideas of any age. The task was to describe on a single sheet of paper a project which will generate profit to the originator and help to solve an important problem related to living in a city. The award was a two-week internship programme in the Silicon Valley in the US, a meeting with the potential investors and an extensive support of business consultants in Poland.

The project started with open meetings and workshops for the inhabitants of Poznań, Warsaw and Gdynia during which participants tried to identify the problems of people living in big cities.

Between 5 March and 10 May 140 submissions with ideas of innovative businesses were received.



The judging panel selected 5 most interested proposals nominated to the main award:



1. Neiberia – a portal with information on services and transactions available from neighbours and a communication tool for people living in the same district or a small locality.
2. Speed bumps with inbuilt power generators harvesting electricity from moving cars. According to the author, the amount of generated power would be sufficient to supply the street lamps with energy.
3. LifeBridge – an application facilitating provision of first aid to victims of accidents. The application would be used to communicate information about accidents and other tragic events to persons who are in the vicinity.
4. Low acoustic wall panels with additional elements limiting noise generated by passing trains.
5. IzzyBike – a prototype of a bicycle without a chain, with front-wheel drive, which can be folded in one second.

The winners of Stage I participated in two-day workshops during which they learned how to develop business models, talk to investors and speak to the public with the assistance of experienced trainers. The purpose of the training was to prepare the finalists to prepare business plans for their ideas.

The winner of the competition was announced on 13 September 2013. According to the judges, the best and most innovative idea was the chainless bicycle invented by Marta Jurek. In October 2013, Marta Jurek went to the Silicon Valley in California where she met with mentors and investors and had numerous networking opportunities.

### A course on "Application of mathematical modelling in banking" dedicated to students of mathematics offered by the Wrocław University.

BZ WBK is the first bank in Wrocław which has offered a practical course for students of mathematics.

The purpose of the cooperation with the Wrocław University and the Technology University in Wrocław which has been going on for over 5 years now is to prepare the students better for starting their professional careers and learn about practical applications for the theoretical knowledge acquired

at the university. Additionally, after passing the qualification process students will be able to participate in internship programmes in the bank which will improve their starting position on the labour market after graduation. The bank also tries to help the best students find the first job by employing them after the period of internship.





***Environmental protection** will always remain an important pillar of our corporate social responsibility and sustainable development policy, so with time our goals will certainly be getting more and more specific and ambitious.*

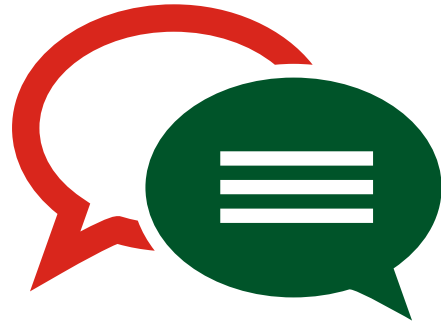
***Beata Daszyńska-Muzyczka***

# NMMENT

**Stakeholders' expectations  
expressed during the dialogue session**



Include a description of the areas in which the bank actually wants to achieve the adopted environmental targets, not as part of one-off campaigns but as a result of long-term, planned and coordinated activities.



## An Interview with Beata Daszyńska-Muzyczka, Logistics and Property Management Area Director\*)

### *Has the past year brought any significant changes in the bank in the field of natural environment protection?*

**Beata Daszyńska-Muzyczka:** For Bank Zachodni WBK, 2013 was mainly a year of the merger with Kredyt Bank. The event had a great impact on our organisation, also in the area of environmental protection. In 2013, we initiated the process of building a common approach in this field because both organisations used to have many different solutions in place. The combination and unification of those standards is not an easy task and we still have a lot of work to do. Despite the extraordinary circumstances due to the merger, we continued to meet all the legal regulations in force and have incorporated them in our internal standards. Environmental protection will always remain an important pillar of our corporate social responsibility and sustainable development policy, so with time our goals will certainly be getting more and more specific and ambitious. One of such goals is to reduce the consumption of electric energy through implementation of new technologies (LED lighting, replacement of the old air conditioning system).

### *The general perception is that financial sector does not have a major impact on the natural environment.*

**B.D-M.:** Banks are hardly ever on the front line of environmental conflicts because they do not carry out manufacturing operations and are not directly responsible for emissions, generation of waste or excessive consumption of natural resources. However, if we take a look at the resources necessary to secure the operations of our offices and branches, our impact on the natural environment might appear more significant. We also should not forget about indirect effects of investment activities. Banks often finance large investment projects which may have a critical – negative or positive – influence on the natural environment.

### *So how does the bank respond to those challenges?*

**B.D-M.:** At Bank Zachodni WBK, we are well aware of our responsibility for the environment and, therefore, while working towards our objectives we take this aspect into consideration in every area of our activity. We have made commitments which exceed the legal requirements. We increase environmental awareness across the entire organisation, educate employees and use environment-friendly technologies. We also take care to minimise or neutralise our negative environmental impact by implementing state-of-the-art energy efficient solutions in our offices and managing our waste in a rational way.

\*) Since April 2014 in charge of the HR Partnership Area in Bank Zachodni WBK



Changes also happen in our branches. Thirty-three of our branches have received 'Green Office' certificates to date and we expect more certifications in 2014. Initiatives aimed at reducing negative environmental impact often originate from efforts to improve financial effectiveness. The ability to combine both aspects is our important

### ***Does BZ WBK manage the environmental impact of its investments?***

**B.D-M.:** Yes, thinking about the natural environment we are trying to look beyond our offices or branches only. We take into account the projects for which we provide funding. We try to limit the bank's exposure to projects having a negative environmental effect e.g. coal fired power plants with low heat efficiency and high CO2 emissions. Such an approach is consistent with the rules of environmental risk assessment in force in the entire Santander Group. As the Group member, we have joined the international "Equator Principles" initiative founded by banks which understand the need for assessment and analysis of social and environmental risks related to financed investments. BZ WBK is continuously trying to improve its performance in this regard by following the best practices and models.



# How BZ WBK Takes Care of the Natural Environment

At Bank Zachodni WBK, we believe that unique natural resources of our country are an invaluable capital and should be protected in the same way as the cultural and historical heritage. We do our utmost to make sure that our care for the natural environment translates into real actions and is not limited to a verbal declaration. The key to success is cooperation, therefore we engage our employees, business partners and customers in all our efforts.

## Stakeholders' expectations expressed during the dialogue session



The report should include information whether the bank identifies areas of operations which have the most negative impact on the natural environment. If so, please specify those areas and describe how the bank tries to influence them and what tools are used to minimise the impact.

## We are starting from ourselves

The direct impact of Bank Zachodni WBK on the environment is relatively insignificant. Our nearly 1,000 branches use less energy than one smelting plant. In 2013, the indirect consumption of energy in post-BZ WBK area was 126,171 GJ<sup>1)</sup>. Nevertheless, we feel responsible for our environment and, therefore, we make effort to minimise or neutralise our most tangible impacts related to the use of office space at each level of the organisation, both in the head office and in branches. We launch numerous initiatives aimed at saving heat, electricity and resources, such as paper. We keep improving the implemented solutions all the time. We try to combine our environmental activities with continuous efforts to increase the financial effectiveness of our organisation.

## Stakeholders' expectations expressed during the dialogue session



Provide information about the "Green Office" project and the related certification of branches evidencing pro-environmental approach of the bank.

1) The energy consumption data refer exclusively to the post-BZ WBK area; due to the fact that branches use a flat-rate settlement system, the figures concerning branches are estimates;

## The only ones in Poland – "Green Office" certificates for our branches

BZ WBK currently has 943 outlets distributed all over the country. The implementation and maintenance of uniform standards for all outlets is a challenging task. BZ WBK is the first bank in Poland which, acting in consultation with the Partnership For Environment Foundation, has initiated the process of certification of its branches under the "Green Office" programme.

A Green Office is a friendly place not only to employees but also to the environment. It is a place where we consciously and responsibly manage available resources. We use energy efficient lighting and segregate waste. All our suppliers conform with the ethical and environmental standards and we check their compliance status before we start working together.

**In 2013, 33 branches of BZWBK in Warsaw and Wrocław received certificates confirming the implementation of an environmental policy, ongoing monitoring of CO2 emissions, consumption of electricity, heat, water and paper and generation of wastewater, purchasing environment friendly equipment and undertaking actions aimed at reducing the amount of waste.**

The branches enrolled in the program have been equipped with waste segregation stations and stickers encouraging both employees and customers to behave in an environment-friendly way. The staff members of all certified branches were invited to take part in a workshop during which they jointly worked out a code of good environmental practices and preliminary scenarios of CSR activities. Thanks to participation in the programme and rational management of resources we are building environmental awareness of both our employees and the bank's customers, we minimise the negative impact on the environment and reduce the operating costs.

We are planning to successively get all our branches certified under the "Green Office" programme.





### Joanna Węgrzycka – Vice-President of the Partnership for the Environment Foundation

*I am very glad that 33 branches of Bank Zachodni WBK have decided to make the effort and adapt their operations to green standards by joining the national network of Green Offices. The Green Office certificate is evidence of benefits for the office and for the natural environment which have been achieved as a result of rational management of resources, water, energy and waste, bringing measurable cost savings. But the Green Office concept relies above all on people who on a daily basis remember to switch off the light, segregate waste, save paper and create friendly and green workplace because they care about the environment in which we all live.*

### LED lighting in place of fluorescent lamps

The process of rebranding ex-Kredyt Bank outlets was an opportunity to look for new sources of savings. As one of the first large companies in Poland, we replaced traditional fluorescent lamps with three- and four-point white LED modules and green LED tapes. The solution may potentially bring savings of even 50-60% versus traditional fluorescent lamps used to date <sup>2)</sup>.

#### LED lighting also guarantees:

- Higher light intensity which means that a lower number of light points can be used
- At least 10 times longer useful life; low incidence of repairs and replacements
- No mercury content
- No generation of heat
- No flickering at start up or upon extensive usage,

The signage of branches has also been replaced and the illuminated elements have been equipped with astronomical timers which ensure full control over the switching on and off times. We are currently working on a modification of the timer software so that at certain times during the night lighting is entirely switched off. The change will give us even bigger cost savings and, at the same time, the intensity of light emitted at night will be reduced, which might be of importance in the case of outlets located in residential districts.

To date, we have replaced the signage of approximately 39% of BZ WBK branches. In each case, power consumption has been reduced by approximately 100 W (30%).

**Thanks to improvements, such as replacement of the air conditioning systems and substitution of fluorescent lighting with LED lighting, the estimated real cost of energy consumption between 2012 and 2015 will be reduced by 7% versus 2011.**

In 2013 we signed a rental agreement for office space in a new building which guarantees lower operating costs and helps to minimise the negative impact on the natural environment related to its use. Atrium 1 is a modern and functional A class building designed and executed in accordance with the principles of sustainable construction and pre-certified according to the international LEED standard at the highest, platinum level.

The innovative solutions applied in the building will reduce the energy consumption by at least 50% versus the national energy efficiency standards. One of such improvements is a system of geothermal cooling and heating. Thanks to underground probes, cold from inside the earth will be used for cooling the building in the summer while the heat from the superficial layers of the earth which has been accumulated during the summer will be used for heating the building in winter. An important characteristic of the system is the absence of a heat pump which means savings on energy costs. The power required to operate the geothermal system will be generated by photovoltaic panels installed on the roof. The office building will be additionally cooled by means of a free cooling system which operates on cold air drawn from the outside.

### A comment from an external stakeholder



### Arkadiusz Rudzki, Property Value Management Director, Skanska Property Poland

*Our partners from BZ WBK have clearly expressed their interest in a building which will have a minimum impact on the natural environment and will guarantee maximum water and energy savings. Atrium 1 is the most ambitious office development project of Skanska in terms of pro-environmental solutions, not only in Poland but also in the entire Central and Eastern Europe. On the property site, geothermal probes have been mounted up to 200 m below the ground level to help heat the building in the winter and cool in the summer. Atrium 1 also has a double facade with roller shutters so the walls will not heat up too much on sunny days. Photovoltaic panels installed on the south side will accumulate solar energy for the purpose of producing electricity. Green solutions are beneficial not only for the natural environment but also for employees who feel better and fall ill less frequently. The BZ WBK team devoted a lot of attention to designing the layout of the office space in order to make maximum use of the 'green' characteristics of Atrium 1 while ensuring optimum climate for work.*

2) Assuming 1 to 1 replacement.

The consumption of energy in Atrium 1 will also be reduced thanks to windows with triple glazing which guarantee lower energy losses in the winter and thanks to a double facade with roller shutters protecting the building against excessive heat absorption from the sunlight. The ventilation system will use 60% less energy compared to conventional solutions. All lighting in shared areas of the building will use LED technology.

Atrium 1 is also equipped with advanced technological systems which will limit the use of drinking water for other purposes. The system will include a reservoir for the so called 'grey water' i.e. water after washing hands and storm water which after pre-treatment will be used for toilet flushing. Additionally, water-efficient basins and toilets will be used. As a result, water consumption will be reduced by nearly 70% compared to reference buildings. The total annual water saving may amount to as much as 737, 500 litres i.e. the volume of two Olympic-size swimming pools!

The implementation of world class innovative solutions means not only energy savings but also lower operating costs and very comfortable working conditions. User-friendly internal environment will be ensured by optimum access of daylight and effective maintenance of preset air parameters, including humidity and inflow of fresh air. High quality of air inside the building will have a direct impact on lower rate of employees' absence from work for medical reasons and higher performance effectiveness.

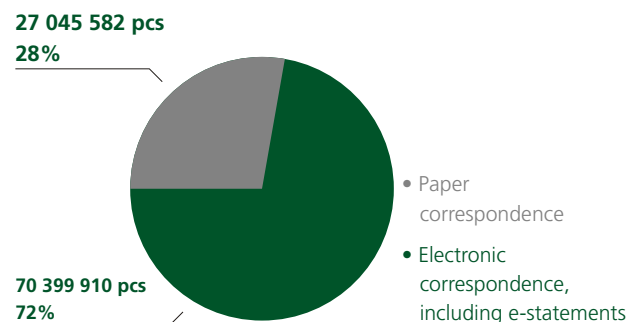
### One CD instead of 120 pages

2013 was a year of major changes for our bank and our customers. We had to inform our customers about the planned changes ahead of the time. This meant that customers who did not use electronic banking services would receive traditional mailings with 120 A4 pages of text. Taking care of the customers' convenience and of rational management of paper consumption we decided to distribute the texts of relevant banking regulations on CDs, with only a short summary of major changes attached on paper.

**Needless to say, financial implications of the decision were also important to us. By sending CDs instead of hundreds of sheets of paper we saved PLN 982,000.**

In addition to implementation of effective technological solutions, we educate employees and promote environment friendly attitudes among our staff, being well aware of the fact that our success will ultimately depend on their commitment. We reduce the frequency of business travels, promote car pooling or using ecological means of transport. We are getting ready for a transition to a fully electronic documents circulation system. Whenever printing off is unavoidable, we always use duplex printing. The central printing system which records the number of pages printed off by each employee motivates us to development of positive habits. Furthermore, the main system where all scanned customer documents are stored does not have the 'print' option. We have also replaced traditional paper shredders with secure document shredding containers which guarantee recycling of paper used by employees.

Paper versus electronic communication in 2013



### Source of 'green' information



In order to increase the environmental awareness of the employees and encourage them to get engaged in self-initiated activities we have created the 'All Is Green' website devoted to environmental topics.

Employees can find there information about the corporate social responsibility and sustainable development policy of BZ WBK, updates on the 'Green Office' project, interesting environmental facts and valuable advice. The website is also a platform for sharing ideas and opinions.

### Let's start from the basics – an educational and environmental workshop for employees' children

We realise how important it is to shape proper, responsible attitudes from the youngest age and we also know how much we can learn from our own children. Acting in partnership with the Win Health Foundation we organised environmental BE ECO workshops for children aged 3 to 6 and 7 to 13, during which we helped children understand why we should save electricity and water and segregate waste. The workshops were held on four weekends in Warsaw and were attended by close to 150 children.



Two screens, less paper



Two screens is a solution implemented as part of the e-document flow process. Working on two different screens is particularly useful for all Back Office teams, especially during the transition period after integration when staff had to work on two different systems at the same time. In the case of working with one screen, the document would have to be printed off at subsequent stages of processing.

Thanks to two screens we have managed to avoid the process of unnecessary printing of large text files. Working with two screens makes it easier to focus the sight on one view, concentrate on the task and, consequently, avoid errors. Tasks are carried out faster and more effectively.

### Stakeholder expectations expressed during the dialogue session:



Present information whether in relations with business partners BZ WBK takes into account the criteria of corporate social responsibility (e.g. pays attention to environmental aspects and transparency of the counterparty's operations).

### We carefully select vendors

At BZ WBK, we enter into cooperation exclusively with suppliers who follow the principles of environmental protection and implement pro-environmental solutions. The natural environment is one of the most significant aspects affecting our choice of business partners. In a special questionnaire attached to each enquiry we are asking whether a company has implemented since last year measures to reduce the consumption of materials and resources and whether it has been subject to any sanctions for non-conformance with environmental regulations or standards. In 2013, the questionnaire was used in 209 tenders.

Many of our partners also support us in the implementation of the environmental policy e.g. suppliers who collect from us empty printer cartridges, documents to be destroyed or waste IT equipment. We include relevant clauses in cooperation agreements and regularly control the suppliers' performance. We want to be sure that collected equipment and materials are recycled and managed in an environment-friendly way which is safe to our customers.

Total consumption of paper in Bank Zachodni WBK in 2013 amounted to



**577.7 tons.**

**87%** of that

was FSC certified paper i.e. meeting the criteria of sustainable manufacture.<sup>3)</sup>

3) Data on the consumption of resources pertain to paper as the main material used by the Bank.

## We manage the environmental risk of our investments

We realise that our impact on the natural environment is not limited to the functioning of our offices and branches but also includes investments and projects financed by the bank. Therefore, decisions concerning crediting large projects are made on the basis of environmental criteria.

All investment projects financed by the bank with a total value in excess of USD 10 m are subject to the Group's policy on corporate social and environmental responsibility, as well as to detailed policies on water and wastewater infrastructure, energy sector and wood sector. The procedures conform with the industry guidelines and are founded on the best local and international practices and standards and international codes of conduct.

Environmental risk associated with financing a particular project is assessed in detail. We also analyse the customer's obligations and capacity to prevent, reduce, mitigate and manage the potential negative impact of the project on the environment or on the society. We check whether the requirements set forth in the guidelines approved by the International Financial Corporation (IFC) covering such topics as protection of biodiversity, sustainable management of natural resources and prevention of pollution and generation of toxic waste have been fulfilled.

Within the entire Santander Group, we look closely at such sectors as:

- Agriculture, fishery, cattle breeding and forestry
- Infrastructure (ports, roads, railroad)
- Development of tourism
- Energy engineering (dams, renewable energy, gas, biofuel)
- Water reservoirs (desalting plants, wastewater treatment plants),
- Gambling (games and bookmaker betting)
- Arms industry.

## Our rules of credit risk management are based on the Equator Principles adopted by the leading financial institutions.

The principles set out the standards of social and environmental responsibility and help to manage financial risk in a comprehensive in terms of:

- A review and classification of projects.
- Environmental and social impact assessments.
- Social and environmental responsibility standards.
- Activity planning and management.
- Stakeholders' engagement.
- Complaints handling mechanism.
- Independent verification.
- Obligations.
- Independent monitoring and reporting.
- Transparency.



## Rules of financing heat and power plants

We want to reduce our bank's exposure to financing projects which have a negative environmental impact. For that reason we have adopted internal guidelines which impose restrictions on lending money to finance increase in the production capacity of coal-fired heat and power plants.

Bank Zachodni WBK supports only projects which meet the heat efficiency limit of 38% or more or CO<sub>2</sub> emissions limit of less than 850 g CO<sub>2</sub>/kWh. The rules have been in force in the bank since 5 December 2013.

## We engage our customers

As a bank of a countrywide reach, we are trying to make maximum use of our potential to reach customers with our educational and environmental projects. Customers of our bank may join us and try to reduce their environmental impact by using our 'green' services and getting involved in environmental initiatives. To them, it means more convenience and to us increased effectiveness and savings. An example of such an approach is transition to electronic flow of documents in the case of customers using BZWBK24 Internet. The customer agrees with his/her supplier (invoice issuer) the electronic format of the document which is sent by the supplier directly to the customer's account in BZWBK24. The bank actively promotes e-invoices available from the Customer Service Offices of the issuers. Customers can pay the amounts due by way of electronic payments via Transfer24 service.

In order to reduce the amount of paper used, we have replaced traditional account statements with electronic statements and we actively promote this form of statements distribution. Every year, several thousand BZ WBK customers switch to e-statements.

We make use of state-of-the-art technological solutions, such as QR codes. After scanning a QR code, money transfer can be executed immediately and the user does not have to complete the transfer order form. Automatic uploading of data reduce the operation time and eliminates redundant activities. In place of scratch cards, we offer customers the option of electronic topping up of prepaid mobile phones. The service is available via Internet banking, mobile banking and in ATMs so the access to it is almost unlimited.

## Old mobile phones collection



According to the estimates of International Telecommunication Union, 6 billion mobile phones are currently used worldwide <sup>\*)</sup>. The average life of a mobile phone is estimated at 30 months, while the time of its decomposition at 300 years.

In 2013, Bank Zachodni WBK joined a campaign of collecting old mobile phones organised by Our Earth Foundation. From 21 March until the end of June, customers could leave their old mobile phones in all branches of BZ WBK and support a noble cause. In all branches special containers for all mobile phones were placed. The proceeds from their sale and recycling were used to replace old household appliances (refrigerators, cookers, washing machines and dishwashers) in children’s homes, day-care centres for children or children’s hospitals. During the campaign, we collected 160 kg of waste equipment and raised PLN 13,000.

The beneficiaries of the campaign included: ‘Heart for Children’ in Warsaw, ‘The Nest’ Sociotherapy Centre in Zielona Góra, Children’s Home in Turek and one of day-care centres reporting to the Sociotherapy Centres Administration Office in Słupsk.

<sup>\*)</sup> Measuring the Information Society, 2012

## We support green initiatives

At BZ WBK, we are aware of the fact that synergy is a key to success. Therefore, organisations which act in the interest of the natural environment can always count on our support. Preferential terms of financing can be offered to projects which can generate a potential environmental effect.

## Build with Energy

An experiment called ‘Build with Energy’ was carried out in Michałowice near Kraków, where a three—person family lives in an energy-efficient house for three weeks. The originator of the project was the Education Without Barriers Foundation supported by the National Fund for Environmental Protection and Water Management, Bank Zachodni WBK and Viessmann.

The experiment was held in a zero-energy house i.e. a building in which the use of electricity and heat and the costs of those services are reduced to an absolute minimum. The purpose was to increase the interest of potential investors in energy-efficient and passive buildings. The participants and observers of the experiment had an opportunity to learn and understand the principles of sustainable construction, the rules of daily life in energy-efficient houses and the savings achieved as a result. The experiment was treated as a first step towards the development of a series of TV programmes, publications, press conferences, chats with experts and inhabitants of the energy efficient house.

## Loans to finance energy-efficient homes

In Poland, buildings account today for approximately 40% of the overall consumption of energy and are characterised by very low efficiency. In order to boost up the interest in energy-efficient construction, the national Fund for Environmental Protection and Water Management has offered subsidies for investors who want to build or buy energy-efficient or passive houses. The programme is the first country-wide instrument of support to low-energy buildings. In response to the customers’ expectations, in 2014 BZ WBK will join the group of banks offering loans with such grants.

Loan subsidies will cover a part of investment expenditures related to the higher energy standards, the costs of the construction design verification and confirmation of the achievement of the required efficiency parameters. Due to lower demand for energy for heating and ventilation, the operating costs of the building will be much lower and the higher energy efficiency standard will increase the property value.

## Plans for the future

Future actions planned by the bank to reduce negative impact on the natural environment will include:

- a further reduction of the energy consumption through continuation of the replacement of air-conditioning systems and substitution of traditional lighting with LED lighting,
- ongoing monitoring of consumption (in branches and in the head office) of electricity, paper, boiler fuels and car fuels, and
- continuation of the process of replacing old paper shredders with containers for secure shredding of documents which ensure recycling of paper and lower electricity costs.





# GRI TABLES

1. Strategy and analysis			
Indicator	Disclosure	Level of reporting	Pages of the report
1.1	Statement from the most senior decision-maker of the organization. (e.g. CEO, Management Board President or a holder of another equivalent position) on the significance of sustainable development for the organisation and its strategy.	Full	2-4
1.2	Description of key impacts, risks, and opportunities.	Full	2-4
2. Organisational profile			
Indicator	Disclosure	Level of reporting	Pages of the report
2.1	Name of the organization.	Full	13
2.2	Primary brands, products, and/or services.	Full	14
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Full	14
2.4	Location of organization's headquarters.	Full	14
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Full	13
2.6	Nature of ownership and legal form.	Full	13
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Full	14
2.8	Scale of the reporting organization.	Full	13
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Full	68
2.10	Awards received in the reporting period.	Full	cover



3. Report parameters			
Indicator	Disclosure	Level of reporting	Pages of the report
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Full	5
3.2	Date of most recent previous report (if any).	Full	5
3.3	Reporting cycle (annual, biennial, etc.)	Full	5
3.4	Contact point for questions regarding the report or its contents.	Full	7
3.5	Process for defining report content, including: <ul style="list-style-type: none"> <li>- determination of materiality of topics for the organisation and stakeholders</li> <li>- prioritisation of topics</li> <li>- identification of stakeholders who are expected to use the report</li> </ul>	Full	6-7
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See "Scope of the report" section for further guidance.	Full	5
3.7	State any specific limitations on the scope or boundary of the report	Full	5
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Full	5
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report.	Full	5
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g. mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Full	5
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Full	5
3.12	Table identifying the location of the Standard Disclosures in the report.	Full	110-115
3.13	Policy and current practice with regard to seeking external assurance for the report. If such information is not stated in an independent certification report, provide explanation of the scope and basis of external assurance and describe the relationship between the organisation and the external assurance institution.	Full	5

4. Governance, commitment and engagement			
Indicator	Disclosure	Level of reporting	Pages of the report
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Full	17
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (if so, what is his/her scope of responsibility with justification of such a structure)	Full	17
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Full	17-18
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Full	18, 73
	Comment to 4.4.: There are no formalised procedures in the Bank through which employees could make recommendations or suggestions to the Supervisory Board		
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Full	18
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Full	18
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Full	18
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Full	12-13
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Full	18
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Full	18
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Full	18
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Full	19
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: <ul style="list-style-type: none"> <li>- Has positions in governance bodies;</li> <li>- Participates in projects or committees;</li> <li>- Provides substantive funding beyond routine membership dues; or</li> <li>- Views membership as strategic.</li> </ul>	Full	19
4.14	List of stakeholder groups engaged by the organization.	Full	20-21
4.15	Basis for identification and selection of stakeholders with whom to engage.	Full	20
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Full	20
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Full	6

	Approach to management		
		<b>Level of reporting</b>	<b>Pages of the report</b>
DMA EC	Approach to management – economic aspects	Full	11-23
DMA EN	Approach to management – environmental aspects	Full	99-107
DMA LA	Approach to management – social aspects: labour practices and decent work	Full	25-53
DMA HR	Approach to management – social aspects: human rights	Full	25-53
DMA SO	Approach to management – social aspects: society	Full	77-97
DMA PR	Approach to management – social aspects: product responsibility	Full	55-67

Indicator	Disclosure	Level of reporting	Pages of the report
	<b>ECONOMIC</b>		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Full	12
EC3	Coverage of the organization's defined benefit plan obligations.	Full	52
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Full	33
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Full	78-97
	<b>ENVIRONMENTAL</b>		
EN1	Materials or resources used - by weight or volume.	Full	105
EN4	Indirect energy consumption by primary source.	Partial	102
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Partial	102-105
	Comment to EN7: Data on actual reduction of energy consumption as a results of implemented measures are not available.		
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Full	GRI table
	Comment to EN28: In 2013, no non-monetary sanctions or penalties for non-compliance with environmental laws and regulations were imposed on us.		

	<b>SOCIAL: labour practices and decent work</b>		
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Full	28
	Comment to LA1: No data on the number of supervised employees.		
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Full	35
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Full	52
LA15	Return to work and retention rates after parental leave, by gender.	Partial	34
LA4	Percentage of employees covered by collective bargaining agreements.	Full	GRI table
	Comment to LA4: Total number of employees covered by collective bargaining agreements: 0		
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Full	51
LA10	Average hours of training per year per employee by gender, and by employee category.	Full	47
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Full	46
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Full	50
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Full	32
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Full	33
	<b>SOCIAL: human rights</b>		
HR4	Total number of incidents of discrimination and corrective actions taken.	Full	31
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour.	Full	30
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour.	Full	30
	<b>SOCIAL: society</b>		
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Full	31
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Full	29
SO4	Actions taken in response to incidents of corruption.	Full	31
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes.	Full	73
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Full	73

<b>SOCIAL: product responsibility</b>			
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Full	66-67
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	Full	68
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Full	58
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Full	66-67
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Full	68
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Full	73
<b>Financial sector supplement</b>			
FS1	Policies with specific environmental and social components applied to business lines.	Partial	107
FS2	Procedures for assessing and screening environmental and social risks in business lines.	Partial	107
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	Partial	107
FS13	Access points in low-populated or economically disadvantaged areas by type.	Full	15
FS14	Initiatives to improve access to financial services for disadvantaged people.	Full	64
FS15	Policies for the fair design and sale of financial products and services.	Full	72
FS16	Initiatives to enhance financial literacy by type of beneficiary.	Full	95-97



## Oświadczenie o weryfikacji poziomu aplikacji GRI

GRI niniejszym oświadcza, iż **Bank Zachodni WBK S.A.** złożyło swój raport zatytułowany „Raport społecznej odpowiedzialności Banku Zachodniego WBK za rok 2013” w dziale raportów GRI, który uznał, iż raport ten spełnia wymogi aplikacji poziomu B.

Poziomy aplikacji GRI ukazują stopień, w jakim zawartość wytycznych G3.1 GRI została zastosowana w złożonym raporcie zrównoważonego rozwoju. Weryfikacja potwierdza, iż dla tego poziomu aplikacji w raporcie została przedstawiona wymagana ilość standardowych informacji i wskaźników oraz, że Indeks treści GRI prezentuje wymagane informacje według wytycznych G3.1 GRI. Aby zapoznać się z metodologią, proszę kliknąć w link: [www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf](http://www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf)

Poziomy aplikacji nie informują o wydajności danej organizacji w zakresie adresowania kwestii zrównoważonego rozwoju, ani też o jakości informacji zawartych w jej raporcie.

Amsterdam, 07 kwietnia 2014

Ásthildur Hjaltadóttir  
Dyrektor Usługi

*Global Reporting Initiative (GRI) jest organizacją sieciową, która zapoczątkowała rozwój najbardziej rozpowszechnionych ramowych zasad raportowania GRI i która dba o to, by były one wciąż ulepszone i stosowane na całym świecie. Wytyczne GRI określają zasady i wskaźniki, które organizacje mogą wykorzystać do mierzenia i raportowania ekonomicznych, środowiskowych oraz społecznych aspektów swojego funkcjonowania. [www.globalreporting.org](http://www.globalreporting.org)*

*Wyłączenie odpowiedzialności: Tam, gdzie dany raport zrównoważonego rozwoju zawiera linki zewnętrzne (również materiał audio-wizualny), oświadczenie to odnosi się wyłącznie do materiałów zgłoszonych do GRI w czasie weryfikacji dnia 31 marca 2014. GRI wyraźnie zaznacza, iż oświadczenie to nie odnosi się do ewentualnych późniejszych zmian w materiałach.*



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