

THE BANK CSR, SPONSORSHIP AND CHARITY POLICY IN 2018

Operations rationality assessment

Introduction

The company shall conduct sponsorship, charity and social as well as corporate social responsibility (CSR) activities. Each of these activities results from the decision adopted by the Bank Management Board, backed up with the analysis of benefits for the company and its stakeholders, and is consistent with the corporate social responsibility standards, including not only economic but also social and environmental impact of the company. This way, the company provides credibility, stability and transparency with regard to its operations for all of its stakeholders.

Information on those activities are publicly available.

- 1) The annual report on the activities of the Bank includes information on the involvement of the Bank's sponsorship activities, philanthropy and corporate social responsibility.
- 2) The CSR Report presenting non-financial information of Bank BGŻ BNP Paribas S.A. and Bank BGŻ BNP Paribas S.A. Capital Group for the year 2018. The CSR Report is attached to the Report on Bank's activity as required by revised Accounting Act of 15 December 2016.

Report is prepared in accordance to the international methodology of non-financial reporting: GRI Standards and constitute a public annual report on Corporate Social Responsibility (CSR). The CSR Report 2018 of Bank BGŻ BNP Paribas will be published in online version in May 2019 and then promoted internally and externally.

- 3) The Bank's philanthropic activities is presented in the annual report of the Foundation BGŻ BNP Paribas, in accordance with the reporting of public benefit organizations (OPP) arising from the Regulation of the Minister of Justice of 8 May 2001 on the general scope of the report on the activities of the Foundation (Dz. U. No. 50 dated 8 May 2001. pos. 529).

The company shall comply with good market practices with regard to rationality of operations at each stage, from planning, implementation to evaluation, which includes needs of all stakeholders of the company. The company performs annual planning and reporting and assessment of the operations, including appropriate budgeting, so that the company's resources were used in an optimal manner and the company could comply with its mission of serving clients in a responsible manner, favorable for the development of clients and local environments in which they operate and live.

Please find below a brief presentation of the assumptions and the most relevant operations in the areas covered by this report: CSR, including the charity activity of the Foundation as well as the sponsorship activity, constituting the documentation confirming the rationality of operating and informing about the company's activity.

1. CORPORATE SOCIAL RESPONSIBILITY (CSR)

„In a changing world responsibility counts”

Responsibility is an indispensable element of the organisation's development strategy. The Bank's approach to the issue is very comprehensive and includes responsibility towards customers, shareholders, regulators, employees and everyone who could be influenced by the Bank's decisions. Bank BGŻ BNP Paribas' strategy of Corporate Social Responsibility (CSR) is consistent with the CSR Strategy of the BNP Paribas Group and **consists of 12 commitments grouped into four major areas: economic, social, civic and environmental.**

The primary areas of the Bank's responsibility are: long-term financing of the economy and building long-term relationships with clients in line with ethical principles; a responsible approach to employee development; increasing the availability of products and services; openness to customer needs and local community initiatives; limiting the negative impact of operations; pro-ecological products and services, and the promotion of eco-attitudes.

I. Economic responsibility

A sustainable approach entails the long-term financing of the economy and building long-term relationships with clients and other stakeholders in accordance with ethical principles. Thus, it is possible to maintain a balance between the quality of transactions and the expected short- and long-term profit.

Responsible financing for the economy

The Bank strives to ensure that the financing of economic development goes hand in hand with exerting a positive influence on stakeholders. Transactions are constantly monitored from the social, economic and environmental perspective. To this end, the following sensitive sectors were defined: power, coal, defence, forestry, nuclear energy and agri-food. Within these, transactions are examined in detail by a team of experts and assessed in terms of compliance with the principles of sustainable development.

In 2017, the BNP Paribas Group made a global decision to cease investing in the tobacco sector and to cease financing tobacco producers, growers and wholesalers. The new financing and investment rules result from BNP Paribas Group's commitment to maintaining a positive impact on all stakeholders. As a result of the decision, in 2018 the Bank conducted the process of withdrawing from financing any entities within the tobacco sector.

Ethical responsibility

The Bank follows the BNP Paribas Group Code of Conduct. Employees' ethical awareness is promoted and developed through various trainings. As a member of the Ethics Committee at the Polish Bank Association, the Bank pro-actively contributes to building sector responsibility. The Bank is also a partner and sponsor in the "Ethics in Finance" competition. Since 2016, the Bank has been supporting subsequent editions of the "Nienieodpowiedzialni" [Not Irresponsible] conference, dedicated to responsibility in the financial sector.

Responsible products and services

Social Leader Package

Responsible products and services are understood as those that meet the clients' needs, and are available to everyone (including the excluded groups) and have a positive impact on the community. The flagship product in this sense, unique on the market, is the "Social Leader Package", a free of charge account for NGOs, which is widely recognized in the third sector. All necessary banking services are offered free of charge and the formalities are kept at a minimum (one agreement for all products). The package also provides the comprehensive assistance of a bank Relationship Manager and preferential conditions for services not included within the package. In the period from 2012 to the end of 2018, 16,434 accounts within the Social Leader Package were opened for non-profit organizations.

Financing for social enterprises

The BNP Paribas Group is a global leader in the financing of social enterprises. Bank BGŻ BNP Paribas was able to draw on the Group's experiences and became the first bank in Poland to launch an offer for social enterprises. The arena for the activity of social enterprises in Poland is expanding at a fast pace. Therefore - together with NESsT, an international organization which invests in social enterprises - the Bank launched a pilot financing offer. The first project to receive financing was a social enterprise (listed in the NESsT Portfolio), "Siedlisko", from the Opolskie Voivodeship. "Siedlisko" provides a 24-hour care service for the elderly and chronically ill, and runs a catering company. The company's professional staff conducts vocational education programs, creates jobs for young people with intellectual disabilities, and provides work opportunities for those who suffer from long-term unemployment and who come from the local rural labour market.

This special offer is an expression of the Bank's appreciation for the activity of such enterprises and of support for these entities in the implementation of their social mission.

mamBONUS

Within the mamBONUS loyalty program, the Bank's clients may support the operations of the BGŻ BNP Paribas Foundation. In the process of financial transactions made with the use of credit cards, clients collect points which can be exchanged for various discounts/prizes or vouchers which support participants of the "Classroom" scholarship program, implemented by the Foundation.

II. Responsibility in the workplace

Responsibility at the Bank is reflected mainly in creating an attractive work environment that supports professional development for the Bank's employees in addition to increasing their involvement. Their awareness of the benefits that stem from openness, respect for diversity and readiness for professional mobility is raised. The Bank puts great emphasis on the standards of the recruitment process, including recruitment through the Internal Labour Market that enables employees to develop their careers inside the organization. The Bank implements adequate procedures for: enabling employees to develop their career paths based on a diagnosis of their professional potential, analyses of the employees' development needs, competence development management as well as the development and implementation of the recruitment policy and succession plans.

Diversity

One of the key values at the Bank, included in Diversity Management Rules and CSR strategy, is to promote openness and respect for diversity. Diversity refers to many areas of the Bank's operations and concerns employees, shareholders, clients and local communities. It also encompasses cultural diversity. We believe that at an organization where diversity is respected and promoted, the risk of discrimination is minimized and a high level of cooperation is maintained. It has a positive effect on creativity, which translates into the level of achieved results. We promote diversity aspects within projects such as: Woman in Business (a program which supports future managers in assuming the role of a leader, exerting an increasing influence on the Bank's business strategy and readiness to advance), Professional Mobility Days, Standards of service for the disabled.

Management within this area is regulated in the Diversity Policy and Diversity Management Rules. A Diversity Officer is responsible for adherence to diversity management guidelines.

The Bank is a signatory of two important documents which regulate diversity management. The first of these is the Diversity Card: an international initiative supported by the European Commission which concerns, i.a., the prohibition of discrimination in the workplace and the involvement of all employees as well as business and social partners in positive activities. The second document is the ILO Global Business & Disability Network Charter, i.e. an agreement on the employment and working conditions of people with disabilities.

BEnEFIT

In 2018, the Bank launched a well-being program called "BEnEFIT", which aims to promote healthy nutrition and an active lifestyle as well as maintaining a proper balance between work and private life (work-life balance).

The program includes:

- The MyBenefit cafeteria platform,
- The Fitqbe well-being application,
- Additional free hours as part of the "Two hours for the family" program,
- A voluntary life insurance program,
- Accident insurance - paid entirely by the employer,
- Medical care for employees and their relatives,
- Vacation subsidies and additional vacation subsidies for children,
- Christmas gifts for children,
- MultiSport cards for employees, their children, partners and family seniors.

Retired employees may receive benefits for former employees and are invited to an annual Christmas party.

Building the image of the institution as a desirable employer (employer branding)

In 2018, the Bank continued its employer branding initiatives addressed to existing and prospective employees.

A Global People Survey (GPS) was conducted to assess the level of the employees' engagement and their perception of the employer. The survey was conducted for all business lines and support functions with a detailed analysis and discussion of results with executive directors and employees.

The results of the aforementioned surveys initiated numerous activities aimed to increase the level of involvement, satisfaction and motivation of employees. The Bank offers a wide range of internal and external training as well as development programs to its employees. These include: "Prestiż" Potential Development Program, Digital Ambassador Program, Leaders for Tomorrow Initiative.

In 2018, the Bank organised internships and apprenticeships dedicated to university students and graduates:

- "Focus on Development": a 3-month paid internship program for second and higher year students, as well as university graduates;
- "Ambassador Duo": the aim of the program is to build the Bank's image of an attractive employer through close cooperation with universities.

The Bank's care for the highest quality of HR management has been recognized again: Bank BGŻ BNP Paribas received the Top Employer Polska 2018 title for its HR policy (consistent with the best market practices). The award is a confirmation of the Bank's positive role of an employer who, in a changing world, uses systematically collected knowledge to develop areas which require continuous improvement.

III. Civic responsibility

The Bank's social responsibility encompasses steps to increase the availability of products and services, openness to the needs of clients and taking initiatives for local communities. The Bank focuses on activities supporting positive social changes, including counteracting social exclusion, as well as supporting education and culture. We are proud of the social involvement of our employees and of the numerous BGŻ BNP Paribas Foundation programs which offer educational support (and therefore strengthen the social capital).

Increasing the availability of products and services

Branch certification

A key aspect of accessibility from our perspective is enabling persons from vulnerable groups to use products and services independently and on an equal basis with other people. Our branches undergo an audit and certification process in terms of accessibility for people with physical disabilities, the visually impaired, hearing impaired, elderly, parents with children or people with special needs. In 2018 four branches of the Bank (three in Warsaw and one in Białystok) received the "Facility without barriers" certificates awarded by the Integration Foundation. In January 2019, a branch in Myślibórz received the same certificate.

Warsaw Investment without Barriers

The Bank's efforts to increase accessibility were recognised in 2018. The flagship branch of Bank BGŻ BNP Paribas, located in the capital, received the award for a service facility best adapted to the needs of the disabled in the "Warsaw Investment without Barriers 2018" Contest, organized by the Integration Foundation in cooperation with the City of Warsaw as part of the "Warsaw without barriers" project.

Accessibility initiatives

In order to best respond to the needs of vulnerable groups, as well as to teach and inspire, the Bank takes part in industry initiatives. In 2018, we joined the "Accessibility Partnership" - an initiative for the implementation of the "Accessibility Plus Program", launched by the Ministry of Investment and Development. We are also a partner of the "Accessible ATM" project which was implemented by a working group operating at the Polish Bank Association, dedicated to addressing the needs of people with disabilities.

Support for local initiatives

The Local Grants Program

The Local Grants Program, started in 2011, is a model of supporting socially responsible initiatives, performed by small local NGOs, with donations. The aim of the program is to increase the local society's quality of life through the involvement of Bank employees and enhancing the Bank's position of a trustworthy local partner. Frequently, such relationships turn into long-term cooperation between the Bank and a local organization. The Banks' employees give grants to selected organizations which are actively operating for real social change. Within 8 years of the program, grants worth over PLN 1 million have been donated. In 2018 the Bank gave 25 grants, each worth PLN 4 thousand.

Local Ambassador of the Bank

The Local Ambassador of the Bank (#LAB) is a new role and the first such program at Bank BGŻ BNP Paribas and the entire BNP Paribas Group. In September 2018, fifty employees of the Bank received the title of Local Bank Ambassador. Anyone who actively worked for the local community and was involved in its life could become one. The #LAB program encourages the Bank's employees to help others and to play an important social role. Local Ambassadors are provided with the support of experts from various fields. Since the beginning of the program, the Local Ambassadors have worked a total of 1,500 hours for local communities. They worked on socially important initiatives: at meetings with members of Third Age Universities they distributed 10,000 OK SENIOR passports, they conducted financial education lessons at schools, they mentored youth social projects. As part of this initiative, the Bank cooperates, i.a., with the Social Wolves organization, the creators of the "Exempt from theory" project, whose goal is to educate social leaders. The National Senior Research Institute is also our partner in this project and has created a Quality Book for the Quality Mark - OK SENIOR®.

Szlachetna Paczka (Noble Gift)

In 2018, appreciating the employees' previous involvement in the Noble Gift campaign, the Bank and the BGŻ BNP Paribas Foundation decided to support the initiative and to cooperate with the association. The Bank started a strategic partnership with Noble Gift for the period from November 2018 to December 2019.

A record number of ca. 2,000 volunteer employees became involved in the campaign and prepared packages for 106 families in need. The project was coordinated at the Bank by 100 leaders who were prepared for their role: they received support in areas such as training for the task, logistics, communication and finances (co-financing for packages).

The Bank prepared a social campaign "Helping is fun!". It showed the joy which comes from helping others in everyday life. Both volunteers and beneficiaries of the Noble Gift participated in the campaign.

The Bank was the main partner of Noble Gift's Final Gala, which took place on 16 December 2018 and was broadcast live on TVN.

In addition, Bank BGŻ BNP Paribas supports the initiative financially. The Bank's clients contribute whenever they make non-cash payments. For each payment made by card or application, the Bank transfers 1 or 2 grosz to the Noble Gift. The details are described on the "Helping is fun!" campaign website: <https://www.pomaganiejestfajne.pl/>.

Employee social commitment and employee volunteering program

Bank BGŻ BNP Paribas offers many forms of social involvement to its employees. They are actively involved in volunteer work, but also participate in the implementation of the BGŻ BNP Paribas Foundation programs, such as the "I support year-long" ("Wspieram cały rok") systematic philanthropy program, annual campaigns organized by the Foundation (e.g. "Krwinka", "Dobre Kilometry") and various social activities undertaken by the CSR Department, the Foundation of the Bank and the employees themselves.

In 2018, a total of 3,220 employees were involved in these activities.

"You can rely on me" ("Możesz na mnie polegać") is the motto of an employee volunteer program at the Bank, coordinated by the CSR Department, with the support of the BGŻ BNP Paribas Foundation. The program is

systemically being implemented and involves education, the creation of various operational options as well as substantive and financial support for employees' good ideas.

Each employee is entitled to two days of leave per year for volunteering activities. They may engage in individual volunteering (competence related activities, actions supporting a specific social organization, as well as participation in the BAKCYL project) and team volunteering (activities organized by a group of employees on their own or as part of the implementation of projects coordinated by the CSR Department and BGŻ BNP Paribas Foundation).

In 2018, 2,529 bank volunteers worked for 20,017 hours, including:

- 96 employees participated in individual volunteering and supported a social organisation of their own choosing;
- 60 volunteers conducted 187 classes for over 4,500 students as part of the BAKCYL project, an initiative launched by the Warsaw Institute of Banking, whereby bank employees act as volunteer trainers and teach finance classes addressed to primary, secondary and high school students;
- 128 employees participated in 26 volunteering projects addressed to 2,609 beneficiaries as part of the 6th edition of the Volunteer Project Competition (a national grant Competition for Bank employees). These initiatives were chosen from 44 applications. The Competition winners receive funds for the implementation of their social assistance ideas, related to the environments in which they live and work, as well as the support of the CSR Department and the Foundation. Since 2011, over 600 employees have conducted 124 original volunteer projects in cooperation with local organizations.
- 160 employees (with their families and friends) planted flower meadows and renovated communal urban areas - (Błonia Mogilskie in Krakow and the Jazdów Estate in Warsaw) in May 2018, as part of the "Załaczmy Nasze Miasta" social campaign. This project is a response to negative climate changes, air pollution and the low public awareness of these problems. The Bank's employees were involved in projects aimed at fighting air pollution and increasing the amount of green areas in cities. This volunteer project was coordinated by the Bank's CSR Department and the BGŻ BNP Paribas Foundation in partnership with the Łąka Foundation.

The BGŻ BNP Paribas Foundation

The Foundation's mission is to responsibly invest in people, ideas and projects. By conducting and supporting innovative initiatives in the fields of education, culture and social solidarity, we inspire and create a stimulating environment, thus contributing to the development of a civil society.

Since 2006, the Foundation has been involved in socially responsible projects in such fields as: education, culture, social solidarity. Those activities are social investments with the aim of solving important local problems and of supporting the development of a civil society. Within its statutory goals, the Foundation conducts its own programs and supports selected projects and organizations which play an important role in the building and maintaining of civil society. Furthermore, the Foundation coordinates initiatives which involve the Bank's employees and thus contributes to solving important social problems.

The Class – Scholarship Program

The Class ("Klasa") scholarship program is the most important initiative launched by the BGŻ BNP Paribas Foundation, the program has received numerous awards as one of the most effective educational and scholarship programs in Poland. The objective of the Program is to support talented teenagers from small towns/villages, who are in a difficult financial situation, by enabling them to attend prestigious high schools in five university cities, i.e. Warsaw, Wrocław, Krakow, Gdynia and Szczecin. In 2018 the Foundation launched the 16th edition of Classroom, accepting 42 new scholarship students to the Program. Since 2003, 700 junior high school graduates have received grants totalling over PLN 21 million.

Agrotalents – Scholarship Program

Since 2012 the Foundation has been conducting a second scholarship program, Agro-talents. As part of the Program, the Foundation offers grants to the winners of the Agricultural Knowledge and Skills Contest in addition to a bridge scholarship awarded to best agriculture students. The objective of Agro-Talents is to improve the knowledge and skills possessed by young people, to prepare them for a future profession and thus, indirectly – to

contribute to the development of the Polish countryside and stimulate innovation and the modernization of agriculture. Since 2012, over 300 young farmer talents have received support within the Agro-talents program. In 2018 the Foundation awarded grants to 31 pupils and students as part of the 7th edition of the Program.

Dream Up Educational Program

Since 2015, the Foundation has been supporting the musical, personal and social development of children and teenagers from day-care centres located in the Praga district (Warsaw). The aim of the project is to create a long-term socio-cultural initiative in the district. In September 2018, a 2nd three-year edition of the project was launched in cooperation with the Centre for Cultural Promotion - Southern Praga ("Centrum Promocji Kultury Praga Południe"). Around 60 children and youth, aged 10-16, learn to play musical instruments and develop vocal skills under the watchful eye of instructors. The classes stimulate creativity, strengthen team work skills and teach the healthy expression of emotions. Among the participants are children from various backgrounds, including those at the greatest risk of exclusion. Such a formula favours social integration from an early age, including the integration of children belonging to national minorities (Belarus, Ukraine).

Dream Up is a program currently run by the BNP Paribas Group in 26 countries and initiated by the BNP Paribas Foundation in France. Solidarity with socially excluded groups and the idea of education through art, addressed to young people facing difficulties in their life, are the underlying assumptions of the Program.

I support all year-long Program("Wspieram cały rok")

Voluntary salary deductions are a simple and convenient tool for individual philanthropy and a response to the needs of NGOs (systematic financial support). Since September 2017, every employee can declare a monthly deduction from their salary in order to contribute to a chosen objective: support for the Organization of the Year (chosen by employees through an annual vote) or additional support for scholarship holders of the BGŻ BNP Paribas Foundation's Classroom program. The donor can transfer his payments to both causes or indicate a single one. The first Organization of the Year chosen by employees was the "Mali bracia Ubogich" Association, which cares for elderly people living alone. In 2018, close to 140 employees participated in the program.

Partnership Programs

Knowledge to the nth power ("Wiedza do potęgi")

In 2018, the BGŻ BNP Paribas Foundation in cooperation with the "Ocalenie" Foundation launched the Knowledge to the nth Power program aimed at helping refugee youth to continue their education and find their way within the Polish education system. Program participants receive the support of volunteer tutors (trained by the "Ocalenie" Foundation), those who need it the most receive financial scholarships as well. The aim is to enable refugee youth to complete their current stage of education or to complete it with improved results. In 2018, 15 pupils aged 13-18 participated in the program, including pupils from Chechnya and the Ukraine.

English Club

The English Club project is the result of a multi-sector partnership between: JMP Flowers (a Bank BGŻ BNP Paribas client), a local social organization: "Towarzystwo Przyjaciół Stężycy" and the BGŻ BNP Paribas Foundation, which cooperate to support the clients' local development of education. In order to meet local society needs, English lessons were organized for junior secondary school pupils. The purpose of this initiative was to give equal educational opportunities to young people by enabling them to gain useful language skills. Since 2014 over 110 pupils have participated in e-learning classes, traditional classes and trips. Particular emphasis is put on developing practical language and communication skills. The most motivated participants get a chance to take part in a summer language camp.

Meetings with music

Since 2011, the BGŻ BNP Paribas Foundation has been supporting educational projects implemented by the National Philharmonic Orchestra as part of the Meetings with Music series. The Philharmony reaches children and teenagers in seven regions of Poland and presents outstanding musical performances with a detailed commentary explaining the art of sound to young audiences. This way, children from small towns, who have limited access to high culture on an everyday basis, are given the opportunity to experience classical music

systematically. Thus, they are able to develop their own talent and new passions. In 2018 over 2,000 meetings were organised, which were attended by over 300,000 listeners.

Way to Harvard

In 2018, the Foundation was a strategic partner of the nationwide Way to Harvard project for the 2nd time. The goal of the initiative (launched by the Harvard Club of Poland) is to prepare young people for studies at Harvard and other prestigious foreign universities. The first stage is a competition during which the most talented and the most motivated candidates are selected. The winners go to Boston, visit Harvard University and participate in a monitoring program. During the latter, Harvard graduates share their experiences with them, help them understand the requirements, prepare an application and find the necessary financial support.

Cyclical social campaigns at BGŻ BNP Paribas

"Dobre Kilometry" ("Good Kilometres")

The project has been organized annually by the Foundation since 2015. As part of the campaign, Bank employees and their relatives count the kilometres travelled during various sports activities (running, Nordic walking, cycling or rollerblading) for one month with the goal of reaching a certain distance together, as a group. Kilometres are then converted into financial resources and transferred to a noble cause chosen by employees. In the last 4 editions of the project, employees supported the "Our Children" Foundation (run by the Oncology Clinic at the Children's Memorial Health Institute), Ewa Błaszczyk's "Akogo?" Foundation, "We Give Children Strength" Foundation and the SOS Children's Villages Association, donating a total of PLN 40 thousand.

"Akcja Krwinka" ("Blood Donation Day")

The BGŻ BNP Paribas Foundation and the Bank have been supporting the campaign "Your blood - my life" ("Twoja krew – moje życie") since 2011 by organizing (in cooperation with Regional Blood Donation Centres), the annual "Krwinka" action. Employees from three Head Offices (Warsaw Kasprzaka, Warsaw Suwak and Kraków Awatar) can donate blood and register in the marrow donor database in specially adapted ambulances. In the past year 125 employees participated in the project and thus 38 litres of blood were collected. Since 2011, as many as 685 employees took part in nine editions of the project, collecting a total of 250 litres of blood.

Membership of BGŻ BNP Paribas Foundation in coalitions and partnerships

- Membership in the Polish Donors Forum (since 2009) - The Polish Donors Forum sees its role as an institution focusing on education and research involving financial and non-financial support to socially responsible initiatives. The Foundation's membership in the Forum is primarily the confirmation of the usefulness and transparency of its activities. It also creates the opportunity to participate actively in projects conducted by the Forum, and thus to create and develop the Polish NGO sector and its initiatives. In 2018, for the 2nd time, the Foundation became a partner of the nationwide Forum of Corporate Foundations, which was held on 17 October in Warsaw. Members of the foundation's board and employees actively participated. In addition, a representative of the Foundation participated in the international conference of the European Corporate Foundation Knowledge Exchange on 22-23 November, 2018 in Palermo.
- The Foundation is a partner of the BAKCYL – Bankers for Financial Education of the Young project (since 2013), coordinated by the Warsaw Institute of Banking.
- Partnership in „Pomostowy” Scholarship Program (since 2013), the project is conducted by Fundacja Edukacyjna Przedsiębiorczości.
- Annual partner of the Agricultural Knowledge and Skills Contest (since 2012) organised by the top 8 agricultural universities.

IV. Environmental responsibility

The Bank strives to minimize its negative effect on the environment through the following three dimensions: limiting the negative impact of operations and promoting eco-attitudes among employees, providing responsible financing for the economy and customers, cooperation and involvement in cross-sectoral initiatives.

Minimizing the negative effect of operations

Carbon Reduction

Since 2017 the Bank has been a participant of a BNP Paribas Group program, "Carbon Reduction 2020", which aims to reduce CO₂ emissions per employee by 25% by the year 2020 (as compared to 2012). The program promotes energy efficiency through, i.a.: minimizing energy consumption and the number of business trips; the gradual introduction of a hybrid-car fleet; the plans for a new, eco-friendly Head Office; employees' eco-initiatives. The project's effectiveness is measured by the reduction of CO₂ emissions per employee.

EcoFleet Program

To minimize any negative impact on the environment, the Bank performs a number of EcoFleet projects. These include not only the replacement of cars with more ecological ones, but also a training project: Safe Driving Academy. Their goal is to raise awareness about road safety and improve driving techniques to reduce fuel consumption. In 2018, hybrid cars were introduced into the bank's fleet, limiting the emission of harmful substances to the environment. They have been delegated to cities where air pollution is worst. In total, the Bank's employees have 64 hybrid cars. The use of company cars is also reduced by using the car-sharing option, available in many provincial cities. The Bank also promotes the idea of car-pooling: traveling together to work to minimize traffic jams and reduce CO₂ emissions.

"Pasieka pod gwiazdami" ("Apiary under the stars")

Since June 2017 three beehives have been located on the roof of Bank BGŻ BNP Paribas Head Office in Warsaw. The Apiary under the stars produces its own honey, in 2018 we managed to collect 90 kg. It is also the Bank's contribution to a balanced urban ecosystem. The project is beneficial to plants on nearby plots, in parks and gardens. The creation of insect-friendly conditions translates into increased yields from nearby crops, affects the quality of fruit and plant seeds, and results in the increased biodiversity of our environment.

The apiary is taken care of by the Pszczelarium company in cooperation with Bank employees who have undergone specialised training.

Green investment Financing

Financing Renewable Energy Sources (RES)

Since 2008, the Bank has been financing small and medium renewable energy projects: wind farms and biogas plants, small hydropower plants and photovoltaic installations. The Bank specializes in financing the projects of small and medium Polish entities, including Polish farmers. The Bank's team of renewable energy sources (RES) and AGRO experts supports customers in the planning of eco-projects as well as the planning of projects which contribute to sustainable economy and the transformation of the Polish energy-policy.

Entities running or undertaking activities in the field of RES energy production may utilise the Green Energy Loan and, in the case of projects co-financed by EU subsidies or subsidised loans (e.g. The National Fund for Environmental Protection and Water Management), they may also use the "Unia+" Loan.

The Bank is actively involved in consultations and projects aimed at increasing energy efficiency and increasing the percentage of RES in Poland's energy balance. This includes support for prosumer renewable energy installations and a system of guaranteed tariffs for selected small installations (e.g. biogas plants and small hydro-electric power plants).

Eco-Leasing PolSEFF

In cooperation with the European Bank for Reconstruction and Development (EBRD), the Bank offers Eco Leasing PolSEFF to its customers. This product enables customers to introduce modern, energy-efficient solutions and technologies with the aid of leasing and to receive an environmental bonus that reduces the total cost of financing. Customers also receive free engineering support of PolSEFF experts and the leasing procedures are very simple.

Eco-Leasing provides financing for energy-saving technologies of up to EUR 250,000 for a period of 3 to 7 years. It can cover the costs of, i.a., investments in machinery and equipment which improve energy efficiency by at

least 20%. This includes the purchase and replacement of machines for energy-saving ones, based on a fast analysis of energy savings or a free Energy Audit. Financing may also be provided for energy-efficient equipment selected from the List of Qualified Materials and Equipment available at www.polseff2-leasing.org. The product is available for small and medium enterprises, as recommended by the European Commission.

Solar installations for prosumers

Since 2017 Bank BGŻ BNP Paribas has been offering an instalment loan to finance ecological energy sources. The product is addressed to retail customers and offers the financing of: photovoltaic panels, water heaters, heat pumps, recuperators, home-use wind farms. Borrowers are offered funding for a period of 3 to 120 months. The maximum loan amount is PLN 60,000. The offer is available through hundreds of the Bank's partners, including the leading market players involved in the sale and installation of high quality photovoltaic installations.

Thermomodernization loans for homeowners' associations

In January 2017, the Bank commenced cooperation with Bank Gospodarstwa Krajowego (BGK) regarding the Thermomodernization and Renovation Fund. The Fund offers thermomodernization loans to Homeowners' Associations. The Association Leader Package includes a free checking account, auxiliary accounts and a savings account, with access to electronic and telephone banking and online transfers in PLN, as well as two products with a bonus from BGK: the thermomodernization loan or the renovation loan.

An association whose application for a loan is accepted and which signs a contract with the Bank may obtain support from BGK: bonuses of up to 20% of the loan amount. BGK's decision is reached after verifying the scope of the investment, i.e. thermomodernization. BGK transfers the bonus to the Bank's account, paying off part of the capital. As part of an investment loan for the renovation or modernization of real estate, a homeowners' association (without its own contribution) may obtain financing of up to PLN 1 million. Those who receive a loan with a BGK bonus can obtain financing of up to PLN 1.2 million, for a financing period of up to 15 years. In 2018 the Bank granted financing to homeowners' associations for a total amount of approx. PLN 3.7 million.

Together for climate

In 2018, Bank BGŻ BNP Paribas became a partner of the Global Compact Network Poland and a partner of the anti-smog campaign "The first day without smog". The campaign aims to create a wide coalition and to spread awareness about the problem of smog and the available remedial actions. The campaign is a part of the Global Compact Network Poland Program: "SDG11 - Sustainable Cities".

During the UN climate summit - COP24, which took place in December 2018 in Katowice, five leading banks, including BNP Paribas, undertook a joint commitment to adjust their loan portfolios to global climate goals. The Banks want to minimize global warming by supporting the goal described in article 21c of the Paris Agreement: "Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development".

The Bank among the leaders of the Polish CSR market

Awards and distinctions in the area of CSR received in 2018:

- BGŻ BNP Paribas as the most responsible bank in Poland. The Bank won 1st place in the "banking, finance and insurance" category and was listed 4th in the Responsible Companies Ranking.
- For the third time, the Bank received the "Srebrny Listek CRS Polityki", awarded by the editors of the weekly magazine POLITYKA in cooperation with Deloitte (a consulting company), to the most responsible and socially involved companies.
- Once again, the Bank received the title of Top Employer Polska for an HR policy in line with best market practices.
- The Bank's flagship branch, located in the former "Sesame" in Warsaw, received an award for the best adaptation to the needs of the disabled in the "Warsaw Investment without Barriers 2018" Competition.

CSR promotion and development initiatives

- Signatory of the Declaration of Sustainable Development Vision 2050 for Polish Business;
- Signatory of the Partnership for the Implementation of Sustainable Development Goals (SDGs) in Poland;
- Signatory of the Partnership for Accessibility - The Access Plus Program;
- Partner of the Global Compact Network Poland and the "Day without smog" campaign;
- Strategic partner of the "Wiosna" Association and the "Szlachetna Paczka" (Noble Gift) campaign;
- Partner of "Nienieodpowiedzialni" conference, raising the issue of ethics within the finance industry;
- Partner of „Etyka w finansach” contest organized by the Polish Bank Association
- Partner of the Coalition for Polish Innovation.
- Partner of the Responsible Forum.
- Member of the Responsible Leadership Council.
- Member of the Champions of Change Club.

Non-financial reporting

Since 2010, the Bank has been collecting non-financial data and since 2011, the financial information contained in the Bank's CSR reports has been presented in accordance with the GRI methodology.

2. SPONSORSHIP POLICY

The primary and direct objective of the sponsorship policy adopted by Bank BGŻ BNP Paribas S.A. is to build and foster brand awareness and enhance a positive image of the Bank. Indirectly, sponsorship initiatives are aimed to strengthen the Bank's relationships with its customers. Due to its profile and growth strategy, the Bank is primarily searching for initiatives that enable it to communicate directly with customers representing its target groups. Thus, the Bank finds solutions which naturally link its products and services with potential customers.

Bank BGŻ BNP Paribas is part of the BNP Paribas Group which is the biggest sponsor of tennis in the world. Therefore offers regarding sponsorship of tennis events in Poland are given utmost priority by the Bank.

In 2018, the Bank organized the third edition of Dzieciaki Do Rakiet (Kids to Rackets) Project (the first edition took place in 2016 and the second one in 2017). The Project had two pillars: 1. – a cycle of outdoor events in holiday centres which were attended by more than 2,000 children, and 2. Tenis na WF (Tennis for PE) Program, in which over 600 schools participated.

The project aimed at development and popularization of tennis among children aged 5-12. An equally important goal for us was to change the way of tennis perception as an elite sports discipline available only to the chosen. We promoted tennis as an excellent alternative to virtual reality of tablets and computers. We also demonstrated values related to tennis, such as perseverance, independence, consistency and fair play. Thanks to conducting the cycle of unique events we managed to start relationships with local authorities and community.

Under the Project, we carried out events in seven popular Polish holiday locations: Świnoujście, Miedzyzdroje, Władysławowo, Sopot, Karpacz and Zakopane. Additionally, 100 schools in Poland received equipment from us to introduce tennis elements to physical education (PE) classes while PE teachers received a specialist training in this respect. In 2018 the Bank sponsored local tournaments, including:

- 3City Tennis Cup - amateur tennis tournament in the Tri-City, on the courts of Arka Gdynia,
- The Tennis Festival - a sport event for children in Poznań,
- The Tadeusz Sowiński Rotary Tennis Memorial organised by Rotary Club Olsztyn,
- 20th Tennis Tournament BGŻ BNP Paribas Zambrów Open,
- Tennis Tournament for the BGŻ BNP Paribas Cup in Wągrowiec,
- 2nd Santa Claus Tennis Tournament for children and youth in Starogard Gdanski,
- Tennis Day in Solec Kujawski,
- BGŻ BNP PARIBAS Second Open Tennis Championship of Białystok for the Cup of the President of the City,
- Tennis Tournament in Biskupiec Pomorski,

- Węgorzewo, Giżycko, Elbląg - local tennis tournaments

For supporting Polish tennis, the Bank was awarded the title of "Gold Champ" during the 1st edition of The Champ Awards (a competition for Polish sport campaigns).

In addition, the Bank supports cultural events; in 2018, among others:

- The bank co-founded the Wisława Szymborska Award: a competition organized by the Wisława Szymborska Foundation. The competition is international, every year a poetry volume published in the previous year is recognized. Poetry volumes originally published in Polish may be submitted for the Award, and candidates may be submitted by publishing houses, cultural institutions, literary media, chapter members and other persons.
- The Bank sponsored the inaugural concert of the 14th International Music Festival "Chopin and His Europe", a festival directed by Stanisław Leszczyński and organized since 2005 in Warsaw by the National Fryderyk Chopin Institute.

3. CHARITY POLICY

The Bank undertakes philanthropic activities and socially responsible initiatives, mainly through the BGŻ BNP Paribas Foundation. The Foundation's priorities include educational initiatives (e.g. supporting equal educational opportunities for young people running the risk of exclusion, as well as social solidarity), support for disadvantaged and vulnerable groups, building social capital in local communities, promoting volunteer work ("You can rely on me" employee volunteer program) as well as developing the NGO sector (a grant program addressed to local and expert organizations). Philanthropic and social activity is a social investment, conducted in the form of long-term projects, which are subject to analyses regarding the social needs and periodic effectiveness assessments.

Final assessment of the rationality of the company's CSR, charity and sponsorship activity.

In 2018, the company pursued its sponsorship, charity and CSR activity in a rational manner supporting its mission and business strategy. Importantly, these activities took into account the needs of the stakeholders (customers, employees, local communities, business partners, sector organizations, etc.).

At the same time, the company submitted its activities to external assessment which enabled obtaining additional, objective market benchmarks. In many cases the positive assessment of these activities, for example 1. position in the financial firms sector in the prestigious Ranking of Responsible Firms (ROF) and numerous awards in CSR area (in example "Srebrny Listek CRS Polityki") confirms that the system of ensuring utmost diligence in the processes of planning, execution and evaluation of non-business activity of the company functions properly and that the reporting transparency standards are met. All these factors together demonstrate that the activity in the area discussed here is rational and that it has the desired effect of supporting the business activity.