



Bank Polski



REPORT

Assessment of the rationality of PKO Bank
Polski S.A. sponsorship, charity or other similar
policy in 2018

In accordance with the principle contained in point II.Z.10.4. of Good Practices of Companies listed on the WSE in 2016, the Supervisory Board prepares for and presents to the annual general meeting an evaluation of the rationality of the sponsorship and charity or other similar policy carried out by PKO Bank Polski S.A.

The Supervisory Board assesses that the sponsorship and charity or other similar activities are carried out in a rational manner, with care for social welfare. According to the evaluation by the Supervisory Board, the activities undertaken in 2018 as part of the sponsorship and charity or other similar policy build a positive image of the Bank's brand and strengthen its good reputation, which, in turn, translates into satisfaction of the stakeholders: customers, partners, representatives of the state and local administration, as well as employees.

Information about the sponsorship and charity or other similar policy conducted by PKO Bank Polski S.A. in 2018

The Bank's mission is to support the development of Poland and Poles through, for example, exerting a positive influence on people, companies and the environment, as well as consistently building the credibility of the brand. In treating these assumptions as a priority, the Bank ensures that all sponsorship and charity activities serve to build the Bank's image as a leader in the financial market, a leader in technological changes in Polish banking, an institution that is trustworthy, socially engaged and open to the development and needs of clients. In accordance with the slogan of the Bank's strategy for the years 2016-2020 "We support the development of Poland and Poles", the Bank develops its relations with the environment by taking active measures for the benefit of society and with its participation. It supports business, industry, cultural, educational and sports events.

The direction of the sponsorship and charity policy in the field of popularizing national history and tradition is part of the Bank's mission statement, declaring the maintenance and promotion of its Polish character.

The Bank's sponsorship activities are conducted by the units of the Marketing and Communication Division based on the annual marketing plan which is updated on a quarterly basis. In 2018, the Bank implemented 294 sponsorship projects of various scale: from nationwide - communicated in the media and supported by promotional activities, to smaller ones - dedicated to local communities. The dominant share in the Bank's sponsorship budget were expenditures on projects supporting the development of the Polish economy and the Bank's business objectives, the support of culture, as well as the implementation of the original sports project "PKO biegajmy razem" ("PKO Let's run together").

In 2018, the Bank's sponsorship activities were conducted in the areas listed below. In each of these areas, the Bank also tried to favour and promote patriotic and historic values as well as appreciate the potential to promote Polishness.

- CULTURE AND ART - supporting the development of culture, protection of the national heritage in the field of culture and art, cultivating tradition, strengthening patriotic values;
- EDUCATION - strengthening the Bank's leading position in the financial market, strengthening the position of a technological leader in the Polish banking sector, supporting young Polish entrepreneurs;
- SPORT - encouraging activity, supporting mass sport, including races combined with charity events and commemorating important events in the history of our country, initiating a new project with a huge media potential - sponsoring the Ekstraklasa;
- BUSINESS - strengthening the Bank's leading position in the financial market, strengthening the position of technological leader in the Polish banking sector, supporting Polish entrepreneurs, maintaining and building business relations;

- EVENTS IMPORTANT TO LOCAL COMMUNITIES – promoting the Bank’s image as an important and active partner of business circles, local governments and cultural centres.

When deciding on the implementation of a sponsorship project, the Bank takes into account – in addition to image-related benefits, such as the value of brand exposure – business and relational benefits as well. In order to identify and optimize them, the Marketing and Communication Division cooperates with business units. An important element of the sponsored projects is making sure that the Bank’s representatives participate actively in panel discussions, presentations and award ceremonies. Through the technical activity of its representatives, the Bank strengthens its position as an expert in the area of finance.

The Bank’s sponsorship policy is governed by the “Principles of conducting marketing activities by PKO Bank Polski S.A.”, adopted by Resolution No. 294/C/2015 of the Management Board of 21 April 2015 (as amended) and a several-step process of issuing opinions on sponsorship applications.

The Sponsorship Committee appointed by Resolution No. 516/C/2012 of the Management Board on 9 October 2012 watches over the rationality of the sponsorship policy. The process of considering sponsorship offers is insightful and rational. The first stage is to assess the equivalence of an application in terms of such indicators as:

- the rank of the venture;
- business and/or image potential;
- the organizer’s credibility and the high quality of implementation;
- the business environment in which the Bank acts as a sponsor;
- the equivalence of sponsorship benefits in relation to the budget allocated by the Bank.

After assessing equivalence, the positively evaluated offers are presented at the meeting of the Sponsorship Committee which comprises representatives of retail, corporate and market as well as marketing and PR divisions, which ensures a comprehensive verification of each project. In this process, the opinion of business representatives, who identify the potential for promoting banking products and services and building customer relations, is particularly important.

The sponsored projects are constantly monitored, analysed and evaluated in terms of proper involvement of the Bank’s employees. Each project ends with a detailed report on the performance of the sponsorship agreement.

Charitable activities are carried out for the Bank’s brand by the PKO Bank Polski Foundation. The scope of the Foundation’s activities is specified in the Foundation’s Statute, whereas the principles of cooperation between the Bank and the Foundation are governed in an agreement (the existing agreement was concluded on 14 December 2017). In 2018, the main source of funding for the Foundation’s statutory objectives were subsidies granted by the Bank based on the resolutions of the Management Board.

Additional funds were transferred to the Foundation on the basis of long-term contracts and came from the profit generated during non-cash transactions made by Inteligo customers, associated with an affinity card: Dobro procentuje (Good pays dividends) (launched in 2013). At present, 130 thousand customers of the Bank have such cards.

The aim of the activities carried out by the Foundation in 2018 was to support institutions and citizens involved in public welfare in the areas of education, upbringing, social welfare, protection and promotion of health, culture and art, environmental protection, including support for the development of communities and local communities. An important aspect was the promotion of social goals in the banking environment and the promotion of the idea of volunteering by organizing employee volunteering. The activities were carried out in seven program areas:

- EDUCATION – supporting science, education and alternative forms of education in Poland;
- TRADITION – cultivating tradition, protecting the historical heritage and educating in the spirit of patriotism;
- HOPE – social assistance addressed to people threatened with exclusion, in particular those who are disadvantaged or disabled;
- HEALTH – protection of life and health and preventive healthcare;
- CULTURE – protection of the national heritage in the areas of culture and art and supporting the works of young Polish artists, made available on a pro bono basis;
- ECOLOGY – undertaking social initiatives aimed at popularizing knowledge in the field of environmental protection, especially water reservoirs;
- SPORT – encouraging physical activity, in particular of children and adolescents, as well as promoting physical activity among people with disabilities.

In 2018, the Foundation received 889 applications for a monetary donation for the implementation of social projects. 336 projects were positively evaluated. The decision-making process consists of considering each application at the meeting of the Foundation's team. In the case of applying for subsidies exceeding PLN 20 000, the application is subject to an additional evaluation by the members of the Foundation's Program Council which is responsible for the rationality of the charity policy.

The Foundation also transfers in-kind donations to non-governmental organizations, in the form of IT equipment and furniture withdrawn from use at bank branches.

The financial statements and reports of the Management Board on the Foundation's activities after each financial year are subject to review by a statutory auditor. In accordance with the principle of transparency, the reports on the Foundation's activities, presenting completed tasks, are published on the Foundation's website.

In the most important image-related areas, such as: culture, tradition, education and sport, the Bank and the Foundation implement projects jointly, paying attention to the synergy of activities.

In 2018, the Bank received the following awards for its social involvement and for carrying out projects to promote sustainable development:

- CSR DIAMOND in the 6th edition of the Responsible Business Awards competition – the Bank was awarded for its social involvement and for carrying out projects to promote sustainable development;
- PRESIDENTIAL ECONOMIC AWARD – the Bank won in the Responsible Business category. It was awarded for its sustainable development, economic successes, contribution to the development of the industry and the economy, as well as pro-social activities;
- ECONOMIC AWARD OF THE POLISH RADIO – the Bank won in the Polish Philanthropist category. It was awarded for its commitment to the economic development of our country;
- GOLDEN BANKER – Internet users appreciated the social initiative “PKO Bieg Charytatywny” (“PKO Charity Run”).