

Supervisory Board's report on ING Bank Śląski S.A. policy concerning charitable and sponsorship initiatives in 2016.

ING Bank Śląski S.A. was involved in the following charitable and social activities in 2016:

1. education and support for children and teenagers,
2. support for local communities, and
3. promotion and education in the area of Polish modern art.

The Bank carries out those actions on its own, in cooperation with social partners and with the support of two corporate foundations: ING for Children Foundation and ING Polish Art Foundation.

ING for Children Foundation is a public benefit organisation. In keeping with its Charter effective in 2016, the Foundation's operations centre around children and teenagers and embrace science, education, leisure time, health promotion, social assistance and volunteering.

In 2016, ING for Children Foundation continued its social programmes for children and teenagers.

ING Bank Śląski S.A. made a donation to ING for Children Foundation for its statutory activities on the basis of the Management Board decision and upon approval of the Foundation's annual action plan. Moreover, the Foundation receives funds from donations made by ING Bank Śląski S.A. employees as part of an internal campaign and under the "1% of the tax" programme.

As a public benefit organisation, ING for Children Foundation compiles the annual financial statements and the report on operations which are available at www.pozYTEK.gov.pl.

As defined in its Charter effective in 2016, **ING Polish Art Foundation** supports the development of Polish art. It organises art exhibitions, runs information and publishing activities, creates collections of works of art of young and promising artists as well as cooperates with cultural institutions.

The Foundation continued its statutory activities in 2016.

Next editions of the "Art in Our Age" exhibition – whose 15th jubilee was celebrated in 2015 – were held in 2016. It was staged in BWA city galleries in Katowice and Tarnów. For each edition, guided tours and workshops for children and young people were organised. The Foundation also published a book "Art in Our Age" and organised meet-the-author sessions in Warsaw, Cracow, Tarnów, Katowice, Opole, Lublin and Leszno.

The Foundation continued a number of educational activities addressed to Bank employees. These were art collection guided tours at the Bank's head office, visits to exhibitions and contemporary art events. A contest, the first one in the history, was organised for employees to create a work of art inspired by

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the office environment – This is Art! The contest closed with the 1st Office Art Review accompanied by the meeting with artists that cooperate with the Foundation.

The Management Board of ING Bank Śląski S.A. decided to transfer funds for the statutory activities of ING Polish Art Foundation upon reviewing the annual action plan of the Foundation.

Information about the operations of ING for Children Foundation and ING Polish Art Foundation is available in the ING Bank Śląski S.A. Annual Report. Additionally, ING Polish Art Foundation publishes all information on its website. Information about current events is published on Facebook profiles of both Foundations which are open to the public, on the intranet and in *Baśka* magazine. It is also published as press releases.

Charitable and social activities are an essential element of **ING Bank Śląski S.A.** operations. The Bank encourages its employees to engage in the employee voluntary activities. *The Labour By-Law of ING Bank Śląski S.A.* guarantees Bank employees 8 hours per year for volunteering.

The Bank was involved in the following activities in 2016:

- employee volunteering – ING Voluntary Services Programme,
- communication and organisational support for charity collections organised for children – collections of school accessories in September and Christmas gifts in December,
- collection of funds for cancer treatment of an employee's child and a Bank employee,
- blood donation initiatives,
- support for 440 employees in a charity run called *Run Warsaw*, and
- BAKCYL project – a joint project of the banking sector to support finance education of teenagers from junior high schools organised by the Warsaw Institute of Banking.

More details are available in the ING Bank Śląski S.A. Annual Report.

ING Bank Śląski S.A. made financial and in-kind donations in 2016.

The Bank made charity financial donations pursuant to the *ING Bank Śląski S.A. Donation Policy*, whereunder a bank unit interested in making a financial donation files a donation application with the Donations Committee for their respective decision. In 2016, the Bank made 13 donations, to name a few: for the Warsaw Institute of Banking to develop finance education of teenagers – BAKCYL and WIOSNA Association to support development of financial competence of families from the Business Parcel Programme and to educate children in the Academy of the Future Project.

In December 2016, the Bank decided to move the funds allocated for the purchase of small gifts for corporate and strategic clients to the charitable activity. The funds were donated to 16 local organizations, such as hospices for children, rehabilitation centres: Home-Type Hospice for Children Foundation in Opole, Gajusz Foundation in Łódź, Association of Parents and Friends of Blind and Partially-Sighted Children “Nadzieja” in Cracow.

In 2016, the Bank also transferred in-kind donations, such as phased-out IT equipment (in a good technical condition) and office furniture. In-kind donations were made pursuant to the *Procedure for the*

sale/ donation/ reprocessing of assets at ING Bank Śląski S.A. In-kind donations were given mainly to kindergartens, schools, hospitals and charities.

In 2016, ING Bank Śląski S.A. also sponsored educational, economic and cultural initiatives:

- Open Eyes Economy Summit 2016 in Cracow,
- European Economic Congress in Katowice,
- year-long scientific initiatives of the University of Silesia such as research and science promotion, and
- Silesia Press competition organised by the Media Association for European Integration.

Furthermore, regional branches of ING Bank Śląski S.A. supported smaller initiatives, of value to local communities.

Rationality assessment of the Bank's policy concerning charitable and sponsorship activities at ING Bank Śląski S.A.

ING Bank Śląski S.A. was involved in charitable and social activities in the specific areas and addressed most of its actions to children, teenagers and local communities. The Bank ran its programmes on its own, in cooperation with social partners and with its corporate foundations. Collaboration enabled the Bank to leverage on the knowledge potential and experience of those organisations. Examples are: employee voluntary activities funded by ING for Children Foundation and advertised internally by the Bank, art office contest carried out with ING Polish Art Foundation or the BAKCYL project organised with the Warsaw Institute of Banking.

The Bank also supported employee initiatives (volunteering, charity collections, blood donation initiatives) and was a social partner in all-Poland and local projects.

The Bank was a donor, especially in educational projects addressed to children and teenagers. The Bank implemented the *ING Bank Śląski S.A. Donation Policy* which is applicable to all financial donations and the *Procedure for the sale/ donation/ reprocessing of assets at ING Bank Śląski S.A.* which governs in-kind donations. These regulations ensured a process-based approach to donations and their effective application in charitable and social activities.

The Bank communicated its charitable actions in a transparent manner by publishing information on the current events and annual summaries in the annual report. Multiple communication tools were used to provide internal and external stakeholders with information in an accessible form.

Based on the foregoing, it may be concluded that the ING Bank Śląski S.A. policy on the charitable and social activities was rational and took account of social needs.

In 2016, the Bank continued its Corporate Social Responsibility (CSR) actions. The Bank received a Silver CSR Leaf 2016 from POLIYKA. The report of the Responsible Business Forum "Responsible business in Poland in 2015. Good Practices" – embraced the record number of 31 practices of ING Bank Śląski S.A. (13 new and 18 long-time practices) from different areas. The Bank presented its CSR activities during the CSR Marketplace, organised by the Responsible Business Forum. For the tenth time, the Bank became a member of the RESPECT Index – an index of socially responsible companies, kept by the



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Warsaw Stock Exchange. It is an evidence of the highest standards of Bank's corporate social responsibility.

The Bank observes the *Code of Best Practice for WSE Listed Companies 2016* as regards the information policy and investor communications. Investors and analysts have ongoing access to information via websites and foundations' profiles in social media. The Bank operates a transparent and effective information policy; details about social, charitable and sponsorship activities launched by the Bank are published in the Management Board's annual report. Thus, the Bank meets recommendation I.R.2 of the *Code of Best Practice for WSE Listed Companies in 2016*.