

**Non-financial statement of Credit Agricole
Bank Polska S.A. for the financial year ended
December 31, 2017**

Chapter 1 ORGANISATION PROFILE

ABOUT THE BANK

Credit Agricole Bank Polska S.A.
pl. Orłat Lwowskich 1
53-605 Wrocław

1.99m customers
5,018 employees

Credit Agricole bank operates across Poland through a sales network including partner points of sale, own branches, partner branches and CA Express credit agents, as well as through corporate centres in Warsaw, Wrocław, Cracow, Gdańsk and Poznań and mobile agri customer advisors.

Own and partner branches: 441

CA Express credit agents: 284

Corporate centres: 5

378 ATMs

296 CDMs

Shareholders - Credit Agricole Polska S.A. – 100 per cent

[GRI 102-1, GRI 102-3, GRI 102-4, GRI 102-5, GRI 102-7]

FINANCIAL RESULTS

in PLN million	2017
Revenues	1 295.2
Operating expenses	-933.5
Payments to investors	There were no dividend payments in 2017
Payments to the state (by country) (CIT, Bank Guarantee Fund, bank tax, Polish Financial Supervision Authority, VAT)	126.0
Social investments	~0.1
Net profit/loss	73.9

[GRI 201-1]

PRODUCTS AND SERVICES

The bank pursues a universal proximity banking model based on close cooperation between retail banking and specialised business lines – AGRI, SME, Corpo. Credit Agricole supports its customers in the accomplishment of all kinds of plans, both personal and business plans, proposing a broad range of services from daily banking, loans and savings through insurance, leasing, factoring to corporate banking.

With its main focus on retail customers, the Bank offers a broad range of daily banking products, as well as savings and credit products. The Bank has special prices for customers from its key segments, such as young people or professional groups.

UNIVERSAL BANKING - CREDIT AGRICOLE BANK POLSKA S.A.

RETAIL BANKING	SME BANKING	FARMER BANKING	CORPORATE BANKING
Daily banking - Personal Accounts - Foreign Currency Accounts - Debit Cards - Overdraft Facility - Credit Cards	Bank Accounts	Bank Accounts	Transaction banking - Bank Accounts - Wire Transfers and Payment Order - Zero Balancing and Cash Pool - Charge Cards - Cash Transactions
Savings - Term and Dynamic Deposits - Regular Savings Products - Savings Accounts	Debit Cards	Debit Cards	Trade finance - Bank Guarantees - Letters of Credit - Documentary Collection - Receivables Financing and Forfaiting - Escrow Accounts
Investment products - Investment Funds - Structured Products	Card acceptance – POS terminals	Card acceptance – POS terminals	Financial Markets - Foreign Exchange - Deposits - Securities - FX and IR Derivatives - Electronic FX Platform
Loans - Cash and Consolidation Loans - CA Raty Instalment Loans - Mortgage Loans	Loans - Current Operations Financing - Investment Financing	Loans - Agri Investment Loan - Bridge Loan - Farm Loan - Welcome Loan (consolidation loan) - Financing of Agricultural Production Cycle	Standard Financing - Overdraft - Working Capital Loans - Investment Loans

		- Agri Overdraft Facility - Agri Loan	
Insurance - Life and Health Insurance - Non-Life Insurance - Payment Protection Insurance - Assistance Insurance	Savings - Savings accounts - Deposits	Savings - <i>Oszczędzam</i> (I Save) Savings Account - Term Deposits - Dynamic Deposits	Investment Banking & Structured Finance - Project Finance - Syndicated Loans - Real Estate Financing
	Insurance - Corporate Insurance	Insurance for AGRI Product Line - Life Insurance for Borrowers - Crop Insurance - Third Party Liability Insurance for Agricultural Vehicle Owners - Property Insurance - Accident Insurance - Legal Expenses Insurance	
	Leasing (with EFL)	Leasing (with EFL)	

Credit Agricole is the most-recommended bank in Poland* and stands out in the market by building long-term relations with its customers, offering professional and reliable advice and friendly customer service. The bank operates in the following areas: retail and corporate banking, banking for farmers and SMEs and consumer finance.

* *Banking customers in Poland 2017 - Millward Brown survey 2017*

[GRI 102-2, GRI 102-6]

CRÉDIT AGRICOLE GROUP

The Crédit Agricole Group is the leader of retail banking in Europe. It is number one on the European asset management market, Europe's number one bank offering insurance products and number three among institutions offering investment project financing. With current operations in 49 countries across the globe, it has a customer base of more than 52 million. The Group has been present in Poland since 2001 and includes Credit Agricole Bank Polska, Europejski Fundusz Leasingowy together with its subsidiaries, Credit Agricole

Ubezpieczenia na Życie (CA Life Insurance), Crédit Agricole Towarzystwo Ubezpieczeń (CA Insurance Company) and Amundi Polska TFI.

LONG-TERM RATING OF THE CRÉDIT AGRICOLE GROUP

A - STANDARD & POORS' 25.10.2017 (Outlook positive)

A1 - MOODY'S 19.07.2016 (Outlook stable)

A - FITCHRATINGS 14.12.2017 (Outlook stable)

AA (LOW) - DBRS 29.09.2017 (Outlook stable)

CRÉDIT AGRICOLE GROUP IN NUMBERS

49 countries

52m customers

139,000 employees

€6.4 bn Net Income (Group Share)

[GRI 102-6]

DIALOGUE WITH STAKEHOLDERS

For many years the Bank has been conducting an active dialogue and working closely with its stakeholders. A dialogue which becomes a platform for the exchange of ideas and mutual expectations is important to the Bank. At the end of 2016 a panel was held for stakeholders identified previously during a dedicated workshop. The purpose was to gather the stakeholders' opinions and recommendations regarding corporate social responsibility (CSR) practices of the Bank as well as their guidelines regarding social activities and social role of the Bank in its region. The panel served as a starting point for discussions about CSR. The meeting was prepared in accordance with the guidelines laid down in the international stakeholder engagement standard AA1000SES. It was conducted by independent third-party moderators. The meeting was attended by personally invited participants representing various stakeholder groups, having valuable knowledge on the subject matter of the meeting and actively participating in the life of the Bank's environment. Among others, they represented the following institutions: Wrocław Agglomeration Development Agency (Agencja Rozwoju Aglomeracji Wrocławskiej), Alliance Française Association (Stowarzyszenie Alliance Française), Wrocław University of Economics, TelForceOne SA, Head of Business Development InTENSO Sp. z o. o., Institute of Meteorology and Water Management, SWPS University (Uniwersytet SWPS), Avant Art Foundation, Municipality of Wrocław - Social Participation Office; Society for the Beautification of Wrocław (Towarzystwo Upiększania Miasta Wrocławia); Municipal Voluntary Service Centre (Miejskie Centrum Wolontariatu); NEONET S.A., MasterCard Europe S.A., Publicon sp. z o.o., 102 Foundation, Responsible Business Academy Foundation (Fundacja Akademia Odpowiedzialnego Biznesu).

[GRI 102-43]

The key stakeholders were selected during a workshop in October 2016 which was attended by representatives of various business areas in the Bank such as Compliance, Legal, Marketing, HR, Administration, IT and Communication. All entities were taken into account which have an impact (direct and indirect) on the Bank's reputation and which remain under the influence of the Bank.

[GRI 102-42]**EXTERNAL STAKEHOLDERS:**

Customers, industry experts, regulators, opinion leaders (within the industry and interested in the industry), opinion leaders - organisations with ties to France, competitors, traditional and social media, local communities and local authorities, academics and HEIs, suppliers and franchisees, employee family members, the natural environment.

[GRI 102-40]**INTERNAL STAKEHOLDERS:**

Owner, shareholders, management board, employees, supervisory board.

[GRI 102-40]

During the stakeholder engagement panel held in 2016 the following three main topics were discussed which laid the ground for work on the non-financial report:

- Corporate Social Responsibility of the Bank - opinions and expectations regarding the Bank's operations in the context of responsible business best practices.
- Specific character of the region and its major social issues - indication of important topics concerning the character and quality of social and business life of Wrocław.
- Social role of the Bank - recommendations regarding topics and social activities which would be worthwhile for the Bank to consider while planning its social involvement for the coming years as well as the relevant goals to be set.

In October and November 2017 surveys were conducted among external stakeholders in which they had an opportunity to indicate the most important issues the Bank should in their opinion address.

- Economic results
- Market presence
- Anti-corruption efforts
- Materials/Raw materials
- Energy
- Supplier environmental assessment
- Employment
- Occupational health and safety
- Training and education
- Diversity and equal opportunity
- Compliance with non-discrimination laws and regulations
- Supplier social assessment
- Marketing and labelling
- Customer privacy
- Compliance with social and economic regulations

During a meeting with internal stakeholders held in December 2017 the following areas were selected:

- economic
- environmental
- social and employee-related
- relating to impact on the social environment
- relating to human rights
- relating to product liability

[GRI 102-44]

DIALOGUE WITH SUPPLIERS AND PARTNERS

In 2017 the Bank completed 72 purchasing processes. As part of the purchasing process all bidders were required to fill out a CSR questionnaire.

During its sourcing and purchasing the Bank uses standardised rules applicable to all suppliers. In 2011 the Bank adopted the *Purchasing Policy of Crédit Agricole Bank Polska S.A.* which lays down uniform and coherent operating standards for all of its purchasing processes. CSR principles have been incorporated into the *Purchasing Policy of Crédit Agricole Bank Polska S.A.* The above means that all suppliers have to meet specified criteria already at the stage of screening. Prospective suppliers have to answer questions in the following areas: Organisation, Workplace, Market and Customers, Society and Environment. The above serves to assess their level of advancement in the implementation of CSR values.

The Bank does not have a separate human rights policy, but the issue is very important in our relations with stakeholders. In 2017 all of the Bank's suppliers were subjected to an assessment in terms of their employment practices, observance of human rights as well as impact on society. As part of the assessment, the suppliers were requested to fill out a CSR survey and to answer the following questions:

- 1. In the last year, were there any proceedings pending against your company which ended with a final and binding penalty, connected with mistreatment of employees (labour law violations)?
- 2. When setting your expectations and requirements towards suppliers or raw materials, materials and services, do you pay attention to CSR issues?
- 3. Does your company take part in projects involving cooperation with the local community; does it offer donations for social causes?
- 4. In the past financial year, did your company take any steps to reduce consumption of raw materials and materials?
- 5. In the past financial year, was there any final penalty imposed on your company for violations of environmental protection regulations?

Filling out of the CSR survey is mandatory for all suppliers, cooperating partners or prospective contracting parties of the Bank. Answers to the above questions are evaluated and are among the criteria taken into account when deciding whether to grant the company the status of the Bank's supplier.

[GRI 308-1, GRI 414-1, GRI 414-2]

SUPPLY CHAIN

As effective supply chain management is important for any financial institution, the Bank has been using appropriate instruments to optimize the process.

1. Purchase needs are satisfied based on framework agreements managed by the Bank's organisational units having subject matter responsibility for the purchase category in question.
2. Where there is no agreement or the agreement is close to expiry the relevant organisational unit sends a request for purchase to the Bank's purchasing unit. As a result of such request, a framework agreement is entered into with the supplier or a one-off order is placed.
3. The new agreement is managed by the competent unit.
4. Cooperation with suppliers is subject to periodical assessments using the rules in force at the Bank.
5. Purchasing processes are documented, archived and audited.

2017 did not witness any major amendments to the supply chain.

[GRI 102-9, GRI 102-10]

CODE OF ETHICS FOR BUSINESS PARTNERS

In April 2017 the Bank adopted a *Code of Ethical Standards for Business Partners*. The document was prepared to ensure that the Bank's cooperation with its business partners is based on a common system of moral values and on shared principles of conducting a socially responsible and ethical business. *The Code of Ethical Standards* is generally accessible on the Bank's website and is used at the start of relations with the Bank's new Business Partners. Whenever a Business Partner becomes aware of any violation on the part of the Bank's employees of the rules or standards of conduct included in the *Code*, such Business Partner should immediately report such violation to a dedicated email address. The Compliance Department is responsible for supervising the functioning of the dedicated email inbox and for addressing the reported issues. At the same time it should be stressed that the Bank does not tolerate any forms of discrimination against persons reporting violations of the rules included in the *Code*. As at 31 December 2017 no violation was reported by the Bank's Business Partner to the dedicated email address, as per the *Code of Ethical Standards for Business Partners*.

[GRI 102-17]

MEMBERSHIP OF ORGANISATIONS

Crédit Agricole Bank Polska S.A. has been a long-time member of the Polish Bank Association (ZBP).

ZBP takes and supports initiatives aimed at developing the Polish economy as part of the European Union and at promoting international cooperation, as well as serves as a consultation and advisory body for legislative processes relating to banking. The Bank takes into account the recommendations issued by ZBP and is a member of the following work groups:

- Group for Enforcement Against Farmers
- Card Transaction Security Forum
- c-Fraud Operating Group
- IT Systems Security Forum
- IT Operations Group
- Split Payment Act Interpretation Unit
- Representation for the programme of combating tax fraud.

As part of its CSR activity the Bank follows the Code of Banking Ethics (Principles of Good Banking Practice) of the Polish Bank Association.

[GRI 102-13]

THE BANK AND THE NATURAL ENVIRONMENT

Because of the nature of its business the Bank does not have a separate environmental policy. However, the Bank's priorities relating to the natural environment have been listed in the document titled *Strategy of Corporate Social Responsibility of Credit Agricole Bank Polska S.A.*

The Bank's activities relating to CSR and to environmental protection are based on the Bank's values and on a number of internal and external regulations. Among important initiatives connected with CSR is FReD, an internal programme of the Crédit Agricole Group engaging all its units to act for the benefit of the environment, including the natural environment. Additionally, during the purchasing process, the Bank's prospective suppliers are required to fill out a CSR questionnaire in which one of the questions refers to environmental protection.

For many years the Bank has been involved in numerous initiatives that have a positive impact on its environment. One of the crucial elements of the *Strategy of Corporate Social Responsibility* of the Bank is the institution's attitude to the natural environment which has been identified as one of the Bank's key stakeholders. The CSR strategy relating to the natural environment includes the following areas: - "Green" products and services; Eco-friendly innovations in industrial production; - environmental impact and environmental protection; - dialogue with stakeholders; environmental protection in the purchasing process; - policies and processes involving environmental protection.

The above-mentioned areas constitute the key obligations assumed by the Bank in respect of the natural environment, resulting from its global approach to promoting the CSR activities of the Crédit Agricole Group – in line with the underlying idea of the FReD programme.

Care for the natural environment is one of the three strategic goals of the Bank; it manifests itself through reduction of direct impact on the natural environment, especially through lower consumption of energy, paper and reduced amount of waste and by factoring in environmental and social issues already at the stage of design of products and services.

ENVIRONMENT FRIENDLY ACTIVITIES:

In 2017 the Bank continued its environmental protection activities started in the previous years and launched new initiatives. Through its projects the Bank promotes eco-friendly attitudes among its employees.

Among the crucial elements of the Bank's Strategy of Corporate Social Responsibility is the institution's attitude to the natural environment which has been named one of the Bank's key stakeholders. Moreover, care for the natural environment is one of the Bank's three strategic goals. The list includes: "reduction of direct impact on the natural environment, especially through decreased consumption of energy and paper and through limiting waste", as well as "factoring in environmental and social issues already at the stage of design of products and services". In 2017 the Bank upheld the above strategy and continued the related efforts.

One of the long-term environment protection projects implemented by the Bank is replacement of traditional light bulbs with energy-saving bulbs. By the end of 2017 lighting was replaced on an area of 3,760.2 m², thus

reducing the consumption of electric energy in branches. Newly opened facilities are fitted with eco-friendly materials.

The Bank has also been implementing a CSR policy relating to environmental protection by reducing the consumption of paper in the process of customer service. In January 2016 the cooperating stores gained access to a fully electronic mode of entering into instalment loan agreements. According to the Bank's estimates, in 2017 the above initiative brought a saving of more than 3,056,941 sheets of paper.

Additionally, the Bank promotes environment friendly attitudes among the workforce by encouraging employees to cycle to work. In 2017 the Bank took part in the European Cycling Challenge in which various cities competed for the title of Best Cycling City. In May 2017 the Bank's employees cycled a distance exceeding 4,300 km. It is thanks to their efforts, among others, that the capital of Lower Silesia made it to the Leaderboard of this year's edition.

[GRI 102-11, GRI 102-12]

BRANCHES

Own and partner branches: 441

CA Express credit agents: 284

The Bank has 50 branches fitted out using the new standard which were opened in the period from November 2016 to December 2017. The Bank implemented eco-friendly solutions using, among other things, green materials (carpeting, chairs, soundproof ceilings and lamps). Named the New Impulse, the new standard was developed in 2016 on the basis of a preference survey conducted among customers and employees.,

ENERGY

As energy savings are among the Bank's priorities, the Bank has been making efforts to reduce energy consumption, introduce new, energy-saving solutions and educate its employees on the subject.

Total consumption of energy from non-renewable sources:

10.239 TJ

fuel used

coal

Total consumption of energy from renewable sources:

0.304 TJ

fuels used

wind farms, hydro power stations

Energy consumption within the organisation:

- Total energy consumed: **10.543 TJ/2.928 GWh**

- Total heat energy consumed: **1.468 TJ/0.408 GWh**

Total energy consumption:

12.011 TJ

The report concerns facilities owned by Crédit Agricole Bank Polska S.A.

[GRI 102-11, GRI 302-1]

Chapter 2 MANAGEMENT AND STRATEGY

ORGANISATIONAL AND MANAGEMENT STRUCTURE

BANK'S ORGANISATIONAL STRUCTURE

The core organisational structure of Crédit Agricole Bank Polska S.A. is made up by:

- The Bank's Head Office,
- Sales Network (Regional Sales Network and Regional Sales and Partner Relations Network).
-

A detailed organisational structure can be found on the Bank's website:

<https://www.credit-agricole.pl/o-banku/poznaj-credit-agricole-bank-polska>

The Bank has the following governing bodies:

- Management Board
- Supervisory Board
- General Meeting

Additionally, the following groups work in the Bank:

- Committees forming part of the Supervisory Board
- Committees forming part of the Management Board.

MANAGEMENT BOARD

The Management Board represents the Bank, manages its operations and administers its assets. It is also authorized to manage the Bank's affairs which are not reserved for the General Meeting or for the Supervisory Board.

As at 31 December 2017 it was composed of the following 7 members:

- | | |
|----------------------|--|
| • Piotr Kwiatkowski | President of the Management Board |
| • Olivier Constantin | First Vice-President of the Management Board |
| • Richard Paret | Vice-President of the Management Board |
| • Beata Janczur | Vice-President of the Management Board |
| • Jean-Bernard Mas | Vice-President of the Management Board |
| • Jędrzej Marciniak | Vice-President of the Management Board |
| • Bartłomiej Posnow | Member of the Management Board |

Management Board members are appointed by the Supervisory Board for a term of five years. The Supervisory Board sets the number of Management Board members and the internal division of powers within the Management Board.

Appointment of the President of the Management Board and member of the Management Board responsible for material risk are subject to the approval of the Polish Financial Supervision Authority.

Committees working within the Management Board:

The Committees are permanent or ad-hoc collegial bodies with consultative or decision-making power.

The Bank has 13 committees:

- Asset and Liabilities Committee
- Model Validation Committee
- New Activities and Products Committee
- Crisis Committee
- Security Committee
- Compliance Committee
- Development Committee
- Network Committee
- Sensitive Credit Committee
- Credit Committee
- Risk and Internal Control Committee
- Portfolio and Project Committee
- Customer Service Committee

SUPERVISORY BOARD

The Supervisory Board performs ongoing supervision over the Bank's activity in all fields of its operations. It operates pursuant to the Code of Commercial Companies, Banking Law and other laws, the Bank's Statutes and its own regulations.

As at 31 December 2017, the Supervisory Board included the following 9 members:

- | | |
|-------------------------------|--|
| • Francois Edouard Drion | Chairman of the Supervisory Board |
| • Guilhem Nouvel-Alaux | Vice Chairman of the Supervisory Board |
| • Elżbieta Jarzeńska – Martin | Member of the Supervisory Board |
| • Alfred Janc | Member of the Supervisory Board |
| • Mariusz Wyżycki | Member of the Supervisory Board |
| • Liliana Anam | Member of the Supervisory Board |
| • Bernard Pacory | Member of the Supervisory Board |
| • Romuald Szeliga | Member of the Supervisory Board |
| • Jean-Christophe Kiren | Member of the Supervisory Board. |

The Supervisory Board has 2 female and 7 male members. The term of office of Supervisory Board members is five years. The Supervisory Board has the following three members with an independent status:

- Alfred Janc
- Mariusz Wyżycki
- Liliana Anam.

Members of the Supervisory Board carry out their functions in an active manner, demonstrating the degree of involvement in their work required to enable due performance of their duties. Other professional activity of Supervisory Board members does not have a negative impact on the quality and effectiveness of the supervision exercised.

As assessed by the General Meeting, the Supervisory Board has collective competences ensuring a suitable level of supervision over all areas of the Bank's operations, taking into account, among others, the performed suitability assessment of individual members of the Supervisory Board.

Makeup of committees working as part of the Supervisory Board:

Audit Committee:

- Alfred Janc
- Elżbieta Jarzeńska – Martin
- Liliana Anam.

Nomination & Remuneration Committee:

- Alfred Janc
- Bernard Pacory
- Francois Edouard Drion.

Risk Committee:

- Guilhem Nouvel-Alaux
- Jean-Christophe Kiren
- Elżbieta Jarzeńska – Martin.

GENERAL MEETING

The General Meeting can be ordinary or extraordinary. It is convened in a manner laid down in the applicable law. General Meetings are held at the Bank's registered office or in Warsaw.

An ordinary (annual) General Meeting is held within 6 months from the end of each financial year.

The following have the power to convene an Extraordinary General Meeting:

- the Management Board,
- the Supervisory Board if it deems it necessary,
- Shareholders representing at least a half of the share capital or at least a half of the total vote at Crédit Agricole Bank Polska S.A.

Among others, the General Meeting can pass resolutions to:

- approve the Bank's financial statements for the past financial year,
- grant discharge to members of governing bodies of Crédit Agricole Bank Polska S.A. for their duties,
- amend the statutes,
- increase or decrease the share capital.

[GRI 102-18]

STRATEGY AND FINANCIAL RESULTS

In its operations, the Bank is guided by values that take into account the requirements of customers, the environment as well as of the banking market. The Bank follows its adopted Vision and Mission.

VISION AND MISSION OF CREDIT AGRICOLE BANK POLSKA S.A.

Vision:

We want to be the most people-oriented bank in Poland, providing best Client-centric solutions, stimulating growth of our Employees and generating value with our Partners.

Mission:

We are expert in finance and insurance and we care about more than just money. We want our Customers, Employees and Partners to feel at home. Because we care.

[GRI 102-16]

VALUES OF CREDIT AGRICOLE BANK POLSKA S.A.

Reliability

- we have a strong and stable shareholder,
- we draw on the extensive universal banking experience of the Crédit Agricole Group gained on international markets,
- we have a strong financial base,
- we have the support of our shareholder and of the entire Crédit Agricole Group in the pursuit of our strategy,
- we maintain an open communication system within the organisation,
- we make sure that our external and internal customers receive all the information they need from us.

Accessibility

- we have more than 440 offices across Poland,
- we offer our customers online and telephone access to our products and services,
- we offer products to various customer groups including retail customers, SMEs and corporations,
- we are able to deliver a comprehensive range of products and services thanks to our collaboration with other Crédit Agricole Group companies in Poland,
- because we work together we can accomplish our common goal,
- we help one another.

Professionalism

- we offer suitably priced products tailored to our customers' requirements,
- because we know our customers we can serve them better,
- at our bank an advisor is an advisor, not only a salesman,
- we work to provide top quality,
- we take full responsibility for what we do.

Friendliness

- we care about the satisfaction of our external and internal customers,
- we reward long-term relations with customers,
- we treat one another with respect and kindness,
- we are happy to share our experience and knowledge with co-workers,
- we get involved in initiatives for our environment through e.g. social campaigns, as well as through building a positive image of our teams.

The Bank's Vision, Mission and Values are reflected in its adopted CARE philosophy.

CARE – we care.

CARE philosophy: I'm CARE – I care about the Customer and the Bank's profit

- I initiate
- I cooperate
- I deliver

The Bank's unique approach to customers is characterized by:

- Manner of operation: Outside the box – We surprise with good initiatives. We are flexible. We strive to find the best solutions. We like to say YES.
- Supporting values: Care and Commitment – We care about relations, we support our customers and their family members on an ongoing basis. We want our customers to feel at home.
- Core values:
 - Speed – We create fast and simple procedures. The entire service is provided during a single contact. We use new technology. We are available through multiple channels.
 - Transparency – We keep our promises. We do not use small print. The language we use is simple and easy to understand. We act openly.
 - Security – We are a Bank with more than 100 years of experience. We have stable and safe systems in place. We respect our customers' choices.

[GRI 102-16]

MAIN STRATEGY COMPONENTS

2017 was another important year in the Bank's development despite significant amendments to banking and insurance legislation and despite more duties imposed on the banking sector. Our strategic successes include financial and operational developments such as for example increase in the number of customers with an active bank account, growth of business in the AGRI, SME and corporations sectors.

In 2017, following an analysis of its market, legal and tax environment, the Bank made a decision to keep in force the Bank's strategy adopted in December 2016. Under the above Strategy, the main goal is to transform

the organisation into a universal bank and to make it one of the top operators of this type in Poland. The accomplishment of the goal will be possible thanks to continuing the adopted development method involving organic growth supported by initiatives aimed at:

- further increasing of the customer base actively using the Bank's products,
- gaining a meaningful share of the market of corporate banking and of the AGRI segment,
- keeping the high position in Consumer Finance,
- developing the insurance offer to meet the needs of universal banking customers,
- further improving the Bank's financial performance,
- leveraging the synergy potential in relations with other Crédit Agricole Group companies in Poland.

Financial results

In 2018 the Bank will continue its efforts aimed to reduce the burdens imposed on the sector. In the coming years the Bank expects a systematic improvement of its net profit. Increased income will be owed to the implementation of the Strategy as regards the development of universal banking while keeping the strong position on the Consumer Finance market.

Not without significance for future financial results is a clear and restrictive cost policy which assumes a slight increase in current costs accompanied by a suitable support for strategic projects in business areas and in IT. The above will enable further reduction of the cost-to-income ratio.

Development and adaptation of the banking network / remote access

Among the elements of the Bank's Strategy are consistent efforts to increase the availability of the Bank's services for our customers. To ensure top quality services, the Bank will continue the optimization of services provided in its branch network and through the e-banking platform (online) as well as through the development of mobile banking (mobile app).

Increased customer activity

The basic measure of growth in universal banking is the number of customers actively using their bank accounts. The above is the fundamental, long-term relation with the customer, facilitating the satisfaction of the consumer's financial needs through offering new services and products. To be effective, coherent and to achieve the growth of active customers portfolio, the Bank has defined its business strategy - it wants to be a universal, customer-centred bank offering both banking and insurance products. Our goal is to make the above relation individualized, regardless of the customer's preferences regarding using the Bank's services. The Bank's main target group includes customers from the Premium and Young segment, who actively use and will continue to use their bank accounts. Among others, the above growth may be achieved with the support of marketing processes designed to boost the activity of the existing customers and of campaigns targeted at prospective customers whose aim is to start a relation with the Bank and to make it a long-term one. In 2017 the Bank introduced a number of changes to its approach to its existing and new customers in order to increase acquisition and loyalty rates through improved customer service. The effects of the above efforts are confirmed in a high CRI (customer recommendation index) and in the recognition of the Crédit Agricole brand. In 2018 the Bank plans to develop e-banking, the mobile app (launched in 2016 and highly evaluated by customers) as well as additional services in retail banking.

Development of banking offer for companies, farmers and corporations

The services dedicated for farmers (originally launched in 2012) were developed in 2017. Because of the potential offered by the above market segment, the relevant scale of operations should be significantly increased, thus enabling the Bank to generate additional profits. The coming years will witness a systematic development of the product offer for SMEs, with special focus on non-credit products. The Bank expects a dynamic growth in this business segment.

In 2017 the offer for medium-sized and large companies was additionally strengthened and new functionalities were added. Currently, customers are served in Corporate Centres all over Poland, located in Warsaw, Cracow, Gdańsk and Wrocław (with a branch in Poznań). Additional access channels to the existing products were made available and entirely new services were launched, meeting the specific requirements of corporate customers. The coming years will bring a stable increase in revenues from the above segment. Extending the Bank's offer to include corporate banking services fits perfectly into the strategy of building a fully universal bank, offering not only a broad spectrum of products, but also serving all types of customers, including institutional ones.

Consumer Finance

The Bank is among the top players on the Consumer Finance market in Poland. In the near future it plans to keep the above position. The Consumer Finance segment continues to be among the markets with the highest potential in Poland. For many years the Bank has been working with a wide network of partners and, leveraging its experience and brand recognition, it will continue to acquire new customers in the above segment. In 2017 the Bank actively searched for new distribution channels, primarily remote ones, such as the Internet, and these channels will still be developed in 2018-2022.

[GRI 102-15]

IMPACT AND RISKS

The Bank has identified the key areas of its impact on sustainable economic, social and environmental development. Areas of impact have been defined for key stakeholder groups as well as challenges and opportunities and advantages of implementation of the planned initiatives.

Customers

Impact on: ensuring the security of the customers' funds, individualized long-term relationships, needs analysis, responsible selling;

Challenges: ensuring high quality service and individualized approach to a growing number of customers, ensuring proper operation of processes at the Bank and introduction of improvements in response to customers' needs;

Opportunities: gaining of competitive advantage of an attentive Bank that listens to its customers and offers them the products they need;

Action taken: change in selling standards, process improvements, improvements in access to services in branches and through remote channels

Employees

Impact on: employee commitment, employment stability and fair pay, work-life balance;

Challenges: increasing the level of commitment and employee identification with the company and its strategic goals;

Opportunities: increased work effectiveness and improved business results, reputation of a good employer;

Action taken: implementation of programmes promoting work-life balance, improved communication with employees.

Society

Impact on: quality of life of people from socially deprived groups;

Challenges for 2018: to increase activity and to expand the scale of impact;

Opportunities: impact on solving social problems (e.g. combating discrimination and inequality, low level of financial knowledge among the public);

Action taken: implementation of anti-discrimination projects as well as educational projects.

Environment

Impact on: sustainable use of electric energy and office supplies, responsible waste management;

Challenges for 2018-2019: implementation of an environmental policy and of a comprehensive tool for reporting and monitoring environmental information;

Opportunities: optimization of the Bank's processes and the associated savings of e.g. energy, fuels, water; lower fees for environmental pollution;

Action taken: implementation of projects improving air quality, monitoring the consumption of resources and launch of reduction measures, environmental education of customers and employees

[GRI 102-15]

RISK MANAGEMENT

The Bank has been making every effort to identify and counteract the impact of risks associated with its core activity. An analysis of operational risk is conducted on an ongoing basis, including social and environmental factors.

The Bank uses a process approach to managing operational risk. Individual levels of managing the above risk have been identified as well as duties and responsibilities starting from entry-level employees to the Supervisory Board. The Bank's Management Board designs and introduces a risk management system that is controlled by the Supervisory Board. The Bank's employees are systematically trained in anti-fraud and in ways to ensure security of the customers' funds and data. The Bank has adopted certain exposure limits for retail and institutional customers from various segments, with stricter exposure limits for high-risk segments.

The Bank has a Compliance Department, a Compliance Officer and the Internal Audit Department. Detailed information about their work is included in the Bank's procedures. The Compliance Department sees that the institution's activity complies with the law applicable to financial institutions, including banks, and with regulations and instructions issued by supervision authorities, as well as with the adopted best practices and norms and internal regulations in force at the company and across the Crédit Agricole Group. Compliance Officer manages the Compliance Department, works to ensure compliance of Crédit Agricole companies in Poland, and manages compliance risk on behalf of the management boards of these companies. The Compliance Officer is independent in the performance of his duties.

The scope of activity of the Internal Audit Department includes in particular the analysis and assessment of:

- compliance of the Bank's operations with the law, regulatory legislation, generally adopted norms of conduct and with the adopted policy and procedures,
- safety of the Bank's and customers' assets,
- reliability and integrity of accounting records, financial information, operational and management information as well as of reporting generated for internal and external purposes with special focus on supervisory institutions,
- information systems environment,
- effectiveness, efficiency and security of operations.

[GRI 102-15]

RESPONSIBLE BUSINESS

In 2016 a resolution of the Bank's Management Board introduced the *Strategy of Corporate Social Responsibility of Credit Agricole Bank Polska S.A.*

The Bank's CSR Strategy is inseparably connected with its business strategy. The Bank pursues its business goals in a responsible, transparent and ethical manner, taking into account the needs of all stakeholder groups. The Bank believes that in the longer term, achievement of the goals and development and growth of the Bank's value are possible only when they serve the interests of the environment. The above approach enables building long-term relations with stakeholders.

COMPLIANCE WITH SOCIAL AND ECONOMIC REGULATIONS

No penalties have been imposed on the Bank for non-compliance with the law or with regulations concerning the provision and use of products and services.

In February 2017 the President of the Office of Competition and Consumer Protection (UOKiK) Łódź office instituted proceedings against the Bank in connection with using by the Bank of practices violating collective interests of consumers laid down in Article 24(1) and Article 24(2)(3) of the act on the protection of competition and consumers. The proceedings concerned the method of settlement of transactions made using a debit card. The Bank was required to introduce improvements by a deadline indicated by UOKiK. No fine was imposed on the Bank. The decision has been final since 5 January 2018. The Bank has prepared a schedule for the implementation of the duties imposed in the decision.

On 10 May 2017 the President of UOKiK issued a decision regarding some of the allegations included in the proceedings started by the President of the Office of Competition and Consumer Protection (UOKiK) Bydgoszcz office on 5 November 2015 regarding the use by the Bank of practices violating collective interests of consumers within the meaning of Article 24(1) of the act on the protection of competition and consumers. No fine was imposed on the Bank. The decision became final on 17 June 2017. On the dates given in the decision the Bank has been performing the duties imposed on it.

[GRI 417-2, GRI 417-3, 419-1]

ETHICS

The Bank pays special attention to compliance with and to applying ethical standards in its internal and external relations. On 5 July 2017, the First Vice-President of the Management Board issued a communication to all employees of the Bank regarding ethical standards included in the new *Ethics Card* of the Crédit Agricole Group. On 12 June 2017 the new *Code of Ethics of Credit Agricole Bank Polska S.A.* was introduced (*Code of Ethics*), which reflects the values of the Crédit Agricole Group. *The Code of Ethics* is applicable to all employees of the Bank, including members of governing bodies and persons working at the Bank on the basis of civil law agreements. Both the *Code of Ethics* and the *Ethics Card* are available on the Bank's website and they are freely accessible on the Bank's intranet. The *Code of Ethics* currently in force was adopted by the Management Board and approved by the Supervisory Board and constitutes the main part of the system of norms and ethical conduct of the Bank, which is the foundation for building an effective corporate governance.

Apart from the *Code of Ethics*, the Bank's system of norms and rules of ethical conduct includes:

- Ethics Card of the Crédit Agricole Group,
- FIDES Corpus – a Compliance Programme shared by all Crédit Agricole companies across the globe,
- Rules for processing personal data at the Crédit Agricole Group,
- Code of Banking Ethics (Principles of Good Banking Practice) developed by ZBP (The Polish Bank Association),
- Principles of Corporate Governance for supervised institutions, adopted by the Polish Financial Supervision Authority,
- Code of Ethical Standards for Business Partners.

100 per cent of employees have read the *Code of Ethics* during their induction training and have signed the relevant statement which is stored together with other employee documents at the Personnel Management Department at the HR Division. Additionally, each time an amendment is introduced to the *Code of Ethics* and is communicated to all employees of the Bank, every manager has a duty to confirm in writing that all of his or her subordinates have acquainted themselves with the new wording of the Code. The Bank's Management Board performs cyclical verifications and evaluations of compliance with the Code of Ethics in order to adjust its provisions to the changing internal situation of the Bank and its environment. From the operations point of view, keeping the Code up-to-date is the responsibility of the Compliance Department.

CODE OF ETHICS OF CREDIT AGRICOLE

The Code of Ethics of Credit Agricole Bank Polska S.A. was motivated by the Bank's commitment to the provision of high quality services to its customers. The Code deals with principles of preventing a conflict of interests, accepting and offering gifts, private transactions of the Bank's employees, relations between employees and relations with competitors, as well as regulates relations with public institutions, customers, business partners and with suppliers. It includes the so-called soft regulations – rules of broadly-understood ethical business conduct. The Code is updated on an ongoing basis.

[GRI 102-16, GRI 102-17]

ANTI-CORRUPTION EFFORTS

The anti-corruption system in place at the Bank is governed by the Anti-Corruption Policy based on anti-corruption legislation. The goal of the Policy is to prevent internal fraud, money laundering and financing of terrorists.

The Policy corruption. The document includes the basic rules of anti-corruption conduct adjusted to the Bank's business. The policy identifies areas that are especially prone to corruption and indicates proper behaviour in the event of suspicion of corrupt activity. The document envisages disciplinary measures for non-compliance with the Policy.

Any questions regarding the application of the Policy or doubts about interpretation should be addressed to the Compliance Department.

Additionally, the Bank follows the principles and standards developed by the Crédit Agricole Group, which also include guidelines and address anti-corruption issues, to the extent they are not contrary to the Polish law.

In 2017 the Bank did not identify any corruption incidents that would result in such consequences as termination of the contract of employment or disciplinary dismissal, termination of agreement with a business partner or non-renewal of an agreement in connection with a corruption incident.

[GRI 205-3]

AWARDS

In 2017 the employees of Credit Agricole Bank Polska S.A. received the following awards for their activity in the banking sector:

- Nicolas Copernicus Medal – award granted by ZBP to Romuald Szeliga,
- Certificate of Senior Manager of Process and Quality Management – issued by ZBP to Ewa Traczykowska, Mariusz Matłosz, Małgorzata Kupis and Radosław Repczyński

MILLWARD BROWN

Bank Credit Agricole was ranked No. 1 in a Millward Brown survey based on customer recommendations. The research agency asked Polish consumers which bank they would recommend to their friends or family.

NATIONAL CLEARING HOUSE

More than 60 per cent of applications submitted via the Ognivo system to the National Clearing House by customers wishing to change a bank, have included Credit Agricole as the preferred bank.

HOOPOE CERTIFICATE

Credit Agricole Bank Polska received its second bronze Hoopoe Certificate for its participation in the EcoActive (Ekoaktywni.com) CSR programme. The awards were presented during the Hoopoe Gala (Gala Dudki) 2017. The purpose of the event was to reward entities which are most involved in the program and whose activities contribute to the improvement of the natural environment and local communities.

CREATURE (KREATURA)

The TV spot of Credit Agricole run as part of the "Chaise Longue" campaign was awarded during Kreatura, a prestigious competition of Polish advertising creation. The spot advertising transferring bank account to Credit Agricole was created and produced by *Just* agency. The "Chaise Lounge" promoted new, free personal accounts featuring a debit card and free access to ATMs across the world. It was Credit Agricole's first spot starring actress Karolina Gruszka. The Kreatura competition of Polish independent advertising creation has been organized under the aegis of the "Media & Marketing Polska" monthly since 1996.

Chapter 3 CUSTOMERS OF THE CREDIT AGRICOLE BANK

The Credit Agricole Bank has a customer base of 1.99m. Guided by its values, the Bank makes efforts to ensure that every day, both its retail customers and representatives of individual sectors receive fully professional service and have their funds safe. The Bank's activity is focused on performing its obligations towards every entity, regardless of its size, which decided to become its customer.

CUSTOMER GROUPS OF CREDIT AGRICOLE BANK

Retail customers

SMEs

Corporations

AGRI sector

Always listening to all its customers, the Bank proposes optimum solutions for them.

RETAIL CUSTOMERS

At the end of 2017 there were more than 609,000 active personal accounts.

In 2017 the Bank was offering a number of products for retail customers. Among them were 4 personal account packages: 1st Account – dedicated for customers aged 18-27 and SIMPLYSaving (PROSTOoszczędzające), SIMPLYSaving PLUS (PROSTOoszczędzające PLUS) and SIMPLYSaving PREMIUM (PROSTOoszczędzające PREMIUM) accounts. The offer also included a broad range of savings products, from I Save (Oszczędzam) Account, through short- and long-term deposits, to Regular Saving Schemes.

The credit offer included cash loans, consolidation loans, mortgage loans, an overdraft facility and an instalment loan.

In 2017 the Bank continued offering its investment products – investment funds: Amundi FIO and Credit Agricole FIO. 2017 also witnessed subscriptions to investment type insurance – Invest Medica II, Invest Medica III and TOP Invest Demography unit-linked insurance products.

The Bank's broad insurance offer was extended in 2017 to include the Accident Package (Pakiet na Wypadki) offering accident coverage for children. It is offered by Credit Agricole Towarzystwo Ubezpieczeń S.A. in collaboration with Credit Agricole Bank Polska S.A.

SMEs

The Bank serves customers from the SME sector. At the end of 2017 the Bank recorded more than 52,600 active business accounts. Entrepreneurs can choose business accounts under the Soloist Business (Solista Biznes), Sonata Business (Sonata Biznes) and Symphony Business (Symfonia Biznes) plans, as well as POS terminals, loans, overdraft facility, leasing and savings products.

AGRI SECTOR

The Bank also serves the AGRI sector for which it offers the AGRICOLE account, investment loans (for the purchase of equipment, agricultural property or farm land), as well as it provides current needs financing through the AGRI loan or AGRI overdraft facility. The Bank also has a comprehensive savings and insurance offer for its AGRI customers. Insurance products are offered in collaboration with Concordia Ubezpieczenia (insurance company). The Bank provides financing for purchases made by AGRI customers from their partners.

CORPORATE CLIENTS

The Bank's offer is complemented by a broad range of services for corporate clients, including bank accounts, cards, cash services, loans and trade financing.

[GRI 102-2, GRI 102-7]

CUSTOMER PRIVACY

The Bank handles complaints in a responsible manner and with high degree of understanding. To ensure continuous satisfaction of the its customers, the Bank has a dedicated Customer Service Quality Improvement Department.

In 2017 a total of 1,237 complaints were recorded, which directly or indirectly concerned the privacy of customers and their personal data, of which 375 were admitted by the Bank. Two complaints, both unfounded, were made by external institutions – Consumer Ombudsman and the General Inspector for the Protection of Personal Data.

Reports of fraud/loan swindling had the highest share in the total number of admitted complaints (39%), followed by complaints concerning sending notices to a wrong address (35%). There were also notifications from third parties informing about text messages sent to them in error by the Bank (17%). The number of admitted complaints in which customers reported using their personal details in violation of the consents given was 28 (7.5%). There were also 6 substantiated fraud complaints (1.5%).

The Bank takes care to make complaint processing fully professional, especially as far as complaints relating to the protection of personal details of the customers are concerned – positive decisions were issued also with respect to a half of unsubstantiated complaints. The above complaints concerned customer privacy and customer personal data. The Customer Service Quality Improvement Department (DRJOK) and other units dealing with complaints processing verify every incident complained about and, whenever justified, escalate the information to the units responsible for the process in question (e.g. to the Credit Fraud Prevention Office), Risk Management and Permanent Control Division (RMPC), Sales Support, Customer Relations Management (CRM) Team. Where an error is identified, DRJOK will participate in working out a solution. However, the final decision regarding the choice of solution or accepting the risk is taken by the owner of the business area concerned. Additionally, DRJOK takes action when incorrect address details are suspected – attempts are made to contact the customer and update the data.

BEST PRACTICE OF CREDIT AGRICOLE BANK

WE SPEAK IN PLAIN LANGUAGE

"We speak in plain language" is an initiative of the Bank's employees aimed to simplify agreement forms. The Bank has standardized its documents. The amendments were prepared based on a previously conducted surveys in which customers had an opportunity to indicate fragments of the existing agreements they had most problems understanding and to choose a format they regard as the most friendly. The main goal was to make the content clear and straightforward. Since June 2017 consumers have been issued their agreements for bank accounts, credit cards, cash loans and instalment loans in the new, reader-friendly format. To improve readability, tables were introduced containing the most important information. Everything the customer usually looks for in the agreement can be found on the first and second page. Subheadings, colours and shades of grey were added. Because all the information in the agreement is important, the text is written in one font;

there is no hidden information written in small print or under an asterisk. A nice touch is added by words of thanks on the last pages of the agreements. Additionally, the Bank has amended the regulations attached to the agreements.

[GRI 102-16, GRI 102-17, 418-1]

Chapter 4 EMPLOYEES

One of the Bank's key intentions is to create a team that would work in concert to implement its business goals. Employees are the key element in the operations of Credit Agricole. Therefore, care for mutual relations, for the work-life balance, and for the security of the Bank's employees is a priority in relations with them.

The Bank strives to provide a friendly work environment and a space for creativity. It offers comprehensive assistance in professional improvement as well as salaries matching market standards. No collective agreements are in place at the Bank.

[GRI 102-41]

EMPLOYMENT

At the end of 2017 the total number of people employed at the Bank based on a contract of employment was 5,018, including 74 per cent of women (3,707) and 26 per cent of men (1,311). A majority (76 per cent) (3,830) of all those employed were persons on indefinite contracts. Full-time employees constitute 95 per cent (4,766) of the workforce.

Employees are divided into Head Office staff (including Contact Center) and Sales Network staff working in individual regions.

The number of Head Office employees (including Contact Center) is 2,355: 1461 women (62 per cent of Head Office+CC staff) and 894 men (38 per cent of Head Office+CC staff).

Number of Sales Network employees (regions): 2663.

Employees (number of persons) of Credit Agricole Bank Polska S.A. – as at 31 December 2017

	2017		
	women	men	total
probationary period	102	51	153
definite term	606	237	843
indefinite term	2843	987	3830
as replacement	156	36	192
to perform a specified work			
TOTAL OF EMPLOYEES ON EMPLOYMENT CONTRACTS	3707	1311	5018
on management contracts			
self-employed working as employees			
employees working under supervision of the group (e.g. employed by an employment agency)			
TOTAL			
full time	3542	1224	4766

part time	165	87	252
TOTAL	3707	1311	5018

In regions (excluding Head Office and Contact Center):

2017			
Region*	Women	Men	Total
BIAŁYSTOK REGION	90	12	102
CREDIT AGENT REGION	11	6	17
BYDGOSZCZ REGION	108	21	129
CZĘSTOCHOWA REGION	113	12	125
GDAŃSK REGION	120	19	139
GDYNIA REGION	100	11	111
JELEŃ GÓRA REGION	113	14	127
KATOWICE REGION	149	11	160
KONIN REGION	87	17	104
CRACOW REGION	127	32	159
LUBLIN REGION	90	14	104
ŁÓDŹ REGION	126	26	152
OPOLE REGION	119	22	141
POZNAŃ REGION	95	27	122
RZESZÓW REGION	101	28	129
SZCZECIN REGION	124	15	139
WARSZAWA SOUTH REGION	99	26	125
WARSZAWA NORTH REGION	129	38	167
WARSZAWA WEST REGION	107	21	128
WROCLAW REGION	116	26	142
ZIELONA GÓRA REGION	96	12	108
REMOTE REGION	26	7	33
Total	2246	417	2663

The Bank's Sales Network includes 2,663 persons. Women constitute 84 per cent of employees, while men 16 per cent. The largest five regions are: Warszawa North (167 people; 77 per cent of women), Katowice Region (160 people; 93 per cent women), Cracow Region (159 people; 80 per cent women), Łódź Region (152 people; 83 per cent women) and Wrocław Region (142 people; 82 per cent women).

*Region – employees of the network working in regions of the Regional Sales Network and Regional Network of Sales and Partner Relations as per the Bank's Organisational Bylaws.

*Breakdown into individual branches, partner branches and credit agents can be found in a separate Excel spreadsheet.

[GRI 102-8]

EMPLOYEE TURNOVER

	2017					
	women			men		
AGE	≤ 29	30-50	51 ≤	≤ 29	30-50	51 ≤
Number of leaving employees	404	430	16	144	167	4
Percentage of leaving employees	27%	15%	17%	27%	15%	9%
Number of new hires	477	299	4	197	86	4
Percentage of new hires	32%	10%	4%	37%	8%	9%

Percentage of leaving employees: percentage of employees leaving in 2017 to all employees working in 2017 in a given age group. Similarly, percentage of new hires is the percentage of people hired in 2017 to all employees working in 2017 in a given age group.

[GRI 401-1]

DIVERSITY

AGE DIVERSITY

	2017					
	women			men		
AGE	≤ 29	30-50	51 ≤	≤ 29	30-50	51 ≤
Management Board			100%		50%	50%
Supervisory Board	0%	50%	50%	0%	30%	70%
Employees	21%	77%	2%	20%	74%	5%

	2017					
	women			men		
AGE	≤ 29	30-50	51 ≤	≤ 29	30-50	51 ≤
Management Board			100%		50%	50%
Supervisory Board	0%	50%	50%	0%	30%	70%
Employees	21%	77%	2%	20%	74%	5%
Top management	0%	1%	8%	0%	4%	10%
Managers/Leaders	3%	16%	18%	2%	18%	18%
Other	97%	83%	74%	98%	78%	72%

In 2017 the Supervisory Board was composed of 9 persons, including 2 women. The age of Supervisory Board members is evenly distributed between two groups: 30-50 and above 50 years.

The Bank's Management Board was composed of 7 persons, including 1 woman. More than a half of Management Board members are above 50 years of age.

The prevailing age group (70 per cent) among the Bank's employees are people aged 30-50. The average age is 36.

Regardless of gender, specialists constitute the largest number in each age group. Managers and leaders represent the largest group in the 30- 50 age group and in the above 50 age group, while the majority of top management members are above 51 years of age. The Bank does not have a separate diversity policy. Adoption of the relevant document is planned for 2018.

[GRI 405-1]

REMUNERATION

Remuneration and internal promotion policy is open, similarly as all pay grade details. The relevant information is included in the Employee Remuneration and Bonus Regulations.

The Bank evaluates jobs using the Hay Group methodology. Like in the previous years, also in 2017 the Bank took part in the annual remuneration survey of the financial sector. Based on survey results, remuneration policy was amended by adjusting the salary brackets to the market median for some job families. Additionally, the Bank introduced a system of management by objectives for all higher level managers. The goal of the system is to tie individual goals of every higher level manager with the Bank's strategy and its financial performance.

An insignificantly small number of the Bank's employees receive minimum salary, of which a majority are persons on a long-term leave. The ratio of average pay of lowest level employees to minimum pay in Poland (PLN 2000 before taxes) is 1.29 for women and 1.31 for men.

The Bank uses a minimum pay which varies depending on pay grade, business area and location. Minimum pay is not gender-dependent.

The Bank conducts its operations in Poland. It does not have any foreign operations. For selected business areas and for lowest pay grades the Bank offers minimum pay equal to minimum pay in Poland, regardless of the employee's gender.

women	Base pay	Base pay with bonus
Employees	66%	69%
Top management	94%	91%
Managers/Leaders	71%	73%
Other	70%	75%

Average remuneration of women at the Bank is 66 per cent of the corresponding figure for men. The above ratio improves for women working higher in the organizational hierarchy, with salaries of women on specialist job positions constituting 70 per cent of the corresponding men's salaries, on managerial positions it is 71 per cent and in top management it is 94 per cent. The relationship between average pay with bonus for women and

men is more favourable for women in specialist and managerial positions, while for top management positions it is unfavourable, which means that the variable component of compensation in this group is higher for men.

[GRI 202-1, GRI 405-2]

DEVELOPMENT

The Bank attaches high importance to the development of its employees already from the first day on the job. It offers a number of training programmes for individual specialist groups within the company's hierarchy.

TRAINING - QUANTITATIVE DATA

In 2017 the Bank conducted stationary training sessions for its employees. The total number of hours of training was 126,463, with women's attendance at 68 per cent.

STATIONARY TRAINING	2017	
	women	men
Total number of employees - FTEs	3 019	1 234
Managerial and higher positions	398	231
Lower than managerial positions	2 621	1 003
NUMBER OF HOURS OF TRAINING BY EMPLOYMENT CATEGORY		
Employees in managerial and higher positions	12 255	8 757
Employees in lower than managerial positions	73 533	31 920
Total number of hours of training	85 788	40 677
AVERAGE NUMBER OF HOURS OF TRAINING BY EMPLOYMENT CATEGORY		
Employees in managerial and higher positions	30.79	37.91
Employees in lower than managerial positions	28.06	31.82
Total number of hours of training	28.42	32.96

The Bank has a broad database of e-learning sessions, dedicated both for managerial and higher positions and for lower positions. In 2017 a total of 36,585 hours of training was provided. Women took part in 61 per cent of sessions while men in 39 per cent.

E-LEARNING SESSIONS	2017	
	women	men
Total number of employees - FTEs	3 019	1 234
Managerial and higher positions	398	231
Lower than managerial positions	2 621	1 003
NUMBER OF HOURS OF TRAINING BY EMPLOYMENT CATEGORY		
Employees in managerial and higher positions	3 068	1 719
Employees in lower than managerial positions	22 237	9 561

Total number of hours of training	25 305	11 280
AVERAGE NUMBER OF HOURS OF TRAINING BY EMPLOYMENT CATEGORY		
Employees in managerial and higher positions	7,71	7,44
Employees in lower than managerial positions	8,48	9,53
Total number of hours of training	8,38	9,14

[GRI 404-1]

TRAINING – QUALITATIVE DATA

In 2017 the following cycles of in-house workshops were held aimed to improve skills and to support employment continuity:

Basic Management Training

Target group: Representatives of management staff starting their managerial career at the Bank.

Subject-matter goal: The programme develops managerial competencies.

Competency training

Target group: Employees of the Head Office taking part in the annual competency assessment.

Subject-matter goal: Cycle of training sessions designed to improve professional competencies.

Know-how training

Target group: Employees of the Head Office (managers & specialists).

Subject-matter goal: A cycle of competency training workshops designed to improve subject-matter skills, teamwork and communication.

“Strong Network” development project

Target group: Directors of bank branches (the Bank’s sales network).

Subject-matter goal: A cycle of competency training workshops designed to improve advanced managerial skills and increase business awareness.

“Share the Knowledge” educational initiative

Target group: Management staff and Head Office employees.

Subject-matter goal: A project involving grassroots self-improvement and transfer of know-how within the organisation.

Manager Development Academy

Target group: Representatives of sales network management staff and Customer Advisors.

Subject-matter goal: A programme for the development of managerial skills of sales network employees.

Advisor Development Academy

Target group: Customer Advisors qualified for the programme.

Subject-matter goal: A programme for the development of professional sales skills, enabling building a career path leading to Individual Advisor.

“Build Your Own Brand” training sessions

Target group: Advisors from the Bank's bank branches showing potential for the sale of mortgage loans.

Subject-matter goal: The training sessions provide knowledge on the acquisition channels for mortgage borrowers and develop communication and selling skills.

Business Academy – Advance

Target group: Business Client Advisors and Senior Business Client Advisors.

Subject-matter goal: A cycle of competency training workshops designed to improve communication and selling skills of the advisors, to improve the financial analysis skills and selling standards.

Business Academy– Expert

Target group: Senior Business Client Advisors showing development potential and standing out through their commitment confirmed by a sound sales record.

Subject-matter goal: Improvement of communication skills, development of key competencies for building an individual expert brand and ultimately for preparation for the role of mentor in the organisation.

“Masters Programme” motivation support programme for CC

Target group: Advisors and Leaders of all Contact Center units.

Subject-matter goal: The goal of the project is to support the motivation of Contact Center employees.

Training following competency assessment

Target group: Leaders of all CC units whose competency assessment was below expectations.

Subject-matter goal: The goal of the training is to improve the Leaders' competencies in the following areas: managerial effectiveness, operational effectiveness, leadership, openness to change, cooperation and business ethics.

[GRI 404-2]

EMPLOYEE COMPETENCY ASSESSMENT

In 2017 the Bank monitored the level of competencies of its employees. The Competency Assessment process was conducted in the first quarter of the year.

The assessment system was based on the model defining the competencies for specialist and managerial positions. In each case, the assessment looked at the performance of business goals, at professional skills and competencies. One of its integral parts was identification of development goals as well as possible directions of further professional development. The above information was used during internal recruitment and served as a basis for the development of the training plan for 2017. The Competencies Assessment Process was supported by the IT system in which the results and decisions made during the assessment interview are archived. The competency assessment process was conducted with respect to employees with at least three

months work history with their then-current supervisor. The assessment did not include persons on long-term leaves or those whose work history was shorter than 3 months.

In 2017 annual employee assessment covered 84 per cent of qualifying employees of the Head Office and 94 per cent of qualifying employees of the Regional Sales Network. Total turnout for the entire Bank reached 89 per cent.

In the Head Office women constituted 56 per cent of the subjects and men– 44 per cent. In the Regional Sales Network women accounted for 82 per cent of assessment subjects and men– 18 per cent. In total, 69 per cent of the subjects were women and 31 per cent men.

In terms of job categories in the Head Office: specialists represented 75 per cent of the subjects, managers – 22 per cent and project managers – 3 per cent. In the Regional Sales Network specialists accounted for 82 per cent of assessment subjects and managers – 18 per cent. In total, 79 per cent of the subjects were specialists, 20 per cent managers and 1 per cent project managers.

[GRI 404-3]

NON-DISCRIMINATION

In accordance with the Work Regulations in force at the Bank, no employee, regardless of how high in the hierarchy, can use mobbing or any direct or indirect discriminatory practices against another employee, in particular on grounds of gender, age, race, religion, nationality, ethnic origin, disability, political views, union membership or sexual orientation. The Bank has an *Anti-Mobbing Policy* in place and any employee feeling a victim of discriminatory practices or of mobbing may complain to any person in a managerial position. Additionally, every employee has a duty to immediately report any incidents and events he or she becomes aware of which may represent a case of mobbing. The relevant report may be given to the employee's direct supervisor or to a higher ranking manager, or - bypassing the official route – to any member of the Bank's Management Board. The report may also be made anonymously to a dedicated email inbox and persons handling such issues have a duty to protect the confidentiality of the matter in question and of the person of the complainant. In cases of anonymous reports, the reported events and circumstances should be presented in a manner enabling the employer to obtain the relevant evidence.

As part of Basic Management Training, higher level management staff and the entire management staff of the Sales Network were trained during "Fair Play in Management" training sessions in psychological and legal aspects of mobbing. In 2017 such training was attended by 34 Head Office managers. The training will be continued in the following years.

[GRI 406-1]

ETHICS AND INTEGRITY

Every employee of the Bank has a duty to report violations of the *Code of Ethics of Credit Agricole Bank Polska S.A.*, the internal regulation setting out the standards and principles of ethical conduct, to their supervisor or directly to the Compliance Officer. Any person making the report in good faith has a right to remain anonymous. The above possibility results directly from the *Code of Ethics of Credit Agricole Bank Polska S.A.*

2017 witnessed the introduction of the *Whistleblowing Procedure of Credit Agricole Bank Polska S.A.* It lays down the rules for anonymous reporting of violations of the law, the Bank's procedures and ethical standards as well as rules for the cooperation between individual units of the Bank used in the process of handling reports made by employees using the whistleblowing channel. Through its intranet, the Bank informs its employees about the available channels for anonymous reporting of violations.

Day-to-day proper functioning of the procedure of anonymous whistleblowing at the Bank is the responsibility of the President of the Management Board. A report may be sent to a dedicated email box without providing the details of the whistleblower. The above email box is accessible only to the President of the Management Board. The whistleblowing procedure also includes the process of reporting and processing of reports of violations committed by members of the Management Board. Such report may be sent to the Supervisory Board to another email box made available only for this purpose.

The Bank guarantees that the person reporting the violation will not suffer any negative consequences such as discrimination or other types of unfair treatment. The investigation procedure is conducted by a coordinator appointed by the President of the Bank or by a member of the Supervisory Board who, upon completion of the investigation, contacts the complainant and informs him or her that suitable steps have been taken to address the problem and asks whether such person has not fallen victim to any retaliatory action, either work-related or personal.

In 2017 one anonymous report was made using the whistleblowing channel and 49 inquiries were sent to the Compliance Officer, mainly relating to the provisions of the *Code of Ethics of Credit Agricole Bank Polska S.A.* and including questions regarding possibilities of taking up additional employment, suspected conflicts of interests (including offering employment to family members, private transactions, accepting/offering gifts and other benefits). The Compliance Officer or his authorized employees from the Compliance Department provided email answers to all of the inquiries made in accordance with the requirements of internal rules and ethical standards.

Every employee of the Bank can contact the employees of the Compliance Department and the Compliance Officer (this function is performed by the Director of the Compliance Department) by email as well as by phone on business days from 9 am to 5 pm (contact in Polish).

During induction training, the Bank informs its employees about the available channels for violations reporting. Additionally, the relevant information, included in the *Whistleblowing Procedure* and in the *Code of Ethics of Credit Agricole Bank Polska S.A.*, is available to all employees 24/7 on the intranet of the Compliance Department.

[GRI 102-17]

BENEFITS AND WORK CONDITIONS

EMPLOYEE BENEFITS FROM COMPANY SOCIAL BENEFITS FUND

The Bank runs a Company Social Benefits Fund. Employees may use Company Social Benefits in the following forms:

- 1) co-financing of summer camps for children or of other holiday trips (level of co-financing depends on the financial status of the employee) – in 2017 this benefit was used by 694 employees;
- 2) co-financing of gym membership cards (Multisport Programme) – in 2017 this form of co-financing was used by 1,469 employees;

- 3) co-financing of swimming pool season tickets for children – in 2017 this form of co-financing was used by 220 children of the Bank's employees;
- 4) financial assistance for employees in dire financial or health circumstances– in 2017 this form of assistance was used by 130 employees;
- 5) Christmas allowance for employees (amount of allowance depends on the financial status of the employee) – in 2017 this form of assistance was used by 1,633 employees.

The Multisport programme offers access to 25 various forms of activity (such as swimming pools, rope parks, audio books, city bicycles, diet, cinema or museum tickets). The employer works together with Benefit Systems on the organization of open days promoting a healthy lifestyle, balanced diet and fitness.

[GRI 401-2]

MEDICAL CARE AND GROUP INSURANCE

CABP provides all its employees with basic medical cover including:

- 1) 3,842 persons using the basic medical cover package: 6 medical specialties;
- 2) 92 employees – members of top management have comprehensive medical coverage financed by the employer;
- 3) the remaining employees may use comprehensive medical insurance on preference terms and in 2017 this opportunity was used by 2,199 employees and their families.
- 4) As part of the "Healthy Man/Healthy Woman" programme, employees can use various forms of preventive health screenings and services such as flu shots, mammography or special annual checkups. Around 60 per cent of employees use this form of health prevention. LUXMED, the provider of health services, makes available to employees a number of interesting articles on a healthy diet, work-life balance, etc. The texts are available on a dedicated portal.
- 5) All employees can be covered by group insurance. Such insurance is used by 2,589 employees.

[GRI 401-2]

PARENTAL LEAVES

In 2017, 844 persons were eligible for parental leave: 673 persons for maternity leave and 171 for paternity leave. The above type of leave was used by 85 per cent of eligible employees - 95 per cent women and 46 per cent of men.

	Women	Men	Total
Persons eligible in 2017 for maternity/paternity leave	673	171	844
Employees who used maternity/paternity leave in 2017	639	78	717
Employees who returned to work in 2017 after having used their maternity/paternity leave	549	77	627

Employees who returned to work in 2016 after having used their maternity/paternity leave and in 2017 their service with the company exceeded 12 months	421	61	482
Durable return to work (RTW) rate as a percentage of employees with a service period exceeding 12 months to all employees returning to work after maternity/paternity leave in the year preceding the analysis (2016)	75.72%	77.22%	75.91%

[GRI 401-3]

OHS

Occupational health and safety are crucial for proper operation of the Bank as a responsible employer. The Bank operates an Occupational Health and Safety Office. The Occupational Health and Safety Office is an organisationally separate unit of the Bank reporting directly to the employer's management body, i.e. to the President of the Management Board.

The main responsibility of the Occupational Health and Safety Office is to serve in a consultative and control capacity in OHS matters. The purpose of the Occupational Health and Safety Office is to serve the implementation of the Bank's basic duty as an employer, laid down in the Labour Code, i.e. to protect the health and lives of its employees by providing them with safe and healthy working conditions, in particular through ensuring workplace compliance with occupational health and safety regulations and standards.

In 2017 the Occupational Health and Safety Office recorded 18 injuries at the workplace and 28 injuries on the way to or from work.

	2017		
	women	men	total
Number of fatalities on the job	0	0	0
Number of light injuries on the job	14	4	18
Number of severe injuries on the job	0	0	0
Total of all injuries	14	4	18 (by workplace: 12 – Network 6 – Head Office)
Injury rate (in relation to all CA BP S.A. employees) (<i>Injury rate - IR</i>)*	3.78	3.05	3.59

Number of lost days as a result of workplace injury	398	73	471
Injury severity rate**	28.43	18.25	26.16

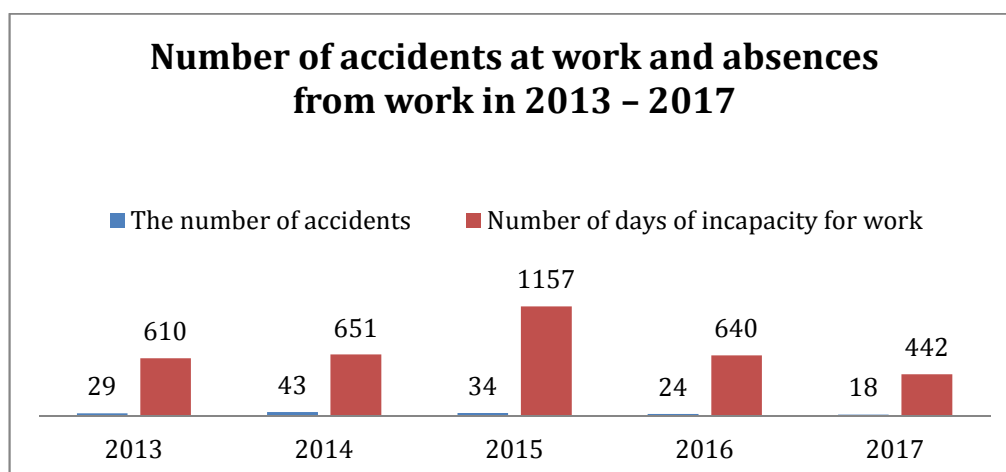
* - Injury rate – total number of workplace injuries reported in a year, divided by total employment, multiplied by 1000.

** - Injury severity rate – total number of lost days of those injured at work, divided by the number of workplace injuries

	Women	Men	Total
Number of injuries on the way to or from work	19	9	28

Number of persons trained in OHS in 2017

Initial training	1129
Recurrent OHS training (conducted every 5 years)	1077
First aid training	97



Activities of the OHS Office at the Bank in 2017:

- Training of 2,206 employees in occupational health and safety (initial and recurrent training);
- Occupational health and safety inspections at the Bank's branches;
- Updates of occupational risk assessments;
- Reimbursement of corrective glasses for work at computer screens totalling PLN 160,114.62;
- Organisation, in collaboration with the Regional Labour Inspector's Office in Wrocław, of two stationary training sessions for employees, regarding handling stress at the workplace and regarding ergonomics while working at a computer screen;
- Implementation, in collaboration with the E-learning Training Team, of "Starring Health", a programme for employees that promotes a healthy lifestyle. It is available for all employees at www.zdrowiewrologlownej.pl;
- Organization, in collaboration with the representatives of the Fitness Academy in Wrocław, of a demonstration session including exercises for employees working at computer screens.

In accordance with Article 237¹² of the Labour Code, the Bank's structure includes an OHS committee serving as an advisory and consultative body and representing 100 per cent of the employees. The duties of the OHS committee include inspections of working conditions, cyclical assessments of OHS conditions, issuing opinions regarding the measures taken by the employer to prevent occupational injuries and occupational diseases, drafting of conclusions regarding improvement of working conditions and cooperation with the employer on the performance of its OHS duties. Meetings of the OHS committee are held no less frequently than once per quarter. In 2017 the committee met 5 times.

[GRI 403-2]

WORK-LIFE BALANCE

In 2017 a "Work-life balance" programme was launched at the Bank aimed to help employees strike a healthy balance between their professional and private lives. The project aims to prevent the lack of balance between the employees' professional and private lives; it will be implemented in 2017-2019.

The activities planned for 2017 were broken down into 3 stages:

1. Survey checking the employees' knowledge of the risks connected with the lack of proper work-life balance;
2. Electronic brochure including information on the development, needs, and raising of children and on ways to foster good family relations;
3. Workshop for parents on child-rearing skills, communication and child development. The employees also gained access to the "Positive Parent Zone" web platform on which they can solve a test, read a brochure on work-life balance, read advice on ways to spend quality time with a child.

In 2018-2019, activities targeted at parents will be continued and two new modules will be introduced: workshop on how to prevent work burnout as well as programme to support and develop employees' hobbies.

A launch of an in-house work-life balance platform is planned which will be dedicated for employees who raise children, who fulfil themselves in their hobbies outside work and who wish to prevent burnout. Containing practical advice, exercises, guidelines and inspiration, the site will serve to supplement workshops and meetings.

Chapter 5 SOCIAL ENGAGEMENT

The Bank has been pursuing its CSR policy in reliance on the *Strategy of Corporate Social Responsibility of Credit Agricole Bank Polska S.A.* Corporate Social Responsibility (CSR) is understood by the Bank in accordance with the ISO 26000 standard as taking transparent and ethical decisions and actions which contribute to sustainable development, health and welfare of society.

The Bank does not have a separate social policy but it conducts many initiatives in the area, relying on other guidelines and regulations. The Bank's CSR activities are based on its values as well as on the following documents: *Code of Ethics of Credit Agricole Bank Polska S.A.*, *Ethics Card of Crédit Agricole*, *Code of Banking Ethics (Principles of Good Banking Practice) of the Polish Bank Association and Financial Market Best Practice of the Polish Financial Supervision Authority*. Additionally, CRS duties are carried out through *FReD*, the internal programme of the Crédit Agricole Group engaging all its units to work for the environment.

The Bank sees CSR as an integral part of all areas of its business and as a future- and customer-oriented process enabling it to stand out among competitors.

For many years the Bank has been involved in third-party initiatives implementing the ideas of corporate social responsibility. Among such initiatives are sponsoring and charitable campaigns as well as pro-environment operations; pro-social attitudes are also encouraged among employees.

In 2018 the Bank plans to carry out initiatives meeting the criteria of UN Sustainable Development Goals.

CSR STRATEGY

The Bank's CSR Strategy includes three strategic goals:

- Support for local communities in the implementation of sustainable development challenges;
- Improvement of relations with employees and customers;
- Risk management, including non-financial risk.

FReD PROGRAMME

The Bank implements its CSR strategy using the FReD programme. It is a programme serving to stimulate CSR activities of the Bank in all its business areas and across decision-making levels. The programme also enables to monitor activities, to measure the Bank's progress in CSR and to compare it with other Crédit Agricole Group companies.

The FReD programme is based on three main pillars:

- FIDES - includes compliance projects aimed to improve and ensure transparency of the Bank's activities with customers. Their purpose is to increase trust;
- RESPECT – relates to HR projects concerning obligations towards employees. Their purpose is to benefit society;
- DEMETER - includes activities benefitting the natural environment and the planet. Their purpose is environmental protection.

Each year, every Crédit Agricole Group entity has a duty to carry out 12 initiatives as part of the FReD programme, incorporating all of its three pillars. Once a year an external audit is conducted to check the

progress on individual projects. A portion of management staff compensation is linked to the results of the FReD programme.

In 2017 the Bank conducted the following initiatives as part of FReD:

2017 PORTFOLIO		
		Project description
FIDES	Launch of Large Family Card*	Project introducing support for large families
	Increased accessibility of the Bank for customers with disabilities**	Adaptation of branches and the website to the needs of disabled persons, employee training
	Crowdsourcing platform for customers	Work on the platform enabling communication with customers
	Euro-FATCA CRS***	Implementation of EU Euro-FATCA directive
RESPECT	Training for persons at risk of unemployment**	Training in soft skills, CV writing, job interviews
	Work-life balance*	Series of workshops, online tutorials supporting the maintaining of work-life balance
	GOAL (CEL) - training programme for management staff **	Training programmes for managers
	Health promotion training sessions**	Programme implemented in collaboration with the National Labour Inspectorate. Training sessions, web platform.
	Improvement of employee satisfaction - survey**	Employee satisfaction survey, preparation of training topics
DEMETER	CSR Statement**	Adjustment of the Bank's policies and procedures to the CSR Card
	Replacement of lighting with energy-saving bulbs*	Replacement of traditional light bulbs with energy-saving bulbs
	Electronic signature on consumer agreements**	Introduction of electronic signature as a measure for transaction streamlining and paper savings

*Long-term projects – projects lasting several years

**Medium-term projects – projects lasting approx. 1.5 years

***Short-term projects – projects lasting below 1 year

Out of the above mentioned projects, the following were completed in 2017: Improved accessibility of the Bank for disabled persons, Training sessions for persons at risk of unemployment, Health promotion programme, Improvement of employee satisfaction, CSR Statement, Replacement of lighting with energy-saving bulbs.

CSR ACTIVITY OF THE BANK

PROMOTION OF FRENCH CULTURE IN POLAND:

As a part of the French Crédit Agricole Group, the Bank takes part in promoting French culture in Poland.

- Among others, it supports the Francophonie Day organised in Wrocław by Alliance Française;

- The Bank supported the celebrations of the Bastille Day, the French national holiday of 14 July (organised by the French honorary consul to Wrocław);
- The Bank was also among the partners in the debate about investing in Lower Silesia organised by the French-Polish Chamber of Commerce.

"CLASSY BANK. ALL YOU NEED TO KNOW ABOUT BANKING" - ORIGINAL SOCIAL EDUCATION CAMPAIGN TARGETED AT EARLY-SCHOOL CHILDREN:

Following the recommendations of the National Bank of Poland and of Polish Financial Supervision Authority, the Bank has been involved in financial education activities. In 2017 it continued the educational campaign titled "Classy Bank. All You Need to Know About Banking". The project is based on the belief that teaching children to respect money, to manage it wisely, to instil in them the skill and desire to save will facilitate their transition to adulthood. So far, the campaign has attracted nearly 120 employees who volunteered to conduct classes with more than 4,300 elementary school children in over 100 schools across Poland.

COOPERATION WITH POLISH UNIVERSITIES:

- The "Fresh Blood. On Your Way to Your First Job" programme - designed to encourage students to consciously plan their careers;
"Discover Your Capital" – using this slogan the Bank implemented the "Fresh Blood. On Your Way to Your First Job" programme at 17 Polish universities. The initiative aims to encourage students to consciously plan their careers and to build a positive image of the Bank as a future employer. During the autumn edition (October-November 2017) the Bank held presentations at universities, sports academies, technical universities and other higher education institutions all over Poland.
- TEDxWSB Conference (Wrocław School of Banking);
The Bank also supported the 4th edition of TEDxWSB Conference which was held on 14 February at Wrocław School of Banking.

CHARITABLE ACTIVITY:

- Financial support for the Friends of Children Association and for the "Help for Children with Cancer" foundation
The Bank's charitable activity in 2017 included financial support for the Friends of Children Association and for the "Help for Children with Cancer" foundation. During the concert hosted by the foundation in April, stars such as Zbigniew Wodecki or Olga Bończyk were supported by representatives of our Bank – Ewa Portna and Krystian Bernacki.
- Support for the Zaczytani.org foundation (Crazy-About-Reading Foundation)
In 2017 the Bank started cooperation with the Zaczytani.org foundation. During the Saving Week, for each term deposit opened during the promotional period the Bank offered five Polish zloty for charity. In this way PLN 10,000 was collected. The funds were used to purchase books on saving and, in collaboration with the Zaczytani.org foundation, a workshop devoted to fairy tale therapy was conducted for the teachers from Wrocław Care and Education Centre in Lekcyjna street. Also, a Crazy-About-Reading Library was opened at the centre which is a bookshelf thanks to which

children from places such as care centres, children's homes, hospitals, etc., can have continuous access to beautiful stories.

PROMOTION OF PRO-SOCIAL ATTITUDES AMONG EMPLOYEES:

- Support for the "I Can Help" foundation for children with disabilities and congenital defects – gathering and sale of plastic bottle caps.

In 2017 the Bank was also involved in many initiatives promoting pro-social attitudes among its employees. Among them was the campaign titled "Healthily Drummed Up Bank", involving gathering of plastic bottle caps by employees (257 kg were collected). Income from the sale of the caps was transferred to the "I Can Help" foundation working for disabled children with congenital defects.

- "Noble Parcel" organised by the Cracow-based WIOSNA (Spring) Association.

It was yet another time when the Bank's employees participated in the "Noble Parcel" project organised by the Cracow-based WIOSNA association. The purpose of the above Christmas-time initiative is to prepare and deliver Christmas parcels to Polish needy families. The employees and board members offered support to eight families in need and to St. Albert Chmielowski women's shelter and the animal shelter in Bydgoszcz.

PROMOTION OF PRO-SOCIAL ATTITUDES

In 2017 the Bank joined the project titled "Coordination of Social Economy in the Lower Silesia Province", carried out by the Lower Silesian Social Policy Centre. Cooperation with local entities is important from the point of view of the Bank's operation in its social environment. At the same time, the Bank supports the development of social economy and fostering of cross-sectoral cooperation.

[GRI 102-12]

Chapter 6 ABOUT THE REPORT

DRAFTING PROCESS

While drafting its non-financial report for 2017, the Bank focused on guidelines obtained from three sources. The key source was the stakeholders panel held in October 2016 to gather the opinions and expectations of the company's stakeholders. Other sources included surveys (online and traditional) conducted in November 2017 sent to external stakeholders and collected during a meeting held in December 2017 with internal stakeholders of the Bank and with persons responsible for data collection. The information gathered served to select the key issues to be included in the report.

The report covers the calendar year 2017. It is the first document of its type prepared by the Bank. The report has been prepared in accordance with GRI Standards: Universal. The report has not been subject to third-party verification. The report is not a consolidated report.

[GRI 102-45, GRI 102-46, GRI 102-48, GRI 102-49, GRI 102-50, GRI 102-51, GRI 102-52, GRI 102-54, GRI 102-56]

REPORTING ASPECTS

Priority reporting aspects for 2017:

KEY ASPECTS FOR EXTERNAL STAKEHOLDERS*:

Economic
Environmental
Social and employee-related
Connected with impact on the social environment
Relating to human rights
Relating to product liability

** The above-mentioned aspects are important outside the organisation for all stakeholders.*

KEY ASPECTS FOR INTERNAL STAKEHOLDERS**:

Economic results
Market presence
Anti-corruption efforts
Materials/Raw materials
Energy
Supplier environmental assessment
Employment
Occupational health and safety
Training and education
Diversity and equal opportunity
Compliance with non-discrimination requirements
Supplier social assessment
Marketing and labelling
Customer privacy

Compliance with social and economic regulations

*** The above-mentioned aspects are important internally for the entire organisation.*

[GRI 102-47, GRI 103-1, GRI 103-2. GRI 103-3]

DESCRIPTION OF DUE DILIGENCE PROCEDURES REGARDING THE USE OF POLICIES AND PROCEDURES

The Bank has a number of policies and procedures in place aimed to improve its operations, while fully securing the interests of its internal and external stakeholders. The Bank's goal is to streamline all its internal and external processes. Development of transparent procedures and following the adopted standards enable to build relations with customers, suppliers, employees and with remaining stakeholders, taking into account the principles of responsible business management. The Bank adjusts its documents not only to suit institutional and market requirements, but also to serve the interests of its customers.

- *Whistleblowing Procedure at Credit Agricole Bank Polska S.A.* - The procedure lays down the rules for reporting violations of law and of procedures and ethical standards in force at the Bank (whistleblowing) as well as the principles of cooperation between the Bank's units regarding investigation of the incidents reported by employees;

- *Purchasing Policy of Credit Agricole Bank Polska S.A.* - The policy covers the purchasing processes of goods and services conducted for all organisational units of the Bank. The purpose of the policy is to set uniform and coherent operating standards for the purchasing processes implemented at the Bank by introducing the applicable regulations in force;

- *Organisational Bylaws of Occupational Health and Safety Office at Credit Agricole Bank Polska S.A.* - the document defines the mission and tasks of the Bank's OHS services;

- *Anti-Money Laundering and Counter-Financing of Terrorism Regulations of Credit Agricole Bank Polska S.A.* - The rules set forth the methods for safeguarding the Bank against using its operations to launder money or finance terrorism. The rules have priority over product-related procedures;

- *Anti-Mobbing Policy of Credit Agricole Bank Polska S.A.* - The Anti-Mobbing Policy is an internal regulation setting out the ways of preventing mobbing and indicating procedures to be followed in the event of suspected mobbing at the Bank. The policy serves to counteract mobbing;

- *Personal Data Security Policy of Credit Agricole Bank Polska S.A.* - The purpose of the document is to indicate action to be taken and to lay down principles and rules of personal data processing which need to be followed to properly carry out the duties of personal data controller. The policy forms and integral part of the Bank's Information Security Policy.

- *Code of Ethics of Credit Agricole Bank Polska S.A.* - the Code includes the rules regarding preventing conflicts of interest, accepting and offering gifts, private transactions of the Bank's employees, relations between employees and with competitors, as well as contacts with public institutions, business clients and partners and with suppliers.

- *Code of Ethical Standards for Business Partners* - the purpose of the Code is to make sure that the Bank's cooperation with its Business Partners is based not only on partnership and mutual trust but first of all on a common system of moral values, standards of ethical conduct and integrity in mutual relations.

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[GRI 102-53]
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