

SOCIAL MATTERS



Bank Polski

Impact on the society

We implement corporate social responsibility in many areas as a commitment to stakeholders, suppliers, employees, the market, society and the environment. **[GRI 2-29]** The Bank continually examines stakeholder attitudes towards its charitable and sponsorship activities. The Bank is among the best-recognised sponsors in the market and is the best-recognised company in the banking industry for supporting various activities and events. Sponsorship of cultural events is particularly appreciated. Being aware of our impact on the environment, we treat public trust as our capital and constantly work to strengthen it.

PKO Bank Polski is a socially active bank, appropriate to its position as a leader in the Polish banking sector, as well as to the values of its brand, whose image consists of over 100 years of history, consistently built market credibility, and the security of funds entrusted to its customers.

In line with our strategy, we actively pursue activities for and with the public. For years, we have been initiating and implementing projects that integrate business objectives with activities for all stakeholder groups. The aim of our sponsorship and charitable activities is to shape the bank's image as a financial institution that is trustworthy, socially committed, modern and open to customers' needs.

Both the bank, in cooperation with the PKO Bank Polski Foundation, and the companies of the Bank's Capital Group carry out projects on a national and regional level, supporting initiatives important for local communities. These activities serve to integrate communities and develop entrepreneurship among local people.

In order to ensure the rationality of the sponsoring and charitable activities carried out, each time the partner and beneficiary of the support provided are verified. Care for the pragmatism of the sponsorship and charity policy is also achieved through the synergy of activities. At the Foundation, this is taken care of by the Programme Council, consisting of representatives of the bank. In the most image-relevant programme areas such as culture, tradition, education and sport, the bank and the foundation often implement projects jointly. In addition, the Foundation is involved in activities aimed at social welfare, life and health protection and ecology.

In 2022, the bank did not identify any negative impact on the bank's image in these areas.

74%

Funds in sponsorship budget PKO Bank Polski allocated to support culture and arts, sport, science and education in 2022

65,6%

Funds in charitable budget PKO Bank Polski allocated to activities under the common name "Help for Ukraine", retrofitting Polish services, helping people at risk of exclusion, the disadvantaged and the disabled in 2022

The Foundation's charitable activities in 2022 were largely directed towards helping victims of the war in Ukraine. Monetary donations were made to non-governmental organisations and individuals carrying out relief activities for the civilian population of Ukraine (refugees).

The Foundation also provided support to 68 people in 2022, including helping with medical treatment and rehabilitation, covering educational costs and subsidising the development of sporting talents.

The Foundation encourages employees of all Bank Group entities to get involved in their local communities. Since 2013, 1,652 people have volunteered at the employee volunteering base.

Their aid activities mainly focused on helping refugees from war-stricken Ukraine. Volunteers were also involved in other projects initiated by the Foundation.

The bank's approach to corporate social responsibility and the priorities identified are in line with the bank's operating principles, values and mission.

The PKO Bank Polski Group also impacts the social environment and its development through products and services it offers on the financial market:



We finance the housing needs of Polish people

In 2021, we granted housing loans to private individuals that amounted to PLN 16.3 bn. Since



We are pioneers in providing access to public administration services

Customers of PKO Bank Polski and Inteligo can use their bank login details to confirm their identity and



We support activities and development of public sector entities

Examples of cooperation include supporting their activities in the form of loans for the expansion and

2014, we have been involved in a nationwide initiative to support large families and their needs.

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We educate consumers and raise their cyber awareness

We conduct educational campaigns to counteract financial exclusion and build cybersecurity awareness of customers on multiple levels, including through our financial portal Bankomania.

[More](#)



We promote long-term savings initiatives

gain access to public administration portals. The process is convenient and easy.

[More](#)



We counteract financial and social exclusion

We counteract economic and social exclusion of disabled people by implementing new solutions tailored to their needs, such as the sign language interpreter Migam available in all branches of the bank.

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We engage with local communities and support local budgets

renovation of schools, hospitals and roads, for environmental protection or modernization of public buildings.

[More](#)



We offer equal opportunities to disabled groups through targeted programs

PKO Bank Polski became the first financial institution to cooperate with the Polish State Fund for the Rehabilitation of the Disabled (PFRON) to support social and professional activation of disabled people (the "Active-Plus" program).

[More](#)



We create opportunities for youth education

Students and young graduates may select one of the

We enable our retail and private banking customers to purchase investment funds and long-term treasury bonds. We also offer an online investment advisory service, the PKO Inwestomat.

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As part of our business activities, we create local vacancies and contribute to local budgets by paying taxes. PKO Bank Polski's Foundation also engages locally by organizing local charity and sports events.

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following paths to complete their internship programme at the bank: sales, IT, data analytics, cybersecurity or business support. We also offer preferential student loans for further education.

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Anti-corruption system

PKO Bank Polski does not tolerate any form of corruption and counteracts all corrupt practices. Nepotism and accepting or offering any physical items in order to influence decisions or actions are in conflict with the bank's values of credibility and trust.

The bank has a number of internal regulations for prevention of corruption including the [Code of Ethics](#) and the [Principles for ensuring compliance and managing non-compliance risk](#). It also respects the anti-corruption principles from the [Code of Banking Ethics \(Principles of good banking practice\)](#) by the Association of Polish Banks. **[GRI 205-3]** No cases of corruption were identified in 2022, 2021 and 2020.

Corrupt conduct is treated as an incident of non-compliance and as such it is reported to the bank's Management Board and Supervisory Board. Corruption risk is an element of the compliance risk assessment. No critical events in this respect were identified in the bank nor its subsidiaries in 2022 that would result in disrupting the operations of the bank or other entities of the group.

[GRI 205-1] In the Bank's Capital Group corruption risks are identified in particular in the areas related to the individual and business customer services, the supply of goods and services to the entities of the group, in connection with donation and sponsorship agreements, and in dealing with the bodies of state administration by the group's employees. These areas are closely monitored while decisions that have significant financial consequences require a dual approval. The bank and other entities of the group apply the anti-corruption standards to their potential trading partners by demanding specific declarations upon starting the procurement procedure. With regard to the bank's employees and others acting on its behalf the internal regulations stipulate:

1. Prohibition to accept benefits, presents or gifts intended for a personal use from customers or potential customers, representatives of entities cooperating with the bank or seeking to start such cooperation, which could result in an informal obligation to a given customer or person cooperating with the bank, cause a conflict of interest or otherwise negatively affect the manner of performance of an employee's corporate duties. The prohibition applies in particular to: cash and cash equivalents, physical donations (presents and gifts) and other material benefits (coverage of travel expenses, relaxation or training costs, participation in events or lending of assets such as a car for free use or use on terms that deviate from the market terms).
2. Elimination of possibilities to circumvent the above prohibition, in particular by persuading other people (e.g. people cohabiting in the same household, family members or relatives) to accept the gift on their behalf. Under exceptional circumstances, it is acceptable to receive a benefit or gift in business relations subject to the terms and conditions set out in the bank's internal regulations for acceptance of benefits, presents or gifts.
3. Prohibition to offer to customers, trading partners, representatives of public administration bodies and other entities any benefits, presents, gifts or incentives that are not part of the bank's product and service offering in order to persuade them to behave in a particular way, especially to take steps inconsistent with the provisions of law or good practices. If the bank's employee has doubts whether the acceptance of a benefit, present or gift is admissible in a given situation, he is required to consult his supervisor or the appropriate organizational unit at the bank in charge of compliance risk. Every new employee commencing employment at the bank receives information about these principles.

System for reporting breaches

The bank has an anonymous system for reporting breaches. The bank's employees are obliged to report any suspicion of crime having been committed in connection with the bank's activities. If the filed report refers to a member of the Management Board, it is directly investigated by the Supervisory Board, while in other cases by the President of the Management Board of the bank. Each case is dealt with on the basis of internal regulations. In addition, there is a requirement at the bank to submit regular reports to the Management Board about all identified cases of fraud, including those that involved corrupt practices.

No cases of corruption were identified in 2022. In the case of a breach of the generally applicable provisions of law or internal regulations by an employee, including breaches related to corruption, the bank undertakes actions specified in the provisions of the labour law. Reporting persons are protected – nobody can be fired or punished in any other way for having reported a breach.

The bank holds regular training sessions for employees about reporting breaches and cases of non-compliance (including those bearing signs of corruption) and gives them access to all necessary information and internal regulations in this area. Every employee is required to undergo such training on the principles for counteracting corrupt practices.

Respect for human rights

In developing the group's regulations, procedures and policies for human rights (including the rights of children), we draw from the fundamental principles established in the International Bill of Human Rights and from the achievements of international organizations such as the Universal Declaration of Human Rights, the UN's International Covenant on Civil and Political Rights, and the UN's International Covenant on Economic, Social and Cultural Rights. The respect for human rights is manifested in our internal regulations, the initiatives that we undertake and in our daily practice.

One of the most crucial elements in the analysis of human rights at the group level is the identification of human rights in our operating activities. The countries where the Group offers its financial services are generally characterized by a similar level of development, and thus similar challenges for human rights, including those related to employment. Respecting human rights in the supply chain is a task of immense importance, which boils down to our relations with suppliers and outsourcing of services by the group's entities. The group adopts the same human rights standards across the entire supply chain in its business activities while compliance with human rights is reflected in the procedures and agreements signed with those entities. **[GRI 407-1]** We have not identified any operations or suppliers characterized by a high risk of restricting the freedom of association and collective bargaining agreements in 2021.

[GRI2-25] The bank takes action to prevent violations of human rights, including employee rights, but it is not able to eliminate all conflicts. In 2022, 21 cases concerning employment relationships ended in the final termination of proceedings. In relations with external entities we pay special attention to: ensuring workplace safety, not using child labour, any co-workers or contractors in a difficult position, acting in a manner that does not breach co-workers' personal rights, preventing any discrimination or mobbing activity, ensuring objectivity in selecting bids, and caring for the natural environment and its resources. Subsidiaries monitor the individual risks for human rights and manage them at each entity's level.

At the bank, the references to respect for human rights are included in the [Code of Ethics of PKO Bank Polski](#), the [Principles for counteracting mobbing and discrimination](#), the [Recruitment principles](#) and the agreements concluded with service providers. The issues regarding forced labour and child labour are not directly reflected in the bank's regulations because the prohibition of forced labour arises from Article 4 of the Convention for the Protection of Human Rights and Fundamental Freedoms, whereas the prohibition to employ people under the age of 16 arises from Article 190, paragraph 2 of the Labour Code.

Examples of activities conducted within the group entities, in which respect for human rights is manifested, are presented below:

counteracting mobbing and discrimination,

basing the rules of the periodic appraisal/summary of performance on a dialogue with the employee, the employee's participation in the process, collecting feedback from a variety of sources,

use of recruitment principles that ensure equal treatment of candidates during the selection process for filling vacancies, without any discrimination, prejudice and without obtaining information that could violate the candidate's rights and personal dignity,

basing promotion decisions on an objective appraisal of qualifications, skills and performance,

supporting diversity in management, in particular with respect to age, experience, style of work, thinking; promotion of diversity among managers as an asset and not a limitation,

enabling employees to express their opinions and influence important issues regarding the organization and working conditions, management, the organizational culture, as well as enabling the provision of information about perceived crimes and fraud – ensuring anonymity and confidentiality for the reporting employees (the whistle-blower mechanism),

protecting personal rights (personal data, sensitive data) of the employees and customers through carefully prepared procedures and systems and the inclusion of restrictive provisions in contracts concluded with service providers who have access to such data,

creating conditions for satisfying needs related to leisure and culture, as well as respect for the principle of work-life balance,

ensuring freedom of association,

As part of the continued #FokusNaCiebie wellbeing program, a number of activities were organized to improve the "well-being" of employees. Numerous online events, videos and articles concerned, among others: health prevention, physical activity, healthy diet, sleep and emotional condition,

information materials on hybrid work contain tips not only on the methods and organization of work, but also on taking care of occupational hygiene, including breaks, limiting unnecessary meetings for specific tasks, or reconciling stationary and remote work,

The Bank Capital Group applies the same human rights standards throughout the entire supply chain in its business activities.

Employment

The bank pays close attention to the satisfaction of its employees with their employment in the company. This is facilitated by a fair and transparent remuneration system, a package of non-salary benefits, and by taking into account the development needs of employees, and creating a friendly and cooperative work environment. In accordance with the employment policy, all employees are equal regardless of their sex, age, disability, race, religion, nationality, political beliefs, trade union membership, ethnic origin, health condition, sexual orientation, marital status, full or part-time employment.

PKO Bank Polski adopted a set of ESG metrics and integrated them with the non-financial objectives of the Bank's Capital Group for the following years. The fulfilment of objectives will be verified using reliable and fully measurable data.

Key non-financial performance indicators in the area of employment (in per cent)

COMMITMENT/INDICATOR	2022	2021	2020	2019
At least 35% of women employed in key managerial positions in the total number of managers in the Bank's Group by 2025	40	38	42	x
At least 35% of women employed in other material managerial positions in the total number of managers in the Bank's Group by 2025	38	37	42	x
Employee rotation rate of no more than 14% in the Bank's Group by 2025	14,1	13,1	12,5	15,3

Voluntary employee resignation rate of no more than 7% in the Bank's Group by 2025	8,8	8.1	5.3	x
Implementation of systemic projects to support the employment of people with disabilities in the Bank's Group/ Indicator: the share of employment of people with disabilities in the total number of employees (in per cent)	1,4	1.4	1.0	x

[GRI 2-7] At the end of 2022, the group's employment reached 25 071 full-time employees (FTEs), 84,6% of whom were employees of the bank (21 230 FTEs). The majority of employees are women (72% in the group, 74% in the bank), while the largest age cohort are employees aged 30-50 years old (64% and 62% in the group and in the bank respectively). Most employees are employed full-time, while those who work part time are mostly women.

99%

Full-time employees
at the group

51,6%

Group's employees with >10
years of service

13,4%

Employee turnover
at the bank

[GRI 401-1]

Structure of employment by job type, age, employment contract and gender in 2022

	Bank			Group		
	women	men	total	women	men	total
By job type and gender:						
regular employees	75%	25%	86,4%	74%	26%	85,6%
middle management	64%	36%	7,8%	62%	38%	8%
managers	59%	41%	5,5%	55%	45%	6%
MRT (Material Risk Takers)	23%	77%	0,3%	24%	76%	0,5%
By age group and gender:						
up to 30 years old	71%	29%	11%	70%	30%	12%
between 30 and 50 years old	71%	29%	62%	70%	30%	64%
above 50 years old	80%	20%	27%	80%	20%	24%

By employment contract and gender:						
full-time	73%	27%	99%	72%	28%	97%
part-time	78%	22%	1%	64%	36%	3%
By contract term and gender						
permanent contract	73%	27%	87%	72%	28%	87%
fixed term contract	76%	24%	13%	75%	25%	13%
By region and gender						
in European Union countries	74%	26%	100%	72%	28%	94%
in third countries (Ukraine)	-	-	-	69%	31%	6%
Total employment	74%	26%	100%	72%	28%	100%

[GRI 401-3] In 2022, mostly women took parental leave. The share of returns to work after parental leave stood at 100% for women (67% for men), while 87% of them remained employed until the end of 2022 (50% in the case of men).

Returns to work after parental leave

Parental leave:	Bank		Group	
	women	men	women	men
employees eligible for parental leave in the reporting year 2022	692	163	812	182
employees who took parental leave in 2022	493	9	658	10
employees who returned to work in the reporting year after parental leave ended in 2022	508	6	619	6
employees who returned to work after parental leave ended, that are still employed 12 months after their return to work	464	3	528	4
return to work rate: share of return to work after the parental leave	100%	67%	94%	60%
retention rate: share of employees who returned to work after the parental leave and stayed employed	87%	50%	85%	67%

Salaries

[GRI 2-30] The bank concluded a collective bargaining agreement that regulates the issue of remunerations with the trade union organizations. In accordance with the agreement, the bank's employees are entitled to the following salary components: (1) basic salary, (2) allowances for working overtime and in conditions particularly onerous and harmful for their health, (3) bonuses and rewards for extraordinary achievements at work. Basic salaries and additional benefits are set on the basis of regular job valuations and analysis of market salaries. Bonus targets for employees are closely related to the bank's key management indicators. The employee remuneration policy ensures a consistent salary system by:

applying a salary system which is in line with market trends,

ensuring that the variable salary components are parameterized so that they take into account the long-term cost of risk, cost of capital and liquidity risk of the bank and the bank's group,

determining the remuneration structure on the basis of performance at work and the appraisal of the employees' skills,

taking into account the ability of the bank's group to determine the desired mechanisms and salary levels,

acquiring optimal job candidates,

adjusting mechanisms, tools and salary levels to the strategy and goals of the bank and the bank's group,

determining fixed salaries on the basis of the valuation of positions,

building responsibility in the employees for their tasks which are assessed on the basis of objective criteria,

establishing a system in which the forms of remuneration do not encourage the people involved to favour their own interests or the interests of the bank and the other entities of the bank's group to the detriment of customers.

The key activities related to the Bank's employee remuneration system in 2022 included:

campaign of awards for the Bank's financial results,

systemic regulation of salaries,

sales support campaigns for employees of selected organizational units – in particular for employees of the retail network units. The competition winners were awarded financial prizes and additional training to raise their professional qualifications.

Ratio of the average salary of women to men

[GRI 405-2] The global ratio of women's salaries to men's salaries in 2022 calculated as the total weighted average salary of women to that of men was 96% at the bank, which means that the gender pay gap amounted 4%.

By employment categories:	Relation between weighted average salary of women and men	Subtraction of the quotient of average salary of women to average salary of men and the number 1
distribution network	98%	2%
other non-managerial positions	94%	6%

middle management	95%	5%
managers	97%	3%
MRT	93%	7%
bank total	96%	4%

Methodology used for calculation:

The indicator is calculated based on the weighted average total remuneration paid in 2022.

The indicator does not include employees for whom there is no possibility of comparison in a homogeneous group.

The total remuneration paid in 2022 was assumed on a full-time basis and annualized in the case of persons employed for a period of less than one year.

The indicator does not include employees for whom there is no possibility of comparison in a homogeneous group.

The total remuneration paid in 2022 was assumed on a full-time basis and annualized in the case of persons employed for a period of less than one year.

The calculation of the ratio of women's salaries to men's salaries is based on average salaries weighted by the number of employees of the homogeneous groups identified. These groups bring together employees with the same valuation levels (the valuation of work in individual positions), families of positions and the same geographical location.

Replacing the arithmetic mean with the weighted average described above led to a change in the level of both the global ratio and the ratios for individual employment categories compared with the prior year disclosures.

The gender pay gap calculated on the basis of the weighted average salary was 5% at the bank and 8% in the bank's group. The gender pay gap at the bank based on the median was 3.9%.

The presented pay gap level does not indicate any unfounded inequalities in the amounts of women's and men's salaries, and the reasons for the small deviations owing to gender are the result of the nature of the organization in which female employees are more numerous.

The bank's remuneration policy does not discriminate employees based on their gender. The process of determining the salaries at the bank is based on the valuation of positions. The salary is related to the complexity of the tasks within a given organizational structure, the level of responsibility associated with a given position and the necessary skills.

The bank performs regular salary reviews for different positions, which also analyse the relationship between the salaries of women and men, taking into account internal benchmarks and data provided in remuneration reports and studies in the process of determining and optimizing the remuneration strategy.

In order to ensure that the same positions are compared and to eliminate the total effect of other elements on the salary level, the Bank also uses the so called "Comparatio" (CR) which compares the salary offered to an employee with an appropriate market benchmark. The internal analyses performed using this ratio show that there are no differences between the remuneration of women and men at the Bank and that both groups receive remuneration at the market level.

The female-to-male remuneration ratio and the equal remuneration ratio, calculated on the basis of the methodology set out in the guidelines to the Best Practices for WSE Listed Companies 2021, i.e. on the basis of the average (arithmetic mean) remuneration of women and men, amounted to a total of 35% at the Bank and ranged from 9 to 28% in separate

job groups.

JOB GROUPS	Relation between weighted average salary of woman and men	Subtraction of the quotient of average salary of woman to average salary of men and the number 1
Sales network	85%	15%
Other non-management jobs	72%	28%
Middle management/ middle management	76%	24%
Managers	77%	23%
MRT	91%	9%
Total for bank	65%	35%

The indicator was calculated on the basis of the average total salary paid in 2022.

The indicator takes into account active employees employed as at 31 December 2022.

The average remuneration for women and men is calculated on the basis of the arithmetic average for the Bank in total and by job group.

The total remuneration paid in 2022 per FTE and annualised for those employed for less than one year was assumed.

The used methodology does not allow for a precise reflection of the pay situation of women in relation to men, as it does not take into account differences due to, among other things, different job families, job evaluation levels or geographical location.

Additional information about employment at the bank in 2022

Employment:	2022	2021	2020
on permanent contract (share in total employment)	87,4%	88.2%	89.5%
on fixed-term contract (share in total employment), including:	12,6%	11.8%	10.5%
- contracts for replacement	1,6%	1.9%	1.5%
share of employees with duration of employment >10 years (in total employment)	51,6%	74.0%	74.9%
average duration of employment for women (in years)	16	16	16
average duration of employment for men (in years)	12	11	11
number of women employed (in thousand)	15	16	16.4

number of employees in senior management roles (in thousand)	1,2	1.2	1.2
number of women in senior management roles (in thousand)	0,7	0.7	0.7
number of new hires (in thousand)	2,4	2.4	1.0
number of women among the new hires (in thousand)	1,7	1.7	0.7
number of employed foreigners	37	36	21
share of employees with disabilities (in total employment)	1,2%	1.2%	1.2%

[GRI 401-2] Caring for the level of satisfaction of our employees, we also offer to them a range of additional non-salary benefits, which are available to all employees irrespective of their type of contract or working time. The bank finds it important to adapt the benefits offered to its employees to trends on the labour market because activities in this respect promote the bank's image as a good employer. The main additional benefits offered to employees include: free medical care (including an annual preventive program "Bank-guaranteed health" for an early detection of diseases and promotion of healthy lifestyles, an Employee Pension Program (EPP) whereby employees can supplement their state-pension income, a cafeteria system through a dedicated MyBenefit platform and sports cards. Other benefits also include product offers and discounts for the bank's employees. The bank also supports sports initiatives (there are numerous sections at the bank – running, mountain sports, football teams) and charity activities of its employees.

Employee training and internal communication

[GRI 404-2] We give our employees the opportunity to use various forms for improving their professional qualifications. All employees throughout the bank's group may take advantage of the training activities regardless of their age or gender. The bank's intranet portal is updated on a quarterly basis with the latest catalogue of available trainings that contains a number of development activities. Additional projects are conducted for development of both hard and soft skills of employees. A few dozen in-house coaches conduct group and on-the-job trainings and internal workshops, also for the interns. For selected projects, group trainings are conducted by external coach companies. In order to prevent the non-financial risks, we regularly conduct trainings was on information security, bank secrecy and security, and labour protection.

Development activities are tailored to the specific nature of the Bank and individual entities of the Bank's Capital Group and specified in internal regulations. This guarantees a flexible approach to development policy.

Principles of organization and implementation of development activities at PKO Bank Polski S.A." define the objectives, directions and method of operation of the Bank in terms of managing the development of employees or other collaborators of the Bank. The main assumption in the adopted training policies is:

- supporting the implementation of the strategic goals of the Bank's Capital Group entities and business goals,
- introducing new employees to work,
- ensuring the professional qualifications of employees and adapting their knowledge and skills to the changing requirements of the market in which a given entity operates,
- preparing employees to implement new solutions and products offered by an entity of the Bank's Capital Group or to implement changes to existing solutions or products offered.

In the Group, training activities are available to all employees, regardless of age or gender. Individual entities may use the criterion of the position held when referring to specific training, such as participation in studies at the higher education level (different levels of education in individual entities of the Bank's Capital Group) or foreign language courses. Employers finance training activities in whole or in part.

The Bank updates and publishes the Training Catalog on the intranet portal every quarter. The catalog contains a number of development activities for employees and managers. It contains a description of individual activities and an easy-to-use tool for signing up for individual training courses.

Additional projects are conducted for development of both hard and soft skills of employees. A team of several dozen internal trainers conducts group training, on-the-job training and internal workshops (also for interns). Group training is provided by external companies on selected projects. The Digital Transformation employees have access to both internal training courses in agile methodology and to certified training courses. The employees also participate in foreign language courses.

The Bank's employees very actively use the internal e-learning platform, mainly to conduct training in product knowledge, processes and the use of IT applications.

As part of their professional development, the employees may apply for a subsidy to the costs of their education in the form of post-graduate studies, Master of Business Administration courses or solicitor's training. The bank also implements adaptation programs tailored to the specificity of individual business areas. Training at the Bank is available to employees regardless of the form of employment (employment contract or mandate contract (interns)).

13h

Average hours of training
per year per employee

[GRI 404-1]

81%

Employees receiving regular performance
and career development reviews

[GRI 404-3]

Principles for employee development and succession planning at PKO Bank Polski set the goals, directions and activities of the bank for management of development of the bank's employees or other co-workers. The main objectives of the adopted training policies include supporting the achievement of the strategic goals of the entities of the group and their business goals, providing induction training to new employees, assuring professional qualifications of employees and adaptation of their knowledge and skills to changing market requirements and entity-specific operating environments, and preparing employees for implementation of new solutions and products offered by the group's entities or changes to the existing solutions and products offered.

The bank's employees may access all employment-related information in one place – by contacting the HR Contact Centre. A team of consultants answers questions in the HR domain, including payroll support, social issues, recruitment and training. This solution accelerates and simplifies the communication process between employees and the HR units responsible for personnel management.

When referring employees to training, the entities of the group take into account the internal appraisal systems, e.g. regular interviews, 360 individual development plans surveys, examinations of training needs, ISO-based assessment system, and employee feedback. Companies that adopted the so-called competence model (this applies to the bank and two other subsidiaries) closely match its objectives with the improvement of the employee's professional qualifications and skills. Based on the competence model, employee appraisals for the general corporate, leadership and specific competences are carried out on an annual basis. As part of the periodic appraisal system, each employee sets an individual development plan together with their supervisor at the time of a review.

Recruitment policy

The Bank Group's recruitment policy is focused on hiring people with diverse experience and professional competence based on high standards of anti-discrimination and personal data protection. No discriminatory criteria are applied in the selection of employees (including age, gender, disability, race, religion, nationality, political beliefs, trade union membership, ethnic origin, religion, sexual orientation). Recruitment processes are supported by modern IT tools and systems.

The Bank actively supports and promotes internal employee mobility through internal information campaigns, internal job fairs, consultations with recruiters to encourage employees to participate in the internal recruitment process (throughout the Bank Group) as part of their professional development in other business areas. In addition, it ensures an optimal transition period for the employee selected in the internal recruitment to the new unit. This makes the process quick and simple.

In 2022, the Bank launched the #ReStart internal internship programme - as a novelty within internal mobility. The idea behind the programme is to enable current employees to develop their careers within the Bank's structures and to support recruitment processes for positions requiring specific competencies and experience.

In order to ensure a positive candidate experience in the recruitment process, the Bank diversifies the channels for reaching different audiences using modern selection methods. The transparency of the recruitment process is supported by modern technologies, such as: the ATS system. In order to reach candidates, the Bank carries out dedicated campaigns in social media, participates in job fairs and industry conferences, cooperates with the academic community, supports selected initiatives as well as carries out active activities to directly reach passive candidates.

In 2022, the Bank has implemented new forms of outreach to candidates in the form of podcasts, as well as campaigns using the bank's infrastructure such as ATMs/depositories and electronic waits in bank branches.

The bank regularly conducts research into the experience of external and internal candidates in order to improve the recruitment process.

The Bank also has an internal recommendation programme. Under it, employees can recommend job candidates. If the candidate recommended by an employee is hired and meets the conditions set out in the regulations, the recommending employee receives a cash reward. In 2022, the programme was expanded to include more positions for which employees can recommend suitably qualified candidates. Award amounts for key IT positions have also been increased.

For years, the Bank's strengths have been the #StażNaDzieńDobry internship programmes. The programme is designed for students and young graduates, who can complete tasks within one of five tracks, i.e. Sales, IT, Data Analytics, Cyber Security and Business Support.

An important aspect of building the employer image is cooperation with universities. In response to business needs, the Bank cooperates with the academic community by getting involved in numerous events organised at universities. It actively cooperates with career offices in promoting job and internship offers. It organises workshops and classes, and patronises selected fields of study in order to share knowledge and strengthen cooperation with the academic community.

Trade unions and occupational health and safety (OHS)

Employees are represented at the bank by the trade unions and the Bank's Employee Council. The bank has three trade union organizations: (1) the National Trade Union of Employees of PKO Bank Polski S.A. (a representative union within the meaning of the Trade Union Act), (2) the Independent Self-Governing "Solidarność" Trade Union of Employees of PKO Bank Polski S.A. and (3) the Inter-company organisation of banking and service employees No. 06-005 OPZZ 'Konfederacja Pracy'.

Cooperation with these organisations is carried out in accordance with the regulations in force in this respect, i.e., inter alia, by providing information, carrying out consultations or making arrangements depending on the subject matter and legal requirements. e.g. consultations are carried out in the case of planned organisational changes resulting in significant changes to the organisation of work, the size and basis of employment of employees. The employer does not make any obstacles for employees in relation to joining and being active in trade unions.

Employees have the possibility to report complaints about violations of employee rights and other irregularities. [GRI 403-4] This is regulated by the procedure for reporting complaints and irregularities. [GRI 402-1] Employees can also communicate their objections, opinions, suggestions and comments through the trade unions or directly to a dedicated box [GRI 402-1] Meetings with Trade Union Organisations are organised as necessary at least several times a year, and information on planned organisational changes, in accordance with the regulations, is communicated to the social side without undue delay. Communication between employees and the employer is an open dialogue through the Trade Unions. An employee representative participates in the Health and Safety Committees at all times, thus being able to communicate directly with the occupational health representative.

We have not identified any operations or suppliers characterized by a high risk of restricting the freedom of association and collective bargaining agreements in 2022. No collective disputes were recorded in any of the group's entities.

Employees may report their complaints, opinions and suggestions through the trade unions. They may also file such complaints directly through a special inbox, in accordance with the procedure for reporting complaints and irregularities. [GRI 402-1] Meetings with the trade unions and the bank's Employee Council are organized as necessary – at least several times a year, while information on any planned operational changes are communicated to the employee representatives without undue delay. Employees are given the opportunity to report complaints about breaches of employee rights or other irregularities. [GRI 403-4] An employee representative always participates in the Occupational Health and Safety Commissions and has the opportunity to communicate directly with an occupational health and safety representative.

10.5%

Group's employees who are trade union members (2021: 10.4%)

100%

Employees who received an up-to-date OHS training

[GRI 403-5]

68

Work-related injuries reported in the group in 2022 (2021: 69)

[GRI 403-9]

All entities of the group implement their organizational health and safety tasks in accordance with the current provisions of law. These provisions are clear enough to enable a consistent application of the same health and safety rules across the whole Group. Entities that are located outside of Poland operate under corresponding rules specific to the country where they were registered. [GRI 403-8] The basic occupational health and safety management system resulting from the generally applicable laws covers 100% employees. [GRI 403-1] The OHS service at the bank has been established within the structures of the Administration Centre as the Organizational Health and Safety Office. It encompasses a number of field teams that support different units of the bank throughout the country in performing the following tasks: periodical occupational risk assessment, analysis of accidents and incidents that have occurred to date and monitoring events that may potentially lead to accidents, ongoing and periodical OHS control in all units of the bank, and conducting training. [GRI 403-2] There are no positions in the bank that would be associated with an occupational risk classified as high. The main occupational hazards include: falling and hitting against fixed objects, inappropriate lighting, overload of the musculoskeletal system or sight, electrical injury or traffic accidents. Due to dominance of mostly office positions in the group's employment structure, the occupational hazards in other entities of the group are consistent with those assessed at the bank.

[GRI 403-7] Preventive actions taken to improve safety and working conditions at the bank include: support and definition of measures that should be taken in the event of an occurrence of psychological or social hazards such as stress or mobbing, information campaigns concerning ergonomics and safety at work, additional non-mandatory training in first aid and safe driving courses for employees using company cars, vision diagnosis, and provision of personal protective equipment for employees in jobs associated with exposure to external factors. [GRI 403-3] All entities of the group have contracts with external medical service providers for providing occupational health services. Medical examinations are financed or reimbursed by the employer. There were 7 instances of suspected occupational disease reported by employees of the bank in 2022 (2021: 5). Six decisions was issued to date in which it was concluded that there were no grounds for classifying the illness as a case of work-related ill health. The other proceedings are still pending.

[GRI 403-6] All entities of the group undertake additional voluntary actions to promote worker's health: free preventive medical check-ups (e.g. an annual health control package, mammography or flu shots), training to promote healthy lifestyles (incl. exercise guidelines for office workers), access to a number of sports and leisure facilities as part of each employee's benefit package, organization of sports teams, competitions and events supporting physical activity of employees and care for the environment, and cyclical health-promoting campaigns.