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C O R P O R A T E R E S P O N S I B I L I T Y

Millennium  
bank

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# Letter from the Chairman of the Management Board of Bank Millennium

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We attach special importance to building relations with our key stakeholder groups: clients, employees, suppliers, shareholders, social partners and local communities. Monitoring and attenuating our impact on the natural environment are equally important.

The Bank's adherence to sustainable development and ethical business principles has been confirmed by external assessments. 2014 was the seventh year in a row in which we were selected for inclusion in the *RESPECT Index*, which consists of socially responsible companies listed on the Warsaw Stock Exchange. The Bank has also been recognized in the national *Ranking of Responsible Firms* and received POLITYKA's *2014 White CSR Leaf* – a distinction awarded to companies implementing sustainable development measures.

An important part of our social activity is to promulgate and organize employee volunteerism. In 2014, the Bank ran a social program called *Nikifory* with the participation of our employees in cooperation with the Shared Path foundation. Our employees are also taking part in the *BAKCYL* youth education program in finance run by the Warsaw Banking Institute. We continued to cooperate with WWF by issuing a payment card with a portion of the fees being allocated to support its statutory goals.

To meet the needs of employee parents, we launched the *Yes to Parenting* project in 2014 in which the Bank took measures to promote employee work-life balance, spread knowledge on parental rights and guarantee that these rights are observed throughout the Bank.

In 2014, the Bank also continued activities associated with the Code of Ethics introduced last year. All our employees received dedicated training in this Code of Ethics and are required to observe its provisions. We also extended this requirement to our suppliers.

In 2015, at the Bank we will endeavour to make our CSR policy even more current and devise a medium-term CSR strategy for the entire Group. We also plan to involve more of our stakeholders in our CSR activities, particularly employees and business partners. We will continue our efforts to promote culture and education, pursuing this objective together with our partners from non-governmental and social organizations.

I would like to encourage you to review the ninth edition of our *2014 Corporate Social Responsibility* report.

This report has been prepared in accordance with the Global Reporting Initiative Sustainability Guidelines (GRI G4) standard and it summarizes the key areas of the Bank's impact on sustainable economic, social and environmental growth. **G4-I**

**Joao Bras Jorge**

Chairman of the Management Board of Bank Millennium

Dear Stakeholders,

In the Bank Millennium Group we recognize that operating in compliance with the principles of corporate social responsibility is one of the foundations of our very existence. Our corporate social responsibility activities and principles are embodied by the Bank's plans and the Group's updated mid-term strategy for 2015-2017. We have transformed these declarations into specific targets in our business plans for the various areas of the Bank's operation. We believe it is essential to continue our growth on a sustainable basis and take heed of our impact on society and the natural environment while working with stakeholders on the basis of mutual dialogue, trust and respect for these principles.



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# Bank Millennium



# Bank Millennium

## I.1. Profile of the Organization

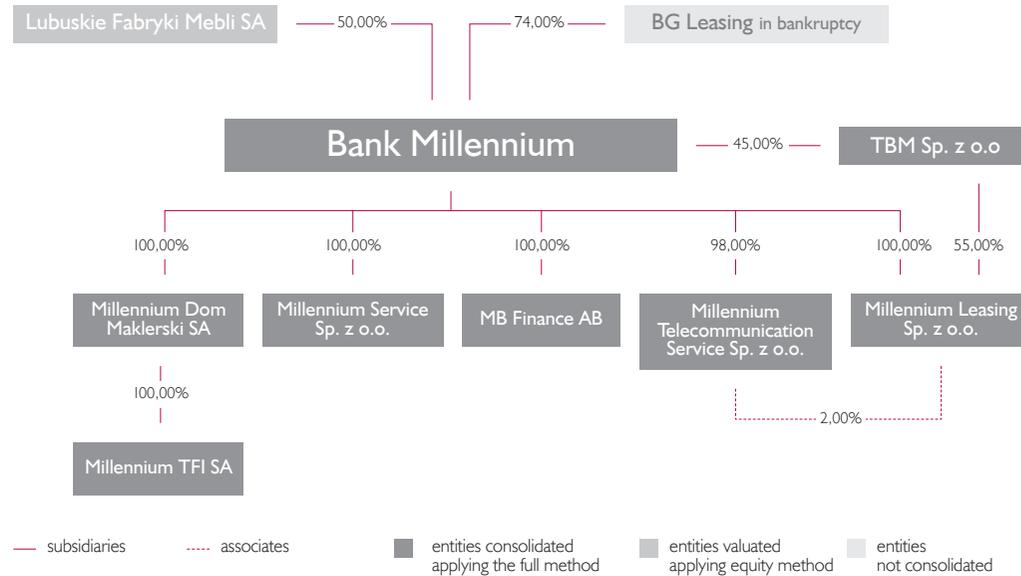
### I.1.1. Bank Millennium Group G4-3

Bank Millennium along with its subsidiaries makes up the Bank Millennium Group. The key Group companies include: Millennium Leasing (leasing activity), Millennium Dom Maklerski (brokerage activity) and Millennium TFI (mutual funds) G4-17a. The offering of those companies complements the services and products offered by the Bank. The activity of the remaining Group companies supports the execution of infrastructural projects and is not described in this report. G4-17b

Compared to 2013, there were no changes in the structure of the Bank Millennium Capital Group.

Bank Millennium is a joint stock company that has been listed on the Warsaw Stock Exchange since 1992. G4-7 The Bank and its subsidiaries operate in the Republic of Poland. G4-6 The Bank's Head Office is located in Warsaw, while some of its head office functions are also performed in Gdańsk. G4-5

**Scheme of Bank Millennium S.A. capital group** as on 31.12.2014



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**Bank Millennium shareholders** G4-I3

As at 31 December 2014, Bank Millennium had two major shareholders with over 5% of votes at the Shareholder Meeting.

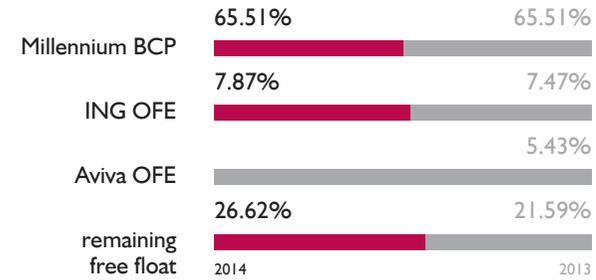
Millennium bcp, the largest private bank in Portugal, which is the strategic investor, holds 65.5% of Bank Millennium's share capital. The second largest shareholder is ING OFE, Poland's largest pension fund, which holds 7.9% of the Bank's shares. The remaining shares, in other words 26.6% of the share capital, are dispersed among Polish and international institutional and private shareholders. This includes the Aviva OFE fund, which reduced its holdings to under 5% in 2014.

**Ownership structure of Bank Millennium**

as at 31 December 2014



**Changes in the shareholding of Bank Millennium**



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### I.1.3. Membership in Organizations G4-16

The Bank is a member of several industry organizations operating on a regional, national and international level. In the context of this report, the key organizations include:

Organization	Description
<b>Polish Bank Association (ZBP)</b>	The Chairman of the Management Board of Bank Millennium is a member of the <b>Board of ZBP</b> , an organization associating and representing the interests of all banks operating in Poland. Additionally, the Bank's Representative is a member of the <b>Banking Ethics Commission</b> operating within the Polish Bank Association. The commission is responsible for the observance of the ethical principles adopted by banks and their employees and for the promotion of ethical banking principles.
<b>LEWIATAN Confederation</b>	It represents the interests of employers in Poland and in the European Union, strives for competitive conditions for business, sustainable economic growth, better law, increased employment and consolidation of the social capital.
<b>Stock Exchange Issuers Association (SEG)</b>	It serves the community of stock exchange issuers by sharing knowledge and advice with respect to stock market regulations, promotes exchange of knowledge fostering development of the capital market and a modern market economy in Poland.

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### I.1.5. Business performance G4-EC1

The Bank Millennium Group achieves its economic goals through a medium-term growth strategy, in a sustainable manner, taking into account requirements of its stakeholders and the principles declared in the *Code of Ethics*. G4-DMA

Detailed information and financial data pertaining to the activity of the Bank Millennium Group are available in the "2014 Annual Report of Bank Millennium" available on the Bank's website.

#### Highlights of the Bank Millennium Group business performance (in millions of PLN)

	2014	2013	2012
Operating income	2,308.4	2,080.1	2,008.2
Operating expenses	1,469.7	1,397.4	1,414.4
Net sales	2,065.8	1,808.8	1,707.2
Payroll expenses	547	547	558.3
Income tax	187.5	144.8	123.8
Loans and advances to customers (gross)	44,142.7	41,765.7	40,232.2
Customer funds	54,353	51,872	46,792
Share in the loan market*	4.7%	4.8%	6.4%
Share in the deposit market*	5.1%	5.3%	5.3%
Equity	5,765	5,363	4,824
Capital adequacy ratio	15.2%	14.5%	14.5%
Net profit	650.9	535.8	472.2

\* share in the Polish banking market

#### Distribution of profit

	2014	2013	2012
Dividend	The Bank intends to maintain its dividend policy at 35-50% of the annual net profit, taking into account KNF's regulatory recommendations and the regulatory environment.	50%	0
Reserve capital		50%	100%

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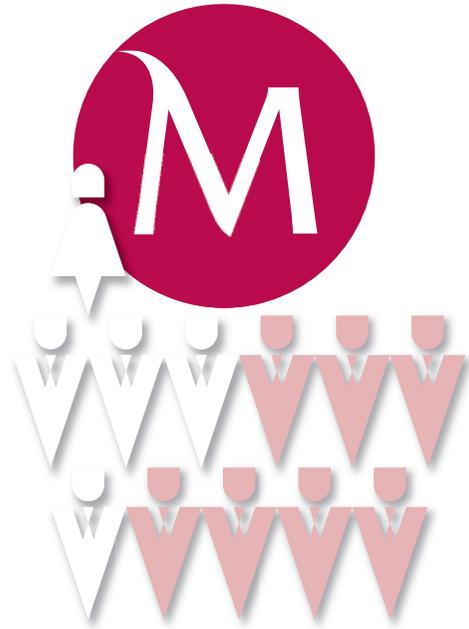
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## I.2. Management System

### I.2.1. Bank's Governing Bodies G4-34

According to the Articles of Association of Bank Millennium, the Bank's governing bodies include: Shareholder Meeting, Supervisory Board and Management Board.

**Shareholder Meeting** – is the highest governing body of the Bank; its powers include, among others: examination and approval of financial statements and the activity report for the financial year adopting a resolution on distribution of profit or coverage of loss, discharging members of the Bank's governing bodies on the performance of their duties, amending the Bank's Articles of Association, selection and dismissal of Supervisory Board members and setting their compensation.

**Supervisory Board** exercises permanent supervision over the Bank's operations, including the operation of risk management and internal control systems. The Supervisory Board may establish **standing or ad hoc committees** to perform specific activities. Standing committees of the Supervisory Board are: the Audit Committee, the Personnel Committee and the Strategic Committee. The **Audit Committee** consists of at least two independent members and also at least one of the Committee Composition members should have experience in accounting and finance.

The Supervisory Board has **12 members (11 men and 1 woman)**. **Seven** members of the Supervisory Board, including its Chairman, **are Polish citizens**. **Seven of the Supervisory Board members satisfy the criteria for being independent**, meaning that they are not related to any shareholder holding 5% of the Bank's shares. The Supervisory Board's term of office is 3 years. The Chair of the Supervisory Board is not a chairman of the Management Board.

Detailed information on the powers of the Supervisory Board and its Committees is provided in the *Bank's Articles of Association* available on the [www.bankmillennium.pl](http://www.bankmillennium.pl) website in the section *About the Bank > Corporate bodies and governance*.

# Supervisory Board 12 members

1 woman and 11 men

# 7 members

are Polish citizens

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# Management Board



The **Management Board** manages all of the Bank's operations and represents it externally. Powers of the Management Board include, among others, representing the Bank in relations with the Supervisory Board and with shareholders, defining the Bank's organizational structure, rules of operation and organization of work, developing and submitting reports and other documents describing the Bank's operations to the Supervisory Board and the Shareholder Meeting, convening a Shareholder Meeting, establishing the Bank's internal regulations, determining the principles of personnel policy, appointing committees authorized to monitor specified matters in a continuous manner.

## 7 members

2 women, 5 men

Management Board by age groups [G4-LA 12](#)

[+](#) more

The Management Board has **7 members (5 men and 2 women)**. **Four members of the Management Board are the citizens of Poland**. Management Board members are appointed for three years.

Detailed information on the powers of the Supervisory Board and its Committees is provided in the *Bank's Articles of Association* available on the [www.bankmillennium.pl](http://www.bankmillennium.pl) website in the section *About the Bank > Corporate bodies and governance*. [G4-34](#)

## 4 members

are Polish citizens

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**Conflict of interest prevention  
in the Bank's Governing Bodies** G4-41

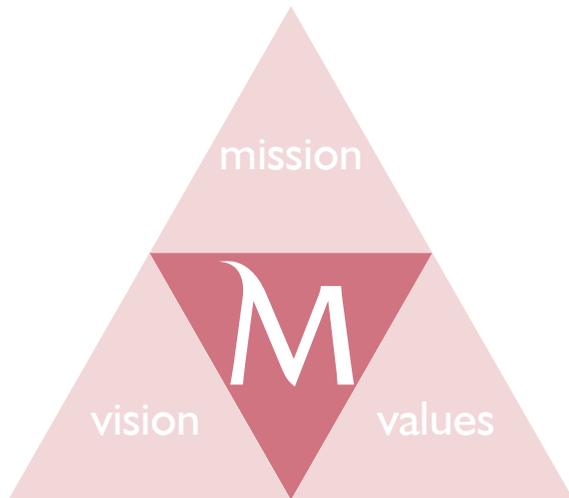
In order to prevent the conflict of interest, **Supervisory Board Members** submit:

- a statement of compliance/non-compliance with the criteria required from an independent Supervisory Board member, such as lack of connections with the Bank, the Management Board, other body of the Bank or significant shareholders, which may be the source of the conflict of interest, which is a threat to the person capacity to make independent assessment. Detailed criteria are provided in par. 12 of the Bank's Articles of Association available on the Bank's website.
- Information on their participation in entities outside the Millennium BCP Capital Group and the Bank Millennium S.A. Capital Group, including their membership in the statutory bodies of an entity (e.g. management board member, supervisory board member, etc.) and holding the majority of votes as a shareholder.

**Members of the Bank's Management Board** submit statements to the Chairman of the Bank's Management Board and to the Bank's Supervisory Board Chairman on the absence of any and all legal and statutory counter-indications for a given person to act in the capacity of a Management Board member.

At the same time, the powers of the Supervisory Board's Personnel Committee include, among others, assessing candidates to become members of the Bank's Management Board. Moreover, in the Bank other binding documents regulate the issue of a conflict of interests, such as *Compliance Policy – Principles and Guidelines and the Regulations for Lending to Persons Affiliated with the Bank*.

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## I.2.2. Standards Applied by the Bank G4-56 G4-57

### Mission, Vision and Values

The principles of the Bank's mission, vision and values have been incorporated in its medium-term growth strategy for 2015-2017 and are the basis for actions performed for stakeholders. It is the priority of the Bank to conduct its business in a sustainable way on the basis of trust, respect and observance of ethical principles and openness and dialogue with all stakeholder groups.

### Vision

We are part of a financial group with a transnational identity whose actions are focused on value creation in core business areas in markets with distinct profiles based on excellent quality and innovation in the creation and distribution of financial products and services.

### Mission

Our mission is to create value for customers by offering superior quality financial products and services, while complying with rigorous standards of conduct and corporate responsibility and facilitating stable and effective growth to provide shareholders with steady growth in the value of their capital.

### Values

#### Trustworthiness

the Bank must observe high ethical standards and take responsibility for its actions;

#### Openness to the Customer

learning and meeting customers' expectations and needs;

#### Ethics and Responsibility

in action;

#### Excellence

high quality of services rendered;

#### Innovation

striving and searching for new solutions in customer service and on the financial market;

#### Respect for stakeholders.

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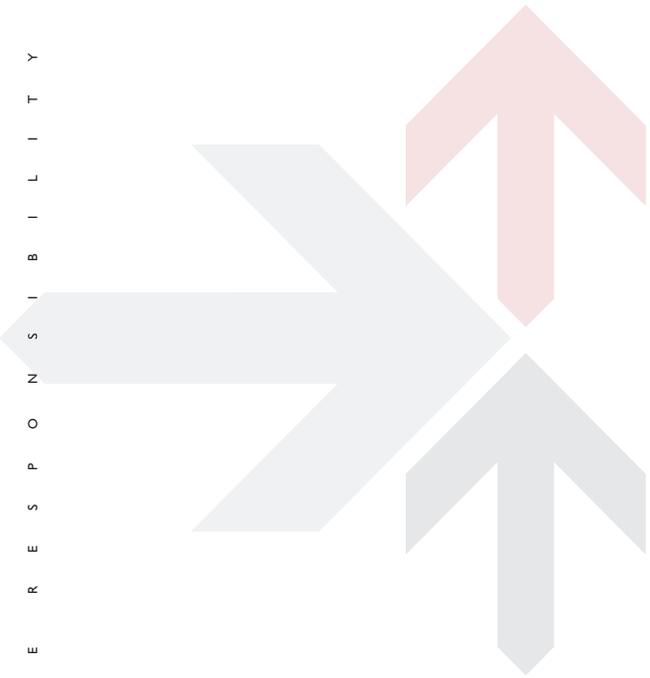
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**Ethical Standards** G4-56 G4-57

Internal codes of conducts are sets of guidelines for employees setting the standards for professional and ethical conduct. Every employee must become familiar and observe the rules prescribed by the *Code of Ethics* and the *Book of Standards* in everyday work.

The **Bank Millennium Code of Ethics** describes the values and general principles that should provide guidance to the Bank's employees and business partners in their cooperation with the Bank. The document contains the requirements that should govern relations with the internal and external environment (including clients, Suppliers, the market) and the rules relating to the observance of human rights and to the running of business activity in a transparent and honest manner (including ethical lobbying, ban on corruption, rules for representing the Bank in contacts with public institutions and political parties). The Code also describes a procedure for reporting unethical behaviour through the **Whistleblowing system**.

Every employee is obligated, by completing a mandatory e-learning course, to become familiar with the Code, confirm its knowledge and apply the rules included in the Code in their daily work.

The Code of Ethics is also provided to the Bank's Suppliers. Every Supplier taking part in a tender procedure must undertake to observe the rules included in the Bank's Code of Ethics, by signing a representation to that effect.

**Books of Standards** for Bank Millennium Group employees – are collections of good practices which, when observed, will ensure high quality of service for clients and ethical selling and facilitate cooperation between employees of different units.

**Compliance Policy** ➔ The laws, principles and standards pertaining to compliance concern matters such as: observance of appropriate market behaviour standards, managing conflicts of interest, fair treatment of clients and providing them with appropriate advice.

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**External regulations observed by the Bank** G4-15 G4-56 G4-57

The Bank conducts its operations on a regulated market and observes the legal principles and the regulations applicable to banks. From the vantage point of the subject of this report, the following regulations must be mentioned:

**Code of Ethics in Advertising** – defined by the Advertising Council is a set of principles that should govern the behaviour of advertisers in Poland. The employees of Bank Millennium, when making decisions related to advertising, are formally obligated to observe the provisions of the Code.

**Corporate Governance Principles** is a collection of norms which together form the system of governance and control over the company, specifically with respect to the rights of particular corporate bodies of the company. The legal framework of the process of developing corporate governance principles for all public companies is provided by the Warsaw Stock Exchange regulations, in particular the **Best Practices for WSE Listed Companies** adopted by the Stock Exchange Board .

**Best Practices in Banking** – the document issued by the Polish Bank Association describes the rules of behaviour of banks to their customers and other banks, the rules of behaviour for a bank employee and also principles to govern advertising, personal data processing and handling of customer complaint and claims.

**MIFID Directive**  – the Bank observes the requirements of the MiFID Directive (Markets in Financial Instruments Directive), the aim of which is to protect clients' investments, increase consistency and transparency of operation of banks and increase competition on the market for financial instruments.

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### 1.2.3. Management Approach to Sustainable Development

The key aspects of management of sustainable development issues in Bank Millennium were included in the medium-term growth strategy for 2015-2017 and are implemented in individual areas of the Bank's operations.

Sustainable development elements in the Bank Millennium Strategy  
for years 2015-2017



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### Oversight, identification and management of economic, environmental and social issues

Bank Millennium achieves its economic, environmental and social objectives on the basis of the plans prepared by the Bank's Management Board and approved by the Bank's Supervisory Board with a one-year time horizon and in the medium term (usually three years). Achievement of these plans is subject to regular reviews and assessments. They are made by the Bank's Management Board, based on information prepared by the entities responsible for their implementation and by the Bank's Supervisory Board, based on information presented by the Management Board. Based on the current assessment of critical points and the possible unexpected events that may affect the achievement of the assumed objectives, the objectives or the policies used to implement them are adjusted at the working levels. Such decisions are reflected in protocols prepared during meetings of the Bank's statutory bodies. They may also be subject to an independent review conducted by the internal audit function. Global assessment of the Bank's activities, including the management of economic, environmental and social matters, is performed by the Supervisory Board based on the Bank's published statements. They are analysed and presented to the Shareholders at the Shareholder Meeting and form the basis for granting a discharge to the Bank's Management Board on the performance of its duties in the financial year.

### Management of risks associated with the impact of environmental and social factors G4-I4

In the operational risk management process, the following categories of social and economic factors are taken into account:

- **Human risk** – arising from conscious actions or omissions by an employee or a risk arising from relations between the Bank and its employees;
- **Litigation risk** – associated with the execution of transactions and different aspects of business activity, including products and services;
- **External risk** – arising from damage to physical property or loss of assets due to natural or unnatural reasons, including risk arising from actions by third parties, such as fraud or, in the case of regulators, implementation of a change that could change the organization's capacity to continue its business activity on certain markets;
- **Organizational risk** – risk occurring at the corporate level arising from issues such as project management, non-compliance with regulatory requirements, corporate culture and risk arising from communication and improper market practices.

Bank Millennium has in place a process-based approach to operational risk management. The adopted management structure defines individual management levels, scopes of their duties and responsibilities from the basic position up to the Supervisory Board.

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### Impact of the Bank's activity on sustainable development and stakeholder rights

The Bank has identified the key areas of its impact on sustainable economic, social and environmental development and the related risks, challenges and opportunities. The key aspects of the Bank's impact have been classified by **the level of their importance for stakeholders and the range of their impact.**



	Impact on:	Challenges	Benefits	Actions taken
<b>Clients</b>	ensuring security of deposited funds, ethical marketing and selling practices, offering high quality products and services, access for people threatened with exclusion	continuous monitoring of client opinions and correctness of processes in the Bank and introduction of improvements in response to clients' needs	gaining competitive advantage as a Bank with a good reputation, offering high service quality and accessible to a wide group of clients	introducing regulations to ensure product safety and protection of client's funds →, Continuous dialogue with clients to respond to their expectations →, obligating employees to observe the ethical marketing and selling practices →, ensuring access for excluded individuals →
<b>Employees</b>	Employee rights to fair remuneration, rewards, employment stability and development and opportunity to express opinions	developing solutions that take into account both: expectations of employees but also the economic capacity of the company	gaining dedicated and loyal employees and reputation of a good employer	observing the principles of the HR policy →, creating capacity of employees to express their opinions →, preference for employment for an indefinite term →
<b>Investors</b>	transparent information policy enabling investors to make investment decisions	creating modern platforms enabling rapid exchange of information between the company and investors	increasing confidence in the company and consequently growth of brand value	observing Good Practices for Listed Companies and reporting regularly. Conducting ongoing communication with investors →

impact on stakeholders' rights **G4-2**

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	Impact on:	Challenges	Benefits	Actions taken
<b>Suppliers</b>	monitoring the supply chain and obligating the Suppliers to observe ethical and environmental standards	monitoring the observance of ethical and environmental standards throughout the supply chain	reducing the risk of cooperation with suppliers who fail to observe the ethical or environmental principles	applying ethical and environmental clauses in selected contracts with Suppliers, obligating Suppliers to observe the Bank Millennium Code of Ethics ➔
<b>Society</b>	preventing social exclusion through the implementation of social and educational programs and providing access to products and services for the disabled persons	boosting the Bank's impact on resolution of social problems	impact on resolution of social problems (e.g. exclusion of the disabled or elderly, low financial literacy in society)	introducing facilities for disabled persons ➔, social and educational programs to prevent the problem of exclusion ➔
<b>Environment</b>	monitoring the environmental impact and managing resources in a sustainable manner; environmental education of the stakeholders	developing and implementing an environmental policy and a comprehensive tool for reporting and monitoring environmental data	optimization of processes in the company and the associated savings of e.g. energy, fuel and water reducing fees for pollution	monitoring the use of resources and implementation of reduction measures ➔, conducting environmental education programs ➔
<p><b>impact on sustainable development</b> <span style="background-color: #4a7ebb; color: white; padding: 2px 5px; border-radius: 10px;">G4-2</span></p>				

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## Objectives relating to the implementation of CSR

### Targets for 2013-2015

#### Management

Develop, approve and implement the CSR strategy.

Change the organizational structure in the CSR area and establish a Committee consisting of managers of the areas of key importance for CSR.

Maintain presence in the Respect Index.

#### Communication

Improve dialogue with stakeholders by formally defining the frequency and form of consultation and by including all the key stakeholder groups.

Increase frequency and forms of communication with stakeholders on the implementation of the Bank's CSR policy.

#### Environment

Develop, approve and implement the environmental policy containing specific, measurable and monitored targets.

Introduce tools for monitoring of environmental impact.

Reduce the company's negative impact on the environment.

#### Suppliers

Include ethical and environmental clauses into contracts with Suppliers and monitor their observance.

#### Society

Increase the scale of participation of the company and its employees in social engagement programs.

### Actions taken in 2014

Review CSR activities and define CSR strategy ➔.

Prepare a proposal for an organizational structure to perform the CSR policy.

Presence in the Respect Index ➔.

Define types and frequency of contacts with each key stakeholder group, regularly collect feedback from stakeholders ➔ and consider their opinions in actions taken by the company.

Maintain regular communication with Stakeholders ➔ through various internal and external channels.

Define key areas of impact on the environment and the methods used to measure them ➔.

Develop a system to measure key environmental impact ratios.

Implement activities reducing its negative impact on the environment ➔.

Include ethical and environmental clauses in selected contracts with suppliers; obligate suppliers to observe provisions of the Bank Millennium Code of Ethics ➔.

employee participation in volunteering and community projects ➔.

### Level of completion



Continuous process

Continuous process

Continuous process



Continuous process



Continuous process

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### Scale of Bank Millennium Group's business activity G4-9

	2014	2013	2012
Number of individual clients	<b>1.3 million</b>	1.2 million	1.2 million
Number of corporate clients	<b>13 thous.</b>	10.5 thous.	10 thous.
Number of branches	<b>423</b>	439	447
Number of ATMs	<b>539</b>	555	566
Number of Internet banking clients	<b>1,536,260 (74%)</b>	1,438,813 (62%)	1,433,726 (54%)
Number of mobile banking clients	<b>145,000 (21%)</b>	79,183 (13%)	51,395 (8%)
Number of employees	<b>6183</b>	5956	6073
Number of business partners	<b>5357</b>	5142	5529
Subsidies and grants	<b>PLN 1.79 million</b>	PLN 2.59 million	PLN 1.67 million



Letter from the Chairman of the Management Board of Bank Millennium



Management Board by age groups G4-LA12

	2014			2013			2012		
[30-50]	33%	67%	43%	33%	67%	43%	25%	75%	50%
>=50	25%	75%	57%	25%	75%	57%	25%	75%	50%
Total	29%	71%	100%	29%	71%	100%	25%	75%	100%

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# Bank's Stakeholders

# 2

# 2

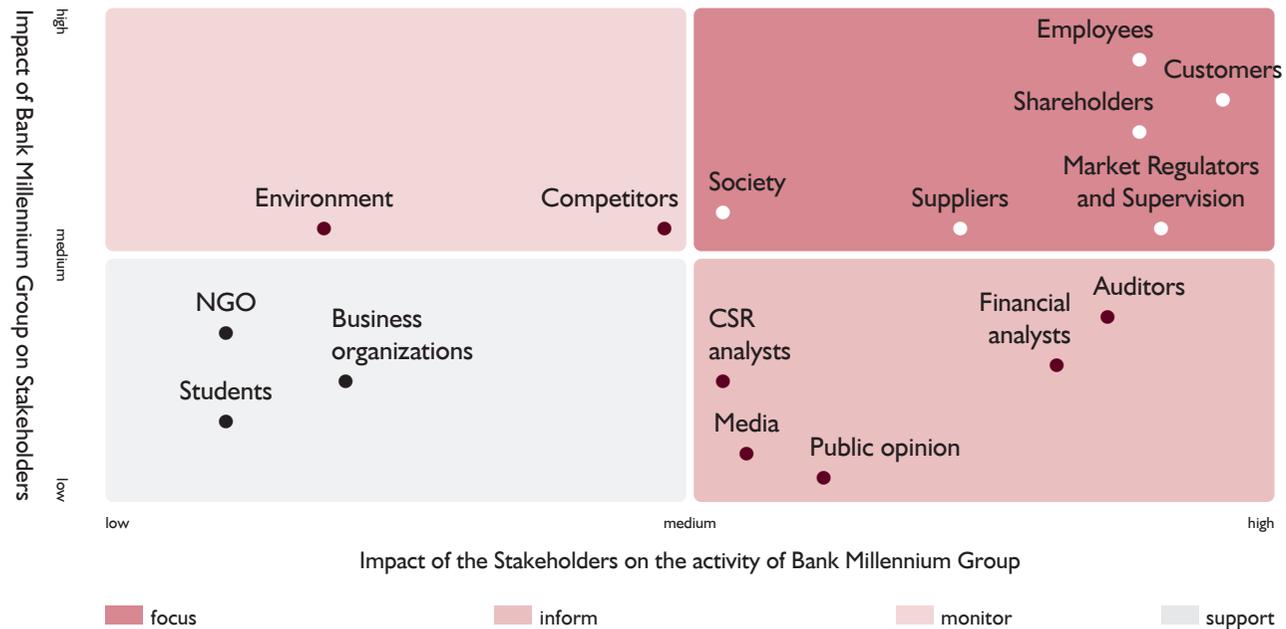
# Bank's Stakeholders

## 2.1. Identification of Stakeholders G4-25a

Stakeholder groups have been selected following a mapping process. This process was conducted based on the results of internal survey to determine the influence of respective Stakeholder groups in the Bank and the Bank's influence on those Stakeholder groups.

The survey was completed by the people running the company's units with highest involvement in the implementation of the Bank's CSR policy. This way, key Stakeholders of the Bank Millennium Group were selected. They include **Clients, Employees, Investors, Business partners, Social environment, Regulators and Market Supervision and the Natural Environment.**

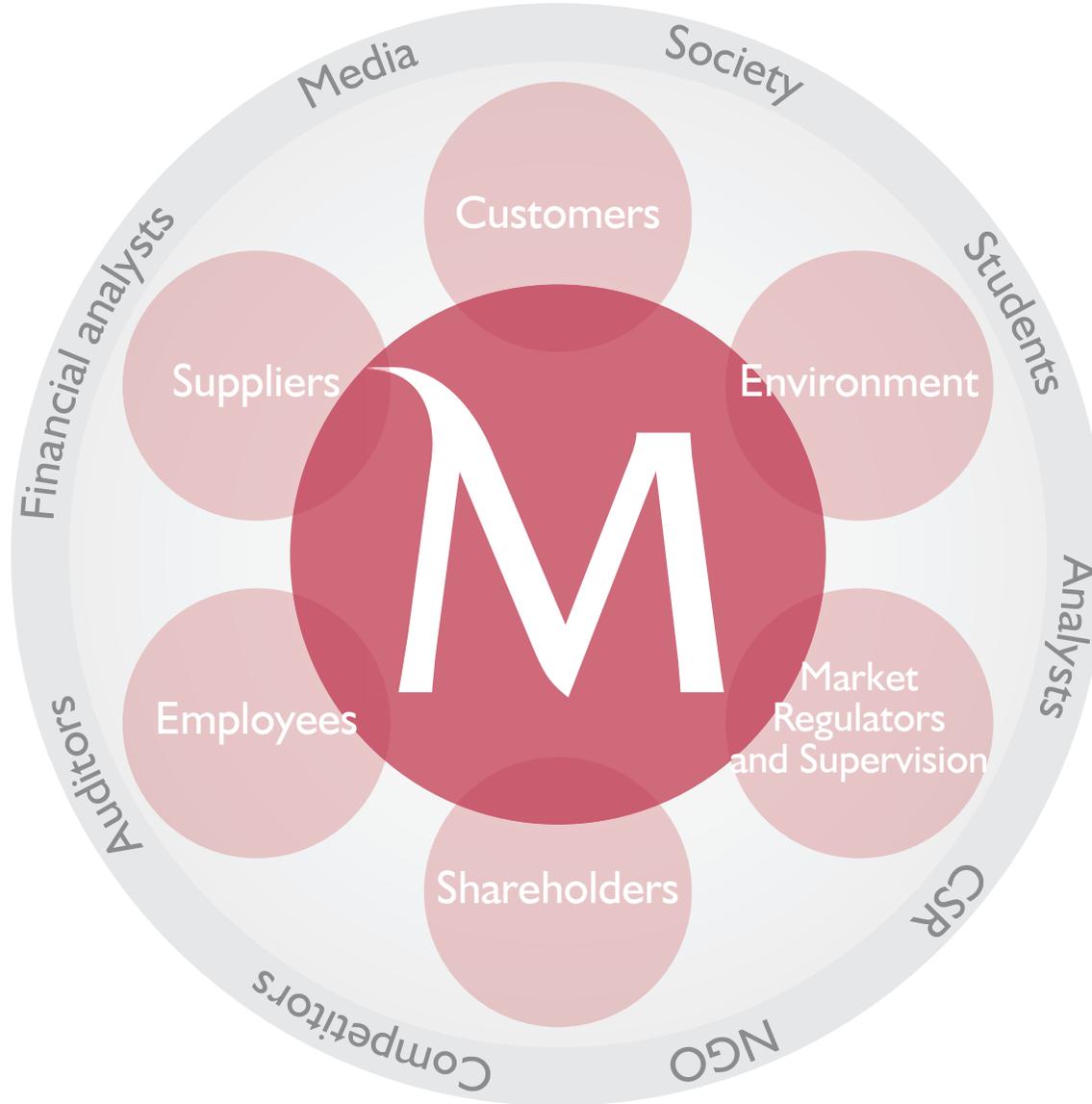
### Stakeholder mapping



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Stakeholders of Bank Millennium Group G4-24a



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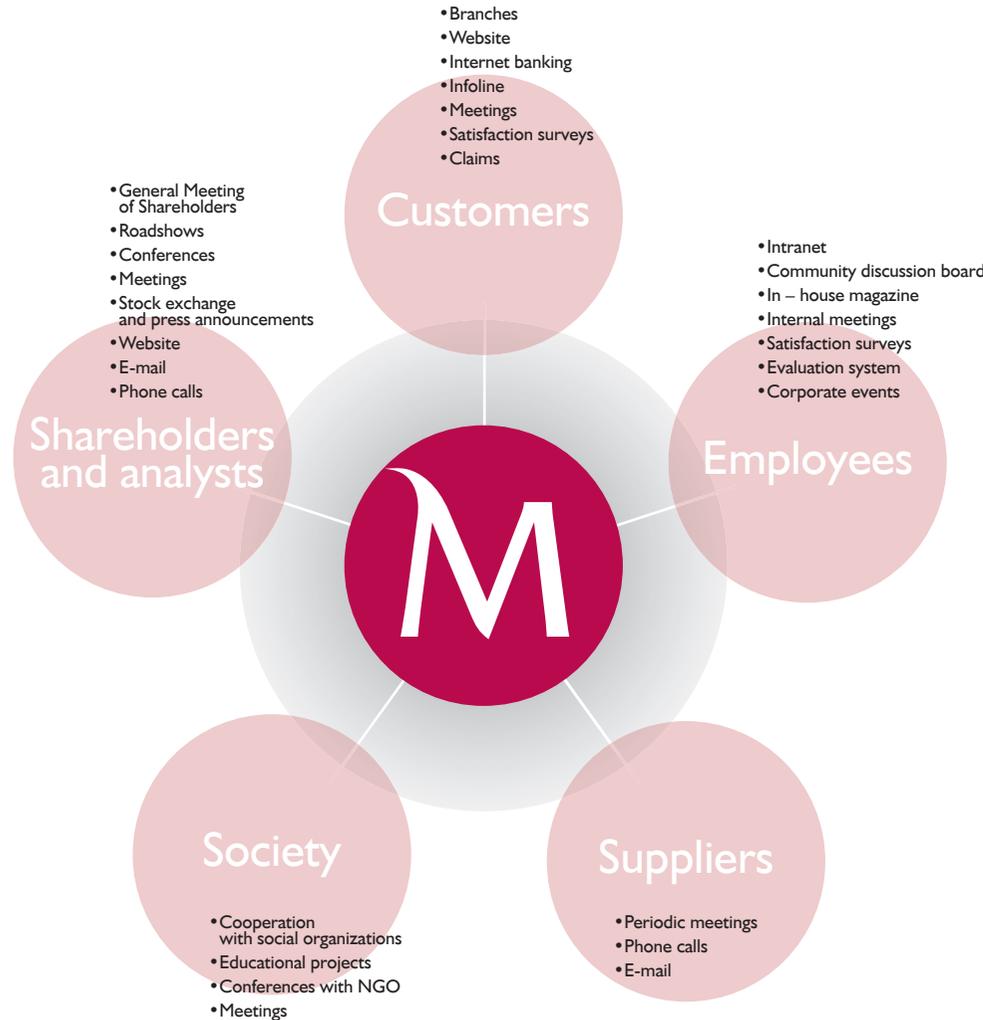


## 2.2. Dialogue with Stakeholders G4-26a

The Company carries out a documented dialogue with key Stakeholder groups, aimed at learning their opinions and expectations from their cooperation with the Bank.

The feedback from Stakeholders is received from the following sources:

### Communication channels with Stakeholders



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Key issues stemming from dialogue with Stakeholders (1/2) G4-26a G4-27a

Stakeholder	Communication channels	Frequency of dialogue	Topics raised	Bank's actions	Details
<b>Investors and Analysts</b>	Shareholder Meeting	Once a year	Transparent activity, quick and easy access to information about the Bank	Observance of external standards for listed companies, Compliance Policy, ensuring transparency and security of operations, quick exchange of information through multiple communication channels with Shareholders	<b>Investors</b> →
	Roadshows and conferences	Several times a year			
	Meetings	Several hundred times a year			
	Stock exchange communication and press releases	Ongoing			
	Contact through Internet, e-mail, phone	Ongoing			
<b>Clients</b>	Branches, Internet and mobile banking, Internet, Hotline, Complaints	Ongoing	High quality of products and services offered, ethical marketing and selling practices, fair consumer practices, safety of deposited funds, ease of communication with the Bank, improvement in the operation of products and processes	Running quality improvement projects, introducing solutions in response to client needs, application of ethical selling procedures, ensuring safety of client funds and ability to contact the Bank quickly	<b>Clients</b> →
	Product and service satisfaction surveys and customer service quality surveys	Monthly/quarterly /yearly and ad hoc			
	Meetings with clients	More than ten times a year			
<b>Employees</b>	Intranet, social site for employees, other internal publications	Ongoing	Stability of employment and professional development opportunities, fair salary and rewards, responding to requests submitted by employees	Regular monitoring of goals included in the HR policy, surveying the needs, motivation and satisfaction of employees, allowing employees to express their opinion through different communication tools	<b>Employees</b> →
	Corporate meeting with the participation of the Management Board	Once a year			
	Employee evaluation system	Once a quarter			
	Satisfaction and motivation surveys	Once a year			

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Key issues stemming from dialogue with Stakeholders (2/2) G4-26a G4-27a

Stakeholder	Communication channels	Frequency of dialogue	Topics raised	Bank's actions	Details
<b>Suppliers</b>	Periodic meetings Telephone, e-mail	Several hundred times a year Ongoing	Fair rules for selecting and cooperating with Suppliers	Use of objective procedures for selecting Suppliers; timely performance of agreements	<b>Suppliers</b> →
<b>Social environment</b>	Offers of cooperation Contests and training for students Conferences with representatives of the social side and NGOs Cooperation with Universities	Several hundred times a year Several dozens a year Several dozens a year A few times a year	Supporting social projects by the company and employees	Merit-based and financial support for social projects; encouraging employees to take part in social and volunteering campaigns	<b>Society</b> →
<b>Environment</b>	Environmental rankings Environmental reports for state administration authorities	Several dozens a year More than ten a year	Reducing the negative impact on the environment, environmental education of clients and employees	Monitoring and lowering impact on the environment, environmental education programs	<b>Environment</b> →

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# Safety of Deposited Funds



# 3

# Safety of Deposited Funds

## 3.1. Assurance of Deposit Safety

Ensuring safety of funds deposited by clients is one of the sustainable business priorities defined in the Bank's strategy for 2015-2017. Bank Millennium and Group companies operate pursuant to the applicable legal regulations, the code of ethical behaviour and best market practices. The Bank attaches special importance to the matters related to risk management and security of operations. [G4-DMA](#)

### 3.1.1. Compliance Policy [G4-DMA](#) [G4-57](#) [G4-58](#)

The laws, principles and standards pertaining to compliance of the Bank's actions with the applicable internal and external regulations concern matters such as: observance of appropriate market behaviour standards, managing conflicts of interest, fair treatment of clients and providing them with appropriate advice.

The Bank considers the following areas of operation to be of particular importance:

- counteracting money laundering and financing of terrorism;
- ensuring compliance of Bank Millennium's internal normative acts with generally applicable provisions of law and with recommendations formulated by supervisory authorities;
- management of conflicts of interest;
- observance of the ethical principles;
- restrictions on personal transactions and protecting sensitive information related to Bank Millennium financial instruments issued by the Bank as well as information related to sales and purchases of such instruments;
- monitoring and ensuring compliance with respect to investment products covered by the EU MiFID directive ➔.

Report on the adequacy and effectiveness of the compliance supervision system is presented quarterly to the Bank's Management Board and the Supervisory Board's Audit Committee and annually to the Supervisory Board.



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### Instances of non-compliance with the law and best practices G4-58

#### Class action of mortgage clients

On 21 October 2014, the Bank received a class action suit in which a group of the Bank's borrowers represented by the Municipal Ombudsman of Consumers in Olsztyn pursues a judgment that the Bank is liable to them for unjustified enrichment in connection with CHF-indexed mortgage loan agreements. The group believes that the Bank charged excessive amounts for repayment of loans. According to the lawsuit, the excessive amounts resulted from

the application of forbidden contractual clauses relating to the indexation of loans to CHF.

The Bank does not accept the claims put forward by the group. On 31 December 2014, the Bank submitted a rejoinder in which it challenged the claims of the group members.

### Amounts of significant fines for non-compliance with the law or regulations G4-S08

	Amount (PLN)	Explanation
2014	850,000	The President of UOKiK* also recognized as a practice violating the collective interests of consumers the fact that, in the agreements to open and run Individual Retirement Accounts, the Bank failed to indicate the prerequisites for amending the agreements and failed to specify the scope of the Bank's liability for the timely and correct cash settlements and the amount of compensation for exceeding the deadline for performing instructions from the account holder and requested that those practices be discontinued. On account of these violations, the President of UOKiK fined the Bank PLN 2,857,389. The Bank has appealed against the Office's decision. On 25 November 2014, the Court reduced the fine to an aggregated amount of PLN 850,000. The judgment is not final.
2013	634,071	By a decision of 29 December 2006, the President of UOKiK imposed a fine of PLN 12,158,370 on Bank Millennium. The fine was also imposed on other banks (20 in total). This fine was a result of proceedings, in which UOKiK recognized as a competition-restricting practice the practice, in which banks, including Bank Millennium, took part in an arrangement to jointly set the interchange fee rates charged on transactions made with Visa and Mastercard cards. In its judgment of 21 November 2013, the Competition and Consumer Protection Court in Warsaw dismissed in part the appeals submitted by banks, while reducing the fines, in the case of Bank Millennium down to PLN 634,071. The judgment is not final.

\*Office of Competition and Consumer Protection

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### 3.1.2. Fraud Prevention G4-58

The *Fraud Risk Management Program* has been created to effectively fight and prevent abuses and is the basis for the currently existing and continuously updated fraud prevention system. The system enables coordination of actions taken by the Bank's units involved in fraud prevention in the area of fraud detection, analysis and prevention processes, while providing professional tools and systems to ensure effective protection of the Bank.

One of the elements of the program is **Branch employee training**, since branch employees have ongoing contact with clients and have the opportunity to identify suspicious behaviour. In addition to training for new Network employees (470 people trained in 2014), a site devoted to fraud prevention is available on the Bank's Intranet. Employees also receive information on new tricks and methods used by criminals.



# 22%

employees trained  
on the AML/CTF program

[+ more](#)

### Anti-Money Laundering and Combating Terrorism Financing

The Bank's *Anti-Money Laundering and Combating Terrorism Financing (AML/CTF) Program* is a comprehensive system to identify risk areas related to the money laundering crime.

The activities taken in the program involve in particular the use of financial security measures depending on the evaluation of money laundering risk, registration and reporting of transactions, selection of suspicious transactions, cooperation with the Inspectorate General of Financial Information.

Bank Millennium has adjusted its reports on an ongoing basis to the results of analysis of suspicious transactions, by adding the schemes operating in the given period (sectors, money flow directions, client behaviour) in order to effectively identify and report transactions that may be related money laundering operations.

Efficient operation of the Program is ensured through internal procedures, organizational solutions in place and the employee training programs.

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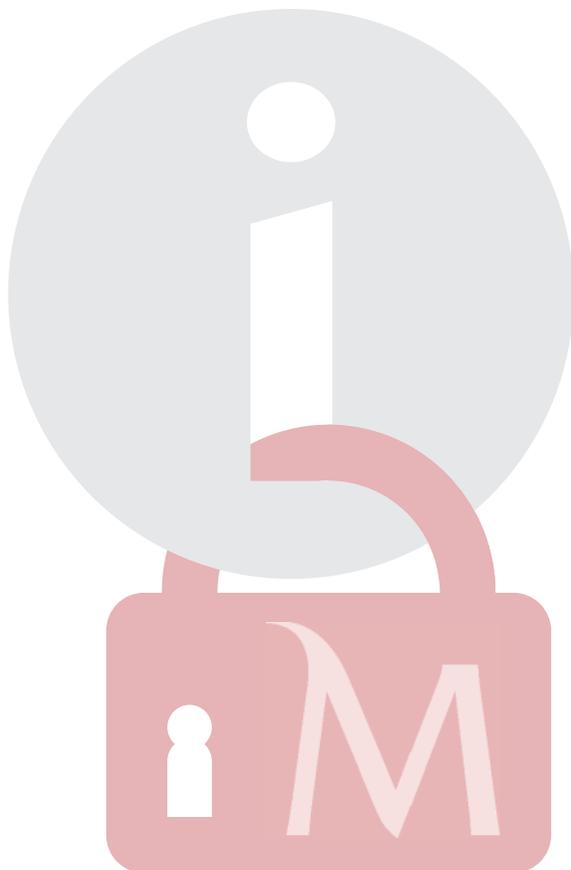
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### Anti-corruption regulations G4-58

The anti-corruption regulations described in the internal compliance policies and the Code of Ethics of the Bank Millennium Group pertain to the **acceptance and offering of benefits by Bank employees, rules for contacting people discharging public functions, public institutions and political parties**. These regulations also apply to the Bank's Suppliers and business partners. Every Supplier taking part in a tender procedure must undertake to observe the rules included in the Bank's Code of Ethics, by signing a representation to that effect. G4-DMA

Employees may voice questions and observed irregularities concerning the breach of law, regulations and ethical norms via a dedicated telephone line or e-mail account or they may contact their immediate supervisor or the person running the Compliance Department.

However, during the internal audits, the vulnerability of bank processes to various types of threats and possible abuse, including corruption, is examined.

### Risk of corruption G4-S03 G4-S05

+ [more](#)

### Information Security G4-58

The information security system in place in the Bank is **modelled after the international ISO/IEC 27001 standard** which defines the requirements for establishing, implementing, operating, monitoring, reviewing, maintaining and improving information security management in the organization. The information security management regulations are reviewed at least once a year.

The accepted information security management model determines the comprehensive system for protecting all information processed in the Bank, including information on clients, employees and transactions. In order to achieve this goal, the Bank uses a broad range of organizational, IT, telecommunication measures and in particular device protection mechanisms, systems, applications, databases and communication channels.

Even though the Bank is not obligated to obtain a certificate of its information security management method, great emphasis is placed on all levels of the organization on compliance with the requirements set forth in the international standard ISO/IEC 27001 and the standard applicable in the payment card sector, that is PCI DSS. This results in positive reports of periodic audits conducted by the Polish Financial Supervision Commission and external consultants as well as accreditations from leading payment card issuers, including VISA, MasterCard and American Express.

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**Internal Audit** G4-FS9

## activities in 2014

Process audits	78
Financial audits	4
Audit of outlets	178
Compliance audits: IRF / MiFID	13
Ad hoc audit	8
ICP review, inspections from KNF, BION	5
<b>TOTAL:</b>	<b>286</b>
Preventive inspections	251
Explanatory proceedings (ad hoc)	297

**Internal and external audit** G4-58**Internal audit**

The activity of Internal Audit is based on the annual audit plan. Planning is based on the evaluation of risks to which individual areas and processes of the Bank are exposed. The planning process takes into account consultations with senior management and key process owners. The annual audit plan is approved by the Audit Committee of the Bank's Supervisory Board and is implemented on a quarterly basis.

**Internal audit opines any regulations introduced or amended in the Bank and conducts an independent and objective assessment and provides advice to the units regarding the audited domain.** Advisory activity may be performed if its character does not compromise the principle of the internal auditor's objectivity and independence.

The Internal Audit Department is an independent unit reporting to the Chairman of the Bank's Management Board, which delivers results of its activities to the Audit Committee of the Bank's Supervisory Board and to the Supervisory Board itself. **Results of the operating review of the entire internal control system and of its selected elements are presented regularly and evaluated by the Audit Committee of the Bank's Supervisory Board.** G4-DMA

**External audit** G4-58

For the stakeholders, it is important to receive information about the results of the Bank's operations, which is timely, transparent and adequate. One of the actions supporting the performance of this task is **the Bank's cooperation with an External Auditor during the preparation of financial statements.** The External Auditor is selected by the Bank's Supervisory Board based on a recommendation of the Supervisory Board's Audit Committee.

In 2014, after long years of cooperation with KPMG Audyt Sp. z o.o., PricewaterhouseCoopers Sp. z o.o. became the Bank's External Auditor. In addition to the cooperation in performing the basic tasks of the External Auditor, such as review and audit of semi-annual and annual financial statements, the Bank cooperates with PwC in implementing the concept of ongoing monitoring and consulting economic events in the context of their correct presentation in other financial statements. This approach ensures that such transactions will be presented in interim statements in the same way as in the audited annual financial statements.

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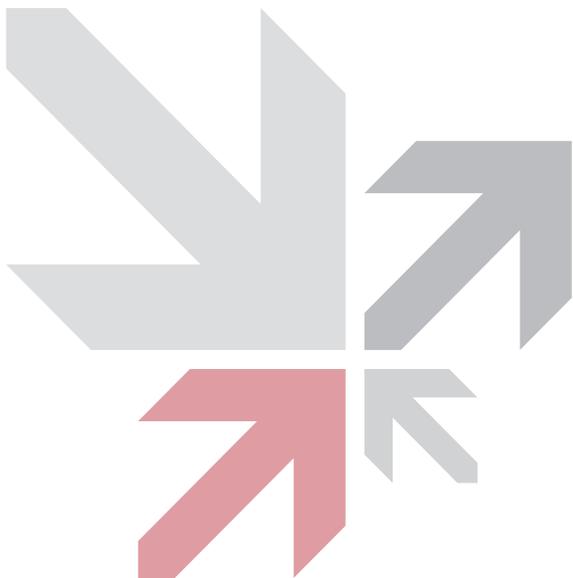
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## 3.2. Risk Management

G4-14 G4-46 G4-47

Bank Millennium has an efficient risk management system, which consists of a collection of rules and mechanisms to regulate the actions taken to identify, measure, mitigate, monitor and report all types of risks associated with its activity.

Due to the diverse range of the Bank's operations, risk management is also conducted by specialized committees, the powers of which are defined by the Bank's Management Board. The most important one is the Risk Committee, the members of which are all members of the Bank's Management Board. A specialized organizational unit (Risk Department) presents current risk management updates in the form of reports to the Bank's Management Board (usually on a monthly basis) and to the Bank's Supervisory board (quarterly). **The Bank also has in place the policies and internal regulations that are used to evaluate, report on and prevent non-standard or crisis events.** The purpose of those activities is to ensure continuity of the Bank's operations on a continuous basis.

The Bank's Management Board attaches special importance to the continuous improvement of the risk management process. This has resulted in measurable success achieved by the Bank and the Group in 2014, given the results of the asset quality review (AQR), stress tests and submission of an application to extend the Internal Ratings Based Approach (IRB) in the capital requirement calculation process.

Detailed information on risk management is described in the 2014 Annual Report available on the Bank's website.

## 3.3. Cooperation with Market Regulators and Supervision G4-58

In 2014, there were three inspections in the Bank carried out by the Polish Financial Supervision Commission and audits carried out by the National Depository of Securities (KDPW) and the National Labor Inspection. For each post-inspection recommendation received by the Bank, a unit responsible for its implementation is appointed, who regularly reports on the implementation status.

A permanent element of cooperation with the regulatory authorities is the activity conducted by selected employees of the Bank's Legal Department, which includes opining draft versions of regulations and initiating discussions on topics of importance according to Bank experts. These activities are carried out through sector organizations, such as the Polish Banking Association and Lewiatan.

# 3

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**Anti-Money Laundering Program**

	2014	2013	2012
Number and % of employees trained	<b>1,256</b> (22%)	<b>1,539</b> (28%)	<b>1,346</b> (22%)
Number of Suspicious Activity Reports (SARs) sent to GIIF*	<b>134</b>	<b>155</b>	<b>187</b>
Number of clients reported in SARs	<b>502</b>	<b>640</b>	<b>844</b>

\* General Inspector of Financial Information

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### Risk of corruption G4-SO3 G4-SO5

Number and % of organizational units analysed for corruption risk

2014 2013 2012

It is difficult to specify the number of audited units, since audits concern processes and several organizational units may be involved in each process.

Actions taken after corruption cases are found

1

No corruption cases have been found



Letter from the Chairman of the Management Board of Bank Millennium



## Clients



# 4

## Clients

### 4.1. Responsible Sales of Products and Services

#### 4.1.1. Reliable Marketing Communication G4-FS15

##### Marketing communication standards

Marketing materials prepared by the Bank are compliant with all the laws and regulations applicable to this area, including the **Canon of Best Financial Market Practices and guidelines of the guidelines laid down by the Financial Supervision Commission**. Bank tracks the recommendations formulated by the Financial Supervision Commission and adapts its advertising message to those recommendations on an ongoing basis. The employees of Bank Millennium involved in the advertising work are formally obligated to observe the provisions of the **Code of Ethics in Advertising** defined by the Advertising Council. The Bank has also adopted its internal regulations in this respect. G4-DMA

The Bank's undertakings contained in the strategy for 2015-2017 expressed to clients relate to the assurance of security of deposited funds, observance of ethical principles in the marketing and selling process, offering products adjusted to client's needs, ensuring high quality of service and providing access to services to excluded groups (e.g. the disabled or elderly).

G4-DMA

##### Clear and advertising messages

Any change or introduction of a document or marketing material for buyers of respective products is preceded by consultations within the Bank, verification by the legal team, compliance, marketing communication and product, in order to provide clients with a clear and reliable, legally-required information about the products offered.

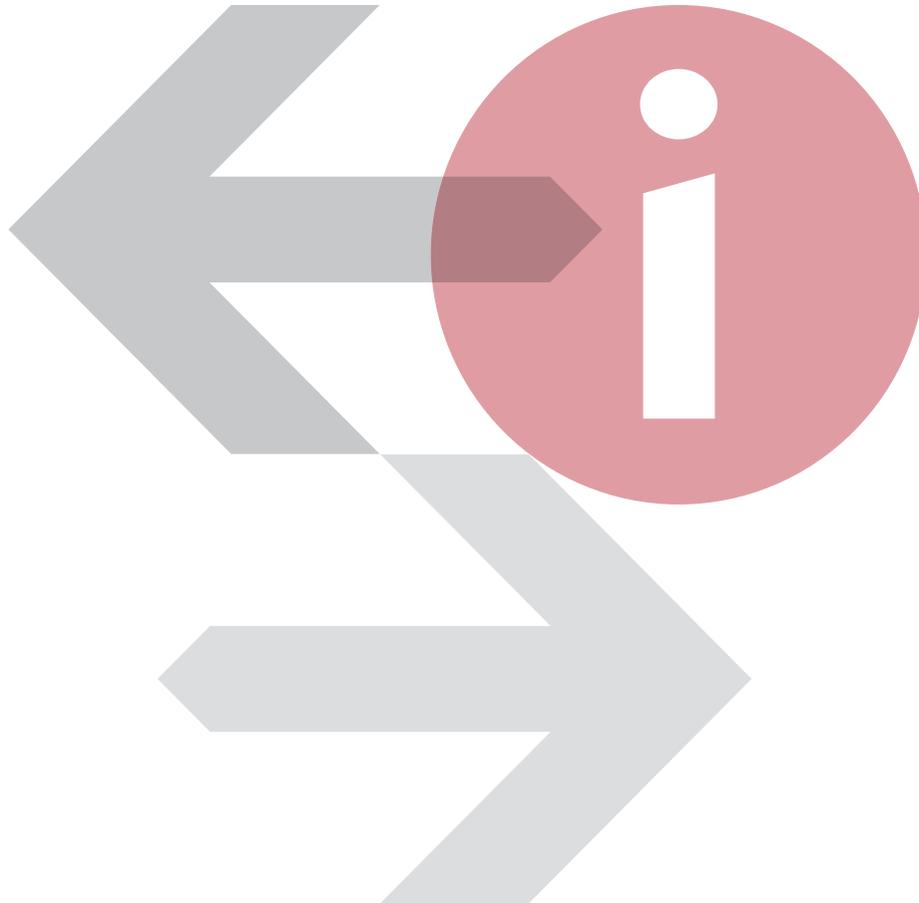
In accordance with the principles of advertising banking services, which were prepared by the Financial Supervision Commission Bank Millennium's advertisements are not misleading and show the important features of the products and services and related benefits and costs. They also depict their legal nature and provide information about the level of possible risk carried by the customer. If the message focuses on a promotional offer, its conditions and term of its validity are specified. Clients also receive information where they can learn about the details of the promotion.

In 2014, there were no cases of non-compliance of Bank Millennium with regulations relating to marketing communications. G4-PR7

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### 4.1.2. Transparent Information about Products and Services G4-PR3 G4-FS15

In addition to the reliable marketing communication, clients are offered tools that make it easier for them to select a product to match their needs. The Bank also applies solutions that are aimed at protecting the client's investments. G4-DMA



#### Assistance in selection of financial products

In order to give the clients an easier choice of product matching the needs, the Bank's website offers two solutions:

- *Your Needs* section, where the client receives directions on products and services that would be the most adequate for his/her financial requirements;
- tools to assist the client in selecting the most adequate product, such as a deposit comparison tool or a cash loan calculator.

Letter from  
the Chairman of the  
Management Board  
of Bank Millennium



### Security of investments

G4-PR3 G4-FS15

The Bank complies with the requirements of the Markets in Financial Instruments Directive (MiFID), which **obligates the Bank to convey information to clients aligned to their knowledge and experience in investing in financial instruments and products**. The Bank is also obligated to provide reliable and not misleading information about products and risks associated with investments in those products and to apply the policy of acting to the best interest of its clients and the policy to prevent the conflict of interest.

In addition to the products, which were covered by MiFID by the power of law, the Bank also included other financial products. The list of products covered by MiFID also includes unit-linked insurance products and investment (structured) deposits.

All the marketing publications prepared by the Bank describe, among others, the risks associated with investments and sample scenarios related to the financial instrument or product. Clients are also presented with complete and reliable information on the Bank's products and products distributed by the Bank, including their issuers and the terms of the complaint process. Information on services, bank agreements and documents, letters sent to clients are drafted in a precise, comprehensible and transparent manner.

### Information on amendments to regulations and price lists

Information on amendments to regulations and price lists is sent by the Bank to clients at least two months before the amendments come into effect. Such information is sent by post (usually with monthly statements) or electronically using the Internet banking system.

According to the Bank's regulations and the Act on Payment Services, clients have the right to object to the proposed amendments without incurring any fee or terminate the agreement while observing the termination period, also without any fee. If an objection is made but the agreement is not terminated, the agreement expires on the day preceding the effective date of the amendments.

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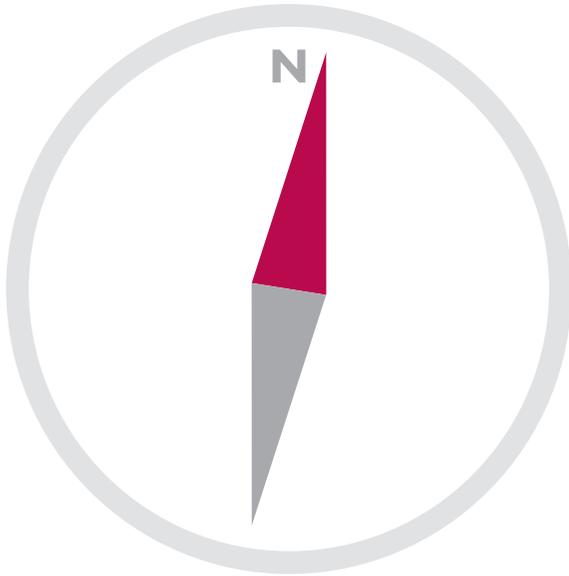
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### 4.1.3. Ethical Standards in Customer Service G4-FS15

#### Standards of selling products and services

Employees of the Bank's branches are obligated to observe ethical selling standards included in the **Code of Ethics** and in the **Book of Customer Service Standards**.

Additionally, **Standards for Selling Personal Accounts and Credit Products** were implemented in 2014. These standards contain elements such as e.g. reliable analysis of client needs, presenting the product offering with all related costs and conditions required to obtain one, diagnosing the client's concerns, providing clarification and finally making sure that the client is familiar with the principles of the product's operation before the agreement is concluded.

**Employees have also been trained in practical application of the standards.** Compliance with standards and the scope of information provided to clients by employees is regularly controlled during the evaluation of quality of the selling process using a Mystery Shopper study. All of the Bank's outlets are subject to inspection.

#### Assistance in repayment of debt

If past due debt arises after liabilities to the Bank are not paid on a timely basis, an individual client may address the Bank during the term of the agreement with a request to conclude an annex amending the initial agreement. If a liability has become fully due and payable following a termination of an agreement, a client may request a composition agreement to be concluded for the repayment of the liability. If both parties accept the terms and conditions of repayment, it is possible, among others, to: repay the overdue amount in the form of instalments, reduce the previous instalment amounts, reduce interest accruing on the liability or extend the lending period.

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117

participants in meetings  
for Corporate Clients

#### 4.1.4. Client Education Programs G4-FS16

##### Publications in the media

The media publish educational and guidance statements by Bank Millennium experts. In 2014, the subjects of such publications included, among others: effective saving methods, criteria to consider when applying for a cash loan or when shopping for a good personal account. The media published several dozen of such statements.

##### Guide for Corporate clients

Corporate clients receive a bulletin along with their monthly account statements containing a legal calendar including legislative changes affecting the operation of businesses, macroeconomic forecasts and an article on a specific Bank product or service.

The bulletin is also available on the Bank's website at <http://www.bankmillennium.pl/en/corporate/support>

##### Meetings for Corporate clients

The Bank promotes economic knowledge by analysing trends in the economy and macroeconomic forecasts. These activities take place as part of specialist seminars and take the form of a presentation by the Bank's Chief Economist during meetings with representatives of companies.

The subjects discussed in 2014 included, among others: Poland's economic growth, interest rate levels, propensity of companies for investing, future exchange rates.

##### Meetings for Corporate clients

	2014	2013	2012
Number of meetings	9	12	24
Number of clients taking part in the meetings	117	140	275



## 4.2. Convenient Communication with Bank

Clients may contact the Bank through a number of channels: a chain of 423 branches across the country, a call centre, the Internet and mobile banking.

# 7%

growth in the number of calls to TeleMillennium

[+ more](#)

### TeleMillennium

TeleMillennium, which is a telephone channel of contact with the Bank, makes it possible not just to submit orders relating to the service of Bank products but also to provide assistance in clarifying doubts, obtaining information about our offering and intervening in emergencies. This is also a channel of contact for prospective customers who can give instructions to open an account or a credit card.

In 2014, in order to ensure the highest possible quality of customer service for mortgage borrowers, a specialized Consultant Team was separated to handle matters relating to mortgage loans.

Also, certain activities were introduced to manage the suggestions put forward by the clients. Directly after talking to a client, consultants may send his/her comments to a relevant unit at the Bank. This function enables analysis of client needs and implementation of measures in response to their expectations.

# 74%

Internet banking clients

### Internet and mobile banking

Internet and mobile banking clients may contact the Bank quickly via multiple channels, e.g. by sending a message from the website or from the transaction system, using a chat feature on the website or assistance of a Virtual Advisor. If any problem occurs in the operation of Internet or mobile banking, a client may contact a special assistance hotline for electronic banking clients.

All comments and suggestions submitted by clients via electronic and telephone channels are monitored and analysed on a continuous basis. Moreover, selected clients are invited to take part in usefulness tests conducted using the eye tracking technology. All of the above analyses are used to plan development of the Internet and mobile banking function.

# 21%

mobile banking clients

[+ more](#)

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# 102 thous. Client respondents

## 4.3. Customer Service Quality

### 4.3.1. Research of client needs

#### Client satisfaction improvement project

In 2014 Bank Millennium continued to implement its Customer service quality and satisfaction program. The main projects executed included:

- Implementation of standards for selling personal accounts and credit products that would improve quality of dialogue with clients and ethical selling;
- Verification of the knowledge of employees, through regular competence testing in respect to products, processes, service standards;
- Regular contact with Outlet employees, support for the implementation of standards;
- Monitoring of the observance of standards and the quality of selling through monthly Mystery Shopping studies.

The projects performed by the Bank have borne fruit not just in the form of improved internal quality ratios but have also won third party recognition. In 2014 Bank Millennium was once again recognized in the independent ranking investigating the quality of service called *Newsweek's Friendly Bank*, taking first place in the *Internet Bank* category and second place in the *Bank for Mr. Jones* category.

#### Customer Satisfaction and Service Quality Surveys

The Bank's Customer satisfaction surveys are conducted regularly, which provides **continuous information on satisfaction levels and recommendations over time**. Surveys are conducted for each of the following segments: Retail clients, Prestige clients and Corporate clients. In addition to overall satisfaction surveys, the Bank carries out projects relating to specific products or services, e.g. satisfaction with specific contact channels with the Bank: outlets, website, e-mail, phone and mobile banking.

#### Customer satisfaction G4-PR5 + more

In order to maintain high quality of Customer service in the outlets, the Bank conducts **Mystery Shopping** surveys in cooperation with an external company. Each month, all of the Bank's outlets are visited by auditors, who evaluate compliance of the Customer service quality level with the accepted standards.

#### Quality and Satisfaction Survey + more

### 4.3.2. Complaints Management

Bank Millennium's complaint process is formalized enabling customers to submit complaints in a number of ways: directly in a Bank branch, by mail, by phone or through the web banking system. Information on the possibilities and ways of submitting grievances is available on the Bank's website and in the rules and regulations for rendering banking services.

**Internal reviews regarding the submitted complaints are conducted on a regular basis and their findings are used to streamline banking processes.**

In 2014, the Bank continued its complaints management policy focused on analysing and eliminating the underlying causes for complaints. The number of complaints received by the Bank in 2014 was about 7% lower vis-a-vis the previous year, which serves as a confirmation that the actions taken by the Bank in this respect have been effective.

Complaint reports are forwarded monthly to people responsible for individual products and processes. This allows the Bank to analyse the quality of services it offers and to take optimization measures. The initiatives implemented on the basis of complaint analysis involved, among others, introducing a more precise description of transactions on statements and in the Internet banking system, changing the manner in which data are presented on the Bank's website and introducing changes in Internet transfer forms. Additionally, the actions to reduce the response time for a complaint and to use the communication methods adapted to client needs have improved the clients' overall satisfaction with the complaints process.

**Complaints Management** G4-PR8

[+ more](#)



**7%**   
**fewer complaints**

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55%

Employees trained  
on personal data protection

+ more



## 4.4. Client Privacy Protection

### Protection of client information

The Bank and its employees are obligated to protect private and confidential information pertaining to its clients and its proper usage. To this end, **information systems are being improved** on an ongoing basis and the **pertinent employee training is conducted**. The Bank's Suppliers, whose services the Bank uses on a contractual basis, are also obligated to protect data confidentiality, including personal data and confidential data supplied by the Bank. In particular, clients' personal data, account and transaction-related data as well as related to all banking operations are subject to protection.

### Clients' personal data protection

The Bank collects, processes, uses and stores client personal data in compliance with the binding regulations, and it undertakes all reasonable steps to protect such information. Clients are advised of the objective of processing personal data and it provides clients access to the contents of these data, including the option to correct and supplement them.

The Bank abides by the rule of not making clients' personal data available to third parties unless it is necessary to perform the contracts executed with clients or is otherwise compliant with the regulations in force in this area. [G4-DMA](#)

### Protection of employee information

Employees are obligated to abide by all the Bank's rules and guidelines pertaining to personal data security and to take care so that this type of information is made available solely to authorized persons.

Bank employee data may also be processed in other places besides their place of employment, but the relevant legal regulations in force are adhered to in respect of collecting, transmitting, storing, processing and using this type of information.

The specific rules for classifying and protecting information are prescribed by the information security policies in force in the Bank.

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89%

outlets accessible  
to disabled persons

+ more

## 4.5. Accessibility of Financial Services for Disabled and Elderly G4-DMA

With a network of 423 outlets, the Bank has a footprint in all of Poland's largest cities. Outside of the outlet network, the Bank also offers its services through the mobile web banking system, through the telephone banking channel and a chain of 539 proprietary ATMs. Through the multiple distribution channels, services are offered 24 hours a day, 7 days a week and access to the Bank's products and services is virtually unlimited. G4-FS13 The Bank makes it increasingly easier to use its products and services by the disabled and elderly, by ensuring:

- **access to outlets**, where architectural barriers may occur;
- **ATMs facilities** for people with impairments of vision and movement. Disabled people with movement impairments can use the number keypad instead of function buttons next to the screen, which means that they do not have to reach too high near the screen. People with vision impairments on the other hand may use a special contrast screen mode and voice messages after headphones are connected to the ATM;

- **large text feature** – the Bank's website and the Bank's Internet application contain an A+ button, which enlarges the presented text, allowing vision-impaired persons to use the application;
- **service over the phone** – customers using the Bank's Hotline can use the voice command feature during the call instead of using the phone's keypad;
- **easier signing of agreements** – blind or visually impaired persons or people who cannot read can still sign an agreement with the Bank in the presence of two employees of the outlet or a witness trusted by the customer. In such cases, an outlet employee can also read the agreement aloud and/or in the case of customers who cannot write, they can sign using a fingerprint;
- **agreement forms** on the website, easy to read by text-to-speech applications;
- **service standards of the disabled people** – detailed guidelines regarding the service of disabled clients, which are binding on the employees of all of the Bank's outlets. G4-FS14

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## 4.6. Socially Responsible Products and Services

Socially responsible products and services are targeted at both individual and corporate clients. [G4-DMA](#)

### 4.6.1. Individual clients

#### 360° Account°



Bank Millennium offers a 360° account, after certain easy to satisfy conditions are met, may be maintained **free of charge**. The conditions offering a release from maintenance charges have been designed to be easy to satisfy, also by clients with less funds, including those who earn minimum wages. The Bank does not require funds to be received from a specific source or a single transfer in a full amount. It takes into account the aggregated receipts (including benefits) and cash deposits during the month, as long as they add up to min. PLN 1000.

In emergencies, the **Very Helpful Package** provided along with the 360° account (which is free for 12 months after the account is opened) may offer an alternative for clients who cannot afford private doctor's visits. In such situations, the client may use 7 interventions per year.

The Bank also offers preferential terms of the 360° Student account for young clients (ages 18-26) and the 360° Junior account for juniors (ages 13-18). For this group, which only gets to know the world of finance, the account and the card are free of charge, provided that at least one card transaction for any amount is performed per month.

#### WWF Millennium MasterCard Credit Card

The WWF Millennium MasterCard Credit Card is issued to support the operations of WWF Polska, the largest international environmental foundation. Each holder of the card may become actively involved in environmental protection through daily card payments.

**Bank Millennium transfers one-half of the annual fee for the first year of using the card and a specified percentage of each electronic transaction conducted in any store or service outlet to the Foundation's account.**

Additionally, the card is made using an environmentally-friendly PETG polyester which may be recycled.



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**Millennium MasterCard prepaid card – learning personal finance management**

The Millennium MasterCard prepaid card facilitates financial education for children from age 13 and teaches them how to spend money with reason.

This card may be re-loaded multiple times by family and friends. It may be used to execute transactions up to the amount of paid in funds. Each card user gains access to the web banking system in conjunction with the card. That way card users may track their spending on their own, with a breakdown into categories using the Financial Manager facility. Parents after logging into their account may also see how their children manage the entrusted funds.

**Value of socially responsible products and services** (Retail customers)  
 + more

**0.45%**

share of the WWF Card in the credit card portfolio

**Financial Manager – Household budget management tool**

Financial Manager is an interactive finance management tool available to users of the Millenet Internet banking system. Financial Manager provides automatic analysis of bank transactions, **allowing the clients to improve their control over income and expenditures.** The tool also helps its users to save their funds more efficiently. A client is able to create budgets for expenditure categories and a Savings Plan that suggests the categories where spending can be reduced. Additionally, the Finance Manager contains an Interactive Planner, a convenient calendar with future transactions marked, such as repayments of loan instalments, accrual of interest on deposits, standing orders, transfers with a future date.

	2014	2013	2012
Financial Manager	683,438 (44%)	631,175 (44%)	503,456 (35%)

**44%**

Clients using Financial Manager

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## Pożyczka Konsolidacyjna

## Połącz raty w jedną i ciesz się z lekkiej spłaty

Dzięki Pożyczce Konsolidacyjnej z Gwarancją Najniższego dla Ciebie Oprocentowania zamiast kilku rat możesz płacić jedną – mniejszą.

**0% PROWIZJI**

**Millennium bank**  
Tradycyjna bankowość w nowoczesnym wydaniu

Promocja „Gwarancja Najniższego Oprocentowania” trwa do 31 marca 2014 r. Gwarancja dotyczy niesbezpieczonych pożyczek gotówkowych. Zasady Promocji są zawarte w Regulaminie Promocji. Celem promocji i oprocentowania są polskie osoby i Czynnik Polityki Gospodarczej. Regulamin Promocji, Cennik oraz Regulamin kredytów i pożyczek udzielanych Klientom indywidualnym przez Bank Millennium SA. dostępne w oddziałach Banku i na stronie internetowej Banku. Przykład oprocentowania całkowitego Przykład: 25 000 PLN, okres kredytowania 70 miesięcy, oprocentowanie stałe 11,65% w skali roku (oprocentowanie liczone od całkowitej kwoty kredytu pomniejszonej o kwotę wpłaty, o ile ta kredytowana), prowizja 0%, bez ubezpieczenia, rata Przykład (wzrost) 493,67 zł. 1 rata płatna po 30 dniach od dnia uruchomienia Pożyczki, koniec odsetek 9 531,10 zł, całkowita kwota do zapłaty 34 532,77 zł. RRSO (średnioroczna roczna stopa oprocentowania) 12,24%. Bank Millennium może odmówić i niegwarantuje kredytów. Wnioskodawcy przed udzieleniem Pożyczki, w uzasadnionych przypadkach może odmówić jej udzielenia.

## Consolidation loan

In the process of selling credit products, the Bank carries out a detailed analysis of client's needs and its financial standing in order to offer him/her the best possible solution. It also offers a service reducing monthly credit liabilities by consolidating of loans from other banks in a single loan from Bank Millennium. As a result, the clients may manage their household budget more easily.

**Kredyt Hipoteczny Mieszkanie dla Młodych**

## Skończ marzyć, zacznij mieszkać

Zobacz, jak łatwo możesz spełnić marzenia o własnym domu! Przyjdź do Banku Millennium, skorzystaj z Kredytu Hipotecznego w programie „Mieszkanie dla Młodych” i uzyskaj dofinansowanie

**0,5% MARŻA NIŻSZA NIŻWET**

**15% DOFINANSOWANIE DO CENY MIERUCHOMOŚCI**

**Millennium bank**  
Tradycyjna bankowość w nowoczesnym wydaniu

## Flat for the Young mortgage loan

The Bank offers a mortgage loan granted as part of the government program entitled *Flat for the Young*. The program is addressed to people up to 35 years of age and allows them to use funds from the state budget to cover part of the property purchase price: 10% of the price for people without children and 15% for those with children. Thus, with financial support from the government, borrowers may purchase an apartment or a family house on the primary market without any funds for their own contribution.

In an effort to support the correct service of clients' debt, a team has also been established to provide support to clients with mortgage products over the phone. This initiative has raised the quality and speed of service, as clients may give simple instructions over the phone, without any need to visit a branch.

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#### 4.6.2. Prestige and Private Banking clients

Bank Millennium's offering includes SRI (Socially Responsible Investing) mutual funds:

Fund	Description
<b>BlackRock GF New Energy Fund</b>	invests in equities of companies operating on the alternative energy and energy technology sectors. It may focus on companies involved in renewable energy sources, production of electricity for the automotive industry and own needs, storage of energy and technologies supporting energy generation.
<b>BlackRock GF World Healthscience Fund</b>	invests in equities of companies with substantial interests in healthcare, pharmaceuticals and medical technology and equipment as well as biotechnology development.
<b>Investors Climate Change Fund</b>	invests mainly in the business areas focused on reducing the impact of the climate changes on the environment and mitigating their effects (clean technologies, renewable and alternative energy sources, prevention and management of natural disaster, eco-friendly transportation of passengers and cargo).
<b>PZU Energy Medicine Environment Fund</b>	The fund focuses on the companies that run a business associated with power, healthcare and protection of the natural environment.

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### 4.6.3. Corporate clients

The Bank's offering for Corporate clients includes products to finance infrastructure development in rural areas, environmentally friendly investments and solutions supporting development of small and medium enterprises.

#### Environmentally and socially responsible lending

G4-FS1 G4-FS5

Bank Millennium has inserted clauses in its rules and regulations for lending to Corporate Banking clients on **all clients having to meet the requirements of environmental protection and respecting employment rules**. This means that all the projects debt-financed by the Bank and all credit products are also subject to these requirements.

The rules and regulations contain certain restrictions regarding the financing of socially harmful activity featured on the EBRD Environmental and Social Exclusion List. The limitations commit all the Borrowers not to use the funding received from the loans for projects associated with forced labour and all forms of discrimination in employment and production and trade in various substances recognized as dangerous and harmful for the environment. Moreover, the Borrowers are obliged to run their businesses in compliance with environmental protection regulations and other health and safety regulations and the principles of social co-existence.

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### Financing of environmental and social projects

Bank Millennium's corporate clients may use the offering of products to finance environmental and social undertakings.



#### PolSEFF Polish Sustainable Energy Financing Facility

The objective of the Programme which is managed by the European Bank for Reconstruction and Development (EBRD) is to support investments that provide energy savings. PolSEFF offers small and medium-sized businesses access to funding and expertise needed for the implementation of investment projects that increase energy efficiency of the company or use renewable energy sources. Within the framework of the Program, clients may use the funding in the form of Eko Energia loan and leasing, provided that energy savings driven by the completed investment are at least 20%.



#### Leasing Eko Energia Program

The purpose of this program is to support Polish businesses in financing energy efficient technologies by encouraging them to invest in energy efficient machinery and equipment. The Leasing Eko Energia Program offers the clients up to 5% of investment premium upon the end of the lease contract.

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### De Minimis guarantees

Bank Millennium takes part in the government entrepreneurship support programs using guarantees from Bank Gospodarstwa Krajowego.

A business from the SME sector may use *de minimis* guarantees to secure a PLN loan granted to finance current operations and investments. Advantages of the program include: high amount of the guarantee (up to 60% of the loan amount and up to PLN 3.5 million) and a long financing period of up to 24 months in the case of working capital loans or up to 96 months for investment loans. In 2004 Bank Millennium was distinguished as the Partner of the *de minimis* guarantee program.



### Cooperation with the European Fund for the Development of Polish Villages Foundation

For 20 years now, Bank Millennium has been cooperating with the European Fund for the Development of Polish Villages (EFRWP) Foundation in the provision of two preferred credit facilities: investments to build, modernize and renovate public, township and county roads in rural areas. These loans are addressed mainly to local governments at the township and county level.

The European Fund for the Development of Polish Villages Foundation is a non-governmental organization. Its goals include, among others, development of technical and social infrastructure of rural areas and development of broadly defined non-agricultural small and medium entrepreneurship in rural areas.

G4-DMA G4-EC7

### Value of socially responsible products

(Corporate and Business clients) G4-FS7 G4-FS8

+ more

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## TeleMillennium

	2014	2013	2012	change 2014/2013
Number of calls to TeleMillennium	2,900,828	2,711,913	2,625,465	7%

## Internet and mobile banking clients

	2014	2013	2012
Clients using Millenet*	1,536,260 (74%)	1,438,813 (62%)	1 433 726 (54%)
Clients using MilleSMS*	206,501 (13%)	204,596 (14%)	198 580 (14%)
Clients using online statements*	950,789 (62%)	779,399 (54%)	670 693 (47%)
Clients using mobile banking*	145,000 (21%)	79,183 (13%)	51 395 (8%)
Inquiries in Millenet about system features	4,942	20,418	19,378
Inquiries in Millenet about products and services	76,304	49,569	22,856
Inquiries through a contact form	6,158	5,738	4,958

\* number and % of clients

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**Customer satisfaction** G4-PR5

	2014	2013	2012
<b>Customers satisfied or very satisfied</b>			
with their cooperation with the Bank	<b>87%</b>	<b>90%</b>	89%
with the product offering	<b>84%</b>	<b>85%</b>	83%
with service quality	<b>89%</b>	<b>92%</b>	91%

**Quality and Satisfaction Survey**

	2014	2013	2012
Surveys conducted	<b>15</b>	<b>10</b>	16
Number of customers surveyed	<b>102,000</b>	<b>138,743</b>	130,201
Number and % of responses	<b>34,000</b> <b>(33%)</b>	<b>35,336</b> <b>(25%)</b>	28,355 (22%)
Number of Mystery Shopping visits	<b>4200</b>	<b>4300</b>	4800

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## Complaints Management

	Total			Clients			External institutions			Market regulators		
	2014	2013	2012	2014	2013	2012	2014	2013	2012	2014	2013	2012
Number of complaints filed	41,696	44,738	48,177	41,280	44,536	48,046	287	89	83	129	113	48
Number and % of complaints handled in favour of customers	23,711 (57%)	25,067 (56%)	25,708 (53%)	23,586 (57%)	25,007 (56%)	25,669 (53%)	65 (23%)	24 (27%)	21 (25%)	24 (19%)	36 (32%)	18 (38%)
Number and % of complaints submitted concerning privacy breaches or loss of customer data <b>G4-PR8</b>	365 (0,9%)	329 (0,7%)	277 (0,6%)	365 (0,8%)	326 (0,7%)	276 (0,6%)	0	2 (2%)	0	0	1 (0,9%)	1 (2%)
Number and % of overdue complaints*	446 (1%)	1,812 (4%)	4,647 (10%)	444 (1%)	1,803 (4%)	4,625 (10%)	0	2 (2%)	8 (10%)	2 (1%)	7 (6%)	14 (29%)

\* not handled within the deadline anticipated by the rules and regulations. The long period of handling complaints is caused by the need to contact external institutions.

## Complaints by main categories

	Total			Product-related complaints			Service-related complaints			Electronic banking		
	2014	2013	2012	2014	2013	2012	2014	2013	2012	2014	2013	2012
Number of complaints filed	41,696	44,738	48,177	38,106	41,036	44,835	3,050	3,041	2,760	540	661	582
Number and % of complaints handled in favour of customers	23,675 (57%)	25,067 (56%)	25,708 (53%)	21,304 (56%)	23,282 (57%)	24,026 (53%)	1,465 (48%)	1,474 (48%)	1,437 (52%)	237 (44%)	311 (47%)	246 (42%)

## Period of examining complaints

	2014		2013		2012	
Up to 3 days	10,004 (24%)		8,798 (19%)		9,837 (22%)	
4 to 7 days	12,367 (30%)		13,117 (29%)		14,931 (33%)	
Above 7 days	18,969 (46%)		23,788 (52%)		19,901 (45%)	
Average time of examining a complaint	15		17		14	

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### Training on protection of personal data and information

Number and % of employees trained	2014	2013	2012
Classification, processing and protection of information at the Bank	937 (15%)	1,217 (20%)	1,216 (20%)
Personal Data Protection	3,407 (55%)	3,680 (62%)	4,742 (79%)

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## Accessibility of Services

	2014	2013	2012
<b>Outlets accessible to disabled persons</b>			
Number of outlets	423	439	447
% of outlets accessible to disabled persons	89%	88%	87%
<b>ATMs</b>			
Number of ATMs	539	555	566
% ATMs accessible to disabled persons	100%	89%	89%

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**Value of socially responsible products and services**

(Retail customers)

Value of products / % of the portfolio of all the products in the group

	2014	2013	2012
WWF Card	<b>1,583 cards</b> 0,45%	1,715 cards 0,42%	1,368 cards 0,29%
Millennium MasterCard prepaid card	<b>8,214 cards</b> 100%	4,576 cards 100%	430 cards 100%

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**Value of socially responsible products** G4-FS7 G4-FS8

(Corporate and Business clients)

	Product portfolio value (PLN)	Number of products in the portfolio
Loans with de minimis guarantees	174,180,500.00	164
EFRWP Loans	2,844,300.00	7
PoISEFF	209,890,762.00	457
Leasing Eko Energia	100,115,179.00	358

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# Investors



# 5

# 5

# Investors

## 5.1. Dialogue with Investors

The Investor Relations Department is responsible for fair and true communication of the strategy, business and financial performance of the entire Bank Millennium Capital Group. The Bank in communication with the investor community is very keen on observing transparency and equal access to information for all its recipients. Reliable and current information is provided following the procedure and taking into account the applicable provisions of law.

The list of communications published by the Bank, including their frequency and place of publication, is available on the Bank's website in the *Investor Relations/Information Policy* section.

The Bank uses various communication channels in order to reach the present and potential Shareholders, mainly such as:

- Regular conferences with the participation of the Bank's Management Board on quarterly performance of the Bank's Capital Group (there were 4 such conferences in 2014),
- Participation in conferences and road shows organized for investors in Poland and abroad (13),
- Individual and group meetings with capital market participants (208),
- Current stock exchange reports (69) and press releases,
- Dedicated website in the Bank's portal on investor relations,
- Encouraging people to participate in the annual Shareholder Meeting (also a webcast is available on the Internet),
- Ongoing contacts with market participants (by e-mail or telephone).

To ensure best practice in equal access to information, since 2006 the Bank has enabled unlimited access to these conferences via the web (audio-visual transmission in Polish and English) and by telephone. The recording of each conference is available on the Bank's website at least for a quarter after the conference. The Bank also prepares a webcast from the Shareholder Meeting. The recording of the discussion along with the resolutions is also available from the Bank's website.

# 208

meetings with investors

### Meetings with Investors

	2014	2013	2012
Number of meetings	208	134	123
Number of participants	410	283	301

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## 5.2. Good ESG Practices

The Bank's activities are conducted based on good ESG (Environmental, Social, Governance) practices. The Bank observes corporate governance principles, is a long-standing member of the Respect Index and reports on corporate social responsibility issues.

### Best corporate governance practices

The Bank as a public company satisfies all the corporate governance principles described in the document **Best Practices for WSE Listed Companies** prepared by the Warsaw Stock Exchange. The principal standard included in that document is the comply or explain rule. It means that a violation of any of the principles described in Best Practices should be publicly announced by the company without delay, in the form of a relevant report.

In 2014 the Bank observed the corporate governance principles set forth in the *Best Practices for WSE Listed Companies*. The only exception was the absence of two-way real-time communication during the Shareholder Meeting, which the Bank reported in the relevant communication. In the Bank's opinion, observation of this principle would entail technical and legal risks, which could prevent a proper and efficient course of the shareholder meeting. In the Bank's opinion, avoidance of these risks was of greater value to the Shareholders. Nevertheless, the Bank does not rule out a possibility of providing two-way real-time communication to shareholders during the course of a shareholder meeting when the circumstances or the legal environment change.

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### Bank Millennium in the RESPECT Index

The year 2014 was Bank Millennium's seventh consecutive year as part of the RESPECT Index – the index of socially responsible companies. RESPECT Index includes Polish companies from the Main Market of Warsaw Stock Exchange that operate in accordance with the highest management standards of corporate governance, information governance and investor relations and it also takes into account the environmental, social and employee-related factors. Companies in the RESPECT index have passed a three-tier review conducted by the Warsaw Stock Exchange and the Association of Stock Exchange Issuers in the areas mentioned above and an audit conducted by the project's partner, Deloitte.



### ANALIZA ESG SPÓŁEK W POLSCE

### Reporting on ESG issues

Bank Millennium was included in the list of the public companies with the best ESG (Environmental, Social, Governance) reporting in 2014. The Bank was classified as one of top 3 reporting companies in the *Polish public companies in the WIG50 index* category. The winners were selected in the third edition of the educational project *ESG Analysis of companies in Poland* organized by the Association of Stock Exchange Issuers, GES and Crido Business Consulting.

The analysis covered all the companies, whose shares were listed on the Warsaw Stock Exchange, including the NewConnect market, on 30 June 2014. The study was conducted using the GES Risk Rating method, which involves an evaluation of environmental protection, social responsibility and corporate governance management systems based on publicly available documents and information about the company.

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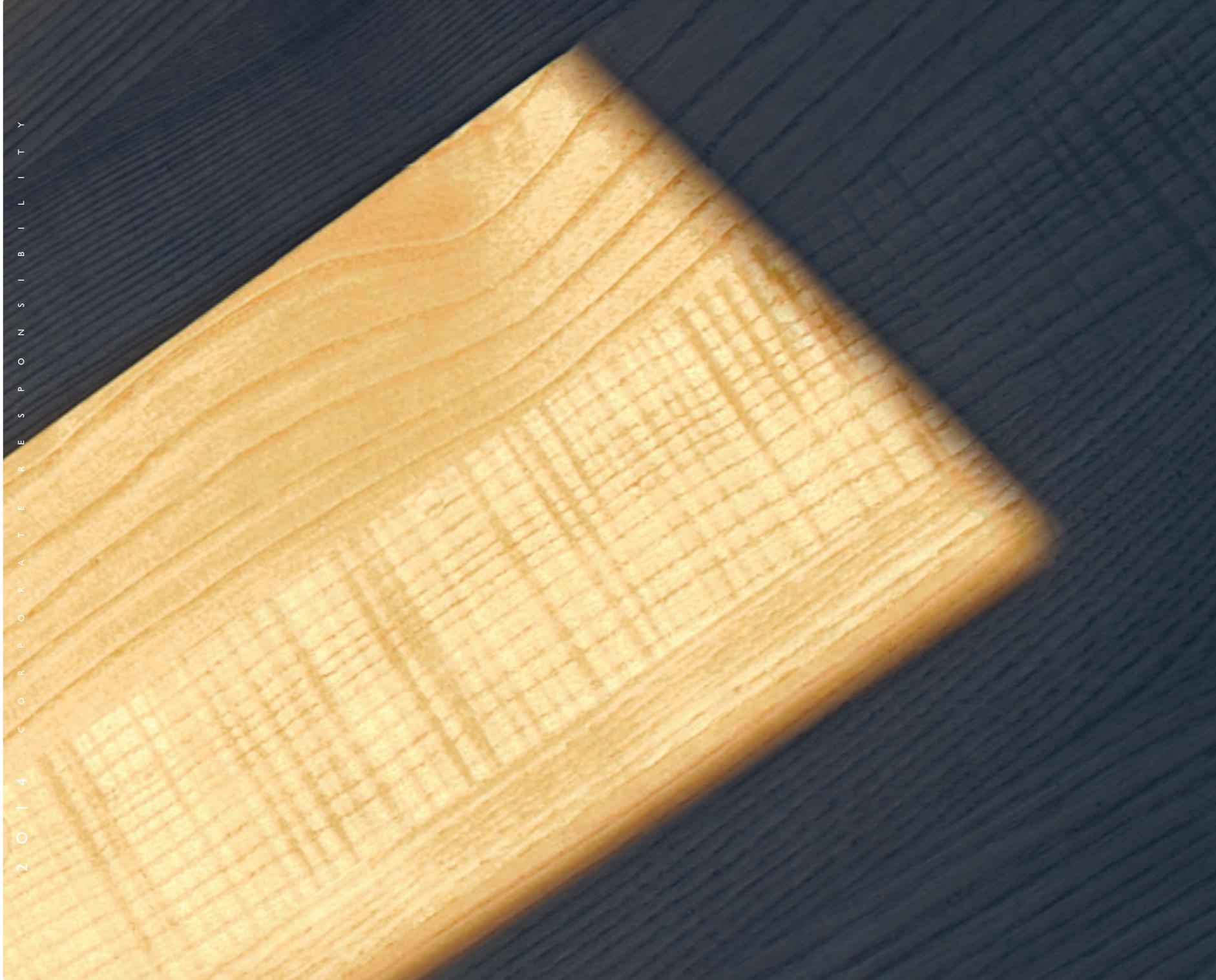
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# Business Partners



# 6

## Business Partners

### Procurement policy G4-DMA

In its business activity the Bank cooperates with many business partners as the buyer of products and services from various market segments. The key partners provide services associated with the lease of and support for branches and office space, services and purchase of IT equipment and marketing services.

### G4-I2

Suppliers are selected in tenders, which allows the Bank to use objective selection criteria.

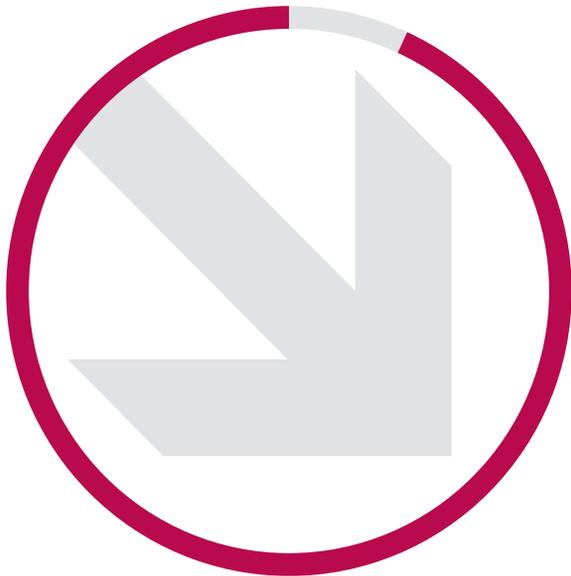
To ensure transparency of the procurement process, it has been formalized by internal regulations which require that the evaluation of the substantive and commercial bids is done by functionally independent organizational units at the Bank.

Internal regulations define the organization of the procurement process, decision-making levels and roles of various participants in the process. The Central Procurement Department is the Bank's organizational unit specialized in conducting tender procedures and responsible for overseeing the procurement process.

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# 5,357

Suppliers



## Criteria for selecting Suppliers

The criteria for selecting Suppliers in tender procedures include: good ratio of quality to cost of the services or products and the terms of delivery and payment. The bidder's substantive capabilities and financial reliability are also taken into account.

Geographical location of the Supplier is not one of the selection criteria. **In justified cases, the Bank also includes environmental and social factors among the aspects that affect its choice of Suppliers.**

## Products and services purchased G4-13 G4-EC9

[+ more](#)

# 93%

amounts paid to local suppliers

## Ethical and Environmental Standards G4-FS5

The requirement to apply ethical and/or environmental clauses in agreements, where applicable, is an important element of the regulation pertaining to the procurement process.

The Bank has developed the Code of Ethics, which is a collection of standards for professional and ethical behaviour. **Every Supplier taking part in a tender procedure must undertake to observe the rules included in the Bank's Code of Ethics, by signing a representation to that effect.**

The performance of agreements of significance for the Bank is monitored. The quality and timeliness of services and goods and financial standing of the Suppliers are evaluated. In justified cases, audits are conducted in Suppliers' offices to assess their security and continuity of their business activity. In 2014, the quantity and quality of goods and services was monitored for 1570 agreements. In the case of 35 agreements the Suppliers' financial standing and their contingency plans were also monitored.

## Dialogue with Business Partners

In the case of long-term agreements, meetings are organized to discuss cooperation issues. Bank employees remain in touch with the representatives of Suppliers to discuss logistics, billing and payments.

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**Products and services purchased** G4-I3

	2014	2013	2012
Number of Suppliers	5,357	5,142	5,529
% of amounts paid to local Suppliers* <span>G4-EC9</span>	93%	92%	90%

\* with registered offices in Poland

**Invoice payment term**

	2014	2013	2012
Average invoice payment term*	30	30	30

\* days

**Payments to Suppliers\***

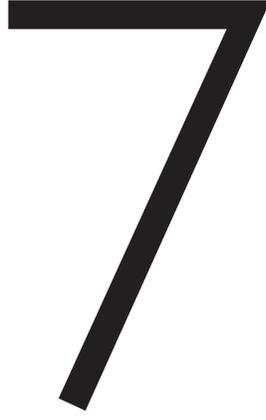
	2014	2013
Up to 30 days	83%	77%
31-60 days	14%	17%
Over 60 days	3%	6%

\* Percentage of Suppliers who were paid within the specified term

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PRINT





# Employees



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TABLES

# Employees

Obligations towards employees included in the Bank's strategy for the years 2015-2017 focus on dialogue to learn about employees' expectations and to provide them with stable and satisfactory terms of employment, which also allow for their self-fulfillment.

## 7.1. Employment and Working Conditions

### 7.1.1. HR Policy G4-DMA

The Bank Millennium Group has in place a HR policy, setting forth the general principles related to recruitment, evaluation, development and retention of employees. The principles of the policy have been defined in a document approved by the Management Board. It defined the general direction of the activities relating to HR management and the principles that the organization would follow in any matters involving its employees.

Based on the HR policy and business assumptions, the Bank develops and implements the Human Resources Management strategy. Implementation of the HR policy involves monitoring of all the elements that affect its execution, in particular: personnel expenses and changes in headcount, employee turnover and its causes, scope and quality of training and development programs and actions supporting development of the employer's image.

# 6,183 Employees





### 7.1.3. Recruitment Policy

The recruitment processes in the Bank Millennium Group are optimized, subject to internal regulations and computerized to maintain their high quality and efficiency.

#### Communication of job offers

The process of communicating job offers is transparent. Job announcements are published on the Bank's website and Internet portals and they are accessible to all those interested in working for the Bank, irrespective of the region of their residence. The bulk of recruitment processes is related to the development of the sales network. The Bank offers employment opportunities also to those who have little professional experience, by encouraging them to take part in **programmes and internships** ➔ addressed to university students and graduates.

# 72

Employees from internal recruitment



#### Recruitment process

Elements of the recruitment process include: CV selection based on pre-defined profiles and criteria, recruitment interviews – direct and over the phone, analytical tests and specific competence tests. Each process is designed to consider the unique nature and requirements of the job. The decisions to hire a candidate are not taken individually, which increases objectivity of the process. Candidates are selected based on criteria such as education, professional experience, general and specific competence, proficiency in foreign languages and overall match with the profile.

#### Internal recruitment

Recruitment offers for jobs in support departments are first directed to the current Bank Group employees who wish to grow in other areas. The offers are published on a special Intranet site named **Internal Job Exchange**. In Retail Banking, 80% of management job openings are filled by internal candidates.

	2014	2013	2012
Number of employees	72	121	267

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### 7.1.4. Anti-discrimination Practices

#### Anti-discrimination regulations and notification of discrimination incidents

According to the *Bank Millennium Work Bylaws* **no employee is allowed** to engage in mobbing or any indirect or direct **discriminatory practices** against another employee, in particular related to gender, age, race, religion, nationality, ethnic origin, disability, political beliefs, trade union membership and sexual orientation. [G4-DMA](#)

Any employee who believes to be a victim of discriminatory practices or mobbing **may notify** any manager about this fact. Moreover, every employee is required to immediately report any observed cases and circumstances that may indicate the occurrence of mobbing. This may be reported to the direct

or indirect supervisor but also, skipping the official route, to any member of the Management Board. A report may also be made anonymously. In this case, the events and circumstances should be described in a way that allows the employer to obtain evidence confirming them.

The company has a **register of employee claims**, where notifications on employee matters are recorded. These notifications are reported to the Process and Operational Risk Committee. No discrimination incidents were recorded in the Bank in 2014.



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### Facilities for working parents

To meet the needs of employees with children, in 2014 the Bank launched the **YES to Parenting** project.



Under the project, the Bank takes measures to promote balance between professional and private lives of employees, promote knowledge on parents' rights and ensure universal respect for these rights.

# 93%

of Employees return to work after a maternity/parental leave G4-LA3

[+ more](#)

The *YES to Parenting* project comprises a number of initiatives addressed to parents and children:

- A website was launched with information on rights and formal matters related to parenthood and guidelines to support communication between managers with pregnant employees.
- The project allows employees to submit cultural and sports projects that promote spending time with the family. 50% of the cost of the projects is co-financed by the employer.
- Three nursing rooms have been made available at the Bank's head office Warsaw.
- Articles on child health, safety and development authored by specialists are published on the Intranet.
- Competitions and quizzes for children and/or parents are organized.

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### 7.2.2. Work Time System

In the Bank Millennium Group, employees are subject to one of the following working hour schedules: fixed, shift-based, task-based, balanced.

**Fixed working hours** – typically: from 8am to 4:30pm, from 8:30am to 5pm or from 9am to 5:30pm. For the jobs related to administrative support (e.g. secretariats) or linked to the operation of outlets available to clients, the working hours are set individually from 6am to 10pm, while keeping the required workday length for individual employees.

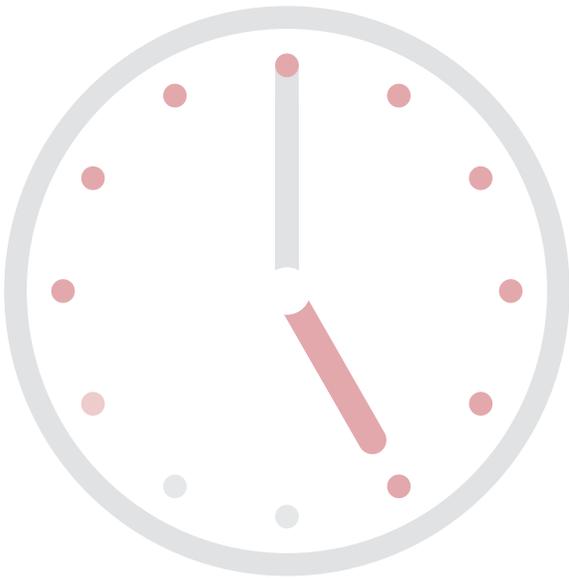
In the Bank's Head Office, the hours include a 30-minute break, while some of the Bank's outlets have a 45-minute break.

**Task-based working hours** – may be applied where justified by the nature and organization of work or its location. The hours when the work begins and ends on specific days may be changed by agreement with direct superiors, considering the tasks performed by the employee and while keeping the required workday length.

**Balanced working hours** – may be applied where justified by the nature and organization. A superior may extend an employee's working hours up to 12 hours per day in the accepted settlement period, while reducing the working hours on certain days or granting days off work.

**Shift-based work** – may be performed in each working time system. A direct superior may change the employee's working hours after a specified number of hours, days or weeks.

On an employee's written request, the superior may set an individual work time schedule within the framework of the work time system applicable to the employee. Overtime is settled in accordance with the labour law.





### 7.2.3. Social benefits G4-LA2

Bank Millennium Group employees are offered for the most part the same social and financial benefits regardless of the type of the employment agreement (for a definite/indefinite term) and the working time (part-time/full-time). The only exception is access to private medical care plan, which is offered to employees employed for at least one half of a full time equivalent.

#### Private medical care plan

 Since 2006, the Bank Millennium Group has provided its employees with access to a **private health care plan** set up in cooperation with ENEL-MED medical centers. The plan offers access to medical consultations, detailed diagnostic tests and prevention programs. Additionally, there is an ENEL-MED **medical practice** operating at the Bank Millennium Head Office in Warsaw, offering basic medical care and outpatient assistance.

# 99%

of Employees covered  
by private medical care

 [more](#)

In the interest of the health of members of families of its employees, Bank Millennium negotiated (as part of the medical agreement) **preferential prices for medical packages for the spouses, life partners and children up to 26 years** of age. The scope of medical packages makes it possible to carry out both health prevention programmes, and specialist treatment.

Moreover, **medical care for retiring employees** has also been introduced. These persons may use private medical care in an unchanged scope for an attractive additional monthly fee.

#### Medical prevention

Every autumn, a nationwide campaign of **vaccination against influenza** is conducted with the participation of the Bank's medical partners. Vaccination is organized at the Bank's Head Office in Warsaw and Gdańsk – and in medical centers in Poland's other cities.

Letter from  
the Chairman of the  
Management Board  
of Bank Millennium

### Sport and recreation activities G4-LA2

Bank Millennium Group's employees are offered two types of sport and leisure activities: **MultiSport pass** which offers the employee unlimited access to sports facilities throughout Poland or **cinema tickets**. Once per quarter, the employees may select the activity of their choice.

### MilleKlub G4-LA2



MilleKlub is to promote among the employees various types of initiatives carried out in the form of sports, travel, cultural or art projects. The Club allows them to develop their passion; they may receive co-funding up to 50% of the cost of the project. Additionally, since 2014, the employees have been able to submit cultural and sports projects as part of the **Kids projects** that promote spending time with the family.



# 33%

of Employees used the co-financing from a MilleKlub

[+ more](#)

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**Cash Benefits and Loans for Housing Purposes** G4-LA2

Within the framework of social assistance provided from the Social Fund, the Bank offers two types of benefits:

**Hardship assistance** – every employee of the Bank’s Group who due to a random event encountered financial, family or life hardships may apply for non-refundable financial aid.

**Low-interest loans for housing purposes** – granted for a renovation or finishing of an apartment, building or purchase of an apartment or a house, repayment of a housing loan.

These social benefits are also available to employees who retired or went on disability benefit immediately after the cessation of the labour relationship.

**PLN 1.77 million**

hardship assistance and loans to Employees + more

**Life Insurance** G4-LA2

Employees may join a group life insurance on preferential terms. The insurance covers life and health of the insured and his/her family members. Six insurance variants are available so that everyone can match the offer to their needs.

**52%**

of Employees with life insurance + more

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### 7.2.4. Occupational Health and Safety

Occupational health and safety is ensured in accordance with the applicable law and internal regulations in this respect.

Occupational health and safety tasks are performed by a specialized external provider, SEKA S.A., under an agreement signed with the Bank. The main activities of the company include: regular audits of all of the Bank's outlets (at least once in two years), running post-accident proceedings and other ad hoc activities (such as e.g. training across Poland). These tasks are performed under supervision of the Bank's OHS team and reported on an ongoing basis. The results of the reviews form grounds for planning and performance of tasks aimed at improving safety and working conditions (e.g. modifications, renovation, equipment purchases, training).

**2,448**

employees with OHS training

[+ more](#)

Employee safety training is provided mainly by the Bank's own trainers from the OHS team and the HR and Security functions. [G4-DMA](#)



**9**

accidents at work [G4-LA6](#)

[+ more](#)

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## 7.3. Employee Evaluation and Development

### 7.3.1. Employee Evaluation System

The purpose of periodic employee evaluation is to express opinion on an employee using the numerical scale within the reference system in place in the Bank. An employee should be evaluated by comparison to other team members or other employees with a similar role and in the context of his/her influence on the operation of the entire organization.

**All employees are subject to evaluation of work quality. It is performed in monthly, quarterly and semi-annual cycles, conditional upon the bonus system applicable to the employee.**

Shorter evaluation periods are used in units with greater business dynamics, e.g. in the sales network.

For Retail Banking and Corporate Banking sales managers, a **360 degree competence assessment** is used. This method requires that opinion on the employee is obtained from himself/herself and also from people in his/her surroundings, e.g. from the superior, subordinates and co-workers. The feedback received forms the basis for implementing improvements in the management culture of sales network employees.

Managers may use work evaluation to plan professional development of their employees. Information on evaluation results may also be used to plan promotions and raises.

**14%**  
employees were promoted  
[+ more](#)



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### 7.3.3. Development Programs for Students and Graduates

Development training programmes are addressed to students and recent graduates starting their professional careers. In 2014, the following programmes were carried out:

**People Grow** is a management skills development programme for graduates and soon-to-graduate students. It is a 2-year on-the-job training programme that offers an opportunity to obtain comprehensive knowledge of the bank's operations. The participants of the Programme supported by the Mentor – Bank's management board member – have the possibility of working for various departments, participating in selected projects and training sessions. After completion of the programme, the participant is employed in one of the Bank's departments.

**Expert Start Up** is a collection of internship programs conducted in various departments of the Bank for people with specific interests and a vision for their professional career. The interns are supported by managers and specialists in the area in which the project is conducted. Following the internship, the best participants are offered jobs in the Bank. In 2014, Expert Start Up programs were implemented in the areas of web content design, e-commerce and project and process management.



17

participants of development programs

#### Development programs

Number of participants	2014	2013	2012
People Grow	8	10	7
Expert Start Up	9	15	8
<b>Total</b>	<b>17</b>	<b>25</b>	<b>15</b>

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### Communication in business segments

Employees in the Corporate Banking business segment take advantage of an internal information portal called **Knowledge Interchange Platform** where they can present their own materials and information.

This service is evolving in line with employees' suggestions and ideas as they communicate with one another through discussion panels for the purpose of presenting their current needs and opinions and sharing their sales experience and good practices when they interface with clients. The quality and currency of the information presented are assessed by bank experts on a given subject matter. This means that the contents and the materials available on this platform can help users prepare well for client meetings.

To update their knowledge about products, procedures and industry trends employees may also take advantage of the **Corporate Banking Bulletin** published on a monthly basis. The bulletin published in the intranet reports on current events and makes it possible to update knowledge related to products, procedures and industry trends.

### Special events

Every year, Bank Millennium has organized information and integration events for Group employees. In 2014, these included:

- The **Management Meeting**, of over 800 managers from all management levels in the Bank Millennium Group. The meeting was devoted to the summary of the year 2013 and the business plans for 2014. The meeting was also an opportunity to award outstanding employees.

- **Christmas Eve Meetings** organized for all the Bank Millennium employees. In December 2014, 12 meetings took place in 11 cities, attended by approximately 4 thousand employees.

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### 7.4.2. Employee Survey

Employee surveys are used to gather valuable information needed for the implementation of new, practical solutions that improve the quality of work.

Employees regularly voice their opinions through an electronic anonymous questionnaire on topics such as overall job satisfaction, satisfaction with their relationship with their boss, job motivation and willingness to recommend the Group as an employer. Survey results are analysed in detail and delivered to every unit of the Bank. The overall results of the analysis are reported to the Bank's Management Board. Meetings are also held with Unit Heads in which the performance is discussed and measures developed to improve the satisfaction and motivation of employees.

In 2014, the Bank made a decision to conduct the survey on a bi-annual basis. The next employee satisfaction survey will be held in 2015.

#### Employee satisfaction surveys

	2013	2012
% responses to the questionnaire	79%	82%
Overall employee satisfaction level*	77%	72%
Willingness to recommend the Bank as an employer	64%	61%

\* percentage of satisfied and very satisfied employees

### 7.4.3. Freedom of Association

The Bank has no trade unions or collective bargaining agreements. [G4-I1](#)

Through the Intranet, employees are informed that they are entitled to elect the **Council of Bank employees**. Information and opinions are exchanged with employees also through the internal **social networking forum** ➔. On the forum employees ask questions to experts from a given area and exchange opinions on various solutions used in the Bank, such as e.g. the bonus system, working time, social benefits.

Communication with employees is also conducted through the **employee evaluation system**. Managers provide feedback and become familiar with issues reported by employees. This process is supported by the 360 degree ➔ competence assessment applicable to managers. Employees may also voice their opinions during the regular **employee satisfaction surveys**.

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Number of employees by region and gender G4-10

Region	2014			2013			2012		
									
Dolnośląskie	185	80	265	188	70	258	197	72	269
Kujawsko-Pomorskie	230	55	285	232	57	289	246	64	310
Lubelskie	66	26	92	65	27	92	66	24	90
Lubuskie	41	14	55	43	17	60	47	14	61
Łódzkie	84	59	143	92	64	156	98	70	168
Małopolskie	134	77	211	146	76	222	153	80	233
Mazowieckie	1,960	1,146	3,106	1,840	1,003	2,843	1,815	1,023	2,838
Opolskie	25	10	35	26	11	37	23	11	34
Podkarpackie	38	18	56	37	16	53	36	17	53
Podlaskie	81	17	98	74	18	92	71	24	95
Pomorskie	714	178	892	725	183	908	738	194	932
Śląskie	232	104	336	237	100	337	244	100	344
Świętokrzyskie	16	10	26	17	11	28	17	13	30
Warmińsko-Mazurskie	160	30	190	158	34	192	161	32	193
Wielkopolskie	187	76	263	190	69	259	205	76	281
Zachodniopomorskie	96	34	130	96	34	130	103	39	142
<b>Total</b>	<b>4,249</b>	<b>1,934</b>	<b>6,183</b>	<b>4,166</b>	<b>1,790</b>	<b>5,956</b>	<b>4,220</b>	<b>1,853</b>	<b>6,073</b>

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Employees by type of employment G4-I0

Type of contract	2014			2013			2012		
Mandate agreement	1%	1%	1%	1%	1%	1%	1%	1%	2%
Employment agreement	68%	31%	99%	69%	30%	99%	68%	30%	98%
<b>Total</b>	<b>69%</b>	<b>31%</b>	<b>100%</b>	<b>70%</b>	<b>30%</b>	<b>100%</b>	<b>69%</b>	<b>31%</b>	<b>100%</b>

Employment agreement	2014			2013			2012		
For an indefinite term	59%	25%	84%	62%	26%	88%	59%	26%	85%
For a definite term	9%	6%	16%	8%	4%	12%	10%	5%	15%
<b>Total</b>	<b>69%</b>	<b>31%</b>	<b>100%</b>	<b>70%</b>	<b>30%</b>	<b>100%</b>	<b>69%</b>	<b>31%</b>	<b>100%</b>

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New employees **G4-LA1**

Region	2014								2013								2012										
	♀		↓		+				♀		↓		+				♀		↓		+						
	<30	30-50	>50	+	<30	30-50	>50	+	2014	<30	30-50	>50	+	2013	<30	30-50	>50	+	<30	30-50	>50	+	2012				
Dolnośląskie	18	6	24	23	5	28	52	15	6	21	10	1	11	32	23	9	32	7	1	8	40						
Kujawsko-Pomorskie	8	9	1	18	4	3	7	25	7	6	13	3	3	6	19	19	6	1	26	4	3	7	33				
Lubelskie	1	3	2	6	1	2	3	9	4	5	9	5	2	7	16	3	5	8	1	1	9						
Lubuskie	3	1	4	2	2	6	1	1	1	1	1	1	3	4	9	5	14	6	6	20							
Łódzkie	1	1	2	2	5	2	7	2	2	9	3	6	9	10	2	12	21										
Małopolskie	19	7	26	8	5	1	14	40	13	3	16	4	5	9	25	19	10	29	9	6	15	44					
Mazowieckie	239	94	3	336	228	82	4	314	650	139	52	1	192	113	52	165	357	127	54	1	182	114	43	1	158	340	
Opolskie	1	1	1	1	2	2	2	4	1	1	2	6	2	1	3	2	2	5									
Podkarpackie	4	1	5	2	3	5	10	1	2	3	1	1	4	2	3	5	1	1	6								
Podlaskie	10	1	11	1	1	2	13	7	4	1	12	12	11	11	4	4	15										
Pomorskie	20	13	33	10	6	16	49	36	6	1	43	11	6	17	60	35	4	39	10	5	15	54					
Śląskie	31	11	42	14	4	18	60	26	7	33	14	7	21	54	18	7	2	27	6	8	14	41					
Świętokrzyskie	1	1	2	2	1	1	2	1	1	3	6	1	7	2	2	9											
Warmińsko-Mazurskie	16	6	22	3	2	5	27	9	5	14	4	3	7	21	9	4	13	4	2	6	19						
Wielkopolskie	19	7	26	10	5	15	41	17	7	24	9	6	15	39	28	7	35	8	6	14	49						
Zachodniopomorskie	2	3	5	2	1	3	8	7	4	11	3	3	14	11	2	13	5	5	18								
<b>Total</b>	<b>392</b>	<b>163</b>	<b>6</b>	<b>561</b>	<b>308</b>	<b>122</b>	<b>5</b>	<b>435</b>	<b>996</b>	<b>290</b>	<b>112</b>	<b>3</b>	<b>405</b>	<b>181</b>	<b>88</b>	<b>1</b>	<b>270</b>	<b>675</b>	<b>325</b>	<b>124</b>	<b>4</b>	<b>453</b>	<b>190</b>	<b>79</b>	<b>1</b>	<b>270</b>	<b>723</b>

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Employee turnover ratio G4-LAI

	2014	2013	2012
Region			
Dolnośląskie	3%	2%	3%
Kujawsko-Pomorskie	2%	2%	2%
Lubelskie	2%	3%	3%
Lubuskie	1%	1%	2%
Łódzkie	3%	2%	4%
Małopolskie	3%	2%	2%
Mazowieckie	3%	2%	2%
Opolskie	1%	2%	3%
Podkarpackie	3%	2%	2%
Podlaskie	2%	2%	3%
Pomorskie	1%	1%	1%
Śląskie	3%	3%	3%
Świętokrzyskie	2%	3%	6%
Warmińsko-Mazurskie	2%	2%	2%
Wielkopolskie	3%	3%	4%
Zachodniopomorskie	1%	3%	3%
<b>Total</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>

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Number of employees hired locally\* G4-EC6

	2014			2013			2012		
Number of employees hired locally*	99.5%	97.2%	98.8%	99.5%	97.0%	98.8%	99.5%	96.4%	98.6%
Number of Management Board members and senior managers employed locally	95.0%	87.0%	89.2%	95.0%	86.5%	88.9%	94.7%	87.5%	89.2%

\* Polish citizens working in Poland

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Employees by position and gender G4-LA12

	2014			2013			2012		
									
Management Board	29%	71%	0%	29%	71%	0%	25%	75%	0%
Upper management	27%	73%	1%	28%	72%	1%	23%	77%	1%
Management	62%	38%	14%	62%	38%	15%	60%	40%	15%
Sales personnel	74%	26%	57%	77%	23%	54%	77%	23%	54%
Technicians	61%	39%	20%	61%	39%	20%	61%	39%	19%
Other employees	69%	31%	8%	67%	33%	10%	68%	32%	11%
<b>Total</b>	<b>69%</b>	<b>31%</b>	<b>100%</b>	<b>70%</b>	<b>30%</b>	<b>100%</b>	<b>69%</b>	<b>31%</b>	<b>100%</b>

Employees by age groups G4-LA12

	2014			2013			2012		
<30	64%	36%	26%	68%	32%	27%	68%	32%	30%
[30-50]	70%	30%	65%	70%	30%	64%	69%	31%	61%
>=50	76%	24%	9%	78%	22%	9%	78%	22%	9%
<b>Total</b>	<b>69%</b>	<b>31%</b>	<b>100%</b>	<b>70%</b>	<b>30%</b>	<b>100%</b>	<b>69%</b>	<b>31%</b>	<b>100%</b>
Average employee age	36.1	35.3	36	35.8	35.3	36	35	35	35
Length of service in the company (years)	7.4	6.4	7	7	6.5	7	6	6	6

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Employees with disabilities **G4-LA12**

	2014			2013			2012		
Employees with disabilities									
number	28	15	43	24	13	37	24	11	35
percentage	(0,66%)	(0,78%)	(0,70%)	(0,58%)	(0,73%)	(0,62%)	(0,57%)	(0,59%)	(0,58%)

Ratio of basic salary of men to women **G4-LA13**

	2014	2013	2012
Upper management	1.2	1.2	1.2
Management	1.2	1.2	1.2
Sales personnel	1.1	1.1	1.1
Technicians	1.4	1.3	1.3
Other employees	1.8	1.7	1.3
<b>Total</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>

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Returning after a maternity/parental leave G4-LA3

	2014			2013			2012		
Employees entitled to a leave*	615	4	619	477	1	478	507	2	509
Employees who used a leave*	346	3	349	318	1	319	375	2	377
Returned to work after the leave*	324	2	326	287	1	288	332	2	334
Employed 12 months after returning from the leave*	274	1	275	309	1	310	341	1	342
Proportion returning after the leave*	94%	67%	93%	90%	100%	90%	89%	100%	89%
Proportion of employees retained by the Bank who returned from the leave*	79%	33%**	79%	97%	100%**	97%	90%	50%**	90%

\* maternity/parental leave

\*\* variable level of the ratio due to a small sample size

### Medical Care

	2014	2013	2012
Number of medical partners	<b>1 300</b>	<b>800</b>	<b>714</b>
Number of towns with medical care	<b>410</b>	<b>375</b>	<b>330</b>
Employees covered by private medical care*	<b>6 126</b> <b>(99%)</b>	<b>5 941</b> <b>(99%)</b>	<b>6 018</b> <b>(99%)</b>

\* Employees on child-rearing leaves and unpaid leaves and employed for less than ½ FTE are not eligible for these benefits

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## MilleKlub

	2014	2013	2012
Number and % of employees who used the co-financing	<b>2031</b> <b>(33%)</b>	<b>2746</b> <b>(46%)</b>	<b>2722</b> <b>(44%)</b>
Amount of co-financing (PLN)	<b>239,000</b>	<b>276,399</b>	<b>362,260</b>

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**Benefits awarded to employees\***

	2014	2013	2012
<b>Hardship assistance</b>			
PLN amount	415,000	369,976	292,400
Number of employees	158	139	140
<b>Loans for housing purposes</b>			
PLN amount	1,348,712	1,413,831	1,805,606
Number of employees	117	125	148

\* data for Bank Millennium employees

**Life Insurance**

	2014	2013	2012
Number and % of employees who used the offer	3,239 (52%)	3,156 (53%)	3,044 (50%)

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**Occupational health and safety** G4-LA6

	2014	2013	2012
Accidents at work	9	10	11
Fatal accidents at work	0	0	0
Lost days ratio*	0,1%	0,1%	0,1%
Absence ratio**	6.5%	7.4%	7.8%
OHS training*** – number and % of participants	2,448 (40%)	2,925 (49%)	2,537 (42%)
Audits of field network outlets	210	234	208

\* Impact exerted by accidents and occupational disease on employee absenteeism. This indicator is computed by comparing the total number of days lost with the total number of hours planned to be worked.

\*\* Indicator measuring an absent employee's actual number of days lost expressed as a percentage of the total number of days planned to be worked by employees in this same timeframe.

\*\*\* Introductory and periodic training (conducted once in 5 years).

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## Promotions\*

	2014			2013			2012		
									
Upper management	0	2 (4%)	2 (3%)	0	0	0	0	3 (5%)	3 (4%)
Management	66 (12%)	37 (11%)	103 (12%)	75 (14%)	56 (17%)	131 (15%)	79 (15%)	57 (16%)	136 (15%)
Sales personnel	327 (12%)	141 (15%)	468 (13%)	315 (13%)	115 (16%)	430 (13%)	479 (19%)	199 (26%)	678 (21%)
Technicians	130 (18%)	73 (15%)	203 (17%)	126 (17%)	103 (22%)	229 (19%)	83 (12%)	33 (7%)	116 (10%)
Other employees	58 (18%)	25 (17%)	83 (17%)	78 (20%)	34 (17%)	112 (19%)	74 (16%)	33 (15%)	107 (16%)
<b>Total</b>	<b>581 (14%)</b>	<b>278 (14%)</b>	<b>859 (14%)</b>	<b>594 (14%)</b>	<b>308 (17%)</b>	<b>902 (15%)</b>	<b>715 (17%)</b>	<b>325 (18%)</b>	<b>1,040 (17%)</b>

\* number and % of employees in the group who were promoted

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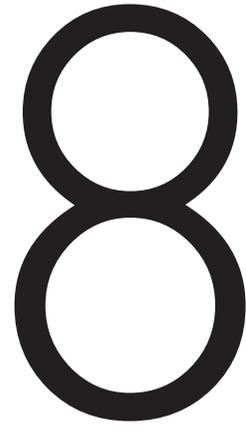
Average number of training hours, by gender and position G4-LA9

	2014			2013			2012		
Management Board	0	45	32	9	26	21	0	56	42
Upper management	36	23	27	97	71	78	99	44	57
Management	46	36	42	32	34	33	42	39	40
Sales personnel	44	51	46	41	55	45	47	57	49
Other employees	44	67	51	23	38	28	84	133	100
<b>Total</b>	<b>36</b>	<b>36</b>	<b>36</b>	<b>31</b>	<b>35</b>	<b>32</b>	<b>43</b>	<b>48</b>	<b>44</b>

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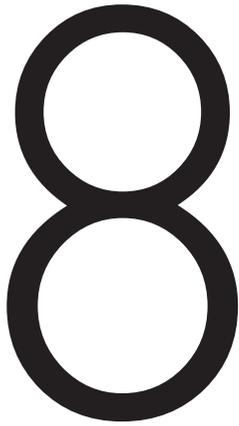
2014 CORPORATE RESPONSIBILITY

Millennium  
bank



Society





In cooperation with non-governmental and social organizations Bank Millennium is implementing programs to prevent social exclusion, to support cultural development and youth education.

# Society

## 8.1. Social Activities



### Nikifory social program

Since 2009 Bank Millennium has been a standing partner of the Shared Path Foundation in the pursuit of the Nikifory social program. **The project's objective is to overcome the isolation of intellectually disabled persons by developing and promoting their creative activity.**

In 2014, the employees, with the Bank's participation, became involved in a number of events supporting the *Nikifory* program:

- 3 employment volunteering projects were carried out; the volunteers co-created the gallery of disabled artists in the Oncology Centre in Warsaw, participated in the organization of the *World of Nikifory* art competition and art workshops for competition winners;

- a *MILLEWIDZIANI* event was held at the Bank's Head Office, in which an exhibition of disabled artists was presented and an intranet auction was held; employees also conducted a sale of home-made pastries. The funds raised during the sale and the auction were donated for support and development of disabled artists;
- the coronation of these united efforts was embodied by the Shared Path Foundation Gala and the awards ceremony for the winners of the annual contest called *Nikifor's World* with prizes funded by Bank Millennium.

### Nikifory program

# 1702

Number of beneficiaries in 2009-2014

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**BAKCYL**  
Bankers for Financial  
Education  
of the Youth **G4-FSI6**

Volunteers from Bank Millennium take part in a joint project of the Polish banking sector: BAKCYL – Bankers for Financial Education of the Youth. The project has been devised and organized by the Warsaw Banking Institute. **BAKCYL is based on the involvement of bank employees as volunteer trainers and aims at teaching practical financial knowledge and ability to use financial services to junior high school students.**

Four class programs have been developed for junior high school students: *Your money*, *Borrow wisely*, *Smart investing and Finance for life*. Altogether, these constitute the compendium of financial knowledge for young people, which will be useful as guidance as they approach adult life and start making conscious decisions about their finance or future economic standing. In 2006, a total of 206 classes were held in 31 schools. Almost 4000 students attended.

### BAKCYL Project

# 247

Number of students trained by Bank Millennium volunteers

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## Charitable Craft Auction

Every year, Bank Millennium holds a craft auction before Holidays. Its purpose is to raise funds for selected public benefit organizations.

At the auction, Bank employees sell items handcrafted by them. The items are sold in an intranet auction accessible to any employee of the company. The amount raised during the auction is matched by the Bank and donated to charitable causes.

In 2004, the funds raised were used for treatment and rehabilitation of five children of Bank's employees.



## Charity Corporate Run

104 Bank Millennium employees took part in the Corporate Run organized by the Everest Foundation in Warsaw and Wrocław. Proceeds from the event, attended by over 2300 employees from various industries, were used for treatment and rehabilitation of disabled children.



## Bank Employees for Children

In 2014, Bank Millennium Group employees organized two collections of gifts for children care facilities located in small towns in Poland. The children received school supplies, personal hygiene articles, toys and Christmas gifts. The collections for the children care facilities have been organized in the Bank regularly since 2011.

### Value of donations and sponsoring (PLN)

	2014		2013		2012	
	Donations	Sponsoring	Donations	Sponsoring	Donations	Sponsoring
<b>Charitable auction</b>						
	2014	2013				
Number of bids on auctioned items	5,155	2,797				
Amount raised (PLN)	26,532	10,402				
Amount donated to charitable causes	53,064	20,804				
Culture	145,000	1,407,764	151,000	1,387,250	150,000	1,286,891
Education	121,700	24,678	993,600	10,520	169,900	
Charitable causes	61,900		45,804		48,230	
Sports	30,000					8,610
Total	358,600	1,432,442	1,190,404*	1,397,770	368,130	1,295,501

\* the increased donation amount was a result of a one-time donation for a project executed by a science establishment

**PLN 26.5 thous.**

amount raised during a charitable auction

**PLN 1.79 million**

value of donations and sponsoring (PLN)

Letter from the Chairman of the Management Board of Bank Millennium



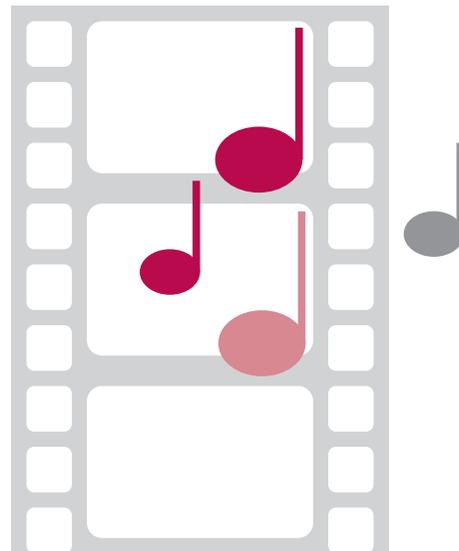


## 8.2. Promotion of Culture

The Bank's activity in culture is planned based on medium-term action plans and the following assumptions:

- Is accomplished solely at the program level (the Bank does not support institutions but only selected programs run by these institutions);
- The Bank prefers to cooperate in long-term programs with clearly defined goals and haute couture programs;
- The Bank does its utmost for the programs it supports to have as broad as possible social reception and to be accessible to its recipients through the media;
- The Bank's major partners in pursuing cultural programs are cultural institutions, non-governmental institutions and the media.

over **9 mln**  
recipients of cultural projects



### Bank Millennium's cyclical cultural projects

[+ more](#)

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### 8.3. Supporting Education

The aim of the educational programs conducted by the Bank is to allow students and graduates to gain their first professional experience and knowledge in banking and finance. Bank Millennium also works with student organizations, providing merit-based and financial support in their activities.

#### Main Education Programs

Program	Description	Number of participants		
		2014	2013	2012
<b>Millennium Bankers</b>	Paid apprenticeship programme, whose purpose is to allow students to apply the knowledge gained in their studies on the job. Through involvement in independent, complex projects, students acquire practical knowledge of the banking business. The best apprentices receive job offers from the Bank.	24	20	24
<b>Millennium Academy</b>	The purpose of the free workshops and training for students run by the Bank's specialists is to show the specific character of job in banking and present the possible career paths. In 2014, the subjects of training included negotiation, sales, e-commerce, creativity and sales network management.	211	219	240
<b>You Are Competing for an Internship</b>	For the second time the Bank funded the award in the contest You Are Competing for an Internship organized by Gazeta Wyborcza and PwC. The winner of the competition was accepted for a summer apprenticeship at a retail banking marketing unit.	4	9	42
<b>Total</b>		<b>239</b>	<b>248</b>	<b>306</b>

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### Cooperation with student organizations in 2014

Organization Implemented programs

**AIESEC**

**Program Ambassador** – during an annual period of cooperation, the ambassadors, i.e. AIESEC members, provide information to students on development opportunities in the Bank by promoting its programme of internships, contests, apprenticeships and development programs. In exchange the ambassadors participate in training sessions and workshops organized by the Bank and receive the possibility of participating in a vacation internship in the Bank.

**Career Days** – Participation in the largest job fair is an effective form of exchange of expectations between the Bank and the young people looking for a job.

Both programs are delivered in 5 academic communities across Poland.

**CEMS Club Warsaw**

**Graduate Programme Day** (Management Program Fairs) – the event was an opportunity for students to get acquainted with management programs of the leading companies, ask questions to potential employers and receive advice on how to select the best career development path.

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# Natural Environment





# Natural Environment

## 9.1. Resource Management

Bank Millennium minimizes its environmental footprint through rational management of materials, monitoring the use of water, energy and fuels, introducing environmentally-friendly solutions in its operations, by encouraging employees and customers to participate in educational campaigns.

The indicators of the Bank's impact on the environment are measured regularly. Environmental campaigns are conducted based on analyses of changes in these indicators. Environmental objectives relating to the consumption limits for materials, energy, fuels and water are included in the objectives imposed on managers of individual departments at the Bank. Fulfilment of these objectives is monitored on a regular basis and reported to the Management Board.

G4-DMA

In 2014 the Bank Millennium Group did not receive information on any case of its infringing environmental protection regulations. [G4-EN29](#)

10%

decrease in consumption of materials

30%

decrease in the volume of waste

92%

of the waste is recycled

[+ more](#)

The rational resource management policy is focused on continuous monitoring and reduction of the consumption of materials, by way of:

- analysis of fulfilment of the budgets for the purchase of office materials,
- verification of the need for each purchase ordered,
- introduction of purchase caps at current consumption levels,
- effective use of resources already held.

### Consumption of purchased materials [G4-EN1](#)

Strict observance of the rational resource management policy and the **reduction measures** have contributed to a 10% drop in material purchases.

### Consumption of purchased materials [+ more](#)

### Oversight over waste management [G4-DMA](#) [G4-EN23](#)

In 2014, the Bank recorded a **30%** drop in the volumes of waste it generated..

Paper, metal, wood, plastic, glass and electronic waste produced in the course of the Bank's operating activity is recycled or utilized by a specialized company with which the Bank has signed a contract. **92%** of the waste is recycled.

Municipal waste from the Bank's Head Office in Warsaw is collected by a specialized company. **75%** of the waste is recycled. Currently, both materials and energy are recovered (RDF fuel).

### Recycling and Disposal of Materials [+ more](#)

### Monitoring energy and water consumption [G4-DMA](#) [G4-EN3](#) [G4-EN8](#)

After an analysis of the consumption of water, energy and fuels, reduction measures are implemented to reduce consumption of these resources.

### Energy and water consumption [+ more](#)

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TABLES



## Consumption of fuel G4-DMA G4-EN30

### Car fleet

Fuel consumption by the car fleet has increased by approximately **2%** compared to 2013.

Company cars are gradually replaced with models that emit less exhaust gases. Currently, **100%** of cars in the fleet is compliant with the **Euro 5** standard.

## Consumption of fuel + more

### Business travel

Limits for the use of individual types of transportation are applied in order to rationalize the number of business trips. Employees use mainly railway and bus transportation. If they travel by plane, they need approval from the Chairman of the Management Board and if a private car is used – approval from a Management Board member.

## Business travel + more

## Greenhouse gas emissions G4-EN15

In 2014, over **93%** of the Bank's entire carbon footprint came from indirect emissions related to the consumption of electricity and heat in the Bank's facilities (about 62% and 32%, respectively), while some **6%** came from the combustion of fuel in its own power installations and vehicles and approximately **0.4%** from indirect emissions associated with the use of public transportation.

## Total carbon footprint + more

**2%**   
drop in greenhouse gas emissions

## Calculation methodology

The Carbon Footprint data were calculated on the basis of the methodology entitled Green House Gas Protocol A *Corporate Accounting and Reporting Standard*.

The reporting on CO<sub>2</sub> emissions concerns direct emissions from the combustion of fuel in own energy sources and vehicles (according to Scope 1 GHG Protocol), indirect emissions from combustion of fuels to generate electricity and heat purchased by the organization (according to Scope 2 GHG Protocol) and other indirect emissions resulting from the combustion of fuel in the means of transportations not managed by the organizations, i.e. in taxis, planes, trains and buses (according to Scope 2 GHG Protocol).

In order to measure the carbon footprint emissions, the organization has adopted the principle of control (having control on the organization's decisions) and therefore the data on greenhouse gas emissions (CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O) come from the Bank's own outlets and refer to the activity of its employees.

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## 9.2. Introduction of Environmentally Friendly Solutions G4-DMA G4-EN27

In order to optimize the consumption of energy, water, fuel and materials purchased by the Bank, a number of solutions have been introduced.

### Plastic

Action	Description
Limiting plastic consumption	limits for bottled mineral water, plastic cup and stirrer orders. Water treatment purifiers have been installed in the Bank's Head Office.
Review of the requirements for secure plastic envelopes	Based on the average number of shipments sent out, a limit for secure plastic envelope orders was set for each of the Bank's organizational units.
Efficient management of available resources	Reuse of resources allows the Bank to reduce the purchased quantities of furnishings (desk chairs), own devices (shredders and bill counters) and consumable materials (e.g. toners, hangers, inking ribbons).
IT Tools	The IT system supports verification of each order in terms of legitimacy of its purchase and defined limit, which contributes to a reduced consumption of resources.



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**Paper** G4-DMA G4-EN27

Action	Description
Control over paper requirements	the amount of paper used to print cash and treasury operations is controlled on an ongoing basis, based on monthly cash transaction reports.
Optimized distribution of marketing materials	Paper consumption is reduced through verification of the consistency of orders for marketing materials with the pre-agreed limits and through coordinated distribution of materials related to advertising campaigns.
Reducing the number of printouts	through the use of print rooms and offering a default option of two-sided printouts and through scanning and mailing documents electronically.
Implementation of Equitrac	a system for reporting and controlling printing tasks. The system records details of all the printouts generated by employees (including the number of pages and estimated printing cost) which makes it possible to manage the structure of printouts.
Electronic workflow	By introducing IT systems for processing internal documents, the circulation of most paper documents has been eliminated in the Bank. Similarly, processing client documentation (e.g. loan applications) is based on electronic copies of documents.
Limiting the number of printed documents delivered to clients	<ul style="list-style-type: none"> <li>Information materials (price lists, regulations) are not presented on displays in branches but rather printed upon a client's request and as a mandatory element of contracts signed with a client.</li> <li>Displays are installed in newly-opened and refurbished facilities, which drives the reduction of paper-based marketing materials (posters, flyers);</li> <li>Some documents are posted on the Bank's website, which makes them directly accessible to the clients.</li> <li>A client purchasing a bundle of banking services may sign a single consolidated agreement instead of several separate agreements for each product. Additionally it is possible to receive a consolidated statement containing information on all products held in the Bank.</li> </ul>
Product sales via remote channels	<ul style="list-style-type: none"> <li>Retail clients may apply for credit and savings products using remote channels where paper documentation does not exist at all.</li> <li>Corporate clients are encouraged to apply for payment cards through the web banking system. At present 4.5% of cards are issued this way.</li> </ul>
Promoting on-line statements	95% of new clients decide to use electronic statements when they open an account. In 2014 a campaign was carried out in which 50,000 clients replaced paper statements with electronic ones.



Number and percentage of users	2014	2013	2012
On-line bank statements	950,789 (62%)	779,399 (54%)	670,693 (47%)

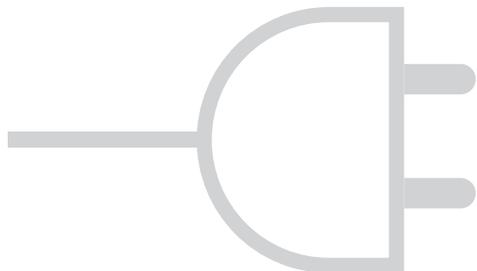
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**Electricity and water** G4-DMA G4-EN6 G4-EN27

Action	Description
Replacement of light sources	in external advertising panels of the Bank's outlets – from traditional fluorescent lamps to energy-saving LED light sources.
Limited operation	of external advertising panels (they are turned off at midnight).
Energy-saving sources of light	in new or upgraded branches.
Automatic light switch off system	(after 6pm) in Head Office buildings.
Ongoing monitoring of water and energy consumption	is a continuous process. Based on the financial data, a ranking of energy recipient by its consumption is prepared. Branches with the highest energy consumption rates are controlled and, if possible, improvements and recommendations for building administrator companies are implemented. Similarly, in the event of high utility bills it is verified whether the consumption is correct and whether or not any devices or installations have broken down.
Rational management of energy consumption	the Head Office and the Bank's Branches have implemented the recommendations that regulate the operation of air-conditioning, ventilation and heating devices depending on seasons and daily distributions. The purpose of the recommendations is to limit the consumption of electricity by air-conditioning and heating and ventilation devices to the period of the working hours. The turn-off methodology also prevents a simultaneous operation of heating and cooling devices.

	2014	2013	2012
Branches with LED lighting	<b>316</b> (74%)	<b>233</b> (53%)	<b>100</b> (22%)
Branches with panels turned off at midnight	<b>377</b> (89%)*	<b>395</b> (90%)	<b>349</b> (78%)
Energy-saving sources of light in branches	<b>27</b> (6%)	<b>16</b> (4%)	<b>8</b> (2%)

\* the decrease in the number of branches with panels turned off at midnight is due to the reduction in the overall number of the Bank's branches



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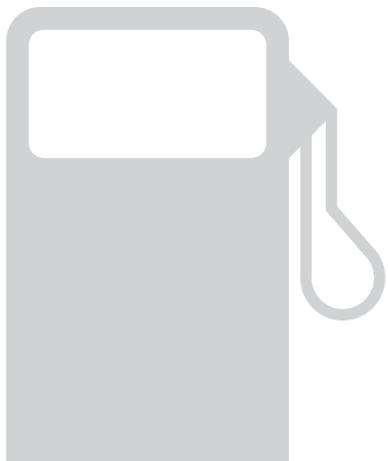
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**Fuels** G4-DMA G4-EN27

Action	Description
Cars with lower emissions	Company cars with the highest standards of exhaust emissions are gradually replaced by ones that are less harmful for the environment. The Bank's car fleet only has cars compliant with the Euro 5 standards.
Limiting the amount of business travel	In order to minimize business travel, limits are used for respective types of transportation and remote communication methods are used, such as: e-learning courses, teleconferencing and videoconferencing. About 1000 video conferences were held in 2014.



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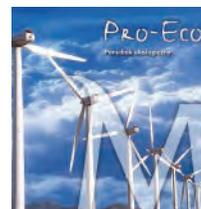
### 9.3. Bank's Environmentally Friendly Products G4-DMA G4-EN27

In its offer, the Bank contains products used to implement environmentally friendly activities or finance environmental undertakings.

#### List of environmentally friendly products offered by the Bank

Client segment	Product
Individual clients	WWF Card →
Prestige clients	Green mutual funds →
Corporate clients	PolSEFF →
	Leasing Eko Energia →

### 9.4. Environmental Education Campaigns



#### Environmental Guide for clients and employees

This environmental guide published in the Intranet and the Internet is available to all the employees and

clients of the Bank Millennium Group. It concisely presents numerous specific pieces of advice on how to care for the natural environment, both in the office and at home. This brochure refers to segregating waste and electrical garbage as well as to the rational use of commodities, water and energy.



#### Earth Hour

Each year since 2009, the Bank has participated in the Earth Hour environmental campaign organized by the WWF Polska Foundation. As part

of this campaign, the lighting and advertising panels in the Bank's outlets and Head Office in Warsaw and Gdańsk are turned off for an hour. The purpose of this event is to draw attention to the selected aspect of human impact on the natural environment. It has been made possible thanks to a voluntary involvement of our employees.

Clients and employees are invited to participate in the event via the Internet and intranet.

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Consumption of purchased materials **G4-EN1**

	2014	2013	2012	Unit	Change 2014/2013
Paper and paper rolls for operational needs	300,750	322,822	369,307	kg	-6.8%
Envelopes	71,533	93,874	101,924	kg	-23.8%
Plastics	11,793	12,689	13,421	kg	-7.1%
Consumable materials for printing devices	1,469	1,677	1,708	kg	-12.4%
Batteries	420	434	541	kg	-3.3%



Letter from  
the Chairman of the  
Management Board  
of Bank Millennium



Recycling and Disposal of Materials G4-EN23

	2014	2013	2012	Unit	Change 2014/2013	Reasons for change
Tele IT equipment	10,001	23,176	13,629	kg	-56.8%	decrease due to replacement of a large number of monitors and computers in 2013
Paper	342,379	262,312	203,657	kg	30.5%	shredding documents from external storage, whose storage period has expired in the current calendar year
Metal waste	3,060	6,197	3,839	kg	-50.6%	reduction measures
Plastics	1,049	1,195	552	kg	-12.2%	
Glass	1,354	240	230	kg	464%	replacement of damaged glass panels or change of standard of new outlets
Furniture	4,877	3,402	4,789	kg	43.7%	greater number of furniture items to be disposed
Magnetic and optical information carriers	0	25	515	kg		
Recycled waste*	92%	92%	92%			

\* waste produced by the Bank and passed on to a specialized utilization company

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Energy and water consumption **G4-EN3**

	2014	2013	2012	Jedn.	Change 2014/2013	Reasons for change
Purchased electric power	<b>30,368,048</b>	<b>30,242,556</b>	<b>31,008,557</b>	kWh	<b>0.41%</b>	higher consumption due to the operation of air-conditioning devices
Heating energy purchased	<b>98,684</b>	<b>105,841</b>	<b>104,693</b>	GJ	<b>-6.76%</b>	lower consumption due to milder winter
Natural gas	<b>186,651</b>	<b>232,432</b>	<b>200,386</b>	m <sup>3</sup>	<b>-19.70%</b>	
Heating oil	<b>37,459</b>	<b>69,279</b>	<b>75,818</b>	litr	<b>-46%</b>	sale of a building in Katowice
Water	<b>71,307</b>	<b>73,811</b>	<b>85,589</b>	m <sup>3</sup>	<b>-3.39%</b>	monitoring of water consumption <b>G4-EN8</b>

\* municipal water

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**Consumption of fuel** G4-EN30

	2014		2013		2012		Unit	Change 2014/2013	
	Gasoline	Diesel	Gasoline	Diesel	Gasoline	Diesel		Gasoline	Diesel
Number of cars	314	177	347	146	347	150	sztuk	-10%	21%
Fuel consumption	502,748	233,555	491,393	228,200	520,737	210,820	litr	2%	2%

**Business travel (km)** G4-EN30

	2014	2013	2012	Change 2014/2013	Reasons for change
	Air	302,348	329,725	318,079	- 8%
Railway	1,587,130	1,229,645	1,940,702	29%	The increase was driven by the need to organize stationary training for branch employees.
Taxis	2,059	1,203	3,524	71%	
Bus	176,348	73,966	87,598	138%	

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**Total carbon footprint** G4-EN15

	2014	2013	2012	2011	2010
Total CO <sub>2</sub> e emission* (tons)	<b>42,388</b>	<b>43,346</b>	<b>43,879</b>	<b>39,659</b>	<b>41,854</b>

\* CO<sub>2</sub> equivalent, which includes carbon dioxide (CO<sub>2</sub>) emissions resulting from direct emissions from combustion of fuel and indirect emissions resulting from electric and heating energy consumption and business travel plus emission of other greenhouse gases, that is methane (CH<sub>4</sub>) and dinitrogen monoxide (N<sub>2</sub>O) emitted in trace amounts in the above combustion processes.



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# About this Report

## Methodology

The ninth edition of the Corporate Social Responsibility Report depicts the operations of the Bank and the Bank Millennium Group during the period from 1 January 2014 to 31 December 2014 unless stipulated otherwise. **G4-28** The report has been prepared in accordance with the Global Reporting Initiative Sustainability Guidelines (GRI G4 – core option) and summarizes key areas of the Bank’s influence on sustainable economic, social and environmental growth.

The Bank reports annually. **G4-30**

## Process of defining the report’s contents **G4-18a**

The process of defining the report’s contents conducted in 2014 and revised in 2015 entailed a review of the hitherto reporting issues in accordance with the three steps required by the GRI 4 standard, i.e. identification, prioritization and validation. **G4-18b** Reporting aspects were first identified to give consideration to Stakeholder expectations. Stakeholder feedback pertaining to the Bank’s operations was obtained using client and employee satisfaction studies, questions posed to the Bank by Stakeholders, external auditors and research units, CSR ranking scores, CSR trends in the financial sector, talks with clients, investors, business partners and social partners. A list of aspects was drawn up on the basis of the issues raised by Stakeholders → as well as on the basis of sustainable development aspects recognized in the GRI G4 standard and the sector supplement, and subsequently these aspects were prioritized. The analysis of the aspects pertaining to sustainable development was based on three criteria: the social and environmental gravity of the aspect, its importance to Stakeholders and its impact on the Bank’s business strategy success. As a result, a list of aspects pertaining to Bank Millennium’s sustainable development was created and then approved by the CSR Manager.

Below please find a list of the reported aspects selected during the reporting process along with the bounds of their impact. The aspects have been divided into three groups to reflect the findings of the analysis according to the three criteria mentioned above. The first group pertains to the aspects most applicable to the Bank’s operations. We concentrate on reporting these aspects. That is why they have been presented in detail in the report. Their description entails the management approach used and the specific resultant outcomes. The second group of aspects is moderately applicable to operations. Their description is limited to the resultant outcomes or to a qualitative description. The third group of aspects entails aspects of low applicability to the Bank’s operations. [The analysis of all these aspects gives consideration to their nature and impact.](#) Internal aspects have been labelled (int), while external aspects are labelled (ext). **G4-20a** **G4-21a** Some aspects exert an internal and external impact.

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## Aspects of reporting on Bank Millennium's sustainable development G4-19a G4-20a G4-21a

Group I:

### Key Aspects

1. Economic results (int, ext)
2. Market footprint (int, ext)
3. Third-party asset security (int, ext)
4. Compliance with social and product regulations (int, ext)
5. Client health and safety (ext)
6. Client privacy protection (int, ext)
7. Combatting corruption (int, ext)
8. Labelling products and services (ext)
9. Marketing communication (ext)
10. Client communication (int, ext)
11. Investor communication (int, ext)
12. Headcount (int)
13. Advisor's competencies (int, ext)
14. Education and training (int)
15. Breach of free competition rules (int, ext)
16. Enhancement of financial services availability (int, ext)

This report contains a description of the approach taken to managing these aspects as well as output data.

Group II:

### Aspects of Medium Significance

1. Relations between employees and managers (int)
2. Complaint review mechanisms related to job practices (int)
3. Procurement practices (int, ext)
4. Commodities and materials (int, ext)
5. Indirect economic impact (ext)
6. Equal pay for men and women (int)
7. Counteracting discrimination (int)
8. Compliance with environmental regulations (int, ext)

This report reflects output or descriptive data.

Group III:

### Least Significant Aspects

1. Energy (int, ext)
2. Emissions (int, ext)
3. Products and services (ext)
4. Diversity and equal opportunity (int)
5. Investments related to human rights (ext)
6. Safety practices related to human rights (ext)
7. Participation in public life (int, ext)
8. Active ownership (int, ext)
9. Product portfolio (int, ext)
10. Water (int, ext)
11. Effluents and waste (int, ext)
12. Transport (int, ext)
13. Occupational health and safety (int)
14. Evaluation of Suppliers with view to labour practices (int, ext)
15. Freedom of association and the right to collective bargaining (int)
16. Evaluation of Suppliers with view to environmental criteria (int, ext)

Brief information in the report or reference to other documents.

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Employees and managers responsible for various reporting areas were involved in the reporting process. Report validation, including the selection of indicators, was subject to consultation with CSRinfo. The GRI Content Index has been verified by Global Reporting Initiative. [G4-33](#)

**Changes compared to the previous reporting period** [G4-22](#)

Bank Millennium's last report was prepared for the 2013 calendar year according to the GRI G4 standard (Core option), while applying the Financial Services Sector Supplement.

[G4-29](#) This report has been prepared on the basis of the same guidelines, however the reported aspects have been extended to include the following information:

- management of environment and social risk in the organization
- prevention of conflict of interest in the Bank's governing bodies
- responsible sales of products and services
- employee evaluation and working time systems
- ethical and environmental standards in cooperation with Suppliers
- calculation of the organization's carbon footprint

Based on the feedback on the structure and content of the 2013 Corporate Social Responsibility Report received from the attendees of the post-graduate CSR course at Collegium Civitas and the feedback from analyses of the Bank performed by external organization (e.g. in the process of qualification to the Respect Index, Dow Jones Sustainability Index, FTSE4Good Index, rating process by Vigeo, GES and Trucost) it has been decided that the report should describe the above issues in greater detail.

In this report, no significant changes in the reporting scope and aspect boundaries as compared to the 2013 Corporate Social Responsibility Report. [G4-23a](#)

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**Contact** G4-3I

Thank you for reading our report.

If you want to share your opinion about it with us please send your comments to:

**Anna Pulnar**

*CSR Consultant*

[csr@bankmillennium.pl](mailto:csr@bankmillennium.pl)

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## GRI G4 Content Index G4-32

The report has been prepared “in accordance” with the GRI G4 Sustainability Reporting Guidelines Core option and with use of the Financial Services Supplement.

### General Standard Disclosures

General Standard Disclosures	Page	External assurance	Description
<b>Strategy and Analysis</b>			
G4-1	3	none	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization’s strategy for addressing sustainability.
G4-2	19-20	none	Description of key impacts, risks and opportunities.
<b>Profile of the Organization</b>			
G4-3	5	none	Name of the organization.
G4-4	9	none	Primary brands, products, and/or services.
G4-5	5	none	Location of organization’s headquarters.
G4-6	5	none	Number of countries where the organization operates.
G4-7	5	none	Nature of ownership and legal form.
G4-8	7	none	Markets served.
G4-9	7	none	Scale of the organization.
G4-10	61	none	Number of employees by employment contract, region and gender.
G4-11	76	none	Percentage of total employees covered by collective bargaining agreements.
G4-12	57	none	Organization’s supply chain.
G4-13	6, 7, 58	none	Significant changes during the reporting period regarding size, structure, form of ownership and supply chain.
G4-14	18, 34	none	Explanation of whether and how the precautionary principle is addressed by the organization.
G4-15	16	none	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.
G4-16	8	none	Memberships of associations (such as industry associations) and national or international advocacy organizations.
<b>Identified Material Aspects and Boundaries</b>			
G4-17	5	none	(a) List all entities included in the organization’s consolidated financial statements or equivalent documents, (b) Entities included in the organization’s consolidated financial statements or equivalent documents, not covered by the report.
G4-18	93	none	(a) Process for defining the report content and the Aspect Boundaries, (b) Explain how the organization has implemented the Reporting Principles for Defining Report Content.
G4-19	94	none	(a) List all the material Aspects identified in the process for defining report content.

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G4-20	93-94	none	(a) Materiality of Aspects within the organization.
G4-21	93-94	none	(a) Materiality of Aspects outside the organization.
G4-22	95	none	(a) The effect of any restatements of information provided in previous reports, and the reasons for such restatements.
G4-23	95	none	(a) Significant changes in the Scope and Aspect Boundaries.
<b>Stakeholders Engagement</b>			
G4-24	24	none	(a) List of Stakeholder groups engaged by the organization.
G4-25	23	none	(a) Basis for identification and selection of Stakeholders with whom to engage.
G4-26	25-27	none	(a) Organization's approach to Stakeholder engagement.
G4-27	26-27	none	(a) Key topics and concerns that have been raised through Stakeholder engagement, and how the organization has responded to those key topics and concerns.
<b>Report profile</b>			
G4-28	93	none	Reporting period.
G4-29	95	none	Date of the most recent previous report.
G4-30	93	none	Reporting cycle.
G4-31	96	none	Contact point.
G4-32	97	none	GRI Content Index
G4-33	95	none	Policy and current practice with regard to seeking external assurance for the report.
<b>Governance</b>			
G4-34	11-12	none	Governance structure of the organization.
G4-41	13	none	Processes for the highest governance body to ensure conflicts of interest are avoided and managed.
G4-46	34	none	The highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.
G4-47	34	none	The frequency of the highest governance body's review of economic, environmental and social impacts, risk and opportunities.
<b>Ethics and Integrity</b>			
G4-56	14-16	none	Organization's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.
G4-57	14-16, 29	none	Internal and external mechanisms for seeking advice on ethical and lawful behaviour.
G4-58	29-34	none	Internal and external mechanisms for reporting concerns about unethical or unlawful behaviour.

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### Specific Standard Disclosures

Disclosures on Management Approach (DMA) and Indicators

	Page	Omissions	External Assurance	Description
<b>Category: Economic</b>				
<b>Aspect: Economic Performance</b>				
G4-DMA SEKTOR	10		none	
G4-EC1 SEKTOR	10		none	Direct economic value generated and distributed.
<b>Aspect: Market Presence</b>				
G4-DMA	10, 57, 60		none	
G4-EC6	61		none	Proportion of senior management hired from the local community.
<b>Aspect: Indirect Economic Impacts</b>				
G4-DMA	52		none	
G4-EC7	52		none	Development and impact of infrastructure investments and services supported.
<b>Aspect: Procurement Practices</b>				
G4-DMA	57		none	
G4-EC9	58		none	Proportion of spending on local suppliers at significant locations of operation.
<b>Category: Environmental</b>				
<b>Aspect: Materials</b>				
G4-DMA	85		none	
G4-EN1	85		none	Materials used by weight or volume.
<b>Aspect: Energy</b>				
G4-DMA	85		none	
G4-EN3	85		none	Energy consumption within the organization.
G4-EN6	89		none	Reduction of energy consumption.

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Aspect: Water			
G4-DMA	85	none	
G4-EN8	85	none	Total water withdrawal by source.
Aspect: Emissions			
G4-DMA	85	none	
G4-EN15			
SEKTOR	86	none	Direct greenhouse gas emissions.
Aspect: Effluents and Waste			
G4-DMA	85	none	
G4-EN23			
SEKTOR	85	none	Total weight of waste by type and disposal method.
Aspect: Products and Services			
G4-DMA	85, 87-91	none	
G4-EN27	87-91	none	Extent of impact mitigation of environmental impacts of products and services.
Aspect: Compliance			
G4-DMA	29	none	
G4-EN29	85	none	Fines for non-compliance with environmental laws and regulations.
Aspect: Transport			
G4-DMA	86	none	
G4-EN30	86	none	Environmental impacts of transporting products, materials and the workforce for the organization's operations.

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**Category: Social**

**Sub-category: Labour Practices and Decent Work**

**Aspect: Employment**

G4-DMA SEKTOR	60	none	
G4-LA1	61	none	Total number and rates of new employee hires and employee turnover by age group, gender and region.
G4-LA2	67-69	none	Benefits provided to employees.
G4-LA3	64	none	Return to work and retention rates after parental leave, by gender.

**Aspect: Occupational Health and Safety**

G4-DMA	70	none	
G4-LA6	70	none	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.

**Aspect: Training and Education**

G4-DMA	72	none	
G4-LA9	72	none	Average hours of training per year per employee by gender and employee category.
G4-LA11	65	none	Percentage of employees receiving regular performance and career development reviews by gender and employee category.

**Aspect: Diversity and Equal Opportunities**

G4-DMA	63	none	
G4-LA12	12, 61, 63	none	Composition of governance bodies and breakdown of employees per diversity indicators.

**Aspect: Equal Remuneration for Women and Men**

G4-DMA	65	none	
G4-LA13	63	none	Ratio of basic salary and remuneration of women to men by employee category.

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**Sub-category: Society**

**Aspect: Local Communities**

G4-DMA	45	none	
G4-SO2	No operations with significant actual and potential negative impacts on local communities.	none	Operations with significant actual and potential negative impacts on local communities.
G4-FS13	45	none	Access points in low-populated or economically disadvantaged areas.
G4-FS14	45	none	Initiatives to improve access to financial services for disadvantaged people.

**Aspect: Anti-corruption**

G4-DMA	32	none	
G4-SO3	32	none	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.
G4-SO5	32	none	Confirmed incidents of corruption and actions taken.

**Aspect: Compliance**

G4-DMA	29	none	
G4-SO8	30	none	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.

**Sub-category: Product Responsibility**

**Aspect: Product and Service Labelling**

G4-DMA SEKTOR	36-37	none	
G4-PR3	37-38	none	Type of product and service information required by the organization's procedures.
G4-PR5	42	none	Results of surveys measuring customer satisfaction
G4-FS15	36-39	none	Policies for the fair design and sale of financial products and services.
G4-FS16	40, 79	none	Initiatives to enhance financial literacy by type of beneficiary.

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**Aspect: Marketing Communication**

G4-DMA	36	none	
G4-PR7	36	none	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.

**Aspect: Client Privacy Protection**

G4-DMA	44	none	
G4-PR8	43	none	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.

**Specific Standards Disclosures Related to Sector Specific Aspects**

**Sector-specific Aspect: Product Portfolio**

G4-DMA	46	none	
G4-FS1	50	none	Policies with specific environmental and social components applied to business lines.
G4-FS5	50, 58	none	Interactions with clients/ investees/business partners regarding environmental and social risks and opportunities.
G4-FS7	52	none	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.
G4-FS8	52	none	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.

**Sector-specific Aspect: Audit**

G4-DMA	33	none	
G4-FS9	33	none	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.

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## Selected Awards



Bank Millennium remains in the RESPECT Index

The year 2014 was Bank Millennium's seventh consecutive year as part of the **RESPECT Index** – the index of socially responsible companies. RESPECT Index includes Polish companies from the Main Market of Warsaw Stock Exchange that operate in accordance with the highest management standards of corporate governance, information governance and investor relations and it also takes into account the environmental, social and employee-related factors. Companies in the RESPECT index have passed a three-tier review conducted by the Warsaw Stock Exchange and the Association of Stock Exchange Issuers in the areas mentioned above and an audit conducted by the project's partner, Deloitte.



Distinction for ESG reporting

Bank Millennium was included in the list of the public companies with the best ESG (Environmental, Social, Governance) reporting in 2014. The Bank was classified as one of top 3 reporting companies in the *Polish public companies in the WIG50 index* category. The winners were selected in the third edition of the educational project *ESG Analysis of companies in Poland* organized by the Association of Stock Exchange Issuers, GES and Crido Business Consulting.



POLITYKA's White CSR Leaf

Bank Millennium received POLITYKA's 2014 White CSR Leaf – a distinction awarded to companies that implement activities in the area of CSR and sustainable development. POLITYKA's Gold, Silver and White CSR Leafs are awarded to companies, which in their business activity implement measures in the area of compliance with corporate governance and human rights, care for clients and employees, environmental protection, business integrity and social engagement. The ranking is prepared by the *Polityka* weekly in cooperation with PwC consultants, based on questionnaires sent to over 800 of the largest firms in Poland.



Distinction in the 8<sup>th</sup> Ranking of Responsible Firms

Bank Millennium was recognized in the *8<sup>th</sup> Ranking of Responsible Firms* in 2014. The Ranking of Responsible Firms prepared by Dziennik Gazeta Prawna under the patronage of the Responsible Business Forum is the only comprehensive listing of the largest companies in Poland assessed with an eye to the quality with which they manage Corporate Social Responsibility (CSR).



Sound Employer of the Year

Bank Millennium earned the title of the *Sound Employer 2014* in the 12<sup>th</sup> edition of the national program organized by the publisher of industry magazines: *Rzecz o Biznesie* in Rzeczpospolita daily, *Strony Biznesu Plus* in Dziennik Gazeta Prawna, *Strony Rynku* in Gazeta Wyborcza and *Monitor Gospodarczy*. The purpose of the program is to select the best employers in Poland, who execute the most interesting solutions in management of human resources (HR). Bank Millennium has been recognized among others for: offering development opportunities to its employees, observance of the labour law, OHS regulations or social conditions, involvement in university life, free training and workshops for students and organization of regular development programs for graduates.



2014 Quality of Service Star

Because of the positive opinions of its clients, Bank Millennium was once again listed in the group of most friendly companies and received the 2014 Quality of Service Star. The recognized companies from several dozen sectors of economy have responded to the contemporary market needs to the greatest extent and are most frequently recommended by clients in 2014.

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**Newsweek's  
Friendly Bank**

In 2014 Bank Millennium was once again recognized in the independent ranking investigating the quality of service called *Newsweek's Friendly Bank*, taking first place in the Internet Bank category, second place in the *Bank for individuals* category and second place in the *Mortgage banking* category. This ranking is based on the findings of a *mystery shopping* study evaluating nearly all the elements of customer service in conventional and electronic service channels.



**Millennium Leasing  
a SME-Friendly Company**

Millennium Leasing received the title of a *SME-Friendly Company* in the 4th edition of the contest organized by the Association of Polish Businesses and Employers. This distinction is awarded to companies offering the best services or products to small and medium enterprises.



**Certificate  
for the Harmony Office Centre  
in Warsaw**

The Harmony Office Centre Office Building Complex where the Bank Millennium Head Office in Warsaw is located received the BREEAM certificate with a very good rating. BREEAM is the quality assessment and rating system for buildings, using measures such as: internal environment, energy efficiency, access to public transport, construction materials, building operations management, water and waste management. BREEAM Certificate is awarded by BRE (Building Research Establishment) Global on the basis of materials and a report prepared by a licensed BREEAM assessor. A building may receive the BREEAM certificate with a rating conditional upon the score received: *pass, good, very good, excellent, outstanding*.

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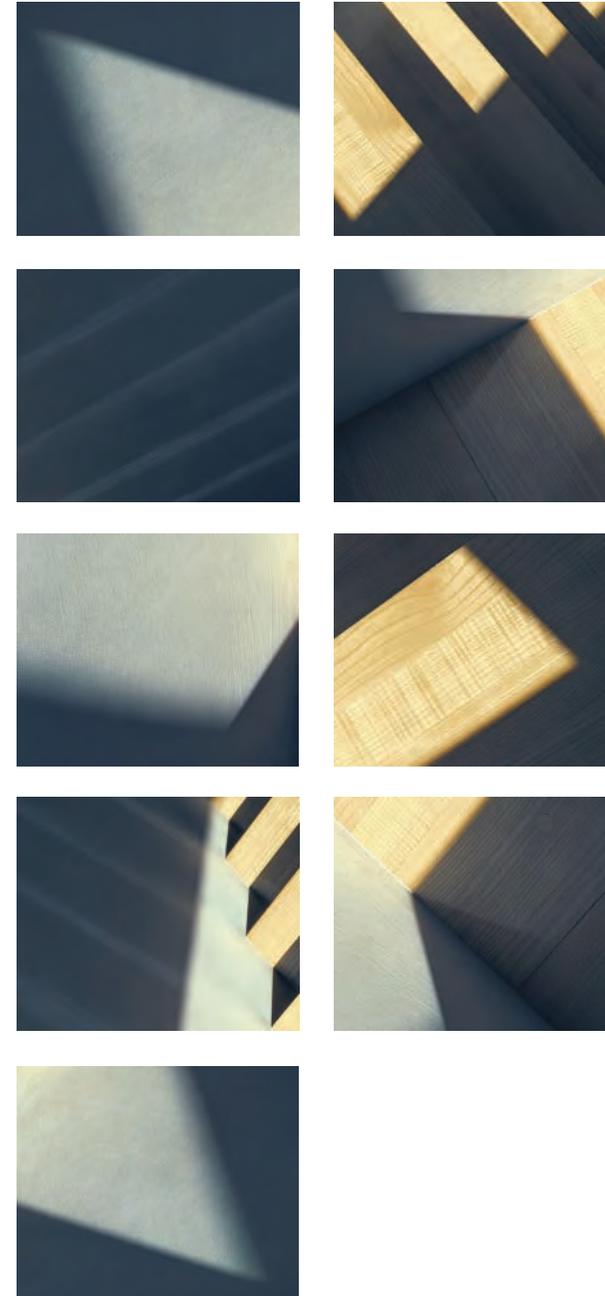
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Maciej Jędrzejewski, *Arrow - right*, from THE SUN series. 2013  
measurements/ size 50x28 cm, lambda print



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