

Annual CSR Outlook 2016

Annual CSR Outlook reviews the most important events and happenings of 2015 and indicates trends for 2016, taking into account both global and Polish aspects

REPORT PARTNER:

Bank Zachodni WBK
Grupa Santander

CSRinfo

PUBLICATIONS 2015

- *Annual CSR Outlook 2015*, CSRinfo
- *Sustainable Business – the role of the Board of Directors*, CSRinfo
- *Standards for Corporate Foundations*, Polish Donors' Forum
- *Sustainable Public Procurement in Poland*, Foundation CentrumCSR.pl
- *„Made in Poland” report*, Clean Clothes Poland
- *Sustainable Public Procurement. Possibilities, barriers, strategies*, Buy Responsibly Foundation
- *CSR Managers study*, Responsible Business Forum
- *Business that Changes the World – 15 years of Partnership for CSR in Poland*, Responsible Business Forum

DEBUTS 2015

Reports: Castorama Polska, Grupa Raben, Rossmann, Roche Polska, Polskie LNG, PGE Polska Grupa Energetyczna, ICP Group, Fabryka Komunikacji Społecznej, Profes, Signal Group

CSR strategies: mBank, AmRest Holdings

Initiatives: Launch of the translation of the GRI G4 standard into Polish at the initiative of the Working Group on Monitoring CSR Trends of the Polish Ministry of Economy in Poland

New company in the ninth edition of RESPECT Index: Bank Ochrony Środowiska (Bank for Environmental Protection)

NUMBERS 2015

83 Polish members of UN Global Compact¹

74 Companies in the IX Ranking of Responsible Companies

23 Participating companies in RESPECT Index⁴

48 Strategic Partners of the Responsible Business Forum²

124 Signatories of the Diversity Charter³

420 Practices in the Responsible Business in Poland Report. “Good practices 2014”

EVENTS 2015



25TH SEPTEMBER

UN Sustainable Development Goals 2015-2030

Adopted after the largest consultation programme in UN history



20TH-21ST OCTOBER

15th Anniversary of Responsible Business Forum

A number of Initiatives and Conference on „Business that Changes the World” – 15 years of Partnership for CSR in Poland



26TH-30TH OCTOBER

Sustainability Reporting Week – a nationwide series of events on non-financial reporting

5 cities, 5 events, more than 180 participants



19TH NOVEMBER

Conference on “Sustainable Business – the role of the Board of Directors”

Presentation of the results of the Survey of the 200 largest companies in Poland – “CSR in the eyes of Members of the Board of Directors”



THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT⁵

UN SUSTAINABLE DEVELOPMENT GOALS 2015-2030

(Sustainable Development Goals – SDGs)

- | | |
|---|---|
| 1 No poverty | 10 Reduced inequalities |
| 2 Zero hunger | 11 Sustainable cities and communities |
| 3 Good health and well-being | 12 Responsible consumption and production |
| 4 Quality education | 13 Climate action |
| 5 Gender equality | 14 Life below water |
| 6 Clean water and sanitation | 15 Life on land |
| 7 Affordable and clean energy | 16 Peace, justice and strong institutions |
| 8 Decent work and economy growth | 17 Partnerships for the goals |
| 9 Industry, innovation and infrastructure | |

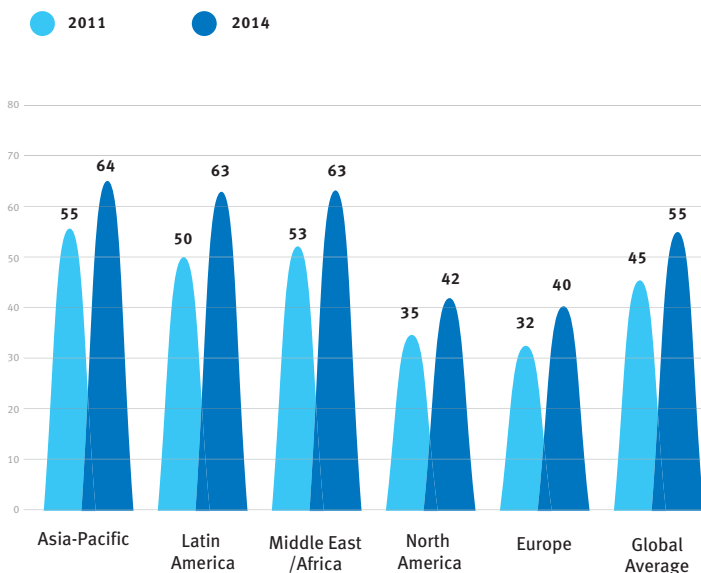
17 goals **169** targets **2015-2030**

HOW CAN YOU SUPPORT THE SUSTAINABLE DEVELOPMENT GOALS?

- Create or join the project
- Choose your SDG(s)
- Register your initiative on WWW.SUSTAINABLEDEVELOPMENT.UN.ORG/PARTNERSHIPS
- Show your deliverable(s)!

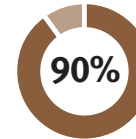
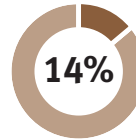
% OF CONSUMERS WILLING TO PAY MORE

for goods and services from socially responsible companies⁶



HUMAN RIGHTS

WORLD



Almost 21 mln people

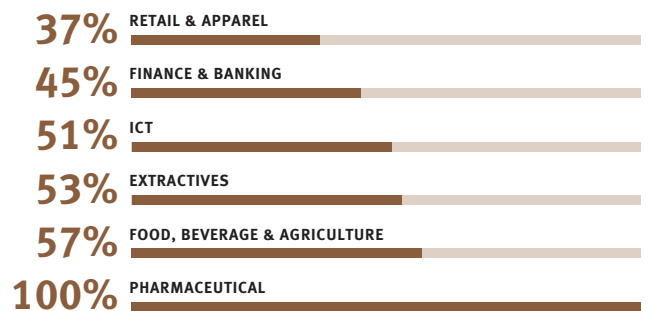
are victims of forced labour⁸

Among the sectors most concerned are:

agriculture, construction, entertainment, domestic work and manufacturing

INDUSTRIES WITH A HUMAN RIGHTS POLICY

by Business & Human Rights Resource Centre:⁹



82 investors, representing \$4.8 trillion

of assets under management, support the **UN Guiding Principles Reporting Framework** – the first comprehensive guidance for companies to report on human rights issues, launched in February 2015¹⁰

POLAND

- **750 cases of human trafficking** were recorded in Poland in the years 2011-2014¹¹
- **71 900 people estimated to be in modern slavery** in Poland¹²
- **105,5 M PLN** – the value of wages and other benefits from the employment relationship, which the inspectors of the National Labour Inspectorate recovered for 83,000 employees¹³
- **14%** – the level of unionization in Poland (compared to 80% 20 years ago)¹⁴

THE SCALE OF DISCRIMINATION IN POLAND¹⁵:

I have experienced in the workplace discrimination based on...



AGE

33% declarations
2nd place in Europe
(Greece ranks in 1st place)



GENDER

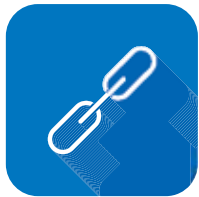
24% declarations
4th place in Europe
(France ranks in 1st place)



FAITH

18% declarations
3rd equal place in Europe
– together with Spain
(France ranks in 1st place)

September 2015 – Polish translation of the UN Guiding Principles Reporting Framework



SUSTAINABLE SUPPLY CHAIN

UN SUSTAINABLE DEVELOPMENT GOAL 2015-2030:

Ensure sustainable consumption and production patterns

Selected targets:

- By 2030, achieve the sustainable management and efficient use of natural resources
- Promote public procurement practices that are sustainable, in accordance with national policies and priorities

WORLD

2015

ISO 20400 International Standard for Sustainable Procurement¹⁶

January 2016 – European Commission publishes report on unfair trading practices in the food supply chain

- Member States already have legislation targeting business-to-business Unfair Trading Practices (UTPs) at national level (no legislation or supply chain initiatives in Poland)¹⁷

Railponsible – the railway industry vertical initiative to drive sustainability throughout the supply chain¹⁸

2,870 companies in 77 countries

hold MSC (Marine Stewardship Council) Chain of Custody certificates.

These companies operate from 34,500 sites around the world¹⁹
(18 companies in 2000)

187 814 548 ha FSC

(Forest Stewardship Council) certified area in 81 countries²⁰



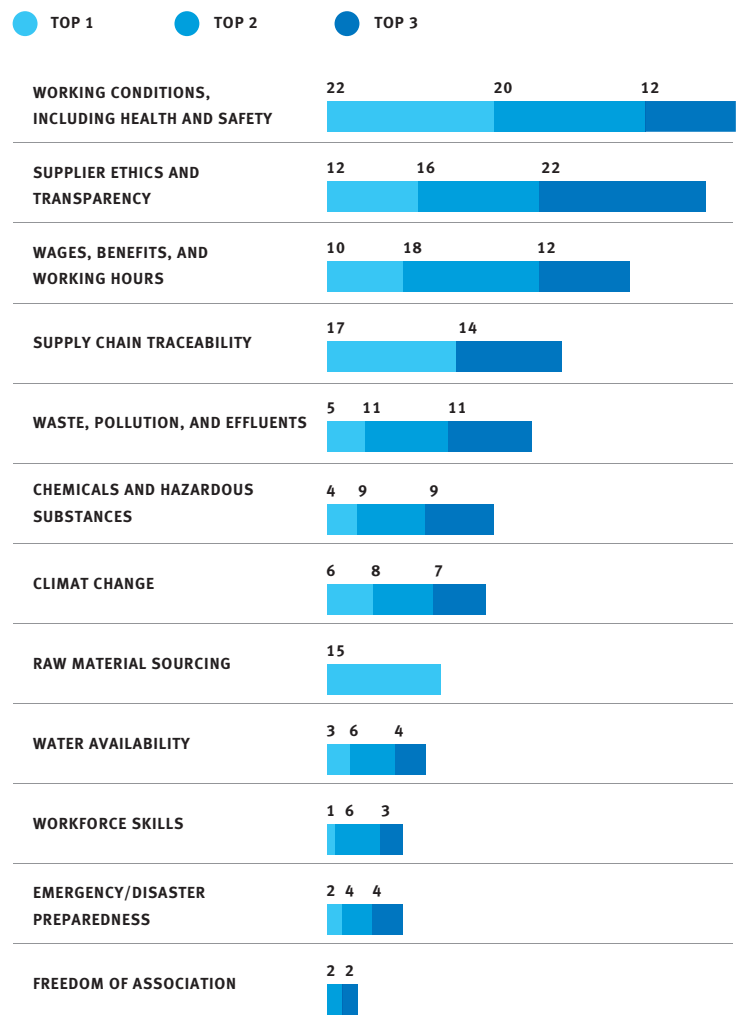
The new regulation to report on human rights (human trafficking) for companies in the UK:

The Modern Slavery Act 2015

- The British Government publishes a guide for companies concerning the regulation: "Transparency in Supply Chains etc. A practical guide"²¹

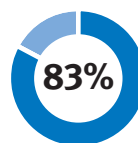
MOST IMPORTANT SUPPLY CHAIN ISSUES

by Business for Social Responsibility research:²²
(Percentage of All Respondents Identifying an Issue as a Top-Three Priority)

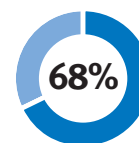


KEY CSR MEASURES ADOPTED BY COMPANIES²³:

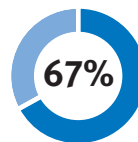
(Percentage of All Respondents)



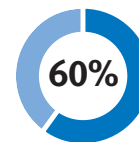
83% Having a supplier code of conduct



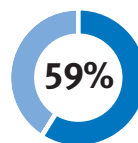
68% Considering sustainability in sourcing strategies



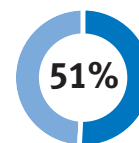
67% Regular monitoring and auditing of suppliers



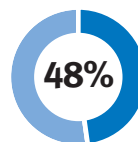
60% Collecting sustainability data from suppliers



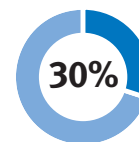
59% Participating in supply chain collaborative initiatives



51% Incorporating sustainability in the tendering process



48% Training suppliers on key sustainability issues



30% Setting sustainability goals for suppliers

POLAND

43% of companies

have adopted the requirement of mandatory standard ESG (environmental, social and governance) clauses in contracts with suppliers (50% in 2014)²⁴

March 2015 – Polish Fair Trade Association publishes a Polish version of the report: **“Who’s got the power? Tackling imbalances in agricultural supply chains”**²⁵

SUSTAINABLE PUBLIC PROCUREMENT²⁶

PLN 142 B

– the value of the public procurement market in Poland (8,76 % GDP)

1,8%

– public procurement with social clauses

22,8 %

– public procurement with environmental clauses



NON-FINANCIAL REPORTING

WORLD

24 000+

reports based on GRI standard²⁷

180+

reporting standard in 45 countries²⁸

90%

of the world’s largest 250 companies issued a Corporate Responsibility report, of which 82% refer to the GRI guidelines²⁹

12.6 SDGs

Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle

POLAND

Grand Prize in the 2015 Social Reports Competition
CEMEX Poland Sustainable Development Report 2013-2014



- Pre-consultation by The Ministry of Finance on transposition of EU Directive 2014/95/EU
- Partnership for the translation of the GRI G4 standard into Polish: Ministry of Economic Development, Deloitte, LOTOS Group, Responsible Business Forum, The National Chamber of Statutory Auditors, Provident Polska, Coordinator: CSRinfo.

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TRENDS AND CHALLENGES IN THE FINANCIAL SECTOR



DIGITALISATION AND MULTICHANNEL COMMUNICATION

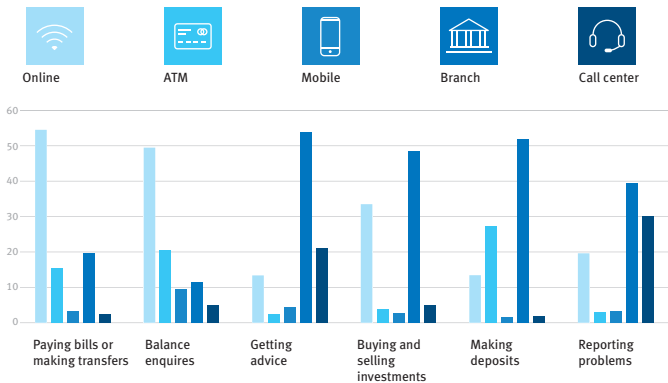
WORLD

WHAT DO CUSTOMERS EXPECT? ³⁰

- Trouble-free contact with the bank
- The path of customer followed by the bank
- Shorten and facilitate the process of purchasing banking services
- No need for re-explain their needs
- Consistent messages received from the bank's website, the call centre employees and branch employees

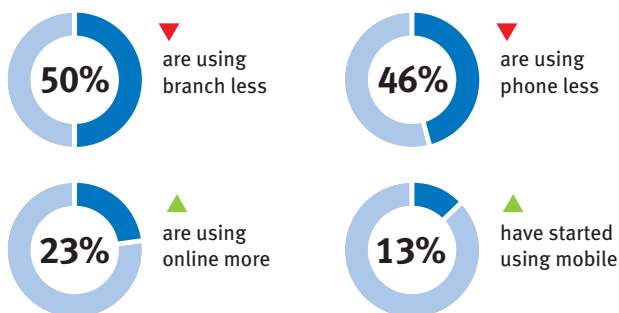
PERCENTAGE OF CHANNEL PREFERENCE

by task among all customers ³¹



BANKING CUSTOMERS ³²

(comparing 2011 to 2014)



POLAND

- More than 30 M customers have access to online banking
- More than 15 M customers log on to online banking at least once a month ³³
- More than 5 M customers use mobile banking ³⁴
- 60% of consumers expressed interest in paying in shops using smartphone ³⁵

BANK ZACHODNI WBK

1,885 the number of active digital customers (internet&mobile) (as of December 2015)

14,506 the number of transactions made by users of digital (internet&mobile) (as of December 2015)



INTERNET SECURITY

WORLD

Industry particularly vulnerable to cybercrime ³⁶

39% OF REPORTED CYBERATTACKS TARGETED THE FINANCIAL SECTOR

THE GREAT BANK ROBBERY

- Carbanak cybergang
- 1B USD in two years
- 100 financial institutions worldwide affected ³⁷

35% INCREASE IN THE NUMBER OF PHISHING SITES (ACQUIRING SENSITIVE INFORMATION) by Google Safe Browsing ³⁸

POLAND

- 700 crimes related to electronic banking (as of September 2015), including 73 related to phishing ³⁹
- 64% people declare that the level of security in their bank is average ⁴⁰

BANK ZACHODNI WBK

Measures to increase user awareness of security of mobile and online banking using the example of Bank Zachodni WBK:

- Carrying out educational projects aimed at different target groups
- Training employees in the field of safe use of mobile and online banking
- Providing customers with information material about safety
- Informing about current threats and security recommendations



FINANCIAL EDUCATION

WORLD

CHALLENGES

- Counteracting financial exclusion
- Preventing overindebtedness
- Encouraging saving

FINANCIAL EXCLUSION WORLDWIDE ⁴¹

2 B – the number of adults without a bank account, that is

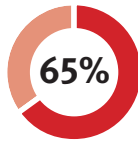
38% of adults unbanked

(improved by 20 percent from 2011)

ACCOUNT HOLDERS ARE:



women



men



people in developed countries



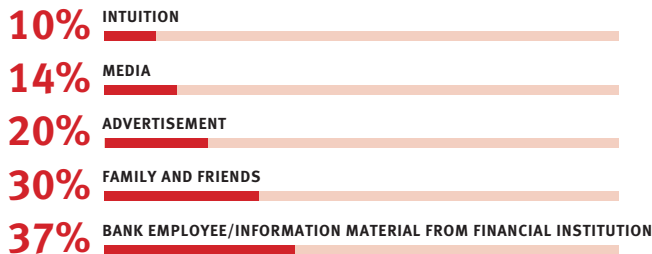
people in developing countries

POLAND



THE ROLE OF FINANCIAL INSTITUTIONS IN FINANCIAL EDUCATION⁴³

Poles build their knowledge of investment and savings based on:



BANK ZACHODNI WBK

288 312 PLN

allocated to financial education in 2014

8 700 hours

spent by participants on online gaming in Your Family Budget and Business Zone games learning and playing at the same time

Santander Universidades combines the world of business and science

5 M PLN worth of investments (2011-2014)

52

Polish universities

1200

universities all over the world

BANK ZACHODNI WBK

IMPACT ON LOCAL COMMUNITIES

- 2 editions of the programme "Here I live, here I make changes"
- 5,085 applications submitted
- 547 grants awarded
- 3 M PLN to support local communities

COUNTERACTING EXCLUSION

- 145 branches with Full Accessibility certificates
- 238 ATMs adapted for use by persons with visual impairments
- BZWBK24 Internet services certified for accessibility to visually impaired
- Advisor Online service that can support contact with advisor who knows Polish Sign Language



RESPONSIBLE INVESTMENTS

WORLD

Below 2 degrees Celsius

– the aim of keeping global warming below 2 degrees Celsius was agreed by 195 nations in Paris during COP21

18 B €

– over the next five years – the value of green financing of European Bank for Reconstruction and Development under its new Green Economy Transition approach⁴⁴

25%

European Investment Bank committed at least 25% of its lending portfolio to low-carbon and climate-resilient growth⁴⁵

BANK ZACHODNI WBK

850 M PLN

Representing 55% of funds paid to finance commercial real estate with green certificates

from 2013 in portfolio

of the RESPECT Index of the Warsaw Stock Exchange

2 awards in the 2015 Social Reports Competition

Internet Users' Award and the award for the credibility and comprehensive approach to data presentation

HONORARY PARTNERS



MINISTERSTWO
ROZWOJU



ZWIĄZEK
BANKÓW
POLSKICH

25
LAT
1991-2016



MEDIA PARTNERS



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