

Standalone and Consolidated Statement on Non-Financial Information of Alior Bank S.A.

1. Alior Bank S.A. Capital Group and Alior Bank S.A. – Parent Entity

1.1. Who we are

[GRI 102-2]

Alior Bank is a national universal bank and one of the most modern and innovative financial institutions in Poland. This is a place for people who have ideas and business courage to set new standard in banking. Our offer comprises services and products for individual and business customers, including small and medium-sized enterprises and institutional customers. We combine the principles of traditional banking with innovative solutions – as a result, we have been regularly consolidating our market position and for years we have been consistently setting new development directions of Poland's banking

Key numbers – the position of Alior Bank among top Polish banks

5% market share	#5 number of customers (about 4 M)	#4 distribution network	Top 3 brand recognition
#5 headcount	#6 net profit	#8 balance sheet total	15 awards in 2018

The operations of the Alior Bank S.A. Capital Group extend to comprise several different, but inter-related segments. This is closely related to the operations of the companies making up the Capital Group. Apart from banking activities, the operations of the Group cover, among others: lease and insurance agency services, asset management, search for and identification of external partners to co-operate in offering non-banking products, services in the sphere of IT, and computer technologies, as well as other activities related to IT, online financial agency services.



The Bank's core business covers the maintenance of bank accounts, granting of loans, issue of bank securities and purchase and sale of foreign currencies. We are also involved in stock broking activity, financial advisory and intermediation services, arrangement of issues of corporate bonds and provide other financial services. In the near future, we plan a major growth of sales via electronic channels. We offer our banking products and services via a network of our own branches, franchise outlets, and financial intermediaries, as well as the distribution channels based on an IT platform, covering: online banking, mobile banking, and telephone service centres. The distribution network is supported with service outlets that offer our products under the following brands: T-Mobile Banking Services provided by Alior Bank.

Products and services of Alior Bank

Individual customers					
Loans and deposits	Brokerage products	Investment funds	Personal accounts	Transactional services	Currency exchange
Business customers					
Loans and deposits	Trade financing	Current accounts and sub-accounts	Transactional services	Treasury products	Issue of corporate bonds

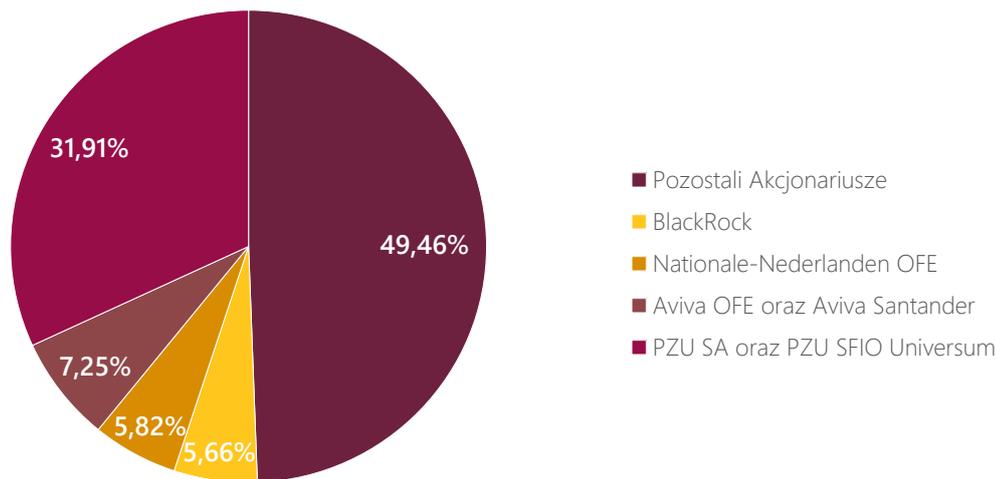
Apart from Alior Bank S.A., which is the parent company, the Alior Bank S.A. Capital Group is made up of subsidiary companies where the Bank holds majority interests.

Alior Leasing Sp. z o.o. 100% shares	Serwis Ubezpieczeniowy Sp. z o.o. 100% shares (indirectly)
Alior Services Sp. z o.o. 100% shares	Centrum Obrotu Wierzytelnościami Sp. z o.o. 100% shares (company in liquidation)
Alior TFI S.A. 100% shares	Meritum Services ICB S.A. 100% shares
Absource Sp. z o.o. 100% shares	NewCommerce Services Sp. z o.o. 100% shares

Detailed description of the subsidiaries' business is provided in Chapter X hereof.

Alior Bank is a public company. Since December 2012 our shares have been traded at the Warsaw Stock Exchange – the IPO at that time PLN 2.1 billion was the largest private offering in the history of WSE. Since 2014 Alior Bank's shares have been listed in the WIG20 index. Our shareholders include domestic and international investors.

[GRI 102-5]



Detailed information on the structure of the Bank's share capital and its shareholders is provided in Chapter XVI hereof.

[GRI 102-3]

[GRI 102-4]

[GRI 102-6]

Alior Bank's head office is located in Warsaw. However, we operate all over Poland. As at the end of December

2018, Alior Bank operated 202 its own branches, eight Private Banking branches, 8 Regional Business Centres, and 643 partners' outlets (franchise)

Alior Bank S.A. – in cooperation with Telekom Romania, a member of the Deutsche Telekom group – in October 2017 started commercial operations in the Romanian market. At present, the cooperation between Alior Bank and Telekom Romania is unique among such large and important entities from the financial sector and telecommunications sector in the Romanian market. The brand – Telekom Banking – is becoming increasingly recognisable and associated by customers as a modern bank focusing on offering innovative products and services. Many processes no longer require customers' visits to branches (contract signature, opening of ROR) – this is well received by the market and is in line with Digital Disruptor strategy. The synergy generated between the companies facilitates their access to a broad customer group at outlets of Telekom (POS) and our own branch network (SIS) as well as over the highly appreciated mobile and internet applications; the above resulted in an award of Digital Project of 2017 for Telekom Banking granted in Q1 2018 at the Business Days Gala in Bucharest.

1.2. Business Strategy

[GRI 102-16]

Our objective is to maintain the position as an innovation leader in Poland and to be among the most innovative banks in Europe.



In accordance with the approved strategy, since 2017 we have been investing in innovative technological projects (in 2017-2020 jointly PLN 400 M apart from the originally planned expenditures for ongoing development works and IT system maintenance). The expenditures will drive the digital transformation of Alior Bank within which highly motivated employees will guide individual and corporate customers to a digital world, in a safe and friendly manner that will prove profitable for the shareholders.

Investments in innovative projects are supported by the FinTech Department. They follow business objectives by looking for fintechs on a global scale and for initiating partnership with those that best suit the Bank's strategy.

We simplify our product offer and provide carefully selected, innovative products and services, characterised with simplicity, transparency, friendly nature in handling and access and handling via Internet and mobile banking. With those actions we wish to become a leader in terms of individual and business customer satisfaction.

In the business segment, we focus on micro-, small, and medium-sized enterprises. We wish to be the bank of first choice for start-ups and to comprehensively support SMEs.

We also plan to intensify co-operation with entities in the PZU Group in order to implement cost and revenue synergies. The co-operation will cover, among others, innovation areas, digital channels, IT, real estate properties, marketing, development projects, procurement, and financial products.

The strategy of Alior Bank requires changes to the working mode of the Bank's employees. It is our staff who will lead our customers from the "off-line" to the "on-line" world. Apart from training and promotion of pro-customer attitudes, the working comfort of our team is very important to us. We regularly survey satisfaction among our staff, asking them about their needs in their place of work and we try our best to provide for such needs.

Operationalisation of the Digital Disruptor Strategy



The operationalisation of the Digital Disruptor Strategy provides for systematic implementation of initiatives that follows our core business objectives. After 15 months, the effects of the Strategy operationalisation are ahead of the speed of the work in the original plan. Until the end of 2018, 43% of initiatives in the strategic portfolio was completed and 37% other initiatives are subject to analysis and programming.

Many solutions have been implemented to support process automation and enhanced security of business applications. As a result, we have automated the infoline, launched a chatbot supporting sales area and in cooperation with fintechs we implemented DRONN – a bot relying on artificial intelligence, speech analysis and biometry to recognise and synthesise speech. The initiatives taken by the Bank are aimed at supporting agile transformation at Alior Bank towards developing a modern working environment, resource optimisation, shortening the delivery time of new products and services and primarily at ensuring the security of customers and of the Bank in transactional and legal spheres.

As part of Alior Bank's Digital Disruptor strategy, the FinTech Department is responsible for developing an innovation ecosystem relying on partnership with start-ups. The objective is to establish co-operation with 20 companies by 2020 and make the Alior Bank be perceived as the partner of first choice for fintechs in Europe and a sponsor contributing to their business development. In 2018 we established cooperation with the first six fintechs and we became the technical partner for the first edition on the acceleration program: Scale Up "Huge Thing powered by Alior Bank" during which the Bank's mentor supported the development of 20 start-ups.

Since 2018, Alior Bank has been operating its own acceleration programme – RBL_START. The first programme edition focused on trends in new technologies with special stress on open banking, blockchain and roboadvisory. The programme enjoyed much interest – mentors and experts qualified 8 start-ups to the accelerator from among almost 100 proposals from all over the world. During the three-month acceleration, programme participants took part, inter alia, in multiple workshops, customer research, networking sessions and a trip to London. Due to the great success of the programme, the second edition of RBL_START will be held in March 2019.

In parallel, we have been developing architecture in line with the Open API standard, underlying open banking. We were the first to have launched an Open API interface, compliant with the PSD2 directive that supports our effective work with fintechs. Alior Bank is now one of 8 institutions that have been qualified by PFSA as an operator of the regulatory sandbox. The first tests of the environment will start in 2019; however, RBL_START participants could verify the compatibility of their solutions with the Bank's technology as early as in H2 2018. Following its Digital Disruptor strategy, in 2018 Alior Bank established a Blockchain Competence Centre. The core task of the new team is to identify potential of use and implementation of projects relying on the technology of distributed blockchain registers. The first identified application of the blockchain technology at Alior Bank is its use to authenticate documents on durable media.

Perceiving the vast potential of the technology and striving at setting new directions in banking development in Poland, Alior Bank has been supporting innovative projects relying on the technology. We accomplish the goal by cooperating with fintechs and by getting involved in sectoral organisations, including an active participation in PFSA's Blockchain Commission or membership in the Economic Chamber of Blockchain and New Technologies as a co-founder and ordinary member.



Caring about positive customer experience in contact with the services offered by Alior Bank is a priority for us. We regularly study the needs of individual customers to address the Bank's activities in line with their expectations. We simplify our product offer and provide carefully selected, innovative products and services, characterised with simplicity, transparency, friendly nature in handling, accessible also via Internet and mobile banking. With those actions we wish to become a leader in terms of individual and business customer satisfaction.

In retail banking, in 2018 we expanded our product offer by launching a new savings account and a new personal account with a package of additional services. We also started the migration process of customers to the new internet platform. The quality of our activities is confirmed with a regular growth of our customers' activity in remote channels. In 2019 we will continue to focus on intensive development of digital channels and extending the product offer for our customers.

In response to our business customers' needs, we have provided our advisers with tablets with full access to banking applications and resources to support customer services at the place and time of their choice. We have expanded our product offer with a 4x4 account of great interest among entrepreneurs with a package of services to be selected by the customer and we have launched a LOTOS credit card with a package of rebates for products and services offered at the Partner's outlets. We have provided our business customers with Apple Pay and Google Pay in contactless cards; for SMEs we launched a multi-currency card.

In 2018 we also developed the offer of complementary services beyond banking on the zafirmowani.pl platform, dedicated to entrepreneurs. Over the portal customers may, inter alia, generate invoices online, use tools to search for EU funds, keep VAT records, settle lump taxes, generate JPK_VAT files and keep their accounting in the cloud. The zafirmowani.pl portal has become a core web address offering comprehensive tools to set up, carry on, and develop business activities.



The comprehensive offer and service quality resulted in Alior Bank in 2018 being classified at the top of rankings by Newsweek and Forbes, being first in the Friendly Bank by Newsweek ranking in Traditional Banking and online banking and in the rankings: Company-Friendly Bank and Bank Recommended to Businesses.

In order to be fully successful, business transformation must be combined with the transformation of organisational culture inside the Bank. At Alior Bank we have been developing a manager leadership style from transactional to transformation approach. The major success in the area covers an increased level of Employee Commitment, reflected in a high NPS review result.

In parallel, we have been improving internal process in the Bank and in the employee environment. In 2018 all employees of the branches and Head Offices were provided with smartphones so that internal banking processes could be transferred to the digital world. The development of a modern employee mobile application on the Kompas platform was completed.

Following the Digital Disruptor strategy, we have been focusing on reinforcing the ethical attitude of the Bank's employees and on risk prevention in the sphere of sales practices and ensuring legal and regulatory security to our customers.

The Bank as an employer has been following the rules of business ethics and the employees of Alior Bank are focused on developing long-term customer relations by promoting adequate conduct among bankers and care for ethics in the sale of banking products. Our competences have also been developed with multiple development initiatives taken inside the Bank with the support of external companies (Development programme of competencies of the future). The study "Zoom na Alior" held in 2018 and the results confirm the effectiveness of the actions taken as part of cultural transformation.

1.3. Our relations

Our stakeholders

Business and retail customers (existing and prospective),	Shareholders	Regulator and supervisory bodies
Employees	Suppliers and sub-contractors	Beneficiaries of social activities

We want to learn more about our customers. Therefore, we regularly carry out satisfaction surveys among them so that we learn more about our customers' needs and problems. Friendly and effective communication with customers is a key element of our information policy. The information we disclose, we formulate in a simple and understandable manner.

We also care that the communication is confidential. When we provide data that is subject to banking secrecy, we always take optimum care that such information is transferred subject to the strictest security standards.

We also take care of regular, timely, and efficient communication with capital market players. As a public company we take measures to comply with the disclosure needs of our stakeholders, while ensuring that the information is available publicly and equally in line with the top market standards and the applicable laws.

The activities are carried out by the Investor Relations Department whose basic duty is to develop relations with shareholders based on reliable information and to ensure regular access to information on all major changes taking place at Alior Bank that have or may have impact on the prices of its shares.



The Investor Relations Department regularly arranges meetings of representatives of the Management Board with capital market players, including investors and analysts. The meetings are devoted to discussions on the current financial and operational conditions of Alior Bank, presentation of its operational strategy and the planned directions of future development. Issues are discussed that are related to current macroeconomic situation, the overall condition of the financial sector and the competitive environment of our Bank.

Our representatives regularly participate in conferences organised by domestic and foreign brokerage houses. In order to maintain the high quality of cooperation and internal customer service, in 2018 Alior Bank continued its cyclical internal NPS reviews of selected organisational units. In 2017, the review covered two departments,

in 2018 – 10 departments. The results of the review are a valuable source of knowledge for the reviewed departments and support them in further adjustment of their operations to the reported needs; therefore, in the future we intend to cover more departments with the review. In 2019, the review will also cover the FinTech Department and the Innovation Centre. At Alior Bank we are at constant dialogue with employees. For the purposes, we use the most popular and most effective communication tools. Those include, inter alia, meetings, e-mail messages, posters, stickers, competitions and films. Each employee is sent weekly newsletters with information useful in their daily work (“HR News”) and information on the pursued strategy, new products and achievements of the Bank (“Digital Disruptor”). With questionnaires, on an ongoing basis we collect feedback on employee satisfaction with the newsletters.

In 2018, we launched a new employee portal named “Kompas”. It has functionalities known from popular social media and news portals. Over the portal, employees can freely share information with others, open discussion groups and comment on or “like” articles.

We regularly meet social partners being the six trade union organisations representing employees. The mode of dialogue covers both individual consulting and discussions concerning legal regulations covering collective labour law.

We also hold satisfaction surveys with employee benefits. Employee feedback is also provided from the annual commitment survey in which employees respond to several dozen questions concerning work at our Bank.

For key directors and managers we organise meetings with the Bank's Management Board. In 2018, two meetings were held with the managerial staff – “Alior MeetUp” during which a discussion was held on progress in implementing the “Digital Disruptor” strategy.

Selected organisations where Alior Bank was member in 2018

Polish Bank Association	Bank Cyber Security Centre
Security Board of Banks	Bank Register of IT Security Incidents
ACI Polska	Clearing Agent Committee
Polish Franchise Organisation (POF)	Polish Factors Association (PZF)
Electronic Economy Chamber	Qualification Standard Committee
Employers of Poland	Depository Bank Council
Security Forum of Electronic Transactions	EFMA
Banking Ethics Commission	Electronic Banking Council
Coalition for Polish innovations	Warsaw Blockchain Alliance

Strategic partnerships at Alior Bank



PZU, Lotos, Allegro, Apple, Tauron, Microsoft, Google, IBM, WSE, Empik – are examples of just a few companies with which we cooperate daily in Alior Bank, jointly pursuing projects or providing mutual services. Seeing the potential in developing and building such partnerships, the Bank has decided to establish a new unit that started operating in 2018 – Strategic Partnership Unit.

The core task of the unit is to develop the existing and build new strategic partnerships as well as to identify synergies under the projects that are pursued. On a daily basis, the unit coordinates, analyses and initiates a number of initiatives in the area, cooperating with many other units in the Bank and with external partners.

We treat as strategic those partnerships that generate major synergies (in terms of revenues, costs, image) and generate tangible benefits for the Bank, its customers or employees. The unit also supports the implementation of business strategies and facilitates projects in many areas. The Warsaw Stock exchange is an example – their experts supported the first edition of our RBL_Start acceleration programme and promoted it among its recipients.

From Alior Bank's viewpoint, strategic partnerships are important for a number of reasons – they facilitate acquisition of new customers, expansion to new markets, implementation of new services (our own or added), optimisation of operations (e.g. in terms of processes or technologies), and strengthen the Bank's image.

The Strategic Partnership Unit collects information on partnerships in which the bank is involved as well as it initiates and establishes new strategic partnerships, consults the development of synergies and use of each case of cooperation in various areas. We look for such companies for cooperation that may support the Bank's strategic objectives, operate on appropriate scale, are well reputed, have an adequate business model and organisational culture.

Now the PZU Group is our key strategic partner – jointly we carry out a number of initiatives which refer to revenue synergies (bancassurance, assurbanking), cost synergies, innovations or corporate governance. The activities that are being taken and implemented serve both the Digital Disruptor strategy and the New PZU strategy (in particular in the context of objectives related to cooperation in the Group and cooperation with banks). Here we look, inter alia, for new models of providing banking or insurance services (and combination thereof) with a view to customers' needs and comfort.

An example of such partnership started in 2018 is a solution for business customers that we launched jointly with LOTOS Paliwa – a Mastercard Business LOTOS credit card. With the partnership, entrepreneurs may enjoy the promotion "Cheap refuelling" and save up to PLN 0.20 per one litre of fuel and other rebates. With LOTOS we have been working on expanding our cooperation with other joint solutions.

1.4. Our awards



We are happy with external recognition of our activities and the awards granted to us. In 2018, we were awarded prizes 15 times in Poland. Seven prizes related to the way we run our business, four appreciated our innovative nature and technologies, two rewarded our products and customer service.

Business

- The title of the "Best bank in Poland" was awarded by "Global Finance";
- The first place in the rankings by Forbes as the "Company Friendly Bank" and as the "Bank recommended to companies". The other title was awarded by the organiser for the first time in the history of the plebiscite;
- The first positions in the ranking "Newsweek friendly bank" in two categories – "Traditional banking" and "Bank in the Internet". Second position in the category "Mortgage banking";
- An award in the plebiscite "Best Business Partner" organised by the economic portal Home&Market.

Innovations and technology

- First position in the prestigious ranking "Golden Banker" in the category "Security – Best Practices: FinTech" for the FX Exchange Office of Alior Bank. The award is granted by the editors of Bankier.pl;

- Honorary Award in the category "Innovative Banks" in the ranking of "Poland's 50 largest banks", organised by "Miesięcznik Finansowy BANK";
- A FinTech & InsurTech Awards 2018 in the category "FinTech Award" granted for Dronn – a virtual adviser being also a system based on artificial intelligence technology, supporting operational and sales processes at the Bank;
- "The Heart Open Innovation Award" in the categories: "Organisation" and "Initiative";
- The title of "IT Leader 2018" in a competition organised by "Computerworld".

Products and customer service

- Konto Jakże Osobiste of Alior Bank with a golden EFMA-Accenture Distribution & Marketing Innovation Award 2018 in the category "Offering Innovation";
- The award for the best service of customers interested in personal accounts in the ranking "Institution of the Year 2018";
- The title of Poland's best bank for super affluent customers. Holding investment assets of USD 1-5 M – a review "Private Banking and Wealth Management Survey" organised by "Euromoney". In the main category of 'private banking services', the bank was ranked 4th in Poland;
- First position in the ranking of Puls Biznesu for a stockbroking account. The experts appreciated the comfort of using the account and an innovative approach to customer service;
- First position in the ranking of bank FX exchange offices of the najlepszekonto.pl portal for the FX Exchange Office of Alior Bank.

2. Foundations of our activities

[GRI 102-2]

Employees of the Alior Bank S.A. Capital Group are required to comply with the law, regulators' guidelines, and the regulations and procedures in force at the Bank. In their daily operations, the Bank and its employees should follow the "Principles of Good Banking Practice" approved by the Polish Bank Association. Both Alior Bank is comply with the Best Practice of WSE Listed Companies.

In 2018, no financial penalties were imposed on the Group for non-compliance with law and regulations.

2.1. Ethics – rules of conduct

[GRI 102-16]

Ethics, Simplicity, Agility, and Team Spirit – those are the four values that are most important for Alior Bank S.A. We identified the values in the new business strategy approved in 2017 – "Digital Disruptor", setting forth the activities of the Bank for 2017-2020

Our values

ETHICS	We act fair in internal relations and vis-a-vis customers.
SIMPLICITY	We focus on things that actually build value for Customers by promoting simple and effective solutions.

AGILITY	We react fast to changing circumstances and efficiently implement the required solutions.
TEAM SPIRIT	We assume responsibility for accomplishing the objectives of Alior Bank and we adjust our priorities to the strategy of the team and organisation. We follow the principle: "we play with only one goal".

Ethics is one of the core values identified in the Strategy of Alior Bank for 2017-2020. Every day, we take a number of measures and initiatives that are focused on consolidating the employee's awareness and attitude towards compliance and ethics.



The organisation follows the Code of Ethics implemented at Alior Bank SA and at: Alior Leasing Sp. z o.o., Serwis Ubezpieczeniowy Sp. z o.o., NewCommerce Services Sp. z o.o. and Alior TFI S.A. The other companies in the Alior Bank S.A. Capital Group hire staff employed at Alior Bank S.A. who are obliged to comply with the Code as prevailing in the Bank.

The Code of Ethics of Alior Bank is a collection of the most important rules of conduct related to the Bank's business. It is addressed both to our employees and people who perform banking activities via the Bank. For the staff of Alior Bank, the Code is a guideline facilitating fair and lawful decisions.

The Code of Ethics contains four parts with the rules of conduct towards customers, vis-a-vis each other, counterparties and the market and the community at large. The Code contains guidelines concerning compliance with the principles of professionalism and personal culture, and also openness to diversity and tolerance. Additionally, in the document the employees will find information encouraging them to take care of the natural environment.

We have been doing all reasonable efforts that the Code of Ethics becomes a pillar in our daily work – therefore, all employees of the Bank are involved in training on general ethics. The employees who will join Alior Bank will be provided with onboarding training to be completed with a knowledge test. The other employees regularly undergo e-learning refreshment courses on ethics. Ethical rules are also promoted in the Compliance Bulletin.

[GRI 102-17]	[GRI 412-1]	We attach great importance to the appropriate organisation of the whistleblowing system – we want employees to be able to provide information or share their doubts in an easy way and without any fear
--------------	-------------	---

Alior Bank provides opportunities for its staff to use multiple communication channels to this end. Such report may be done orally, in writing, or by e-mail to specially dedicated e-mail boxes, including directly to Members of the Management Board or the Supervisory Board.

The existing whistleblowing reporting system ensures anonymity. The Bank shall not apply any retaliation, discriminative measures or another type of unfair treatment against employees who have in good faith reported breaches. Additionally, in 2018 we launched the Policy of a work environment free of undesirable behaviour at Alior Bank S.A. and the Procedure concerning reporting of undesirable behaviour at Alior Bank S.A., in particular such undesirable behaviour as discrimination, mobbing, harassment, sexual harassment. An e-learning course has been developed and made available to all employees on undesirable behaviour at work place.

In 2018 we had 49 reports concerning potential breaches of ethics (including harassment of employees by managers, discrimination, etc.). All reported instances were subject to a detailed analysis and 8 of them were found as justified. In relation to confirmed breaches, recommendations were issued to remedy irregularities.

2.2. Fraud risk management

[GRI 419-1]

A core element to mitigate compliance risk is that the Bank ensures appropriate supervision over conflict of interest management. In the Alior Bank Group the area is regulated in the

Conflict of Interest Management Instruction.

Instructions related to conflict of interest management apply in the five largest companies of the Alior Bank S.A. Capital Group. (Alior Bank S.A., Alior Leasing Sp. z o.o., Serwis Ubezpieczeniowy Sp. z o.o. and Alior TFI S.A., NCS Bancovo). The other companies hire staff employed at Alior Bank S.A. who are obliged to comply with the rules as prevailing in the Bank.



In the document, the employees of the Alior Bank Group can find answers to questions how to define conflicts of interest and how to identify their potential or actual effects and how they should act to avoid conflicts of interest. The instruction regulates such important elements like the rules of providing services to close persons, acceptance of gifts and invitations and employment of staff members outside the Group. The document clearly sets the rules of reporting between close persons with special stress on eliminating the risk of nepotism.

Additionally, Alior Bank has implemented **Compliance Policy** and **Fraud Prevention Policy**. The documents precisely state how Alior Bank ensures compliance with the law, the internal regulations, and the market standards with its control function and compliance risk management. The Bank pursues a policy of full compliance with the law and the principles of fairness and business ethics in all areas of its operations.

The employees of Alior Bank S.A., Alior Leasing, and Alior TFI S.A. have been trained in procedures preventing abuse and the rules of ethical conduct. The training at Alior Bank covered, among others, the compliance risk where conflicts of interest was one the most popular subjects similarly to bank secrecy and the gift policy. The training is mandatory for all new employees of Alior Bank.

[GRI 201-1]

[GRI 205-3]

In 2018, the Bank's employees reported 362 instances of accepted benefits – gifts, invitations to conferences, or training, tickets, gifts in kind, etc. that were recorded in a special register. A vast majority of the reported benefits were within the acceptable limit of PLN 200. In the case of gifts exceeding the value, usually such objects are sold at a charity auction and the proceeds are transferred to, e.g. an orphanage. In the case of invitations to conferences

In 2018, out of 91 reported potential conflicts of interest, 76 percent were found as actual instances of the applicable principles of avoiding conflicts of interest and therefore, recommendations were issued to restore the required situation. Usually, the breaches referred to servicing close persons or potentially competitive activities.

In 2018 no confirmed corruption instances were identified in the Group.

2.3. Compliance with human rights in the supply chain

Each entity that wishes to join any bidding procedure organised by the Bank shall be obliged to file a special appendix to the bid – “Business Ethics Declaration” that part of the assessment of the bid in terms of formal

legal aspects. By signing the document, the bidder declares that in its business it complies with the applicable laws and rules of ethical conduct. The most important elements of the declaration are as follows:

- no employment of under-age staff;
- no discrimination of employees on any account;
- compliance with the law with respect to minimum wages and working hours;
- provision of safe and secure working conditions for employees;
- compliance with the regulations concerning environmental protection and no adverse impact on the immediate neighbourhood;
- compliance with the regulations concerning protection of competition and consumers;
- compliance of the internal policies concerning business ethics. In 2018 the practice was followed solely at Alior Bank S.A., while in 2019 it will also be pursued by the other Group companies.

2.4. Management of risks related to business operations

Risk management is one of the major internal processes in the Bank and in the Alior Bank's Group.

The risk management system operated at the Bank is based on three independent lines of defence. The system relies on the standards in force in the banking sector and the guidelines in supervisory regulations and recommendations.

The objective of the risk management policy pursued at the Bank is to ensure an early detection and adequate management of material risks inherent in the Bank's operations.



In its operations, the Bank identifies the following risks as material: credit risk, interest rate risk in the banking book, market risk in the trading book, liquidity, operational, compliance risk, model risk, business risk, reputational, and capital risk. Among them, the Bank treats the following risks as major one: credit risk, operational risk, interest rate risk in the banking book, market risk in the trading book, and the liquidity risk. From the viewpoint of impact on social, employee-related, environmental, human rights, and counteracting corruption issues, the operational and compliance risk are of special importance. Additionally, the Bank identifies environmental risk in the process of corporate financing.

Selected risks are managed by the Bank subject to factors of sustainable development (ESG – Environmental, Social, Governance).

Credit Risk	<p>Credit risk is understood at our Bank as a possibility of default by the counterparty. Management of the credit risk and its maintenance at a safe level, defined in the risk appetite, is of fundamental importance for the Bank's stable operation and development. Credit risk is controlled with the use of the regulations in force at the Bank, in particular lending methodologies and risk measurement models, adjusted to customer segments, product and transaction types, establishing and monitoring of collateral to loans, as well as the processes of monitoring and collection of receivables. We endeavour to fully centralise and automate the processes while relying on available external and internal information on customers.</p> <p>In order to mitigate risk levels, each time a credit product is granted we assess the customer's creditworthiness and credibility covering, inter alia, a detailed analysis of repayment sources, reliability of the accepted collateral.</p>
Operational Risk	<p>Operational risk is a possibility of occurrence of a loss resulting from inadequate or unreliable internal processes, loss of key employees systems or external events. Operational risk further covers the legal risk</p>

	<p>and events with a low frequency, but high losses. Operational risk does not cover reputational risk and strategic risk.</p> <p>Alior Bank has a formalised operational risk management system within which we counteract to the occurrence of operational events and incidents and mitigate losses should the risk materialise. The principles and structure of operational risk management at Alior Bank rely on the Banking Act, resolutions and recommendations of the Polish Financial Supervision Authority, and also the internal regulations.</p> <p>We control the operational risk at many levels in the organisation; this is done, among others, by an independent unit of the Bank dedicated to operational risk management.</p>
<p>Market and liquidity risk</p>	<p>At Alior Bank we have identified the following types of the market and liquidity risk that is subject to management:</p> <ul style="list-style-type: none"> • Interest rate risk in the banking book, • Market risk in the trading book (the risk covering in particular interest rate risk in the banking book and the commodity price risk), • Liquidity Risk. <p>The interest rate risk is defined as a risk of adverse impact of market interest rates on the current performance or the current value of the Bank's equity.</p> <p>FX risk is defined as a risk of a loss resulting from changing FX rates in the open FX positions.</p> <p>FX risk is measured and mitigated by monitoring and limiting the FX positions opened by the Bank.</p> <p>The risk of commodity prices is a risk of a loss due to changing commodity prices. Commodities are understood as any material trading objects identified in terms of type and grade and the quantity of which may be expressed in physical units of measure. Commodity price risk is measured and mitigated by monitoring and limiting open commodity positions so that the risk becomes immaterial for the Bank.</p> <p>Liquidity risk means a risk of failure by the Bank to meet – subject to comfortable conditions and at adequate prices – its payment obligations resulting from the Bank's on- and off-balance sheet items. The policy of liquidity risk management at the Bank consists in maintaining its own liquidity positions so that payment obligations can be met at any time with the available cash on hand, proceeds from transactions with specific maturities or with sales of marketable assets, while minimising the costs of liquidity maintenance.</p>
<p>Compliance risk</p>	<p>Compliance risk is a risk of legal sanctions, financial losses, or reputation loss due to incompliance by the Bank or its employees with the law, requirements of supervisory bodies, internal regulations, or the accepted standards of conduct and ethical standards. Of particular importance for the compliance risk are issues related to: use of new regulations, processing and protection of personal data and bank secrecy, conflicts of interest, the protection of confidential information and counteracting market abuse and proper treatment of employees.</p> <p>The Bank operates a cohesive compliance risk management system, composed of:</p> <ul style="list-style-type: none"> • Identification and assessment of the compliance risk with an aim to mitigate the risk level and ensure safe functioning in a dynamically changing and demanding legal and market environment, without adverse consequences resulting from a breach of regulations and ethical standards. The process is carried out on an annual basis, • Control is performed on the basis of compliance test plans, • Monitoring of the compliance risk is aimed at eliminating instances of non-compliance and preventing their recurrence, Monitoring is performed using key risk indicators. • Reporting – periodic submission of information on the most important and crucial issues resulting from compliance risk management at the Bank. <p>The approved compliance risk management system ensures that Alior Bank operates in compliance with the law, regulators' requirements, and the approved ethical standards.</p>
<p>Environmental risks</p>	<p>We measure environmental risk of investments financed by our customers as a socially responsible financial institution. For customers with a total exposure (existing and requested) in excess of PLN 1 M we perform a detailed assessment of the environmental risk, including the social risk.</p>

The environmental risk is defined as a risk of the customer's deteriorated creditworthiness as a result of adverse financial and legal effects due to business activity pursued or taken up by the customer or the proposed collateral for the loan that has or may have material adverse impact on the natural environment or the community.

For our employees, we have developed an Environmental Risk Assessment Sheet that provides for a precise determination of the environmental risk level related to the transaction financed by the Bank. Statements and documents submitted by customers are analysed and verified in detail. In certain instances, we also resort to opinions of independent experts on the environmental and social risk of a project.

There are regulations in place at Alior Bank identifying the types of entities that the Bank does not finance. Those are entities involved in the following operations:

- production or sale of weapons and armaments,
- gambling,
- production of nuclear energy of nuclear fuel,
- tobacco growing, manufacturing of tobacco products,
- fishing in sea waters when the company uses fishing driftnets exceeding 2.5km in length.
- alcohol distillation, rectification, and mixing,
- manufacturing of industrial cooling and ventilation devices, if they use substances depleting the ozone layer,
- coastal transport of goods, if it is related to transport of oil or other environmental hazardous substances with tankers that do not meet the risk requirements of the International Maritime Organisation,
- business activities adversely affecting the neighbouring protected areas in line with domestic laws or international conventions, places of scientific interest, habitats of rare/endangered species and those with adverse impact on places of cultural or archaeological significance,
- enterprises operating contrary to the applicable Polish laws or the laws of the country of business, or without the licences, permits, or approvals that are required to pursue such business,
- speculative transactions and other projects that may generate reputational risk for the Bank.

Additionally, Alior Bank does not finance activities of religious organisations, political parties, sports clubs, or projects relying on harmful and exploitation related to forced labour, children's work, direct discrimination, or practices that prevent employees from exercising their right of association and collective bargaining.

A detailed description of risk management at Alior Bank can be found in Chapter XIII hereof.

3. Customer Focus

3.1. Customer experience



In 2018, Alior Bank continued the enhancement of processes and implementation of new solutions aimed at providing Customers with a competitive service level in Polish and global banking. The objective was to provide customers with agile and friendly processes and unique products in line with their expectations.

At Alior Bank, we care about the Customers' experience at each stage of cooperation with the Bank and in all sales and service channels so that we can become the Bank of first choice and develop long-term relations. Additionally, we focus on activities to support Customers in taking informed decisions on the basis of understanding the functioning of the products and the offered technological solutions.

The above actions are taken on the basis of a number of surveys and analyses and a look at the process with the Customers' eyes and listening to their voice with e.g. regular satisfaction level surveys with the NPS (Net Promoter Score) method. In 2018, we asked an opinion of almost 80 thousand customers who assessed our products and service channels.

Since September the Bank has operated a recommendation process covering an analysis of problems that are material for: the Customer, image, financial, operational risk. The core objective of the process is to identify key problems and to effectively develop and implement recommendations of remedial measures. When problems are eliminated, the number of complaints is reduced due to a reduction of the underlying reasons which results in improved customer satisfaction.

On 1 September 2018, the Customer Ombudsman of Alior Bank started to operate. If the Bank's responses to complaints and any appeals do not fulfil customers' expectations, they may file an appeal with the Customer Ombudsman. The operations of the Customer Ombudsman have positively contributed to improved sense of security among Customers as a result of an efficient and objective verification of problems reported by Customers.

Additionally, in order to ensure the development of long-term relations we have appreciated the group of Customers who have been actively using the Bank's services since it was established. Such Customers were given gifts prepared especially on the occasion of the 10th anniversary of Alior Bank along with thanks for the cooperation until then.

3.2. Customers' opinions

The Customer Experience team is the Customer's Ambassador at Alior Bank; its core and key task is to provide Customers with the best experience in contacts with our Bank, both in case of traditional banking at stationary outlets and also in electronic banking. For that reason, we have divided the staff of Customer Experience into two teams specialised in remote services and customer relations in brick-and-mortar branches.

We want customers of Alior Bank to take informed decisions and always understand our products and the offered technological solutions. We try to avoid complicated banking and legal gobbledegook. We see to it that information is provided in a simple language, understood for people who are not bankers, and the customers can always count on our know-how and competences.



Pursuing the Digital Disruptor strategy we keep working on optimising processes focusing on minimising Customers' efforts. We are open to all suggestions and comments coming from customers. The issues that are reported to the Bank in communication addressed to the Management Board, the PR department, or social media, are directed to the dedicated unit – Customer Problem Lab (CPL) – which is a “fast response team” to solve customers' problems immediately (as a rule within 48 hours) and prevent their recurrence. CPL is also responsible for recommending modifications to the Bank's processes and products required by our customers.

Since 1 September 2018, the Customer Ombudsman of Alior Bank has started receiving appeals from Customers against responses to complaints provided by the Bank. The Customer Ombudsman is the last appeal instance in the Bank in the complaint process. Appeals to the Customer Ombudsman of Alior Bank may be filed by Customers when a complaint has been earlier filed and reviewed by the Bank but the Bank's responses and any appeals have not been satisfactory to the Customer. Appeals to the Customer Ombudsman shall comply with the following requirements: written form, addressed directly to the Customer Ombudsman of Alior Bank, sent to the Bank's address for service or filed personally with a Bank's branch.

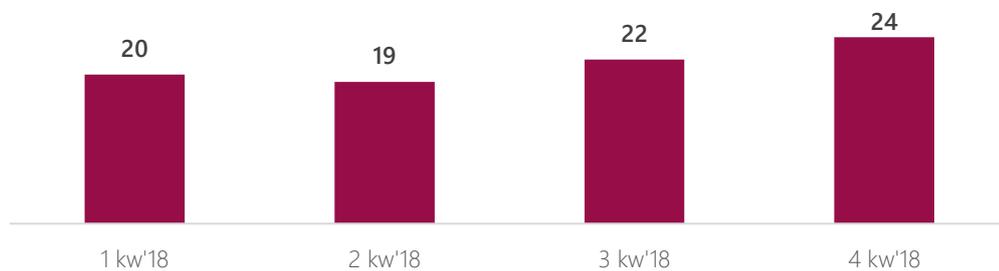
[G4-FS14]

Additionally, at Alior Bank we closely listen to customers' opinions, among others, as a result of regular surveys of customers' satisfaction following the NPS method (Net Promoter Score). The survey covers both the overall satisfaction level of co-operation with the Bank and satisfaction levels with each product and distribution channel

The quarterly relationship NPS survey shows us the customers' overall satisfaction level and their willingness to recommend our Bank to others. As a result, due to the fact that the information on the satisfaction levels is accompanied by customers' comments, we are able to perform more comprehensive analyses being a starting point to implement improvements for further growth of our customers' satisfaction with co-operation with us.

In accordance with the survey held in Q4 2018, Alior Bank's relational NPS was 24.

The chart below presents the level of relationship NPS resulting from the surveys held by Alior Bank with retail customers on a quarterly basis in 2018:



We have been performing regular surveys of NPS of specific products and distribution channels for customer groups that were using the products or channels immediately before the survey – as a result we gain accurate knowledge on how customers view the aspects of the Bank's operations that are of interest to us. The results of the surveys are presented on an ongoing basis to persons responsible for specific products or channels along with details on the underlying factors and actions that may be taken to improve their operation.

The surveys of the distribution channels also cover regular satisfaction surveys of service quality on our own and franchise branches. The surveys cover customers who as a minimum have ROR accounts or deposits or who perform transactions or contract loans who in the two weeks preceding the survey visited our own and franchise branches.

Detailed NPS results are analysed and presented to branch directors or owners of franchise outlets. As a result, we are able to monitor the quality of service on an ongoing basis and we are able to respond fast should worrying symptoms occur.



The systematic NPS surveys helped us focus our activities on key aspects indicated by our Customers. Broadly understood comfortable banking is the direction. That is why it is always Customers' opinion that is taken into account in product, service and process development – in a sense, the Customer is a product and service architect at Alior Bank. Research shows that apart from pricing and human factor, comfort is the major aspect that is primarily looked at by Customers in their relations with the Bank. We keep analysing the problems reported in various contact channels between Customers and the Bank. Afterwards, on the basis of developed process maps and analysis of competitors, the Customer Experience team develops recommendations to implement modifications and enhancements to develop the best experience of our Customers. We attach great importance that Customers feel that we care about them by ensuring an appropriate level of education on our products and technological solutions – for

instance, the new online banking platform where – before it had been made available and afterwards – we ran a large scale information and educational campaign using all available communication channels and forms.

We keep inspiring our employees to act to the benefit of customers – we have activated an internal portal called Inspirujemy [We inspire] where we publish incentivising videos that are very popular.

At Alior Bank we understand that despite all the efforts we take, situations may happen that customers will not be fully satisfied with the provided services. Complaints and claims are also treated by us as important opinions of customers to help us improve the quality of daily services. We facilitate the placement of complaints by customers and we accept them in practically any available form – directly in a branch, by phone over the infoline, in the online banking system, by traditional or electronic mail. Each filed complaint or claim is assigned a unique number and when so requested by customers, we provide a written acknowledgement of receipt.

We respond to all complaints without undue delay, however, not later than within 30 days. We respond to all subjects touched upon by customers in a reliable and objective and exhaustive manner. We observe the rule that no complaint or claim may be reviewed by a person to whose conduct it relates. When the customers' claims are not accepted, we justify our position in detail and inform about methods to appeal against our standpoint.

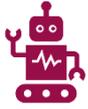
3.3. Innovations



The objective of Alior Bank in the sphere of innovations is to maintain its position as an innovation leader in Poland and become one of the top innovative banks in Europe. We wish to comprehensively respond to our customers' needs so we do not hesitate when we resort to modern technologies, we test new solutions, we look for partners among start-ups and FinTech companies.

The Innovation Management Model of Alior Bank is based on two ecosystems – internal and external. The first is being developed by the Innovation Centre which focuses on inspiring employees to develop new solutions and is also specialised in surveys with customers and improving the UX image of banking. The FinTech Department is responsible for developing the ecosystem in cooperation with external partners. Its task is to establish cooperation with the most promising start-ups in order to develop and implement ready-made solutions responding to specific business requirements at the Bank and within the Group. To support smooth work, both units cooperate closely with the Strategy Unit which provides for integrating innovations in daily projects and better adjustment to the needs of business units.

In September 2018, Alior Bank launched a new brand: RBL_ which combines all things that are innovative, digital and modern. Now two entities operate under the RBL_ brand (short for REBEL): RBL_START – an acceleration programme for start-ups and RBL_LAB – a laboratory for work on technological solutions and testing such solutions. In 2019 the Bank will open new initiatives: RBL_VC (investment fund), RBL_BRAIN (a new crowdsourcing portal) and RBL_SPARKS (mentoring programme). The activities under the RBL_ brand are performed on a daily basis in the Bank's modern space at Warsaw Spire. Workshops, meetings, events and research on the Bank's products and services take place there. The RBL_ space also houses RBL_LAB – one of Poland's most modern laboratories to work on digital solutions, including tests with users. The multi-functional flexible location is adjusted to the innovation development process – this is supported for instance with intelligent tables, video conference devices or cameras. The authors were inspired with the idea of an agile approach to projects which is characterised with immediate incorporation of user recommendations in developing solutions. Owing to modern technologies, employees of the head office in Kraków and in Gdańsk may participate in the daily activities of the Centre.



The Innovation Management Model intends to accelerate the creation of new ideas, identify fast those with the largest potential and to effectively prepare the identified projects for implementation. To this end, for instance design thinking workshops are held at which Alior Bank's experts develop practical solutions. Finally, the concepts are tested during qualitative and behavioural tests with users. Such mode of operation shortens the time in which solutions are implemented and facilitates identification of the ideas that miss the customers' needs. The innovation management model provides for systemic testing of new ideas so that the offered products and services are most attractive and friendly in daily handling.

Now Alior Bank focuses on product and service digitisation and providing customers with friendly and solutions that would underlie real banking experience. This is made possible with a holistic approach to creating innovations at the Bank and its openness to modern solutions. Very recently we have offered new functions based on biometric identification for mobile applications and therefore such actions like login or payment authorisation in the application have become simpler and more comfortable.

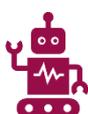
The innovation management model at Alior Bank supports cultural transformation in the organisation with such tools like crowdsourcing with a platform for multidisciplinary group work, a training and mentoring programme supporting development of competencies among employees or a broad use of the resources of the Innovation Centre in initiatives developed among employees.



The Bank established a special team responsible for research and coordination of activities aimed at implementing blockchain in selected projects. Now work is under way to develop a platform based on blockchain technology to serve a durable medium and enable customers to verify on their own the authenticity of such documents as fee and commission tables, regulations and financial statements. Additionally, Alior Bank was the only bank that joined the Blockchain and New Technology Chamber; now it is actively involved in other initiatives supporting the development of the technology in Poland, for instance in PFSA's Blockchain Commission or the Interbank Information Network.

The Digital Disruptor strategy of Alior Bank is combined with a technological revolution that we make at branches. We provide our staff members with modern tools to provide services to customers at the place and time of their choice. Those, inter alia, include iPads in branches, Regional Business Centres and Head office with the Open Account application, developed on the basis of Mobile First IBM class solutions. Advisers provided with tablets may, for example, open and modify customers' profiles, open bank accounts and file applications for debit cards. The processes available in the application are as simple as possible and understandable for advisers and customers.

In 2018, in cooperation with Innegro Systems we provided our employees with over 5 thousand modern Apple smartphones. The provision of employees with modern working tools is aimed at facilitating digital transformation by developing a desirable mobile channel and making remote work possible, which is explicitly in line with the Digital Disruptor strategy. The AirWatch MDM system implemented in the Bank provides for centralised smartphone management and smartphone security. The devices with a pre-installed set of applications are ready to work within 3 minutes without any assistance required on the part of the technical department. We use the COPE model which provides for segregation of the company and private profiles so our employees can use the smartphones for any purposes in a secure and transparent manner.



Robotisation and automation are the key assumptions underlying the Digital Disruptor concept. Alior Bank is involved in a robotisation project aimed at implementing the RPA (Robotic Process Automation) and RDA (Robotic Desktop Automation) technologies for back-office functions. When the project has been completed, recurring systematised processes will be taken over by a programmed

robot. Until now, 35 processes have been automatized which improved the effectiveness, speed and quality of operations. The target of the project is to automate about 120 back-office processes.

The FinTech Department is responsible for developing an innovation ecosystem based on partnership with start-ups at Alior Bank. The objective is, inter alia, to establish co-operation with 20 companies by 2020 and make Alior Bank be perceived as the partner of first choice for fintechs in Europe and a sponsor contributing to their business development. For that reason, the Bank has been actively involved in events related to start-ups, shares its knowledge, provides its acceleration programme and invests in promising companies. All those activities are aimed at supporting the development of innovations and breakthrough solutions that may change the condition of banking in Poland.

Now Alior Bank is involved in its own acceleration programme – RBL_START; its first edition focused on trends in new technologies with special stress on open banking, blockchain and robo-advisory. Mentors and experts qualified 8 start-ups to the accelerator from among almost 100 proposals from all over the world. During the three-month acceleration, programme participants took part, inter alia, in multiple workshops, customer research, networking sessions and a trip to London. All those activities were aimed at providing start-ups with the required knowledge and at having it verified in practice, establishing valuable business contract and – last but not least – development of projects in line with the Bank's requirements. Now work is under way to develop a plan and implementation schedule of pilot projects with certain selected start-ups. In March 2019, the second edition of RBL_START will take place.

However, the search for breakthrough solutions is not limited solely to the accelerator. Bank experts establish various partnerships in Poland and abroad to look for solutions that respond to current business needs; start-ups with the largest potential may get an opportunity to acquire financing. In November 2018, Alior Bank invested in PayPo – a start-up offering deferred payment for purchases made over the Internet. This is not only an investment in the success of the solution offered by PayPo but also support to the expansion plans of the foreign company. The transaction is the first investment of Alior Bank's investment fund which is scheduled to start officially at the beginning of 2019.

There is a dedicated team in the FinTech Department, responsible for implementing open banking strategy in line with the PSD2 Directive. Its tasks included, inter alia, access by the start-ups involved in the RBL_START programme to the testing environment Alior Bank Developer to integrate the solutions with API Alior Bank in a secure manner. It should be noted that Alior Bank is now one of 8 institutions that have been qualified by PFSA as an operator of the regulatory sandbox. The first tests of the environment will start in 2019; however, RBL_START participants could verify the compatibility of their solutions with the Bank's technology as early as in H2 2018. Alior Bank not only intends to comply with the requirements of the Directive and act as an external data aggregator (both models will be tested and used in business) – in the near future the Bank plans to deliver advanced financial services to its customers relying on a detailed data analysis, and develop new solutions using OpenAPI in cooperation with external partners.

3.4. Responsible sales



At Alior Bank we always see that our products and services to be sold to people who actually need them and who may benefit from them. We strictly adhere to the Counteracting to Misselling Policy. We have identified the principles of appropriate product structure and distribution. We have reduced the products offered off a shelf and selected elements of the offer may be distributed solely over dedicated channels (e.g. Private Banking) and employees holding appropriate know-how and experience. We systematically monitor sales processes for misselling risks. We have implemented procedures applicable

to identified misselling instances. All employees have been trained in transparent sales. In 2018, we held a cycle of training for branch employees (Road Show) within which specialists from the Bank's Head Office presented detailed requirements applicable to responsible sales of investment products. Bonus for sales attributable to employees is subject to the quality of sales processes which is regularly controlled. Post Sale Calls are a core mechanism applied in relation to products with the highest risk of misselling which is complemented by assessment of the quality of documentation, complaints and early resignations by customers.

3.5. Safety of customers' data and transactions

The safety of finances entrusted to us and our customers' data is of most importance to us. For that reason, restrictive safety procedures that are in force in the Alior Bank Capital Group ensure confidentiality, integrity, and availability of the processed information. Our Security Policy and all related procedures are updated on a regular basis in response to the changing market conditions in the sphere of cyber security, and also to include new requirements and guidelines provided by regulators.

Protection of Personal Data



Protection of our customers' personal data and data subject to bank secrecy is a priority of the Bank. The Bank is the data controller of millions of customers and processes it for various purposes, including sales purposes as most important ones. We care about protecting our customers' privacy. Due to the fact that in May 2018 the deadline expired to adjust personal data controllers to the requirements of the new personal data protection regulations – Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC, hereinafter referred to as: "GDPR"), 2018 was for Alior Bank a year of challenges relating to personal data protection.

Among other things, we implemented new after-sale processes to comply with customers' rights related to data processing such as: the right to be forgotten, to have data transferred, to have processing restricted or to file an objection to marketing. We have adjusted the processes and product documentation to new requirements (information clauses, marketing consents). Additionally, we have signed annexes to personal data processing outsourcing contracts and we have implemented a register of processing activities. We have adjusted HR processes and held training for employees on GDPR. We have nominated the Data Protection Inspector who supervises processing activities and is the point of contact for the Bank's customers and the supervisory authority. We keep monitoring amendments to the applicable regulations and guidelines by regulators to be able to respond fast to all changes in the area and ensure compliance with the applicable legal requirements.

3.6. Education of employees



In the Group, we see to it that our employees improve their competences in the sphere of information security. All employees have to undergo related training to increase their competences and awareness of the existing hazards. We actively review the effectiveness of such training by simulating socio technical attacks at our staff members.

For the first time in history, in 2018 at the Academy of Competencies of the Future we arranged classes related to well-being: relaxation workshops, yoga classes and healthy spine. The classes were very popular; we plan to continue such workshops next year.

3.7. Secure electronic banking



As the “Digital Disruptor” we are aware that along with technological progress and digitisation of financial services, every day new hazards appear in the market that we have to anticipate and face. That is why we have offered new online banking to our customers that has been designed on the basis of the most modern technologies and trends in the area of cyber security thus ensuring a top security level of transactions executed electronically.

- Our customers have access to an encrypted and secure communication channel with the bank, relying on traditional secure login methods (such as traditional passwords, masked passwords), and also on modern biometric methods (login with a fingerprint or face scan) on mobile devices;
- While logging in, the customer may see their personalised security image which may prevent the disclosure of their data on a phishing site (one that pretends to the Bank’s site);
- Transactions executed by customers may be accepted with a one-off code sent in a text message, and also a mobile application on a smartphone or tablet (currently available in T-Mobile Banking Services);
- Having regard to the highest security level for card transactions, the Bank is implementing a 3D Secure service for its customers (an additional authorisation for web card transactions).

In the area of cyber security, we pursue preventive and detection activities. In 2018, we held several hundred advanced security controls and tests of the IT systems and the sensitivity of internal processes. We have a dedicated unit responsible for ongoing monitoring of electronic banking systems and active responses to attempted attacks. We actively analyse new hazards that occur in the market and we also anticipate future trends in the area and on that basis we modify and adjust our security systems.

We are aware that the security of transactions also depends on our customers’ conduct in the web and therefore, the Bank and Alior TFI S.A. remind of the fundamental security rules and inform about hazards on their web sites as they appear. We also address educational actions to our customers via social media or dedicated e-mail communications.

4. Headcount – who our employees are?

4.1. Number of employees

At the end of 2018, the headcount in the Alior Bank S.A. Capital Group was 8228 FTEs. A majority of the people [GRI 102-8] works at Alior Bank – 7727 FTEs. In terms of headcount, Alior Bank S.A. is ranked 5th among the top 10 banks in Poland.

Alior Bank employees by type of employment

	Males	Females
Contracts for unspecified time	2327	4183
Contracts for specified time	532	836
Trial contracts	81	79

Replacement contracts	17	44
-----------------------	----	----

Employees of Alior Bank in terms of FTEs

	Males	Females
Full time	2737	4696
Half time and more	53	304
Less than half time	167	142

The implementation of the Digital Disruptor strategy at Alior Bank requires changes on the part of our employees and modifications to HR policy. We are aware that if we wish to transfer our customers in an effective and safe way from the analogue to the digital world, we also have to undergo a cultural transformation inside the Bank. Only on that basis will we be able to accomplish our strategic objectives by 2020.

The four priorities in HR development for 2017-2020 as set forth in the business strategy of Alior Bank are as follows:

- Development of Transformation Leaders;
- Taking Care of Employees' Experience;
- Development of Digital Alior Staff;
- Support for the development of an ethical and effective organisational culture.

4.2. Development of Transformation Leaders



Changes in Alior Bank require new generation leaders. While implementing the strategy, much stress is paid to the role of managers who, as leaders of the organisation, should not only be effective, but are also expected to inspire employees, get them involved and be ambassadors of the values pursued by Alior Bank – ethical attitudes, simplicity, agility, and the team spirit.

We have developed our own leader model covering the challenges faced by Alior Bank. A leader at the Bank must be a person who:

- Sets engaging objectives related to the strategy of Alior Bank and clarifies how they contribute to achieving the objectives. By communicating the objectives, they show their sense referring to Alior Bank's values and customers' perspective;
- assures independence in the way the tasks are implemented. Demonstrates trust and respect and appreciates the individual contribution of each employee to the accomplishment of the objectives by Alior Bank;
- Supports development, encouraging employees to assume responsibility for their own development. Inspires and supports employees in their development efforts and takes their professional aspirations into account;
- Follows the four values of the Alior Bank Group – they act fairly in internal relations and contacts with customers, assumes responsibility for the accomplishment of objectives by Alior Bank and adjust their team priorities to the organisation's strategy. Follows the principle: "we play with only one goal". In their operations, they focus on things that actually build value for the Customers by promoting simple and effective solutions. Reacts fast to changing circumstances and efficiently implements the required solutions.

The actions we have taken in the sphere of Leader transformation:

- T-LAB – a programme dedicated to directors and B-2 level managers with the main idea to develop transformational leadership;
- Transformation Ambassadors – workshops for directors who are ambassadors of the idea of transformational leadership;
- Managerial Toolkit – a package of training for directors, managers and leaders at Alior Bank.

The numbers are as follows:

Program	Number of events	Participants	Number of individual coaching sessions
T-Lab	25	212	343
Manager's Toolkit	39 (+2 persons for team building)	447 (+113 persons for team building)	-
Leaders of transformation	2	21	-

4.3. Working conditions



We keep improving the working environment and conditions at the Bank. For instance, we have implemented "smartphonisation" by implementing modern phones to support remote work. 6186 iPhones were distributed among the Bank's employees.

We care that our employees have access to the most recent information on the Bank and employee matters. The employee portal named Kompas was developed for the purpose. This is a tool that has functionalities similar to those of social media. On Kompas we publish daily news to keep everybody updated. Once a week a newsletter is sent with a summary of the previous week. Kompas also supports efficient communication among employees (via a chat), employees may have their own profiles, create social groups fostering integration and supporting project work. Kompas is also available in all the employees' company phones.

It is also important that at Alior Bank we have been trying to implement new agile working methods. E.g. project teams are set up to combine multiple competences at one place – business, analytical, programming and testing competences – as may be required to carry out a specific project. The core advantage of the approach is to shorten the communication path which supports agile activity and fast response to the changing requirements and technologies.

In 2018, we organised photo sessions for employees. The objective of the initiative was to encourage employees to publish their photos in the Intranet. The sessions were held 7 times in the year and attracted over 1100 people.

Every year we survey the commitment of our employees in all our units. On the basis of the results, we initiate activities focusing on increased commitment and improvement in key areas. **In 2018 we achieved the commitment indicator of 49 percent. We plan to have it increased up to 60 percent in 2020. As many as 83% of employees participated in the survey.**

4.4. Benefits



All employees have access to attractive benefits (group life insurance or medical care) and to a broad offer of the Company's Social Benefit Fund.

For employees we organise sports games, family picnics and day camps for our employees' children. We regularly offer competitions for our employees with attractive prizes.

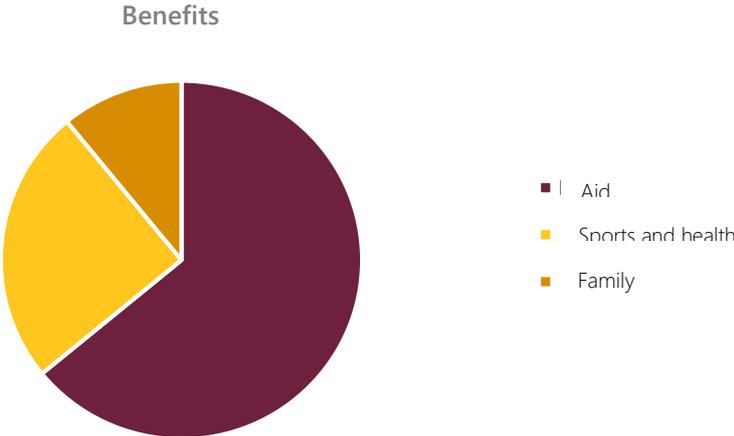
In 2018, ZFŚS provided employees with 12 types of benefits that were used over 35 thousand times. This means that each employee with their children was provided on average with four benefits.

The most popular were multi tickets that were received by 6250 persons and multitickets used by 4945 employees. Almost 5400 children were issued Christmas packages and holidays were subsidised for over 4200 employees and almost 3400 children; layettes were provided to 541 newly born babies of employees.

It is worth noting that in June 2018, picnics were held in Kraków, Warsaw and the Tricity to which employees of Alior Bank with their families were invited. They were a great opportunity of teams to meet one another and integrate at barbecue and sports games; the meetings also covered the employees of the dispersed sales networks of Alior Bank in those regions. That form of rest was used by almost 1700 people.

To support sports initiatives, funding was provided to 12 sports sections for employees; in September, sports games were organised that were attended by 450 persons from the Bank who competed in 10 sports competitions – both for teams and individual athletes.

Additionally, Alior Bank operates a Support Fund. Its task is to provide non-refundable financial assistance to those employees of the Bank and their family members who are in severe life difficulties. In 2018, the amount of PLN 193,800 was disbursed from the Support Fund, including monthly benefits for 11 children of diseased employees and 3 one-off benefits for employees.



4.5. Managing diversity

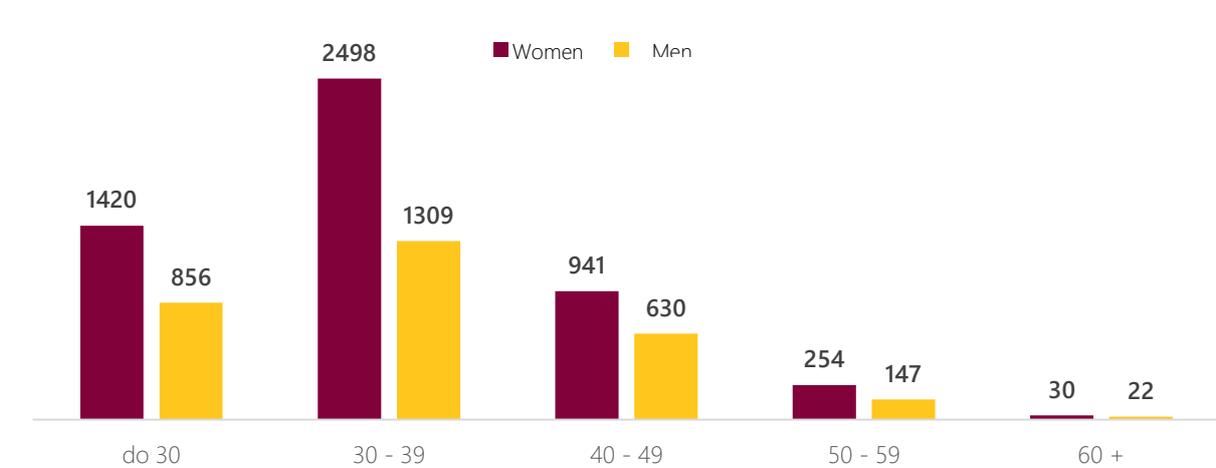
Alior Bank S.A. has not yet developed and approved a diversity policy applicable in the entire organisation. However, for many years the Bank has in practice taken into account the basic elements of the diversity policy in its HR policy, considering the values resulting from differences are an additional asset of the organisation.

Alior Bank S.A. pursues the principle of equal treatment, irrespective of sex, age, property status, family situation, degree of physical fitness, nationality, sexual orientation, beliefs and political and religious views as provided for in Alior Bank's Code of Conduct. The Bank provides working conditions that favour full use and development of unique features, skills, and interests of all employees, including managers, among others by means of training.

Staff by position level and gender



Employee structure by age



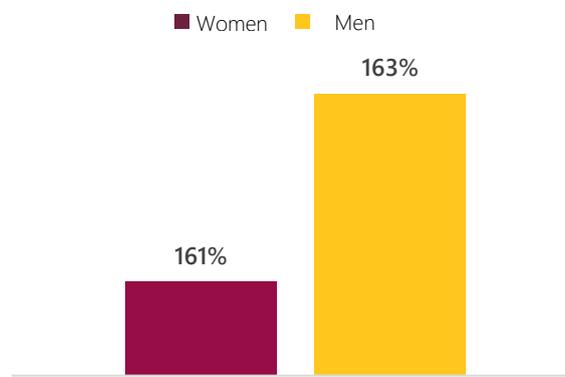
We want the best specialists to work at Alior Bank. Our employees are offered attractive salaries, regulated in the Remuneration Policy that fulfils the following objectives:

- Promotes correct and effective risk management and discourages from accepting excessive risks,
- Supports a strategy of the sustainable development and prudent risk management policy;
- Mitigating conflicts of interest;
- Maintaining a transparent relationship between individual performance and individual remuneration by focusing on goals related to responsibility and real influence;
- Guarantees that employees act in the customers' best interests, including the provision of clear and transparent information concerning our services and products.

All Group companies with more than 10 staff members have their own Remuneration Policies. Such policies have been implemented in four largest companies of the Alior Bank S.A. Capital Group: Alior Bank S.A., Alior Leasing Sp. z o.o., Serwis Ubezpieczeniowy Sp. z o.o. and Alior TFI S.A.

[GRI 202-1]

Lowest level salary versus the minimum pay (PLN 2100 gross) split by gender



4.6. Employee competence development



We see to the actual development of competences of the staff. Our development policy gives the employees of Alior Bank an opportunity to become experts in the area of their choice by developing their own competences or related to team management. The management system and the implemented new development model support effective direction of specialists and dynamic development of their carriers. Employees are offered a broad range of training programmes held by internal and external trainers. The offer covers product, sales training and training related to service quality, interpersonal and managerial skills. Within their development paths, we offer training in the sales network the completion of which is a criterion for promotion.

[GRI 404-1]

In 2018 the average number of training days per employee with an employment contract was 2.20 days

Since the moment of hiring, we have been taking many efforts that employees are provided with know-how required to perform the tasks entrusted to them. Newly hired employees are provided with onboarding training in line with their individual position with specific focus on their position in the Sales Structure. In 2018, the Bank's employees could participate in development activities, irrespective of their selected career paths. In the year, multiple training courses and workshops were organised during which the participants could extend their knowledge related to the offered products and services and pursue their set development targets in the areas related to soft skills – the offer is presented as the Academy of Competencies of the Future. Apart from training carried out by Internal Trainers, the activities available at the Academy of Competencies of the Future include access to experience of selected external companies. The activities included skills set forth in the

business strategy of Alior Bank: development of Digital Alior Staff (Excel, VBA, SQL application training, training in new technologies), caring about employees' experience (Design Thinking workshops, LEAN, creative thinking training) and compliant with the development of an ethical and efficient organisational culture (social intelligence, intra-generation bridges, personality typology, voluntary activities). A new item of the Academy of Competencies of the Future in 2018 was the part related to well-being – apart from relaxation workshops it offered yoga classes and healthy spine classes in each head office location.

In order to ensure internal know-how transfer, in 2018 we continued the "Share your Know-How" programme under which experienced employees supported with the Talent Development Unit shared their know-how with willing employees.

Actions agreed with line managers are an element directly affecting employees' development – within the assigned budget, managers have funds for training and development of their staff members. With such management, in compliance with the principles of agility and simplicity, employees of departments may propose training initiatives. The related development covers the following areas:

- Those that require expertise (for instance subjects related to strategy, IT architecture management, physical and electronic security, programming languages);
- The ever changing regulatory requirements (e.g. MiFID, GDPR, IDD, IFFS);
- Those that improve the effectiveness and quality of performed work (application training, foreign languages, interpersonal skills).

Under the programme, employees may also apply for co-funding of costs of studies, e.g. post-graduate studies.



5. Responsibility to the society and the environment

5.1. Support to entrepreneurship development of Polish companies

[GRI 203-1]

At Alior Bank we appreciate every business person and we realise the role of small and medium-sized enterprises in Poland's economy.

We are aware of the major problems of SMEs and we realise that the shortage of funding is a core issue for such businesses. This in particular applies to newly established companies and enterprises pursuing innovative projects constituting for instance implementation of results of R&D works.

We have looked carefully at the government programme of "Strategy for Responsible Development by 2020" which provides for support for SMEs in their access to capital as one of the efforts to be taken in the near future. We are proud to stress that Alior Bank has been actively involved in government programmes supporting the development of SMEs.

BEST PRACTICES

ZAFIRMOWANI.PL

In 2018, Alior Bank's web portal for micro entrepreneurs www.zafirmowani.pl was expanded with new functionalities, for instance automatic import of data from the Central Registration and Information on Businesses and the base of the Central Statistical Office in the new user registration process and when inputting new counterparties for account settlement. Portal users were also provided with a credit calculator – the tool supports customers with their calculation of the company's creditworthiness and a possibility to loan applications. For companies looking for alternative forms of financial support, a search engine for EU support has been launched. Additionally, portal users may refer to a special offer for enterprises developed by PZU. New users may also apply for a company account and payment terminal at the registration in the portal. Enterprises using the online accounting application may also use online collection and microfactoring services. On-line accounting has been offered also to entrepreneurs paying lump-sum taxes.

Portal users were also offered an opportunity to participate in webinars and stationary conferences organised all over Poland. Meetings were moderated by well known experts in various economic areas.



We are ranked second in sales of de minimis guarantees of BGK – we provided almost 41 thousand of such guarantees and the total value is almost PLN 8.5 billion. The volume of guarantees has been translated into lending activity totalling PLN 14 billion. Our credit offer combined with BGK guarantees has been utilised by over 20 thousand SMEs. The Bank's customers may also be provided with COSME guarantees – an alternative for those who will not obtain a de minimis guarantee. We are a leader in sales of the product – at the end of 2018 we granted guarantees for almost PLN 1.3 billion which was translated into loans for PLN 1.6 billion.

We have developed a European package for business people – a programme offering support in obtaining EU financing and effective and safe accounting for such financing. We propose for instance stand-by arrangements and bridge financing; customers may obtain loans to finance their own contributions to subsidised investments.

With EU funds under the Operational Programme Smart Development for 2014-2020, we can offer loans to SMEs for technological innovations and portfolio guarantees. Loans for technological innovations is an instrument supporting companies in implementing their own technologies (or purchase) and thus commencing production of new or much enhanced goods, processes, or services. Portfolio guarantees are addressed to customers who implement innovative investment projects. We were the first bank in Poland to grant loans to customers secured with such guarantee.

Alior Bank is the only bank to have signed an agreement with BGK to finance access to fast Internet. As a result, we offer a broadband loan to our telecommunications customers – investment financing of fibre-optic networks. So far ten contracts have been concluded for almost PLN 31 M.

In July 2018, Alior Bank launched a thermal modernisation loan which is destined for energy modernisation in multi-family houses in the provinces of Łódź, Dolny Śląski and Podlasie. The loan is financed with the Regional Operational Programme for the provinces of Łódź, Dolny Śląski and Podlasie and funds provided by Alior Bank.

We initiate and get involved in initiatives developing **Polish entrepreneurship and innovations**, providing education in broadly understood economy.

- In June 2018, Alior Bank was a partner to a major European conference devoted to innovation and future of digital economy – Impact'18;

- In October 2018, the Fourth European Cybersecurity Forum – CYBERSEC 2018, strategically partnered by Alior Bank, was held Kraków;
- In October 2018, Alior Bank sponsored the business conference Inside Trends organised by Business Insider.

5.2. Social commitment

[GRI 203-1]

The Group has no formal procedures or policies regulating the impact on the social environment – nevertheless, operating in line with corporate social responsibility is very important for us and we stress support for initiatives of local communities. We have been committed to social responsibility virtually since our establishment.

Higher culture is a specific area of CSR – this is an association for our customers since the beginning of our operations. In the area of social responsibility this means our commitment to support initiatives promoting culture and to counteract social exclusion by supporting access to cultural and sports values. We do our best to be close to events that are important for Poles.

BEST PRACTICES

SPONSORING OF SPORT

Under our co-operation with the Polish Football Association (PZPN), as an official sponsor/partner we have been supporting Poland's National Football Team. Many tickets have been offered to people who have restricted access to football games and for whom financial reasons are a major barrier to such access. In co-operation with PZPN, the Association has offered a number of football gadgets that we have been contributing to charity actions.

We believe that support to artistic or literary initiatives will help develop social capital in Poland.

For the third consecutive time, Alior Bank was the general sponsor of the 11th Procession of the Three Kings. The largest Nativity play held on 6 January 2018 gathered about 1.2 million people in over 700 places in Poland and abroad.

Alior Bank took patronage over the third edition of the "Capital of Polish Language" festival in the locality of Szczeczeszyn, which took place in August 2018. The event, popularizing Polish classical and contemporary literature, as a major aspect of social and national identity, reached the rank of one of the most highly renowned literary festivals in Poland.

As an institution putting stress on social corporate responsibility, for years we have been supporting local communities, getting involved in a number of initiatives on a local and national scale. The efforts are aimed at supporting the implementation of specific projects but also to disseminate knowledge on social responsibility and sustainable development among employees, customers, business partners and shareholders of the Bank.



Most importantly the Bank's personnel more and more often submit projects that are important in their opinion and reflect the values represented by the Bank. As a result, in 2018 the area expanded and assumed the form of an organised employee volunteering programme "Committed to help". All actions are initiated by employees. It is employees – with full support and involvement of the Management Board – who decide in which actions to participate. Within the "Committed to help" programme we have successfully launched a number of valuable projects, to name a few:

- As a result of the action **“Share a book”** that we organised jointly with the Zeczytani.org Foundation, we collected as many as 1.8 thousand books that we donated to hospital libraries and educational establishments;
- Under the **“Banking is OK”** project we organised lessons in banking for children;
- The **“Paka dla zwierzaka”** [crates for animals], Alior Bank’s employees made as many as 110 beds and 5 scratchers for animals. Additionally, we arranged a collection for stray animal shelters we collected among others 600 kg of feed and various treats, 200 blankets and towels, multiple toys and leashes and collars;
- **“Zaczytana Akademia”** [Reading Academy] organised with the Zeczytani.org foundation trained Alior Bank’s employees to the role of fairy tale educators. Thirty volunteers from Warsaw, Gdańsk and Kraków are holding classes to minimise fear among young patients at hospitals;
- Within integration activities, the Remote Service Unit jointly with the Iskierka Foundation arranged an event during which employees of the Bank provided the Foundation with materials required to arrange art therapy sessions for children with oncology diseases.

Christmas volunteering activities were prepared within three initiatives:

- Within the **“Make a Gift”** initiative, Alior Bank’s employees responded to over 200 letters sent to Santa Claus and prepared gifts in accordance with the requests. As a result, support from Alior Bank was provided to children and teenagers, handicapped persons, sick children, elderly and lonely people as well as families in extremely difficult situations;
- The **“Dorzuć do pudła”** [drop something in the box] action was focused on collecting articles for the homeless, patients of the Hospice Foundation, handicapped people and senior citizens living in Social Welfare Homes. We collected warm clothing and shoes, sleeping bags, vacuum flasks, bed linen, plastic articles for therapy;
- The **“Spotkaj się”** [Let’s meet] initiative was developed jointly with social partners and consisted in a series of Christmas meetings and workshops to develop relations among people coming from various environments. Our employees met children, handicapped people, elderly people and refugees, and jointly they prepared Christmas tree ornaments, sang Christmas carols, cooked meals and learned about other environments;
- The Christmas initiatives were ended with a festival during which money was collected and Christmas tree ornaments were sold that were made by the patients of our social partners and employees of the bank. The fairs were held in Warsaw, Gdańsk and Kraków also in the internal internet space so that all employees of the bank could participate.

In H2 2018, Alior Bank started cooperation with the Zeczytani.org foundation whose core mission is to promote reading and social education. The joint efforts proved to be successful and the collected books offered access to literature for many people during their hospital stay. Additionally, with our series of training in fairy tale therapy, in the last three months we supported 480 children in hospitals with over 100 hours of reading workshops.

- **Collecting books**

In August – September 2018 Alior Bank held an internal volunteering programme. Internal book collections were held in Gdańsk, Kraków and in Warsaw. In their joint efforts, employees of Alior Bank collected and donated over 1800 books which meant access to literature to people in two hospitals. The collected books were sorted and donated to the selected hospitals. As a result of the action, we provided access to literature to 4200 hospitalised people.

- **Therapy with fairy tales**

Employees of Alior Bank have started long-term fairy tale therapy programmes in three cities. Before commencing their social activities, volunteers attended one-day training to the role of a fairy tale educator. Programme participants declared three personal visits to hospitals which guaranteed an 8-month educational and relaxation programme for the youngest hospital patients. Now the reading visits are regularly made in Gdańsk, Warsaw and Kraków. Our employees read books to sick children, spend time with them and support their parents.

- **Wisława Szymborska's bench**

Alior Bank sponsored the Zaczytana Ławka [reading bench] – an urban piece of furniture designed in cooperation with the Wisława Szymborska Foundation with Michał Rusinek acting as the ambassador. The Wisława Szymborska bench was first presented at the Polish Language Capital Festival in Szczepczeszyn of which the bank has been a long-term partner. Afterwards, the literary bench stayed in the Head Office of Alior Bank in Warsaw and in October it was moved to Kraków for six months to the square in front of Galeria Krakowska. Jointly with the Foundation, we arranged a presentation of the Bench in Kraków for the media. Michał Rusinek was the guest of honour who held a special workshop for the invited teenagers. The literary meeting started with a city game for representative of two junior high schools from Kraków with the task to find Wisława Szymborska's hidden poems. Afterwards, a short presentation was made on the Nobel Prize winner.

As part of the customer focus programme, Alior Bank started the action "We Make Your Dreams Come True". Assistance was provided to the son of a customer of ours with an oncology disease. A charity concert was organised and an amount was donated to treat the boy.

On 17-23 September 2018, a cruise was made in the Baltic Sea on STS Kapitan Borchardt. The cruise was exceptional since almost one half of the participants were either blind or visually impaired; the cruise was organised by the Tomek Opoka See the Sea Foundation. Alior Bank supported the Foundation financially to organise the cruise.

In 2018, we also supported the Legia Foundation and the Association of Help to the Unemployed and Disadvantaged People.

5.3. Management of environmental impact



We, are a friendly bank to our customers and employees, but also to the natural environment. Due to the nature of its business, Alior Bank does not have direct material adverse impact on the natural environment. Although we have no formal policy in that area, in our philosophy since the establishment we have been looking carefully at minimising our footprint on the environment and we have been implementing our solution of a "paperless bank" as a result of which paper consumption has been falling. Caring for the natural environment, we have been reducing consumption of electricity and heat energy, we promote waste segregation and we use the services of specialised companies to recycle the toners used in the Bank and large size elements.

Consumption of materials and raw materials in the Alior Bank Group

		2017	2018
Paper	tons	221	218
Gasoline	tons	165	198

Diesel fuel	tons	760	772
Fuel oil	tons	35	37
Natural gas	m3	145,391	116,313
Electricity	GJ	25,597	20,478
Thermal energy	MWh	135,710	108,568

Environmental data for 2018 has been disclosed solely by the Bank due to limited availability of the data at other Group companies and its immaterial nature.

On the Report

The above statement on non-financial information of the parent entity of Alior Bank S.A. and its subsidiary entities has been developed in line with the regulatory requirement imposed on public interest companies by the amended Accounting Act. The Alior Bank S.A. Capital Group is subject to a regulatory obligation at the standalone (Alior Bank) and consolidated level.

The statement presents managerial standpoints, policies, and due diligence procedures in force in the Group and its subsidiary companies in 2018. The major performance indicators were presented for a period from 1 January to 31 December 2018.

The statement was developed in relation to the International Non-Financial Reporting Standard.

Requirements of the Accounting Act with respect to disclosures of non-financial data		
Description of the unit business model and key performance indicators	Yes	<i>Who are we, Business strategy and social corporate responsibility, Our relations</i>
Description of management of risks identified as material	Yes	<i>Management of risks related to business operations</i>
Description of policies, due diligence procedures and performance indicators related to business of the entity with reference to prevention to corruption	Yes	<i>Foundations of our activities</i>
Description of policies, due diligence procedures and performance indicators related to areas important for the Bank in its customer relations, service quality, dialogue, responsible sales, and safety of data and transactions	Yes	<i>Customer Focus</i>
Description of policies, due diligence procedures and performance indicators related to the business of the entity with reference to employee matters	Yes	<i>Headcount – who our employees are</i>
Description of policies, due diligence procedures and performance indicators related to business of the entity with reference to observing human rights	Yes	<i>Ethics – rules of conduct, Headcount – who our employees are</i>