

CSR Strategy of the GPW Group**Education****Market Relations and Dialogue****Responsible Human Resources Policy****Environmental impact reduction****ONLINE ANALYST****PAGE TOOLS**

According to the GPW Group's CSR strategy, education is the foundation of the general public's trust in the capital and commodity markets and their institutions. Hence, a key objective of the GPW Group is to foster a culture of investing while raising awareness of the mechanisms of capital and commodity markets in order to encourage Poles to invest their savings and urge companies to raise growth capital on the capital market.

THE GPW FOUNDATION

Knowledgeable investors and other participants of GPW Group markets equipped with the right tools and expertise build market value and credibility while enhancing trust of the general public.

The Warsaw Stock Exchange and its subsidiaries – the Polish Power Exchange and BondSpot – have for years pursued educational campaigns focused on the capital, commodity and debt markets addressed to school and university students, investors and

professionals. To amplify the reach and efficiency of their educational initiatives and to leverage synergies, the GPW Group companies established the GPW Foundation in May 2015.

The mission of the GPW Foundation is to develop and adapt the educational offer of the GPW Group including education in financial, commodity and debt markets and broadly understood economics.

The Foundation pursues its mission by organising and implementing school and educational projects for school and university students, investors and professionals active on the financial and commodity markets.

The GPW Foundation's educational initiatives focus on two areas: education of non-professionals for whom the capital market is not a workplace (individual investors, school and university students) and education of professionals active on the GPW Group markets (brokers, issuers, institutional investors, shareholders).

The educational projects and initiatives implemented by the GPW Foundation in 2016 included:

- Go4Poland – a programme designed to seek talents among Polish students of foreign universities and to encourage them to work with Polish companies and institutions. Following an evaluation of the first edition completed in 2015, the Foundation initiated the second round of the programme. In H2 2016, efforts were launched to attract partners, sponsors and ambassadors for the project. The timeline of the project was modified based on the opinions of participants. The key part of the programme comprised of workshops, internships and the final conference of the second edition are scheduled for July 2017.
- School visits to GPW – an online reservation system put in place on the GPW website in 2015 allows teachers to manage bookings and confirm dates of school visits at their convenience. Visits include a presentation by a Foundation representative as well as a multimedia demo class for school students. As part of the project, around 5,800 school students in 165 groups visited GPW in 2016. The Foundation's online database has registered 265 teachers.
- Commodity market training:
 - Lecture on “REMIT Requirements and Reporting” offered as part of the “REMIT Disclosure and Reporting Obligations” training programme co-hosted by the GPW Foundation and MM Conferences SA, 10.03.2016;
 - Lecture on “Opportunities to Buy Gas on the Polish Power Exchange in the Context of Gas Market Liberalisation” at the Rzecpospolita workshop “Gas Market Purchase Strategies”, 17-18.03.2016
 - Training “Electricity Trade and POLPX Commodity Products” provided at the request of Grupa Zakupowa Biznes sp. z o.o., July 2016.

Other training programmes and educational initiatives implemented by the Foundation and GPW in 2016:

- Product training – training offered at the GPW premises by the Foundation in partnership with brokers who are Exchange Members, dedicated to existing and prospective investors and other interested parties. The training themes included GPW-listed financial instruments. Seven product training sessions were offered in 2016. In addition, exchange experts presented the exchange and listed instruments at scientific conferences organised by universities across Poland (AGH University of Science and Technology, Wrocław University of Technology, Warsaw School of Economics) and for groups of students visiting GPW. The product training sessions and initiatives addressed to students reached ca. 1,200 participants.
- Capital Creation Academy – regular events held several times per year in Poland's biggest cities in partnership with the Association of Individual Investors (SII), where experts share their expertise about the capital markets, listed instruments and techniques of investing. In 2016, the Foundation partnered with one round of the Academy programme which offered six sessions from 12 to 28 April 2016. The main theme of the series was "Pension Savings: Investment with Value". The total number of training participants was around 450 persons.
- ING Turbo Game – an educational competition organised in partnership with ING Securities, offering virtual investment of cash in exchange-listed ING Turbo certificates, equities and ETF units. The objective of the competition was to educate investors and to promote exchange-traded structured products. The competition had 5,395 enrolled contestants, of whom 1,700 closed at least one trade during the game.
- Training series "Your Time, Your Knowledge, Your Investment" – a national series of 11 training sessions hosted by GPW in partnership with Dom Maklerski PKO BP focusing on the basics of investing in exchange-traded instruments and analysis of conditions on the exchange. Training was offered in the biggest cities of Poland, mainly in regional capitals. Each training session featured a presentation by a GPW expert on "Instruments for All Trends" as well as a presentation of Dom Maklerski PKO BP on the "Analysis of Current Market Conditions". The programme had 872 participants.
- Exchange School Online Game – an educational project addressed to senior high school students, available since 2002 in partnership with the Lesław A. Paga Foundation. The Game offers young people a hands-on experience of investing on the exchange, analysing of market conditions, decision-making and team work. The project includes two modules: an investment game on the GPW educational platform GPWTr@der and an e-learning course which covers 11 topics about the exchange, the capital market and listed instruments. The GPW Foundation supported the project's content and budget in 2016. The project brought together 17,424 school students, 6,074 teams, 622 schools, 722 teachers.
- Modern Business Management Programme – initiated by the Polish Bank Association, the programme now includes more than 120 universities in Poland. It has a national

footprint and reaches thousands of university faculty and students. The programme aspires to raise awareness of the financial market. The GPW Foundation established relations with the programme organisers and participated in the work of its Consultation Board in 2016. As a result, we signed a cooperation agreement and arranged 22 lectures about long-term investing offered by educators of the Exchange School as well as exchange experts. The lectures reached 1,018 students.

- Training in partnership with Google Polska – on 10 August 2016, the Foundation and Google Polska hosted a training session for GPW-listed companies in the high-tech sector. Themes covered included management of e-commerce, export campaigns, applications of investor relations online tools, as well as online brand building. The training brought together 40 representatives of companies.
- Competition for PhD, MA and BA theses with awards from the President of the Warsaw Stock Exchange – in 2016, GPW opened a new edition of the competition for PhD, MA and BA theses about the capital market with awards from the President of the Warsaw Stock Exchange. The programme encourages graduate and post-graduate students to improve their knowledge about the capital market, its infrastructure institutions and modern financial instruments. The competition is open to authors of theses submitted for a degree in Poland from January to December of the previous calendar year. The winners of the competition were announced on 6 December 2016 at a gala on the GPW Trading Floor.
- Education in the media – the Warsaw Stock Exchange engages in education through the mass media. In 2016, in partnership with Poland's most popular daily FAKT, we completed a six-part educational campaign introducing the readers to the vocabulary of the Warsaw Stock Exchange and the capital market. Other educational initiatives in 2016 were offered in the Polska Press regional dailies and the weekly Gość Niedzielny.

EXCHANGE SCHOOL

A flagship educational programme arranged by GPW for many years, the Exchange School includes courses which introduce beginners to investing and cover the following topics: the capital market and the exchange, the rules of investing, company selection and evaluation, impact of the economic environment on the exchange, and management of securities portfolios. The courses are held regularly in Poland's biggest cities in partnership with local higher schools and in Warsaw by the Exchange.

In January 2016, the GPW Foundation became the coordinator of the Exchange School project responsible for its development under a licence. We updated the teaching materials and implemented an Exchange School programme for intermediate participants in 2016. The course "Exchange for Intermediate Users" covers more advanced topics: technical and fundamental analysis, derivatives, Turbo certificates traded on GPW.

The Exchange School was launched in another four universities in 2016, including the

University of Łódź, the Warsaw School of Economics, the Marie Curie-Skłodowska University, and the Białystok University of Technology. The project now has 11 participating universities, and two more have expressed interest.

We completed 17 open courses “Basics of Investing on the Exchange” and a pilot course “Exchange for Intermediate Users” in 2016. We also organised two in-house courses at the request of PKO PTE. All the courses had ca. 400 participants.

RESPECT INDEX

Initiated in 2009 as CEE's first responsible company index, it was the first CSR index in the Polish market and remains a benchmark for listed companies that aspire to serve as a CSR model.

The RESPECT Index project is a flagship initiative of the Warsaw Stock Exchange and a part of its educational efforts in support of social responsibility of GPW listed companies and responsible investing in Poland.

The index portfolio includes companies listed on the GPW Main Market which follow the highest standards of corporate governance, disclosures and investor relations taking into account environmental, social and governance (ESG) factors in their business. The companies are audited and the index portfolio is revised once per year in the second half of the year. The index portfolio includes the biggest listed companies participating in the indices WIG20, mWIG40 and sWIG80. The companies are selected in three steps of verification carried out by GPW and the Association of Listed Companies in the areas listed above as well as an audit performed by the project partner since the first edition: Deloitte.

The index requirements take into account the industrial specificity of companies. The survey questionnaire includes questions dedicated to all companies as well as questions for companies which pursue a specific business according to the classification deployed by GPW: Industry, Finance, and Services. The participation of each company in the index is defined on the same terms as for the other GPW indices, taking into account free-float shares, where the weight of the biggest companies is capped at 25% where the number of index participants is under 20 or 10% otherwise.

The RESPECT Index portfolio included between 16 and 25 companies in the ten editions of the survey, last held in the autumn of 2016. The current index portfolio includes 25 companies. The index has evolved since its inception. The requirements for companies have been steadily raised to increasingly accommodate trends typical of mature capital markets, meet stakeholders' requirements, and provide a full picture of the reported ESG factors. The ninth edition of the RESPECT Index project made several modifications to the questionnaire used to classify companies:

- Social – integrated reports were added to reporting required to meet the RESPECT Index criteria, enabling companies to rely on reporting standards alternative to the Global Reporting Initiative (GRI);
- Social – diversity at the workplace was added to the issues under review;
- Governance – amicable resolution of disputes with stakeholders, including contractors and clients, was added to the survey.

The ten editions to date have had 40 participants. This year's edition features four new participants. Eight companies have participated in all of the index editions. They are the market leaders consistently improving on their corporate social responsibility commitments. It should be noted that three-fourths of companies participating in the RESPECT Index prepare non-financial reports, including 90 percent under the GRI standards, of which 50 percent are audited.

The results of the 2016 survey suggest that the companies participating in the RESPECT Index improve their ESG (environmental, social, governance) performance year after year. The average score of companies in the tenth edition of the RESPECT Index project was 68.4 points, combined with a particularly high share of new participants of the index (4 companies). The highest score was more than 80 points (with a maximum of 90 points), similar to the ninth edition. The companies participating in the RESPECT Index actively take systemic measures to adopt the best practice in all ESG areas. This largely improves their perception in the business environment.

The RESPECT Index performance corroborates the fundamental notion of responsible investing whereby investment in companies managed in a sustainable way which respect the environment and the interests of all stakeholders involves lower risk and generates above-average returns. From the first publication of the index on 19 November 2009 to the end of 2016, the RESPECT Index return rate was 54%, compared to return on WIG20 at 32% over the same period.

PERFORMANCE OF THE RESPECT INDEX AND WIG [NORMALISED]



EDUCATIONAL INITIATIVES ON THE COMMODITY MARKET

The Polish Power Exchange (POLPX) also pursues educational initiatives addressed to market participants in order to develop and promote transparent trade in products offered by POLPX and to raise the awareness of the benefits of trade on POLPX. Such initiatives are addressed both to market participants and POLPX members.

In 2016, POLPX offered a series of training programmes and examinations for commodity exchange brokers. The programme prepares candidates for exchange brokers who represent exchange members in trading on POLPX markets. Each training ends with an examination. Brokers who pass the exam and get certified are authorised to trade on behalf of exchange members. The series included 22 training sessions and examinations on the Exchange Commodity Market and 2 training sessions and examinations on the Financial Instruments Market. POLPX issued 164 certificates to brokers on both these markets.

In 2016, POLPX continued to work in partnership with universities and organised workshops on the role of energy exchanges and commodity markets. POLPX's flagship initiative is its partnership with the Lesław A. Paga Foundation in the Energy Academy Project designed to create a platform of exchange of expertise between practitioners with long-time experience in the energy industry and beginners who are starting a career in the industry. POLPX also offered workshops under the umbrella of the New Energy Forum in 2016 as a platform of knowledge exchange between the best students participating in student science clubs across Poland and the biggest strategic energy companies. POLPX coorganised conferences and hosted workshops to present the role of commodity exchanges on the electricity and gas market.

In June 2016, POLPX in partnership with the Warsaw Commodity Clearing House (IRGiT) organised the ninth edition of the Trading Forum as a platform for the exchange of opinions and development of new solutions in collaboration with direct participants of the markets operated by POLPX. The three-day event featured discussion panels,

presentations and integration activities.

In addition, POLPX arranged the following educational and information initiatives in 2016: a series of training sessions on the POLPX RRM services for OTC trade; a seminar devoted to gas hubs in Western Europe and the USA; the seminar “Polish Power Exchange: Its Role on the Domestic and European Market, Regulatory Environment, Products and Terms of Participation”.