



BENEFIT SYSTEMS GROUP NON-FINANCIAL REPORT 2019

The structure of the 2019 Benefit Systems Group Non-Financial Report, just like last year's publication, has been based on five areas analysed under B Corp (B Corporation) Certificate. These include management and corporate governance, employees, clients, community and the environment. We have decided to choose such a structure of the report intentionally. In 2018 we joined the global B Corp movement that associates socially engaged companies, which, apart from creating and developing their business, believe that it is important to act in harmony with the natural environment and in a sense of responsibility for the community in the company's surroundings.

B Lab non-profit organisation that grants companies B Corp Certification describes companies associated in the movement as "the best for the world." Being a member of this community is a great responsibility and inspiration for us, which makes us want to constantly develop. This report is a reliable document presenting the Company's and the Group's non-financial activities implemented between the 1st of January and the 31st of December 2019, according to the structure of socially responsible organisations created by B Lab.



graphic: Jerrod Modica

LETTER FROM THE MANAGEMENT BOARD

Dear Ladies and Gentlemen,

It is with great satisfaction that we are presenting to you the non-financial report for 2019, which is the third complete summary of the activities undertaken by Benefit Systems S.A. and Benefit Systems Capital Group in the area of sustainable development and corporate social responsibility. Last year our company implemented several educational activities in the field of ethical and sustainable development, including those supporting the environmental protection. In addition, we continued sports initiatives addressed to Polish residents who are excluded in this sphere of life, mainly children and seniors.

In 2019, the second edition of the Active MultiSport Schools Programme, which activates children and educates their parents, was launched – this time in the Mazowieckie province. As many as 10,000 students took part in sports classes that improve their physical fitness through playing and learning as well as build awareness of a healthy and active lifestyle among children. This is an extremely important initiative for us, as the lack of activity among kids is the cause of many diseases as well as problems related to their proper development.

According to the 2019 MultiSport Index, over half of seniors in Poland do not engage in any physical activity. That is why we have been promoting the MultiSport Senior Programme among our Clients and their employees for over two years now, supporting the activity of people over 60 years of age. Last year, we also carried out several volunteer and philanthropic campaigns, including the involvement of MultiSport Card Users in helping those in need. We present all these initiatives in details in the respective chapters of this Report.

We constantly make every effort to ensure that our business model is balanced and beneficial for all stakeholders – Clients who have healthy and motivated employees, Users who take advantage of various benefits, Shareholders whom we build long-term relationships with and Partners who co-create our products with us. Benefit Systems are people whom we provide with suitable working conditions as well as atmosphere conducive to development and creating solutions that – according to the B Corp spirit – are to be the best for the world.

We would like to thank our Employees, Clients, Partners, Users, Shareholders and all associates for good, long-term cooperation and actions towards sustainable development.

Benefit Systems S.A. Management Board
Emilia Rogalewicz
Adam Radzki
Wojciech Szwarc
Bartosz Józefiak

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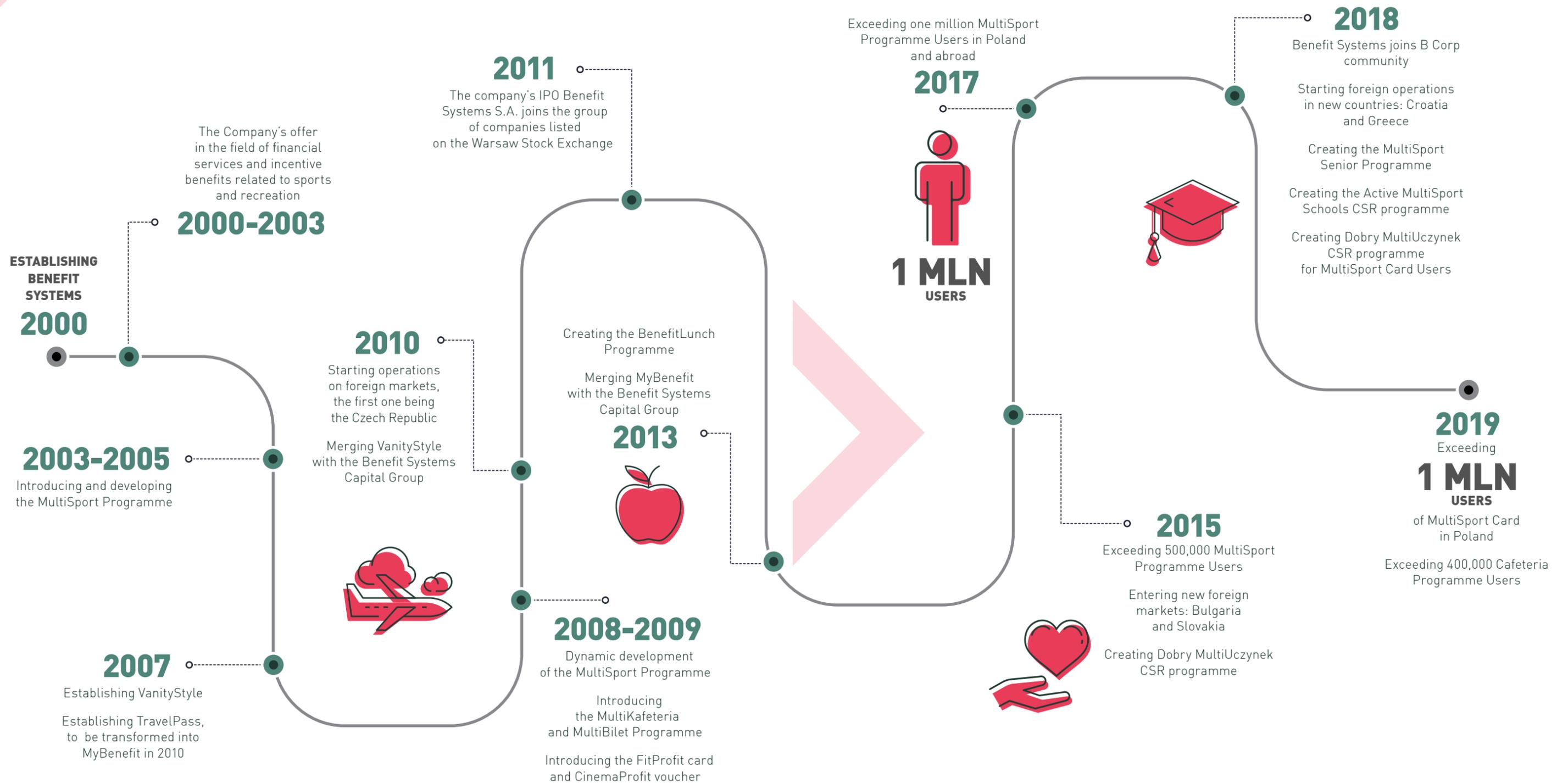
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MANAGEMENT AND CORPORATE GOVERNANCE



in the photo:
MICHAŁ FROM CLIENT RELATIONS DEPARTMENT
JOLA FROM HR DEPARTMENT

OUR HISTORY



MAP OF COMPANIES

➤ POLAND ➤ FOREIGN MARKET ➤ CAFETERIA

OTHER ENTITIES:

LangMedia Sp. z o.o. < 37%

X-code Sp.z o.o. < 31.15%

OTHER ENTITIES AND AFFILIATED IN THE POLAND SEGMENT:

Get-Fit Katowice II Sp. z o.o. < 20%

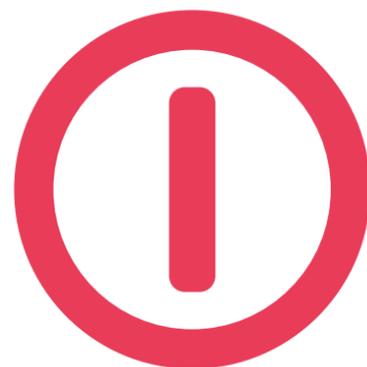
Instytut Rozwoju Fitness Sp. z o.o. < 48.1%

51.9%

Calypso Fitness S.A. < 33.33%

Baltic Fitness Center Sp. z o.o. < 49.95%

BENEFIT SYSTEMS S.A. (with Fitness Unit)



100% ➤ MW Legal 24 Sp. z o.o.

100% ➤ FitSport Polska Sp z o.o.

100% ➤ VanityStyle Sp. z o.o.

100% ➤ Benefit IP Sp. z o.o.

0.1%

99.9% ➤ Benefit IP Sp. z o.o. sp.k.

2.5%

94.7% ➤ Benefit Systems International Sp. z o.o.

100% ➤ MyBenefit Sp. z o.o.
(31.12.2019 połączenie ze spółką MultiBenefit)

95% ➤ Benefit Partners Sp. z o.o.

100% ➤ Fitness Academy Sp.z o.o. W-wa

52.5% ➤ Fit Fabric Sp. z o.o.

83.8% ➤ MultiSport Benefit s.r.o.

83% ➤ Benefit Systems Slovakia s.r.o.

94.5% ➤ Benefit Systems Bulgaria EOOD

98.5% ➤ Benefit Systems d. o. o. HR

96% ➤ Benefit Systems Greece MIKE

25% ➤ Fit Invest Slovakia s.r.o.

75%

100% ➤ Fit Invest International Sp. z o.o.

95% ➤ Benefit Systems, storitve, d.o.o. (SL)

100% ➤ Form Factory s.r.o.

100% ➤ Beck Box Club Praha s.r.o.

100% ➤ Fit Invest Bulgaria EOOD

BUSINESS PROFILE, OFFER AND BUSINESS MODEL

1.2.

Developing its business on the Polish market for **nearly 20 years and on foreign markets for 10 years**, Benefit Systems is still expanding its portfolio with more services in the field of non-financial benefits created with companies' – its **Clients and their employees** – satisfaction in mind. These are primarily benefits connected with sports, recreation, culture and entertainment, as well as cafeteria programmes tailored to our Clients' needs.

Benefit Systems S.A.'s business model is based on the **B2B** formula, where it is the operator of MultiSport cards and an intermediary between Clients (companies) and Partners (sports facility owners). Companies purchase sports cards which they later offer (for a fee or for free) to their employees. These employees use sports facilities that receive payment from Benefit Systems for a single visit of every User (card holder). Our Clients include companies and enterprises, state institutions, non-profit organisations and other entities employing at least five people. On the other hand, we cooperate with entrepreneurs running sports facilities – **our Partners**. As part of the Fitness Unit (Oddział Fitness), Benefit Systems also provides services in the **B2C** formula, offering individual customers access to its own fitness clubs and other sports facilities in key locations.

Benefit Systems S.A. is a holding company within the **Benefit Systems Group**, which includes other entities offering various products as part of non-financial employee benefits. They operate in the B2B formula and their operating model involves reaching out to employers with an offer tailored to the needs of their employees. In addition to sports cards offered by Benefit Systems S.A. and **Vanity Style Sp. z o.o.**,

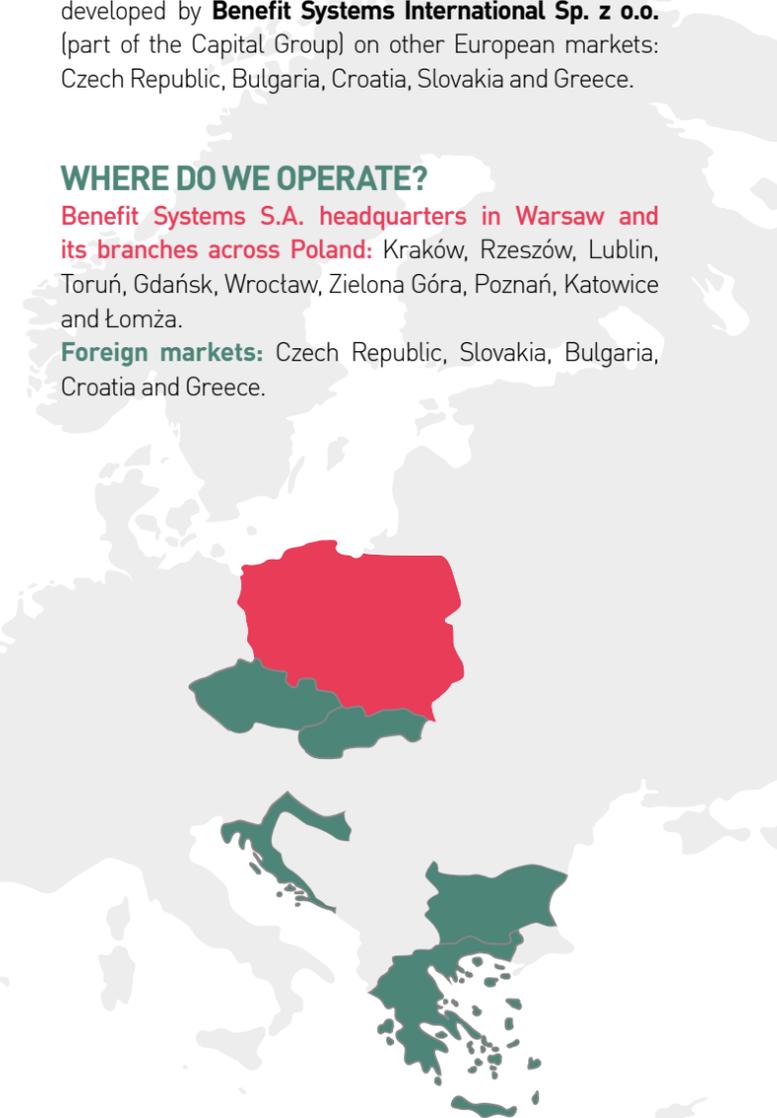
Benefit Systems is a company originated in Poland that specialises in providing employers with effective solutions in the area of non-financial employee benefits.

it is worth mentioning **MyBenefit Sp. z o.o.**, which offers companies various cafeteria services for their employees, including cinema, theatre and museum tickets or co-financing of holidays. The sports card business model that has worked well in Poland is now being developed by **Benefit Systems International Sp. z o.o.** (part of the Capital Group) on other European markets: Czech Republic, Bulgaria, Croatia, Slovakia and Greece.

WHERE DO WE OPERATE?

Benefit Systems S.A. headquarters in Warsaw and its branches across Poland: Kraków, Rzeszów, Lublin, Toruń, Gdańsk, Wrocław, Zielona Góra, Poznań, Katowice and Łomża.

Foreign markets: Czech Republic, Slovakia, Bulgaria, Croatia and Greece.



Benefit Systems Capital Group consists of the holding (parent) company, Benefit Systems S.A. (which includes the Fitness Unit), its subsidiaries (operating on the employee benefits market and the sports market) as well as affiliated companies.

Until the end of 2018 the Capital Group reported its results in **four operational segments** (Sports Cards, Fitness, Foreign Market and Cafeteria)¹. Due to a higher level of interconnections between the segments, Benefit Systems Management Board decided to jointly present the activities of fitness clubs and companies providing sports cards in a given geographical area in the form of a new **Poland Segment** and the continued **Foreign Market Segment**, which contains the results of any dependencies occurring within them. **The Cafeteria Segment** remains unchanged as a separate entity that carries out activities connected with employee benefits. Currently, the Group presents results in **three operational segments: Poland, Foreign Market and Cafeteria**.

POLAND SEGMENT

The Poland Segment covers activities connected with the sales of sports cards, investments and fitness club management on the Polish market. Sports cards are distributed by the following companies: Benefit Systems S.A., FitSport Polska Sp. z o.o. and VanityStyle Sp. z o.o. The offer includes cards with unlimited or partially limited access to sports facilities and sports disciplines². Sports cards are currently one of the most popular non-financial benefits in Poland. The trend to use the MultiSport Programme, which has been developing for almost 20 years now, but also VanityStyle and FitSport Polska offer in following years, is an accumulation of many benefits in one product.

¹ The four segments were described in the Non-Financial Report 2018.

² Detailed descriptions of individual cards can be found in the Group's Financial Report.

³ The full list of companies in the Poland Segment is available at the end of this section.

THE GROUP'S STRUCTURE AND SEGMENTS

1.3.

Users can choose activities from thousands of facilities throughout Poland and their employers enjoy satisfaction, health and good physical condition of their employees.

The second, equally important operational pillar of the Poland Segment is running and investing in fitness clubs. These activities aim at providing a base of sports and recreation facilities suitable for the Company's services. As a result of the Capital Group's structure reorganisation, which has been ongoing since the fourth quarter of 2018, selected subsidiaries, including companies running fitness clubs, sports and recreation facilities, and companies managing these investments, were merged with the holding company as the Benefit Systems S.A. Oddział Fitness (Fitness Unit of Benefit Systems S.A.)³.

At the end of 2019 companies within the Benefit Systems Group managed their own fitness chains, running **161 own clubs** in Poland. These facilities represent such brands (chains) as Zdrofit, Fabryka Formy, Fitness Academy, My Fitness Place, FitFabric, S4, AquaPark Wesolandia. In addition, the Group held minority interests in companies managing another **47 facilities**.

FOREIGN MARKET SEGMENT

The Foreign Market Segment deals with **developing the MultiSport Programme** and **running fitness clubs** outside Poland. Benefit Systems foreign activities have been developing **since 2010**, and the first market where our flagship product was introduced was the **Czech Republic**. From the beginning, these activities were accompanied by the same values and goals as on the Polish market. Currently, the Multisport Programme is being developed on **five foreign markets** (Czech Republic, Bulgaria, Slovakia, Croatia and Greece) **and investment (own) fitness clubs** are run in the **Czech Republic, Bulgaria and Slovakia**. This segment includes the following companies: Benefit Systems International Sp. z o.o., MultiSport Benefit S.R.O., Benefit Systems Bulgaria EOOD, Benefit Systems Slovakia S.R.O., Benefit Systems D.O.O., Benefit Systems Greece MIKE, Fit Invest Bulgaria EOOD, Form Factory S.R.O., Beck Box Club Praha S.R.O., Fit Invest International Sp. z o.o. and Fit Invest Slovakia S.R.O. Benefit Systems International Sp. z o.o. is the dominant entity in relation to other companies of the segment, but dependent on Benefit Systems S.A.

The number of Clients and Users of the MultiSport Programme in the Foreign Market Segment is constantly increasing. At the end of 2019 the number of **Clients** amounted to **10,129** and the number of **Users** – to **334,559**, broken down by country:

	NUMBER OF CLIENTS	NUMBER OF USERS
 CZECH REPUBLIC	4,964	171,725
 BULGARIA	2,892	102,506
 SLOVAKIA	1,494	40,391
 CROATIA	744	19,476
 GREECE	35	461

A chain of partner facilities is constantly being developed on the foreign markets. At the end of 2019 their number amounted to a total of **4,227**, broken down by country:

	NUMBER OF PARTNERS
 CZECH REPUBLIC	1,829
 BULGARIA	959
 SLOVAKIA	863
 CROATIA	439
 GREECE	137

Investing in own clubs, i.e. developing infrastructure for the services offered, is also part of the Foreign Market Segment operations. These investments take place in those countries where we currently have the largest number of users. At the end of 2019, companies from the Foreign Market Segment **managed** a total of **24 clubs**, broken down by country:

	NUMBER OF INVESTMENT CLUBS
 CZECH REPUBLIC	15
 BULGARIA	8
 SLOVAKIA	1

CAFETERIA SEGMENT

The Cafeteria Segment has been operating on the Polish market **for almost 15 years** and is responsible for the development of MyBenefit and MultiKafeteria cafeteria platforms. They offer a wide range of products and services, including the Benefit Systems Group's own products. By the end of 2019, operations in the Cafeteria Segment were carried out by MyBenefit Sp. z o.o. and MultiBenefit Sp. z o.o. On December 31, 2019 a formal merge of MyBenefit and MultiBenefit into MyBenefit Sp. z o.o. took place. The cafeteria offer focuses on benefits in the area of personal development, culture, entertainment, recreation, leisure as well as domestic and foreign tourism. The offer also includes shopping vouchers for brand shops in Poland, courses and training sessions as well as gastronomic offers. The benefits are provided by proven suppliers. The partner chain already has several thousand entities and is still being developed.

FULL LIST OF COMPANIES IN THE CAPITAL GROUP AS AT DECEMBER 31, 2019

LIST OF SUBSIDIARY ENTITIES

OPERATIONAL SEGMENT	THE NAME OF THE SUBSIDIARY	REGISTERED OFFICE OF THE SUBSIDIARY	THE GROUP'S SHARE IN THE CAPITAL	
			31.12.2019	31.12.2018
POLAND SEGMENT	VanityStyle Sp. z o.o.	ul. Skierniewicka 16/20, 01-230 Warszawa	100.00%	100.00%
	FitSport Polska Sp. z o.o.	Plac Europejski 2, 00-844 Warszawa	100.00%	100.00%
	Benefit IP Sp. z o.o.	Plac Europejski 2, 00-844 Warszawa	100.00%	100.00%
	Benefit IP Sp. z o.o. sp. k.	Plac Europejski 2, 00-844 Warszawa	100.00%	100.00%
	Fitness Academy Sp. z o.o.	Plac Europejski 2, 00-844 Warszawa	100.00%	100.00%
	Fit Fabric Sp. z o.o.	ul. 1go Maja 119/121, 90-766 Łódź	52.50%	52.50%
	Benefit Partners Sp. z o.o.	Plac Europejski 2, 00-844 Warszawa	95.00%	47.51%
FOREIGN MARKET SEGMENT	Benefit Systems International Sp. z o.o.	ul. Młynarska 8/12, 01-194 Warszawa	97.20%	100.00%
	Benefit Systems Greece MIKE	12 Agias Fotinis Str.Nea Smyrni, 17121, Grecja	96.00%	100.00%
	Benefit Systems D.O.O.	Zagreb (Grad Zagreb) Heinzelova ulica 44, Chorwacja	98.50%	100.00%
	Benefit Systems Bulgaria EOOD	11-13, Yunak Str., floor 1 Sofia 1612, Bułgaria	94.50%	100.00%
	MultiSport Benefit S.R.O.	Lomnickeho 1705/9 140 00 Praha 4, Republika Czeska	83.80%	78.80%
	Benefit Systems Slovakia S.R.O.	Ružová dolina 6 Bratislava – mestská časť Ružinov 821 08, Słowacja	83.00%	83.00%
	Fit Invest International Sp. z o.o.	ul. Młynarska 8/12, 01-194 Warszawa	100.00%	100.00%
	Fit Invest Slovakia S.R.O.	Ružová dolina 480/6 Bratislava – mestská časť Ružinov 821 08, Słowacja	100.00%	0.00%
	Form Factory S.R.O.	Vinohradská 2405/190 Vinohrady, 130 00 Praha 3, Republika Czeska	100.00%	100.00%
	Fit Invest Bulgaria EOOD	Atanas Dukov 32 M-Plaza building 1407 Sofia, Bułgaria	100.00%	100.00%
CAFETERIA SEGMENT	Beck Box Club Praha S.R.O.	Vinohradská 2405/190 Vinohrady, 130 00 Praha 3, Republika Czeska	100.00%	100.00%
	Benefit Systems, storitve D.O.O.	Trg republike 3, 1000 Ljubljana, Słowenia	95.00%	0.00%
OTHERS	MyBenefit Sp. z o.o.	ul. Powstańców Śląskich 28/30, 53-333 Wrocław	100.00%	100.00%
	MW Legal 24 Sp. z o.o.	Plac Europejski 2, 00-844 Warszawa	100.00%	100.00%

LIST OF ASSOCIATED ENTITIES AND OTHER COMPANIES

OPERATIONAL SEGMENT	THE NAME OF THE SUBSIDIARY	REGISTERED OFFICE OF THE SUBSIDIARY	THE GROUP'S SHARE IN THE CAPITAL	
			31.12.2019	31.12.2018
POLAND SEGMENT	Baltic Fitness Center Sp. z o.o.	ul. Puławska 427, 02-801 Warszawa	49.95%	49.95%
	Instytut Rozwoju Fitness Sp. z o.o.	ul. Puławska 427, 02-801 Warszawa	48.10%	48.10%
	Calypso Fitness S.A.	ul. Puławska 427, 02-801 Warszawa	33.33%	33.33%
	Get Fit Katowice II Sp. z o.o.	ul. Uniwersytecka 13, 40-007 Katowice	20.00%	20.00%
OTHER COMPANIES	LangMedia Sp. z o.o.	ul. Skwierzyńska 25/3, 53-521 Wrocław	37.00%	37.00%
	X-code Sp. z o.o.	ul. Klauudy 21/4, 01-684 Warszawa	31.15%	31.15%

FOREIGN MARKET SEGMENT

The Foreign Market Segment deals with the sale of sports cards for adults and children within the MultiSport Programme. The following cards are currently available on foreign markets:

 **4,227**
PARTNERS

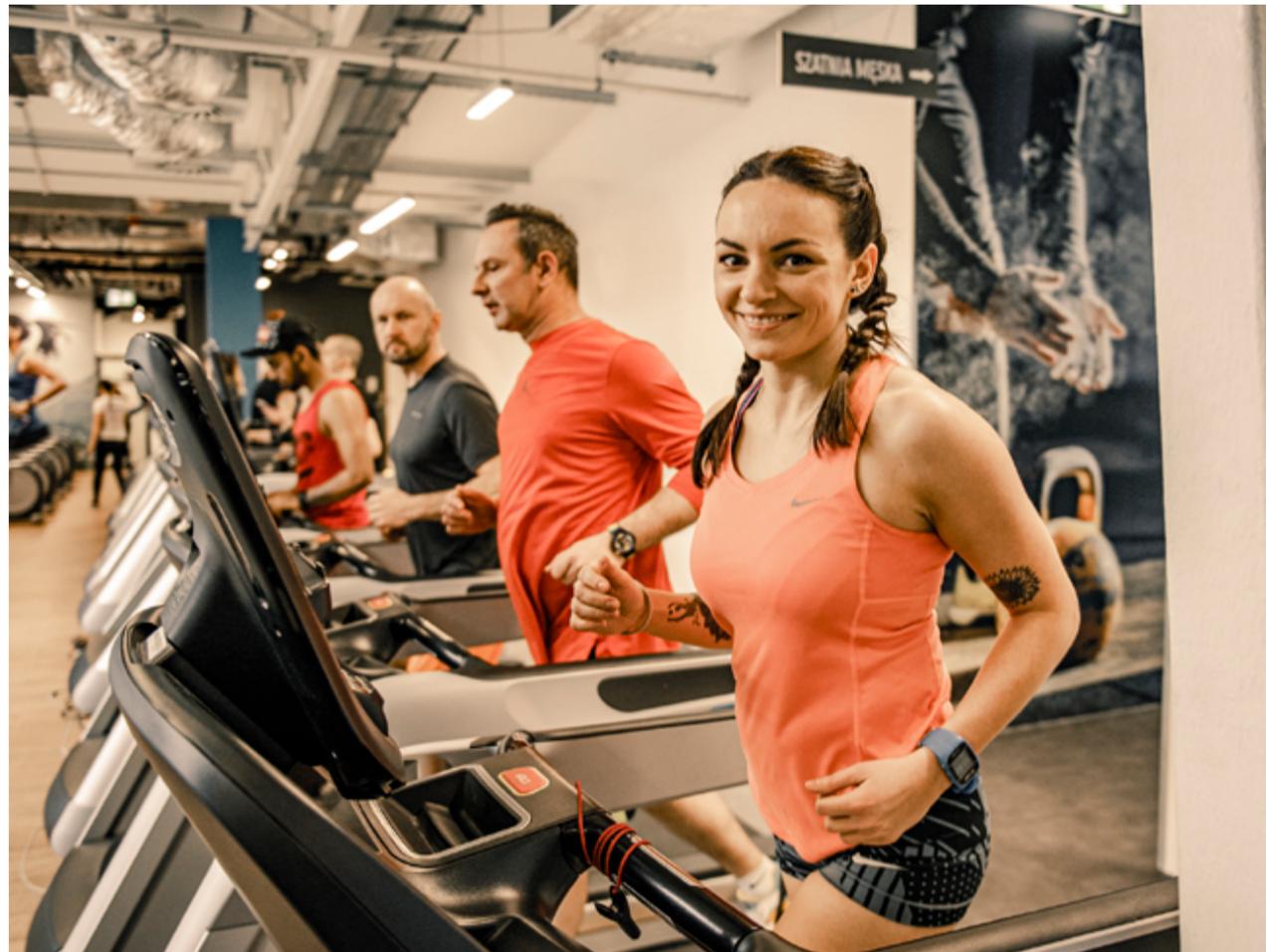
 **334,559**
USERS

MULTISPORT

- › single entry per day, access to all sports and recreation facilities in the partner chain

MULTISPORT KIDS

- › single entry per day, limited number of services in individual countries



CAFETERIA SEGMENT

Our **CAFETERIA PROGRAMMES** allow employees to choose benefits themselves, within the scope and budget specified by the employer. Users select them directly on the Cafeteria online platform through their individual accounts. This solution allows full control and simple settlement of benefits used. The offer of cafeteria programmes includes benefits connected with personal development, sports and health, tourism, culture as well as shopping vouchers for brand shop chains.

 **4,200**
PARTNERS

 **462,717**
USERS

MULTIBILET CINEMA PROGRAMME

- › Independent of the cafeteria, is part of the cultural and entertainment programme offered by the Group, which includes tickets to over 200 partner cinemas throughout Poland (including Cinema City, Helios, Multikino and local cinemas).

MULTITEATR

- › Offers vouchers for theatre performances staged in the most popular theatres.

MULTIZOO

- › It is an offer of tickets to zoological gardens – the latest offer in the Cafeteria Segment portfolio.

QLTURAPROFIT VOUCHER

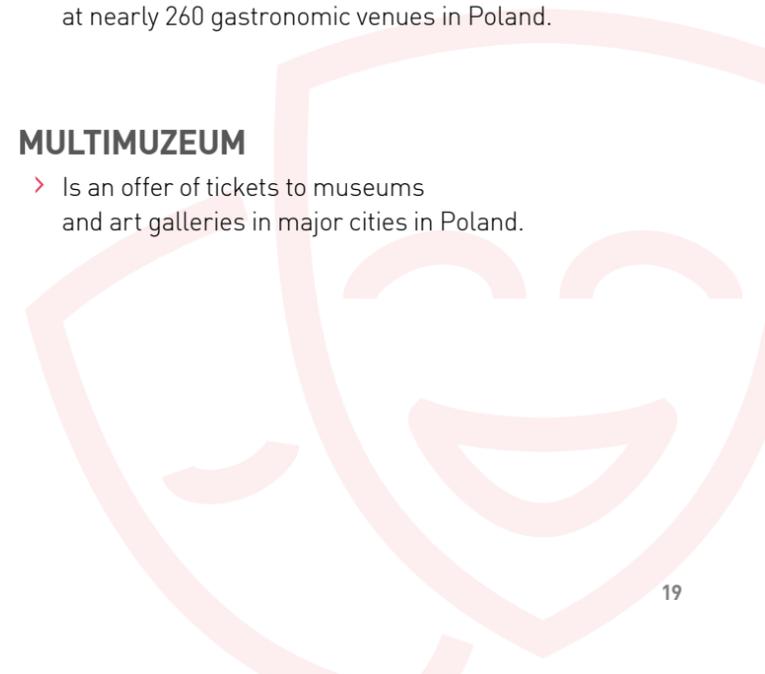
- › Offered by VanityStyle Sp. z o.o. includes tickets to selected theatre performances, cinema screenings and exhibitions as part of the cultural offer, which consists of about 55 theatres, 170 cinemas, 50 museums and 25 theme parks throughout Poland.

BENEFITLUNCH

- › Provides employees with access to a lunch offer at nearly 260 gastronomic venues in Poland.

MULTIMUZEUM

- › Is an offer of tickets to museums and art galleries in major cities in Poland.



MISSION, VISION, VALUES

1.4.

We direct our activities to **all age groups**, increasing public awareness of the benefits that come with physical activity. Our **most important goal** is **health and happiness** of our Clients' employees that come with a **customised, non-financial benefits offer**. We develop our offer in line with the **work-life balance** philosophy, which results in intuitive and user-friendly products. In both our business as well as social responsibility activities we strive to **pursue values** that have allowed us to receive **B Corporation Certification** and join the international community of environmentally friendly companies.

The MultiSport Programme was created to promote a healthy and active lifestyle among Poles. In line with our mission, we believe that being more active means more energy, health, well-being and, as a result, a better life.

By creating a dependency network in cooperation with all Stakeholder groups, we want to form an organisational structure that has a positive impact on our community.⁵ Guided by the **win-win principle**, we put mutual benefits and long-term partnership with our Stakeholders first. For Benefit Systems, people and good relationships are most important, which is why we strive to make our company the best for the world every day⁶.

IDENTITY

It is important for us that people in our company enjoy the work they do and are happy to identify with it.

INNOVATIONS

Both our internal and external activities aim at creating high quality on the market all the time. We want to be an example to others, and we are constantly looking for new inspirations.

RESPECT

We act responsibly and respectfully towards all Stakeholder groups.



JOY

We want our Employees to feel at ease and safe in their workplace, and the Users of our products to realise their non-professional passions and enjoy them.

RELATIONS

Our Employees have an impact on the Company's growth as well as opportunities for personal development and sharing knowledge. Long-term relationships are important to us.

MANAGEMENT

We want to keep up with the changing reality, that's why we have eyes and ears wide open. We strive to manage our business proactively and respond to market needs.

⁵ More about B Corporation Certification can be found in We are socially responsible section.

⁶ B Corp quote.

Building relationships with the surrounding world is an important aspect of the Benefit Systems Group's activities.

OUR STAKEHOLDERS

1.5.

We place great emphasis on transparency and reliable communication with all our Stakeholders. We believe that close contact, mindfulness and openness are important aspects in contacts with the market around us. Our Stakeholders' needs are particularly important to us, which is why we conduct a dialogue based on honesty and transparent information policy with each group.



BENEFIT SYSTEMS STAKEHOLDER GROUPS



CLIENTS AND USERS OF OUR PRODUCTS



SUPPLIERS (INCLUDING PARTNERS)



SHAREHOLDERS, INVESTORS, MANAGERS AND ANALYSTS



EMPLOYEES



NATURAL ENVIRONMENT



LOCAL COMMUNITIES



EXPERTS

FORMS OF STAKEHOLDERS DIALOGUE

When having a dialogue with our Stakeholders, we try to take advantage of new technologies and come up with modern solutions for comfortable and intuitive communication. At the same time, we value traditional forms of building and maintaining relationships, such as a direct meeting or telephone conversation. We are a company open to contacts with people.

HOW DO WE COMMUNICATE WITH OUR STAKEHOLDERS?

CLIENTS AND USERS (MARKET)



- > Individual and group meetings
- > Satisfaction surveys, User focus groups, NPS surveys and other market polls
- > Helpline (communication channels: SMS, telephone and call back)
- > Contact form
- > Online MultiSport User Zone
- > Dedicated websites of companies operating within the Group
- > Conferences, events, open days at Clients
- > Projects dedicated to Clients and Users
- > Benefit monthly
- > Blogs
- > Social media: Facebook, Instagram, LinkedIn

SHAREHOLDERS, INVESTORS, MANAGERS AND ANALYSTS



- > Current reports, periodic reports (annual, semi-annual, quarterly)
- > Investor presentations published on the investor relations page
- > Individual and group meetings
- > Quarterly conferences, teleconferences, roadshows, brokers conferences
- > General Meeting of Shareholders and Extraordinary General Meeting of Shareholders
- > Press and media
- > Electronic mail (including dedicated addresses: IR@benefitsystems.pl, biuroprasowe@benefitsystems.pl, wz@benefitsystems.pl)
- > Independent consulting company for investor relations
- > Dedicated pages on websites of companies operating within the Group

SUPPLIERS (INCLUDING PARTNERS)



- > Individual and group meetings
- > Telephone contact
- > Online MultiSport Partner Zone
- > Electronic mail
- > Opinion surveys
- > Industry conferences
- > Dedicated pages on websites of companies operating within the Group

EMPLOYEES



- > "Empla" Intranet
- > Works Council
- > Mailing and newsletter
- > Company blogs
- > Regular feedback, semi-annual interviews and appraisals
- > Satisfaction and engagement surveys conducted by Kincentric (previously Aon)
- > Events and company meetings (including integration outings)
- > Annual summer theme picnic for all employees
- > Social environment and partnership with social organisations
- > MultiSport Platform, website and other dedicated pages
- > CSR programmes dedicated to Employees
- > Internship and training programmes

EXPERTS



- > Individual and group meetings
- > Telephone contact
- > Mailing and newsletter
- > Press publications
- > Benefit monthly
- > Conferences, trainings and industry events
- > Website and other online platforms

ENVIRONMENT



- > Reporting environmental indicators
- > Cooperation with institutions, partnership with pro-environmental organisations
- > Participation in meetings, events, trainings and conferences on environmental issues
- > Pro-environmental training courses and workshops for employees
- > Pro-environmental initiatives involving employees
- > Pro-environmental CSR programmes

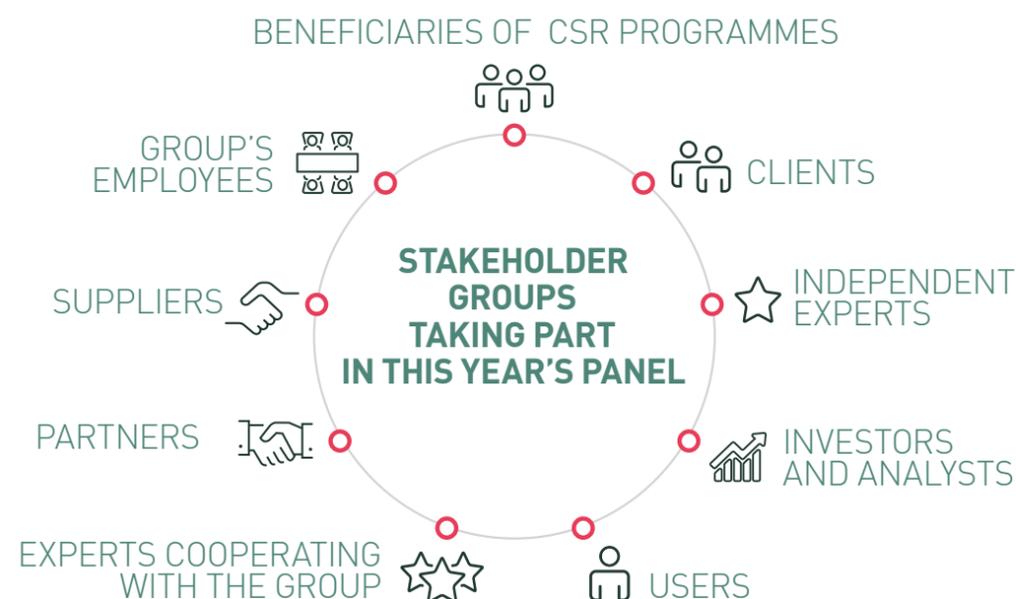


STAKEHOLDERS PANEL

In order to listen to the needs of our community, every other year the Company organises the Stakeholders Panel on Benefit Systems Group Non-Financial Reporting.

The Stakeholders Panel is a useful tool that opens the Group to the market and its needs, and at the same time is necessary for competent non-financial reporting, allowing us to analyse the significance of reported issues and indicators. In 2019 the Stakeholders Panel, divided into internal and external session, was held at the Benefit Systems headquarters. **Over 50 people** from all Benefit

Systems stakeholder groups participated in both meetings. The panel was prepared and conducted by the **Internal Communications and CSR Team** and an external consulting company, **CSR Consulting**. The international **AA1000** standard we used in line with GRI Standards allowed us to analyse the current situation of the Group in terms of social responsibility and the significance of the reported topics.



Both the external and internal sessions of the panel aimed at developing Stakeholders' mutual needs related to **the Group's non-financial reporting for the next 2 years** (2019 and 2020). Thanks to the workshops, out of almost **40 topics** connected with **four key reporting areas** (market, workplace, society, environment), our Stakeholders managed to identify the most relevant ones.

The result of the work during each part of the panel (internal and external) was selecting **10 key issues**, whose materiality and significance we measured using a special matrix. Below we present a list of **11 topics** that, according to the materiality matrix, received **the highest score of importance in both groups of Stakeholders**, along with an indication of where in the report they can be found⁷.

TOPICS WITH THE HIGHEST SCORE OF IMPORTANCE FOR STAKEHOLDERS OF BENEFIT SYSTEMS GROUP

NO. OF TOPIC	TOPIC	AREA	NO. OF CHAPTER
2	Market Responding to clients' needs, developing the portfolio development, innovating services	MARKET	1.3., 3.2., 3.3., 3.4.
5	Customer service standards, complaints handling system, satisfaction survey on offered services among Partners, Clients and Users	MARKET	1.7., 3.1., 3.3., 4.4.
7	Anti-corruption policy, ethical principles in cooperation with Partners and Clients, ethical behaviour towards competitors	MARKET	1.4., 1.6., 2.5., 4.4.
10	Employment and remuneration conditions (transparent system of remuneration and benefits, working time control, flexible forms of employment)	WORKPLACE	2.1., 2.3., 2.5.
13	Promoting health and a healthy lifestyle among Employees, including health programmes for employees and initiatives promoting a healthy lifestyle	WORKPLACE	2.6.
14	Education and development of Employees at various levels – building employee competences, training, co-financing for further education	WORKPLACE	2.4.
19	Family-friendly company, support programmes for young parents, programmes to support care for older parents, activities supporting work-life balance	WORKPLACE	1.4., 2.3.
22	The company's response to the challenges related to climate change throughout the entire supply chain – including cooperation with Partners to minimise negative impact on the environment	ENVIRONMENT	4.5., 5.1.
27	Educating and involving Employees, Clients, Partners and Users in environmental protection initiatives	ENVIRONMENT	5.2.
35	Educating Clients and Users about a healthy and active lifestyle	COMMUNITY	3.2., 3.3., 3.4.
36	Actions to increase physical activity of groups at risk of exclusion (seniors, people with disabilities)	COMMUNITY	4.2.

Topics selected by our Stakeholders were helpful during the preparation of this report as well as in the context of responding to the current needs of our community and mindfulness towards important aspects of our non-business activities. Thanks to the workshops, we also got to know the opinions on the previous non-financial report, and we received recommendations related to the content of future publications. In order to constantly develop our activities in the area of CSR, we will work on implementing, continuing and developing the issues identified by Stakeholders for 2019 and 2020.

⁷ The Materiality Matrix with the full value score of selected topics can be found in Chapter 6. About the Report.

INVESTOR RELATIONS

Benefit Systems S.A. has been listed on **the Stock Exchange since 2011**. In cooperation with our Investors, we place great emphasis on reliable and transparent communication regarding the current situation of the Company and the Capital Group. Professionalism, trust and equal access to information for all market participants are the superior values that guide us in building relationships with current and future shareholders.

2019 INVESTOR RELATIONS IN NUMBERS



In 2019 we held **16 meetings** with managers and analysts from the Polish market to discuss the results we published as well as **4 teleconferences** with foreign investors.



At the end of 2019, **6 analysts** from brokerage houses issued recommendations for the Company's shares.



We took part in **3 Polish and 2 foreign investor conferences**, which were attended by **over 160 participants**.



In 2019, about **75% of the above mentioned contacts** involved managers and analysts from the Polish market and **25% were foreign investors**.



We conducted **over 100 individual meetings**, small group meetings and teleconferences with representatives of the capital market (except for result meetings and meetings at conferences).

INVESTOR RELATIONS GOOD PRACTICES

> MEETINGS WITH REPRESENTATIVES OF THE CAPITAL MARKET

The Company has regular meetings with representatives of the capital market – it organises conferences after the publication of its financial results where it discusses the achieved indicators and answers investors' and analysts' questions.

> TELECONFERENCES FOR FOREIGN INVESTORS

After publishing the quarterly results, the Company always organises teleconferences for foreign investors.

> CONFERENCES OF BROKERAGE HOUSES

The Company participates in local and foreign conferences of brokerage houses where it meets with representatives of the capital market.

> INDIVIDUAL MEETINGS WITH MARKET REPRESENTATIVES

The Management Board and the Investor Relations Department hold individual meetings with market representatives and small group meetings.

> REGULAR ANSWERS TO INVESTORS' QUESTIONS

The Company regularly answers investors' questions sent electronically to the Management Board, the Investor Relations Department and to the generally available investor relations mailbox (IR@benefitsystems.pl).

> ANSWERS TO INDIVIDUAL QUESTIONS

The Company does not organise meetings for individual investors, but answers their questions addressed to the Company.

> REGULAR RAPORTS

Benefit Systems publishes information, current and periodic reports in Polish and English (current reports, financial statements) both through the Electronic Data Transfer System ESPI and the corporate website.

> GOOD PRACTICES OF COMPANIES LISTED ON THE WARSAW STOCK EXCHANGE

The Company observes almost all Good Practices of Companies Listed on the Warsaw Stock Exchange – a detailed reference to this area is included in the Management Board Activity Reports and on the corporate website.

> INDIVIDUAL REPORTING STANDARD

The Company has an Individual Reporting Standard, which specifies how the organisation identifies confidential information and how it communicates it to the capital market.

> CARE FOR RELATIONS

Investor relations are supported by an external company

> OPENNESS TO FOREIGN MARKETS

Benefit Systems is a company open to foreign markets. Currently we cooperate with investors from several countries, including United States, Great Britain, Germany, Canada, Estonia, Sweden, Japan, Hungary, the Czech Republic, Japan, Spain and Lithuania.

> MEMBER OF THE POLISH ASSOCIATION OF LISTED COMPANIES

The Company is a member of the Polish Association of Listed Companies. In 2019 its representatives regularly participated in conferences and events organised by this organisation.

BUSINESS STRATEGY AND MANAGEMENT STANDARDS

1.6.

BUSINESS STRATEGY

The Company's business strategy provides for developing sports cards supported by fitness clubs, which constitute the necessary infrastructure and provide space for physical activity. The strategic goals include further increase in the number of cards supported by the balanced development of the club chain. **The parent company's strategy is closely related to the strategy of the Capital Group.** In the context of the Group it provides for:

- > organic development of the Group's operations in Poland and abroad,
- > supporting sports cards through the development of fitness infrastructure,
- > increase in the number of active sports cards in Poland,
- > dynamic increase in the number of active sports cards on foreign markets,
- > sustainable growth in the Cafeteria Segment Users,
- > building competitive advantage by making the Group's products more attractive,
- > taking advantage of the potential synergies between products and companies,
- > Presenting ways forward and business plans in periodic reports (annual, semi-annual and quarterly financial statements of the Company or the Group) together with the Management Board's commentary.

MANAGEMENT STANDARDS

Benefit Systems manages the Group based on **operational segments**. After the **segment reorganisation** mentioned in section 1.3. The Group's structure and segments, it currently operates in the following segments: **Poland, Foreign Market and Cafeteria**. Thanks to such a division, it is possible to act effectively as well as respond to the needs and challenges of individual entities.

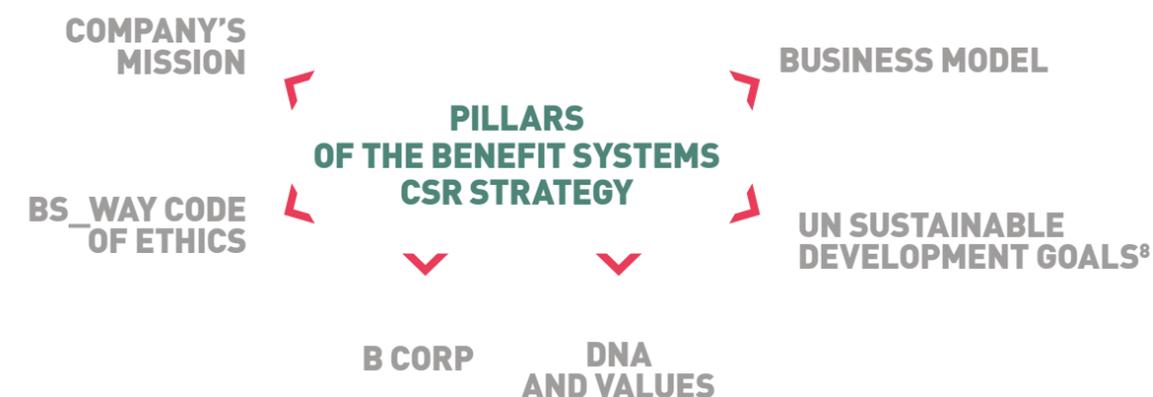
Responsibility for individual segments is assigned to **management boards of key companies** in these three segments: Benefit Systems S.A. and Fitness Unit – Poland Segment, Benefit Systems International Sp. z o.o. – Foreign Market Segment, MyBenefit Sp. z o.o. – Cafeteria Segment. **Management boards of individual segments are overseen** by supervisory boards, which include, among others, members of the Benefit Systems S.A. Management Board. Segment management is enforced by **implementing several-year plans** and detailed **operational budgets**, which are verified and updated on an ongoing basis.

Strategic goals translate into **specific goals set for high-level employees** and then cascaded to lower levels along with incentive programmes, annual and semi-annual bonuses as well as commissions. The goal is to create an incentive system that promotes effective and loyal work focused on **achieving financial goals**, long-term, balanced **increase in the value of the Capital Group, customer satisfaction and providing favourable work environment**.

Corporate governance management within the Benefit Systems Group considers **different structure of management systems** in individual Group companies as well as differences resulting from organisational culture of individual segments and companies. The management system that functions in the parent company translates into individual entities of the Benefit Systems

Capital Group. Some of them maintain **operational independence**, remaining under **ownership supervision**. The Company systematically **strives** to ensure that **all entities within the Group** fulfil the postulates of **sustainable development** through appropriate recommendations of **adopted policies** and assistance in their implementation, while respecting **differences in the organisational culture** of individual segments and companies.

CSR STRATEGY



Social responsibility and sustainable development are inherent elements of the Benefit Systems Group's business operations. We want the sales of our products to go hand in hand not only with the promotion of an active lifestyle, but also with **numerous CSR activities** addressed to all our Stakeholders. We attach great importance to an ethical, transparent business based on relationships and listening to the needs of people, believing that only such a way of **running the Company** allows for **sustainable development of our Stakeholders**.

In order to implement activities in the field of corporate social responsibility competently, the Company has created a **CSR Strategy** as an integral part of its business strategy. Based on **six pillars** that are a source of knowledge about the Company's activities, values and inspirations, a document that is our signpost in non-business activities was created.

* More about the Sustainable Development Goals in chapter 4. Community, section 4.3. Achieving 17 Sustainable Development Goals.

THE GROUP'S CSR STRATEGY DESCRIBES AND DEFINES ALL SUSTAINABLE BUSINESS ACTIVITIES THAT WE IMPLEMENT FOR OUR STAKEHOLDERS BASED ON THE FOLLOWING OBJECTIVES:

MAIN OBJECTIVES

			
WE HELP OUR CLIENTS	WE LISTEN TO OUR USERS	WE SUPPORT OUR PARTNERS	WE CARE FOR OUR EMPLOYEES

ADDITIONAL OBJECTIVES

				
WE ACTIVATE THE SOCIETY	WE CREATE INFRASTRUCTURE	WE MAINTAIN HIGHEST STANDARDS	WE GET INVOLVED IN HELPING OTHERS	WE RESPECT THE ENVIRONMENT

As part of the **CSR Strategy objectives**, we have identified **challenges** for the Group for **2019-2021**, which are gradually implemented by a **dedicated CSR Team** as part of the Company's activities. These include:

- > **building awareness** about corporate social responsibility and sustainable development within the Benefit Systems Group,
- > promoting **B Corp inside and outside** the Benefit Systems Group⁹,
- > initiating actions leading to a higher **score in the B Corp assessment** within the Group,
- > initiating and participating in **projects** connected with corporate social responsibility **undertaken within the Benefit Systems Group**,
- > making efforts to **maintain B Corp Certification** for the coming years,
- > reporting on the implementation of the Benefit Systems Group's CSR Strategy through **non-financial reports**.

⁹ See chapter 4. Community, section 4.1. Promoting B Corp movement as one of the challenges of the CSR Strategy.

INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT

Risk management at Benefit Systems aims at identifying potential incidents that affect the organisation's operations, maintaining the risk within established limits, and ensuring implementation of the business strategy. The company bases the risk management process on **the COSO II Model**, which defines the elements, principles and factors necessary for effective risk management. The Company has implemented **the Three Defence Lines Model** – a tool supporting the risk management process and the internal control system as well as explaining key roles and responsibilities within the organisation.

THE FIRST DEFENCE LINE

includes business owners responsible for identifying, accounting, assessing, controlling and mitigating risks.

THE SECOND DEFENCE LINE

includes people who fulfil internal control functions, i.e. Data Protection Officer, internal control, controlling and compliance teams.

THE THIRD DEFENCE LINE

includes an audit team providing independent reports to senior management and the Supervisory Board regarding the effectiveness of the internal control system.

The internal control system at Benefit Systems is an integral part of the risk management process. It supports implementation of the organisation's goals and tasks and contributes to maintaining the reliability of financial and management reporting. All units' employees participate in this system. As part of the Second Defence Line, the internal control team supports the Company's employees and is responsible for activities related to systematising and documenting key processes and risks for the organisation.

The Internal Audit Team and the Compliance Officer have been functioning in the Company since 2017.

Internal audit provides the Supervisory Board and the Management Board with independent assurance of the effectiveness of the control and risk management system. Compliance is a function that supports the process of managing the non-compliance risk.

The Compliance Officer monitors:

- > implementation of applicable laws,
- > implementation of recommendations and guidelines of supervisory authorities,
- > implementation and application of internal regulations,
- > implementation of accepted good practices and market standards.

One of the Compliance Officer's areas of interest is the implementation of business code of ethics, which introduces **adequate procedures and policies**. This area is particularly important for the Company and closely related to the values of Benefit Systems as a socially responsible company. As part of the **Compliance Team's activity, the following regulations were implemented**:

BS_WAY CODE OF ETHICS

In force since 2017, it contains nine areas addressing the most important issues in the field of ethical business conduct and respect for human rights. It describes the most important values and principles that we should follow when performing professional duties. BS_WAY Code of Ethics is available at:

www.benefitsystems.pl/en/about-us/responsible-business/bs-way-code-of-ethics-and-diversity-policy

To adhere to the latest regulations and address good market practices, we started updating the Code of Ethics in 2019. The new version was implemented at the beginning of 2020.

COMPLIANCE POLICY

Defines the basic principles of non-compliance risk management by identifying, assessing, mitigating, monitoring and creating the ethical image of Benefit Systems.

ANTI-CORRUPTION POLICY

aims at raising Employees' awareness about corruption and the risk of corruption, including conflict of interest. In addition, thanks to the procedures it specifies, we can effectively prevent malpractice, implement effective mechanisms and minimise the effects of potential irregularities.

SUSPECTED FRAUD CONFIDENTIAL REPORTING PROCEDURE

Thanks to a special form, as well as other communication channels, our Employees can report potential malpractices or irregularities.

GIFTS OR BENEFITS, CONFLICT OF INTEREST AND IRREGULARITIES REPORTING PROCEDURE

Contains a description of how to proceed in situations where our Employees receive or want to give a gift or other material benefits. The procedure describes the rules of participating in meetings, trips and events organised by contracting parties.

Procedures and policies related to compliance and internal control that are in force in the Company are gradually implemented in other companies. Updated by Benefit Systems S.A. BS_WAY Code of Ethics applies throughout the Capital Group.

HOW DO WE KEEP THE RISK AND CONTROL REGISTER AT BENEFIT SYSTEMS?

The risk and control register kept at Benefit Systems is a basic tool for managing the risk identified for the main processes within the organisation, indicating mainly objectives, risks and control mechanisms. **By following the precautionary principle**, every year the Company analyses risks related to various areas of activities of the entire Capital Group. The Management Board approves the list of main risks (Risks TOP10) for which actions allowing the risk to be kept within certain limits and reasonable assurance of achieving the company's objectives are planned. Below we present the risks defined at the Benefit Systems Group for the period between **01.01.2019 and 31.12.2019**¹⁰:



1. Risk connected with not adjusting the business model to the specifics of an agent on the sports services market.
2. Risk connected with managing a large capital group and difficulties in achieving projected operational efficiency.
3. Regulatory risk, including the risk connected with concentration and competition as well as legal and tax risk.
4. Market risk – the risk of new competitors entering the market or the risk of current competitors expanding due to the lack of barriers while entering the non-financial benefits market and sports services market.
5. Risk connected with processing and protecting personal data, for example adjusting regulations to General Data Protection Regulation (GDPR) from a legal, organisational and technical perspective.
6. Risk connected with running the business and expanding to foreign markets, including political and foreign currency risks.
7. Risk connected with human resources.
8. Risk of demographic situation changing in Poland and the countries which Benefit Systems Group operates in.
9. Risk connected with implementing and maintaining IT systems and cybersecurity.
10. Financial risk, mainly credit risk and risk of deterioration of financial liquidity.

¹⁰ Full risks description can be found in the Benefit Systems Financial Statement 2019.

DATA SECURITY



At Benefit Systems, we respect privacy of our Stakeholders who have entrusted us with their **personal data**. The basic rules for this data processing are regulated in our **internal** documentation, in which the **Personal Data Protection Policy** is the key instrument.

In connection with the first anniversary of applying the **General Data Protection Regulation** falling on May 25, the year 2019 was the time of summaries and changes related to **data security** for us. It allowed us to test solutions that were developed at the stage of preparation for the application of the regulation. In this way we were able to see where we operate as expected and which areas need improvement. We also faced new challenges connected with the creation of Benefit Systems S.A. Fitness Unit and merging Zdrofit Sp. z o.o., Fitness Place Sp. z o.o., Fitness Academy BIS Sp. z o.o. and Fabryka Formy S.A, which we discuss in the The Group's structure and segments section.

We believe that the **key element** of the **data protection** system is the awareness and knowledge of people we work with in the field of data processing. Last year, we changed the formula of our **onboarding training** so that it would be even more conducive to gaining and consolidating knowledge of personal data protection.

We are constantly working to **increase the level of personal data protection** of those who have trusted us, i.e. our Clients and their representatives, our Partners and an increasing number of people who use our services. The **Data Protection Officer** and a team of consultants, which was reorganised and expanded in 2019, help us in this.

The actions we take, aimed at strengthening our data protection system, are reflected in the fact that no **administrative penalty** that would result from **violating the personal data protection law has been imposed on us so far**.



RESEARCH AND DEVELOPMENT

1.7.

For Benefit Systems one of the important aspects of **listening** to our Stakeholders and **keeping up with the changing world** are **market researches and analysis** in key areas of the Company's and the Group's operations. These researches result in a **real indicator of market's needs and expectations**, as well as **knowledge** that we want to share and use to improve our offer.

AREAS OF RESEARCH INTERESTS:

- > Changes in the market in which we operate.
- > Social moods in Poland in the context of attitude towards sports as well as a healthy and active lifestyle.
- > Satisfaction level and feedback in key areas of the Company's operations (Users, Clients, Partners).
- > Consumers' attitudes towards the projects we test, new services and improvements.

WHO DO WE SURVEY?

- > Clients
- > Users
- > Partners
- > Community



CLIENT, USER AND PARTNER SATISFACTION SURVEY OBJECTIVES:

	 CLIENTS	 USERS	 PARTNERS
Determining the satisfaction and loyalty level	<		<
Determining the validity and evaluation of elements affecting satisfaction with cooperation	<		<
Determining the validity and evaluation of elements affecting satisfaction with cooperation with Benefit Systems Account Managers	<		<
Determining the validity and evaluation of elements affecting satisfaction with cooperation with Benefit Systems Account Managers			<
Evaluation of recent experiences in cooperation with Benefit Systems	<		<
Evaluation of the level of MultiSport and MultiActive Card Users' satisfaction		<	
Determining the level of satisfaction with individual quality attributes relevant from the User's perspective when using the card		<	
Reasons for Users' satisfaction and dissatisfaction		<	
Determining the perception of the Benefit Systems image			<
Partners' cooperation with competitive companies			<

2019 SATISFACTION SURVEYS

98% of Clients and 93% of Partners are satisfied with the cooperation with Benefit Systems. 65% of Users evaluate the MultiSport card as excellent and very good, and 27% as good, which gives a total of 92% positive opinions about our flagship product.



WE SHARE KNOWLEDGE – MULTISPORT INDEX COMMUNITY SURVEY

Together with an external partner, Kantar TNS, we conducted the 2nd edition of MultiSport Index survey. This is the first comprehensive study of physical and sports activity of Poles in Poland, complemented by the data on individual provinces. The survey covers all age groups and was conducted on a sample of 1,858 Polish residents.

Looking at the sports activities of our society, we wanted to create a unique survey that would become a source of knowledge not only for our Company, but also for the market around us. The inspiration to create and conduct the MultiSport Index survey was to learn about Poles' sports habits, understand their needs, and to deepen our knowledge about current and potential Users of our products.

MULTISPORT INDEX 2019 SURVEY RESULTS

The results of the latest survey show that there are 64% of Poles who are physically active, which is 2% more than last year. The active ones are mainly representatives of the young generation between 15 and 24 years of age (80%), learners (90%) and those with higher education (78%). Poles with a monthly income exceeding 5,000 PLN (83%) are also eager to undertake physical activity. The desire to improve health and maintain a good quality of life is currently the most common reason for engaging in physical activity.

The most visited sports facilities are gyms and swimming pools, which are used by one in five active Poles. 41% of people devote 50 - 99 PLN a month for this purpose. As many as one in three people undertaking physical activity in sports facilities does it for free, using sports cards offered by employers in the form of non-financial benefits.

Poles who are physically active are mainly inhabitants of large cities (over 100,000 residents) – 64%. Among them, Warsaw scored the best – three quarters of Warsaw residents exercise at least once a month. The largest number of active citizens resides in the Wielkopolskie and Matopolskie province – 69% each.

The least active ones are residents of the Zachodniopomorskie province (45%), Dolnośląskie province (52%) and Opolskie province (54%).

In terms of physical activity, Poland is still clearly below the European average, which is 71% of active citizens (Eurobarometer 2017).

Among the member states, we are sixth from the end, ahead of Portugal, Malta, Italy, Romania and Bulgaria, where the average percentage of physically active people is 51%.

A similar level of physical activity to that recorded in Poland is registered in Greece and Spain, and a slightly higher one in Cyprus, Croatia and Hungary (the average for these three countries is 68%). Physical activity leaders in the European Union include Finland, Denmark, the Netherlands and Sweden with the score of 94%.



ACCORDING TO THE MULTISPORT INDEX 2019 SURVEY RESULTS:

64 % 
OF POLES ARE PHYSICALLY ACTIVE
– WHICH IS **2% MORE**
THAN IN 2018.

19 % 
OF POLES TRAIN
5 TIMES A WEEK.

27 %
OF POLES TRAIN
FOR PLEASURE
AND RELAXATION,

AND 14 % 
TO IMPROVE
THEIR APPEARANCE
AND BODY SHAPE
– THESE TWO GROUPS
ARE DOMINATED BY PEOPLE
UNDER 30 YEARS OF AGE.

AS MANY AS
36 % 
OF POLES DECLARE
THAT THEY DO NOT UNDERTAKE
ANY PHYSICAL ACTIVITY,
INCLUDING ORDINARY WALKS.

35 % 
OF POLES PREFER
PHYSICAL ACTIVITY
IN THE EVENINGS.

78 % 
OF PEOPLE DECLARE THAT
THANKS TO A SPORTS CARD,
WHICH IS A NON-FINANCIAL
BENEFIT AT THE PLACE
OF THEIR WORK,
THEY ENGAGE IN PHYSICAL
ACTIVITY MORE OFTEN.

The full MultiSport Index 2019 Report can be found at:
www.benefitsystems.pl

In 2019 Benefit Systems Group received distinctions that allowed us to join the group of laureates of the following awards

GOLDEN PAPERCLIPS 2019

In the 17th edition of the PR industry award competition, Złote Spinacze, Benefit Systems received two statuettes for its communication projects connected with the MultiSport brand. The silver statuette in the main category was presented for the Active MultiSport Schools educational programme, and the bronze one in the "Sport" category – for the MultiSport Index 2019 survey.

INTERNET USERS AWARD FOR THE NON-FINANCIAL REPORT 2018

Benefit Systems Group Non-Financial Report 2018 won the Internet users' vote in the 13th edition of the Social Reports Competition organised by the Responsible Business Forum and Deloitte. This competition awards the best reports on corporate social responsibility and sustainable development. Our report received the largest number of Internet users' votes among all 45 non-financial reports submitted for the competition for 2018.

BEST EMPLOYER 2018 AND 2019

As in previous years, the Company received the Best Employer title, thus joining the companies that can boast of the best results of the Kincentric (previously Aon) engagement survey. The Best Employers Programme is a competition in which the title is awarded based on an objective survey of employees' opinions. The results for 2019 also place Benefit Systems S.A. and VanityStyle Sp. z.o.o. among the Best Employers. In 2020 representatives of both companies will receive statuettes at the Best Employers Gala.

AWARDS AND DISTINCTIONS

1.8.

PEARLS OF THE POLISH ECONOMY RANKING

Benefit Systems was recognised in the 17th edition of the "Pearls of the Polish Economy" ranking, receiving the award in the "Large Pearls" category. Our company was recognised for "consistent implementation of the company's policy and strategy as well as its leading position among the most dynamic and effective companies in Poland."

TRUSTWORTHY EMPLOYER

In the 9th edition of the "Trustworthy Employer" Competition initiated by the Polish Chamber of Commerce and the "Teraz Polska" Polish Promotional Emblem Foundation Benefit Systems received an award in the "Motivation" category. The company was recognised, among others, for a wide range of incentive programmes addressed to employees in the field of sports, healthcare, insurance, co-financing for postgraduate studies, free language courses and vocational training.

DISTINCTION FOR "TWO HOURS FOR THE FAMILY 2019"

VanityStyle received a distinction in the competition for the organisation of the "Two Hours for the Family 2019" event organised by the Humanites Institute. As every year, this event aimed at creating space for reflection on the quality of our relationships and spending time with our loved ones in a creative way. The theme of the "Two Hours for the Family" campaign was "Small and big family travels."

EMPLOYER BRANDING AWARDS MOST SOCIALLY RESPONSIBLE COMPANY

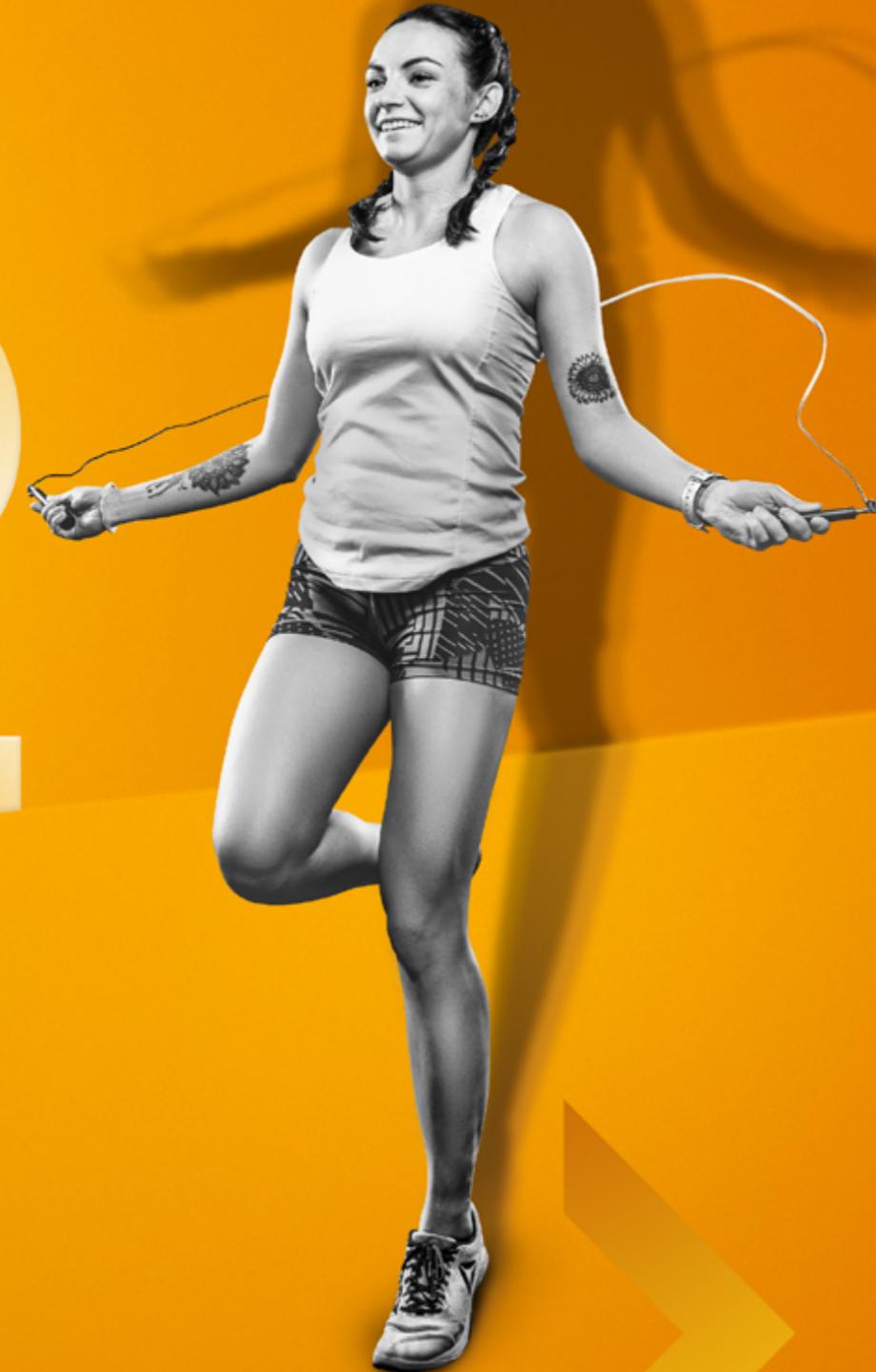
Our Bulgarian company, Benefit Systems Bulgaria OOD, came third in the Employer Branding Awards competition organised by B2B media in the "Innovation in Talent Management" category as well as in the Most Socially Responsible Company competition organised by the Career Show Awards.

- 2.1. Employment structure 42
- 2.2. Recruitment 45
- 2.3. Attractive workplace 47
 - Non-financial benefits 50
- 2.4. Training and development 52
- 2.5. Employee rights and human rights 55
- 2.6. Health and safety 59
- 2.7. Corporate volunteering 61
- 2.8. Appraisals and engagement survey 62



in the photo from left:
PIOTR FROM HEALTH FULL TIME TEAM
ANIA FROM CLIENT RELATIONS DEPARTMENT
MAGDA FROM SERVICE DEVELOPMENT DEPARTMENT

EMPLOYEES



EMPLOYMENT STRUCTURE

2.1.

The following data for Benefit Systems S.A. parent company includes people employed at Benefit Systems S.A. Oddział Fitness (Fitness Unit), which has been a part of Benefit Systems S.A.¹¹ since November 2019 from a formal point of view but also because of the specific activities of Benefit Systems S.A. and Benefit Systems S.A. Oddział Fitness consists of two separate employers, which is why the report includes additional data for Benefit Systems S.A. excluding the Fitness Unit.

The tables present the employment status as at 31 December of a given year. An Employee is a person employed under an employment contract. All other forms of employment are included under Associates.

Benefit Systems S.A. Employees who work at the company's headquarters in Warsaw and local branches are people who typically perform office work. They are responsible for the development and sale of the MultiSport Programme, including contacts with our Partners. They are also people who deal with accounting or IT. **Benefit Systems S.A. Oddział Fitness (the Fitness Unit)**, which was created after the merger of companies responsible for running fitness clubs, employs mainly fitness instructors. These people usually do not work full time, they run classes in several different clubs, and their working hours are often irregular.



¹¹ See chapter 1. Management and Corporate Governance, section 1.3. The Group's structure and segments.

Therefore, in this case, the dominant form of employment are civil law contracts and B2B model (included in the following tables as Associates). It is closely related to the specifics of this industry. The average age of employees at the Fitness Unit is 20-25. For many of them this is their first job and the opportunity to gain experience in the fitness industry in a young, dynamic and passionate team.

- **At the end of 2019 the Benefit Systems Group had 1,540 Employees.** As in the previous year, the employment structure is dominated by women, who constitute over 65% of all employees.
- **At the end of 2019 Benefit Systems S.A. had 681 Employees.**

- **Benefit Systems S.A. parent company, excluding the Fitness Unit, had 569 Employees.** Employment contracts constitute 91.3% of all forms of employment and remain at the same level as last year (91.7% in 2018).
- At the end of 2019 the number of all persons employed in companies within **the Benefit Systems Group** – Employees and Associates – amounted to **5,895**, of which nearly 55% are women.
- In 2019 the average employment level in **the Benefit Systems Group** was 1,400 people.

NUMBER OF EMPLOYEES AND ASSOCIATES IN THE BENEFIT SYSTEMS GROUP, BROKEN DOWN BY GENDER (AS AT DECEMBER 31 OF A GIVEN YEAR)

BENEFIT SYSTEMS GROUP				
FORM OF EMPLOYMENT	WOMEN	MEN	2019 TOTAL	2018 TOTAL
Employee - permanent employment contract	999	541	1,540	1,296
Associate - civil law contract and B2B	2,237	2,118	4,355	3,886
TOTAL	3,236	2,659	5,895	5,182

NUMBER OF EMPLOYEES AND ASSOCIATES AT BENEFIT SYSTEMS S.A., BROKEN DOWN BY GENDER (AS AT DECEMBER 31 OF A GIVEN YEAR)

BENEFIT SYSTEMS S.A.			
FORM OF EMPLOYMENT	WOMEN	MEN	TOTAL
Employee - permanent employment contract	455	226	681
Associate - civil law contract and B2B	1,685	1,713	3,398
TOTAL	2,140	1,939	4,079

BENEFIT SYSTEMS S.A. EXCLUDING FITNESS UNIT			
FORM OF EMPLOYMENT	WOMEN	MEN	TOTAL
Employee - permanent employment contract	381	188	569
Associate - civil law contract and B2B	44	10	54
TOTAL	425	198	623

NUMBER OF EMPLOYEES BROKEN DOWN BY CONTRACTED WORKING HOURS
(AS AT DECEMBER 31 OF A GIVEN YEAR)

BENEFIT SYSTEMS GROUP			
CONTRACTED WORKING HOURS	WOMEN	MEN	TOTAL
full time	967	531	1,498
part time	32	10	42
TOTAL	999	541	1,540
BENEFIT SYSTEMS S.A.			
CONTRACTED WORKING HOURS	WOMEN	MEN	TOTAL
full time	448	225	673
part time	7	1	8
TOTAL	455	226	681
BENEFIT SYSTEMS S.A. EXCLUDING FITNESS UNIT			
CONTRACTED WORKING HOURS	WOMEN	MEN	TOTAL
full time	377	187	564
part time	4	1	5
TOTAL	381	188	569

NUMBER OF EMPLOYEES AND ASSOCIATES BROKEN DOWN BY DURATION
OF THE CONTRACT (AS AT DECEMBER 31, 2019)

BENEFIT SYSTEMS GROUP			
CONTRACT DURATION	WOMEN	MEN	TOTAL
permanent	1,915	1,697	3,612
fixed-term	1,321	962	2,283
TOTAL	3,236	2,659	5,895
BENEFIT SYSTEMS S.A.			
CONTRACT DURATION	WOMEN	MEN	TOTAL
permanent	695	512	1,207
fixed-term	1,445	1,427	2,872
TOTAL	2,140	1,939	4,079
BENEFIT SYSTEMS S.A. EXCLUDING FITNESS UNIT			
CONTRACT DURATION	WOMEN	MEN	TOTAL
permanent	369	181	550
fixed-term	56	17	73
TOTAL	425	198	623

In the recruitment process we look for candidates with high potential, who identify with our values and will fit well in our teams.

RECRUITMENT

2.2.

We prefer motivated people, open to new challenges and focused on effective achievement of goals based on cooperation and mutual respect. Friendly atmosphere, efficient operations and good energy at work is our everyday life. Therefore, we look for people who will want to create it with us and at the same time shape their career path in the Group's structure.

Recruitment processes, including interviews and onboarding trainings, are conducted in a manner individually developed by a given company within the Benefit Systems Capital Group. We have an autonomous approach in this regard, as in the case of many other processes, procedures and policies within the Group that are effective and work in each company.

We conduct and promote **internal recruitment** so that our Employees have a better chance of acquiring new competences and starting a new development path. We also run internal programmes under which our **Employees can recommend** their friends to work in each company. If a candidate recommended by an Employee is hired, then the Employee recommending this person receives a cash bonus.

Every year, Benefit Systems is present at job and internship fairs for students and graduates, during which we **encourage them to do an internship or offer placements and full-time jobs in our Company.**

We also advertise on recruitment websites where we invite students to take paid summer internships at Benefit Systems, during which, in addition to the possibility of comparing theory with practice, they can take part in trainings and other development activities. What is important, after such an internship a large proportion of students remain in our company as permanent Employees.

We strive to ensure that employee rights and human rights are strictly observed at the recruitment stage. We safeguard equal opportunities, both as part of internal and external recruitment as well as maintaining confidentiality of the recruitment process and personal data security.

In 2019 we introduced **changes to the onboarding training which takes place at Benefit Systems S.A. headquarters.** Onboarding is an implementation and training programme for new Employees. The introduced changes were based on the feedback from previous onboarding participants collected over a six-month period. Employees who are responsible for the given area in the company were involved in running the programme so new team members receive first-hand information. Selected thematic blocks have been expanded, including the part on our CSR activities. We have also put more emphasis on building awareness of our values and company DNA. The training is more interactive and the whole training lasts two days (instead of one, as it was before). The thematic scope overlaps with the programme described for MyBenefit.

As for other companies from the Capital Group, the process of implementing a new hire at **VanityStyle** is based on the **"Relay – Let's meet"** programme. These are one-hour meetings in each

of the departments operating in the company, regardless of which department and which position the employee was hired for. As a result, a new team member can meet his or her colleagues from the entire company and learn the key information such as what a given department does, find out its organisational structure and standard working day. The Relay itinerary has been arranged in such a way that new hires can easily get to know the entire organisation and its products as well as understand the meaning of their work.

New Employees at **MyBenefit** take part in a series of meetings and trainings, ranging from mandatory ones (such as health and safety or personal data protection), through general ones (the company's history, vision and mission, products and processes), to detailed ones, directly related to the position the new hires are going to hold. The programme also includes a meeting with the HR Department, during which an employee can learn everything about the rules of the company or the benefits available and get answers to questions that relate to his or her functioning in the organisation. Employees returning to work after a long absence (e.g. parental leave) also take part in the onboarding process.

The success of our organisation is influenced not only by the knowledge, experience and competence of our Employees, but also their engagement.

ATTRACTIVE WORKPLACE

2.3.

ANNUAL EMPLOYEE TURNOVER RATE IN 2019



NUMBER OF NEW EMPLOYEES IN THE BENEFIT SYSTEMS GROUP IN 2019 (HIRED UNDER EMPLOYMENT CONTRACT)

BENEFIT SYSTEMS GROUP					
GENDER	<30 YEARS OF AGE	31-40 YEARS OF AGE	41-50 YEARS OF AGE	>50 YEARS OF AGE	TOTAL
women	195	123	23	5	346
men	108	86	30	3	227
TOTAL	303	209	53	8	573
2018 TOTAL	334	148	45	3	530
BENEFIT SYSTEMS S.A.					
GENDER	<30 YEARS OF AGE	31-40 YEARS OF AGE	41-50 YEARS OF AGE	>50 YEARS OF AGE	TOTAL
women	46	41	12	0	99
men	22	23	12	0	57
TOTAL	68	64	24	0	156
BENEFIT SYSTEMS S.A. EXCLUDING FITNESS UNIT					
GENDER	<30 YEARS OF AGE	31-40 YEARS OF AGE	41-50 YEARS OF AGE	>50 YEARS OF AGE	TOTAL
women	33	33	10	0	76
men	20	17	8	0	45
TOTAL	53	50	18	0	121

Therefore, one of the Group's priorities in the area of employment is to provide an attractive workplace that offers opportunities for professional development and fulfilment, favourable employment conditions and a wide non-financial benefit package. At the same time, we care about respect for our Employees' free time by acting in accordance with the work-life balance principle.

We strive to provide our Employees with a friendly and open work environment in which they will feel good. We don't have a company dress code because we don't want to limit Employees in the way they dress. We are all on a first-name basis regardless of our position. We believe that a good atmosphere and positive relationships between people are one of the key factors affecting the quality and comfort of work. That is why our organisational culture and our values put mutual respect, kindness and tolerance as well as good communication and cooperation in the first place.

Mutual respect is something that our Employees value highly in the annual engagement survey, which makes us extremely happy. In the survey conducted among Benefit Systems Employees in 2019, questions about respect in everyday relations inside and outside the Company as well as supervisors' respect towards their subordinates were in the top ten highest rated questions, scoring 93% and 92% respectively.



KINCENTRIC ENGAGEMENT SURVEY 2019 – BENEFIT SYSTEMS S.A. RESULT¹²

In our daily relations at work and outside work we treat one another with respect.



My supervisor treats me and my colleagues with respect.



KINCENTRIC ENGAGEMENT SURVEY 2019 – BENEFIT SYSTEMS RESULT

In our daily relations at work and outside work we treat one another with respect.



My supervisor treats me and my colleagues with respect.



¹² The results do not include Benefit Systems S.A. Oddział Fitness (Fitness Unit). See section 2.8. Appraisals and engagement survey.

Together, we engage in various types of corporate social responsibility activities, such as charity and social campaigns or pro-environmental initiatives. Thanks to our internal volunteer and philanthropic programmes such as Dobry MultiUczynek¹³ we enable our Employees to support those in need and we help them to become volunteers. Together, we engage in blood donation campaigns, collection of clothes for those in need, or baking home-made cakes to raise funds to help animals. Because together we want to give something from ourselves. This gives us a sense of community and builds a positive image of the Company as a socially responsible employer at the same time.

Our Employees appreciate working at Benefit Systems, which finds confirmation in their opinions expressed in the annual Kincentric Engagement Survey¹⁴ and the Best Employer title, which we received for the third year in a row. This title is awarded based on the results of the above-mentioned survey and general engagement score. In 2019 Benefit Systems S.A. received the score of 71%.¹⁵

The persistently high engagement level is the result of actions undertaken in recent years by the entire Benefit Systems team, its Management Board and managerial staff, in response to the needs and opinions of Employees who are willing to share them. The response rate in this regular survey conducted at Benefit Systems is usually over 90%.

KINCENTRIC ENGAGEMENT SURVEY 2019 (SELECTED ASPECTS) – BENEFIT SYSTEMS S.A. RESULT (% OF POSITIVE ANSWERS)¹⁶

QUESTION	2019	2018
Given the opportunity, I tell others about the advantages of working at this company.	82%	79%
I would recommend our company to a friend looking for a job without hesitation.	78%	79%
I maintain the right balance between work and personal life.	75%	79%
There is atmosphere of openness and accepting differences between people at our company.	81%	80%
In our company, diversity is valued (e.g. related to age, gender, race, mother tongue, education, ideas, opinions).	76%	72%
Our company is socially and ecologically responsible (e.g. it supports charity campaigns, environmental protection, etc.).	91%	94%
My line manager gives me the opportunity to express my opinions freely, even if they conflict with his opinion.	83%	74%
My line manager notices and appreciates my contribution and achievements.	78%	78%
My colleagues share knowledge and experience with one another.	89%	89%

¹³ See chapter 4. Community.

¹⁴ Until 2018, the Aon survey.

¹⁵ See section 2.8. Appraisals and engagement survey.

¹⁶ The results do not include Benefit Systems S.A. Oddział Fitness (Fitness Unit). See section 2.8. Appraisals and engagement survey.

NON-FINANCIAL BENEFITS

We invest in expanding professional competences of our Employees and enable them to develop a career path within the Group. We provide an attractive workplace and a friendly atmosphere. In addition, our Employees can benefit **from one of the richest and most diverse packages of non-financial benefits on the market**, including our own products such as free MultiSport card, BenefitLunch card or

PHYSICAL ACTIVITY



- > MultiSport or FitProfit sports card
- > free sports classes in the office
- > fully equipped exercise rooms
- > financing of workout sessions and corporate uniforms for sports teams
- > full reimbursement of costs connected with the participation in various running events
- > table tennis equipment, table football, darts

EDUCATION



- > subsidized studies
- > free specialist training
- > free general development workshops
- > financing for the participation in external conferences and workshops
- > free foreign language courses during work (group and individually) or on a language platform
- > generally accessible library with specialist literature

MyBenefit cafeteria platform. The scope of benefits for the Benefit Systems Group's Employees varies depending on the company and includes benefits related to physical activity, health, education, culture, entertainment and parenthood.

HEALTH



- > free or co-financed medical care
- > life insurance financed in full or offered on preferential terms
- > subsidized optical glasses
- > pro-health campaign
- > free preventive examinations

CULTURE, ENTERTAINMENT, RELAXATION



- > MyBenefit cafeteria programme where points can be exchanged for touristic offers, SPAs and many other offers
- > cheaper cinema and theatre tickets and vouchers
- > possibility to get co-financing for a vacation leave (self-arranged countryside holiday)
- > integration events and Christmas, Easter meetings
- > possibility to use a game console or play table tennis and table football in the office

GASTRONOMIC OFFER



- > BenefitLunch card
- > fresh fruit
- > subsidized breakfast sets
- > subsidized fresh juices
- > generally available coffee, tea, herbs, milk (also plant-based and lactose-free)

FINANCES



- > adding regular points to MyBenefit cafeteria to shop in many categories
- > subsidized public transport
- > preferential employee loans
- > gift cards on the occasion of a wedding

WORKING TIME



- > job seniority leave, i.e. additional holidays depending on the length of service
- > flexible working hours
- > shorter working time on Fridays
- > lunch break included in the working hours
- > possibility to work from home
- > gifts for Employees with 5 and 10 years of service
- > additional two free hours connected with the "Two Hours for the Family" campaign

PARENTHOOD



- > subsidized school starter kits
- > subsidized kindergarten and nursery
- > Santa Claus Day and Children's Day events and gifts for Employees' children
- > gift vouchers on the occasion of having a baby
- > additional three hours of paid leave for parents on the first and last day of school

HELP WITH EVERYDAY MATTERS



- > AskHenry.pl assistance service which Employees can use to have a dedicated assistant from an external company deal with their private, everyday matters
- > company cars for senior management
- > company mobile phones



TRAINING AND DEVELOPMENT

2.4.

We know that Employees' development has a direct impact on the growth of the company's value, which is why it is very important for us to invest in trainings that help Employees develop their potential and acquire new competences. In the area of training, in 2019 we focused on deepening expert knowledge as well as developing equally important soft competences. To this end, in addition to using development programmes tried and tested in previous years, we implemented new solutions as well as training methods and tools.

We make sure that most of the trainings are practical and give Employees tangible benefits that translate into the quality and comfort of work. Training programmes are planned according to the competencies that need to be strengthened reported by individual departments.

At Benefit Systems, many development programmes are implemented internally (with the support of our internal coaches), with a special emphasis on ensuring that they are tailored to the recipients of the training and their expectations. Deciding on external trainings, we work with experienced and certified coaches. In 2019 our development activities were supported by coaching companies valued on the market.

At Benefit Systems Group we focus on constant development as well as gaining expert knowledge and professional experience.

As part of open workshops, team workshops and Individual Development Plans, Benefit Systems Employees participated, among others, in trainings on communication and cooperation, emotional intelligence, assertiveness, effective presentations and personal efficiency. Heads of departments and teams were additionally invited to workshops on the culture of giving constructive feedback, psychological aspects of management, building engaging teams and motivating employees.

In addition to generally available trainings, Employees also had the opportunity to use coaching, mentoring, additional funding for postgraduate studies as well as learn foreign languages in the form of classes or an online course. In 2019 we also continued development programmes that our Employees know and appreciate from previous years, such as "Good Life Workshops", "Appreciate Cooperation" or the "Talent League" Programme.



In 2019 we were looking for new forms to strengthen the skills and develop Employees' potential. Therefore, we have successfully implemented over a dozen new initiatives such as:

- **LEON e-learning pilot platform** which we are testing in two departments. It is used by nearly 300 Employees. In addition to an easy and quick access to necessary information (so-called Knowledge Base), they can improve their competences through interactive online courses. During the test period, trainings on assertiveness, personal efficiency, change management, managerial competencies, as well as short English lessons were introduced. Due to the available information format and training facilities appreciated by Employees, there are plans to gradually add more departments to the platform.
- **Expansion of the onboarding programme** addressed to new Employees, in which elements related to the active acquisition of skills and knowledge about the Company as well as its organisational culture (including a training game, workshop on the company's values) were added.
- **Less Stress Workshops** – trainings in the area of well-being focused on practising techniques that improve comfort of life.
- **"Talent League" Programme** – implementation of a development programme for people with above average potential and results. As part of expert or managerial paths, participants took part in regular workshops, conferences and mentoring sessions. They were also involved in running company projects.
- **Cybersecurity** – a series of workshops related to information technology security, i.e. processes and practices that protect users against attacks, damages or unauthorised access.
- **Design Thinking** – workshops conducted with the use of the creative problem-solving method, which aim to provide innovative solutions by using specific work methods that stimulate creativity and then translate them into a specific business scheme.
- **Action Learning** – a training method based on the process of asking questions in a group of people with different competences and experience working on solving a real, important and complex problem. This method develops critical and systemic thinking while supporting participants in developing their leadership and effective teamwork skills.



At VanityStyle, in addition to trainings raising professional and managerial competences, we organise so-called **developmental breakfasts**. This is our unique series of trainings with experts from various fields of interest to our Employees. Each time they have an impact on the training subject, choosing a topic through a survey. In 2019 we organised the following training sessions: "Mental power: how to care for a strong psychological backbone?", "What to eat to improve immunity and concentration?" and "Manipulation – how to recognise it and successfully defend against it?"

Moreover, at VanityStyle **all newly recruited Employees take part in FRIS training**, which allows diagnosing and understanding key differences in a person's thinking and actions. Thanks to this, we can communicate and cooperate with one other without any obstacles, using our full potential. The more we understand one other, the more we can overcome our differences and the better we are able to work together for a common goal.

In all companies within the Group we run trainings adapted to the needs of a given position or scope of duties. These include courses in management and leadership, communication, negotiation, sales and customer service, project management, soft skills or different tools (e.g. Excel). Moreover, Employees benefit from language courses, both individual and in groups.

At every stage of planning a training programme, this process is supported by coaches and specialists from the HR Department and it is in no way connected with the gender, age or beliefs criteria. All Employees within the organisation have the right to selected trainings, regardless of the function they perform.

TRAINING AND DEVELOPMENT ACTIVITIES AT THE BENEFIT SYSTEMS GROUP IN 2019

	TOTAL NUMBER OF TRAINING HOURS ¹⁷	NUMBER OF HIRED PEOPLE (EMPLOYEES AND ASSOCIATES)	AVERAGE NUMBER OF TRAINING HOURS PER EMPLOYEE/ASSOCIATE
Benefit Systems Group	106.7 thousand	5,895	18.1
Benefit Systems S.A.	73.4 thousand	4,079	18
Benefit Systems S.A. (excluding the Fitness Unit)	40.7 thousand	623	65.3
Benefit Systems S.A. Oddział Fitness (Fitness Unit)	32.7 thousand	3,456	9.5

¹⁷ Total number of each training hours multiplied by the number of participants (including language courses, group and individual, and post-graduate studies).

One of the values we believe in within the Group is mutual respect. This also applies to respecting human and employee rights of people who are part of our organisation.

We are committed to act in accordance with the Universal Declaration of Human Rights, International Labour Organisation conventions and UN Guiding Global Compact principles. We comply with the principles set out in our Diversity Policy and BS_WAY Code of Ethics. Respect for dignity, the right to privacy, tolerance, equality and mutual respect are our priorities in relations with all Stakeholder groups.

We appreciate the diversity of our Employees and treat it as an added value. Our organisation does not allow discrimination, insults or harassing based on gender, sexual orientation, religion, political views or ethnicity. We do not tolerate misconduct and unfair treatment. We create a safe, comfortable and friendly work environment in which our Employees feel good.

We do not hire minors and we do not accept or agree to any form of forced labour in any activities.

As the Benefit Systems Group, we do not have a general human rights policy, but we comply with implemented policies and documents that relate to such aspects as employee rights, respect for diversity as well as anti-mobbing

EMPLOYEE RIGHTS AND HUMAN RIGHTS

and anti-corruption activities. Most of the documents we create apply to the entire Group, some are developed and implemented individually by specific companies (applies to VanityStyle and MyBenefit), but all regulations are consistent with generally accepted principles for the entire Group.

DIVERSITY POLICY

As part of the Diversity Policy at Benefit Systems S.A. we commit ourselves to equal treatment of every Employee, regardless of their gender, age, ethnicity, religion, sexual orientation or family status. In our company we support diversity through:

- › building diverse teams – we make sure that each team is open to Employees with diverse experiences and insights, we implement a culture of openness, opportunities to exchange competences and ongoing constructive feedback,
- › following the principles of equal opportunities – every Employee has equal access to training, promotions, benefits and remuneration; we evaluate and promote Employees based only on their competences, achieved results and commitment to work,
- › creating a friendly atmosphere at work – we promote respect for diversity and acceptance of individual preferences among Employees,
- › applying transparent recruitment criteria – in selecting Employees we apply the principle of equal opportunities and enable every interested person to take part in the recruitment process; matching competences to the scope of duties is a key factor in choosing a candidate,

- > supporting development of passions and interests – each Employee can participate in sports activities conducted by our trainers; we also support sports sections and other interest groups created within the Company,
- > supporting work-life balance – we implement solutions and take initiatives supporting family and private life of our Employees (e.g. flexible working hours, annual participation in the “Two Hours for the Family” campaign, free time for parents at the beginning of a school year, integration events for Employees and their families, shorter working hours on Fridays),
- > actively preventing discrimination and mobbing and protecting against unjustified dismissal – based on mobbing prevention good practices implemented in the Company, through trainings and workshops raising awareness and knowledge on the subject, addressed mainly to the management.

CODE OF ETHICS

BS_WAY Code of Ethics at the Benefit Systems Group is a document that describes the basic ethical principles, values and obligations that should be observed in the Company and the entire Group, both in relations between Employees and with all Stakeholders. At the end of 2019 we started updating the Code. Its new, extended version was implemented and announced on the corporate Intranet at the beginning of 2020 and all Employees took part in a dedicated training.

The document includes clear instructions for Employees on how to report suspected malpractice. Employees may report information about any disturbing situation to our Compliance Officer. In 2019, no such cases were reported.

Other documents that relate to employee rights and general human rights include:

- > **Good practices in case of mobbing and discrimination**

The document contains instructions for Employees telling them what to do and who to turn to in the Company in case of noticing disturbing behaviour or becoming the object of such. In 2019, as in the previous year, we did not record any reports related to mobbing or discrimination.

- > **Work Regulations**

It contains Employer’s and Employee’s basic rights and obligations.

- > **Remuneration Regulations**

A document defining rules of remunerating Employees for their work (including a minimum basic remuneration for people on and after a probation period) as well as other benefits, such as bonuses, commissions and rewards for Employees.

- > **Working time registration**

The procedure of adding and calculating overtime, undertime, interrupted or accumulated working time.

For more information on the above-mentioned documents and other regulations in the area of compliance, See Section 1.6.4. Internal control system and risk management. BS_WAY Code of Ethics and Diversity Policy are available at: www.benefitsystems.pl/en/about-us/responsible-business

At Benefit Systems we also have **the Works Council**, whose role is to represent Employees, for example by presenting their ideas to the Management Board as well as consulting various subjects and anticipated changes within the Company.

COMPOSITION OF MANAGEMENT BODIES AND WORKFORCE IN THE BENEFIT SYSTEMS GROUP BROKEN BY AGE AND GENDER (EMPLOYMENT CONTRACT, AS AT DECEMBER 31, 2019)

BENEFIT SYSTEMS GROUP							
POSITION LEVEL	WOMEN	MEN	TOTAL	<30 YEARS OF AGE	31-40 YEARS OF AGE	41-50 YEARS OF AGE	>50 YEARS OF AGE
Lower level staff (managers)	144	94	238	73	124	38	3
Middle level staff (deputy directors)	18	27	45	11	20	14	0
Senior staff (directors and Management Board)	22	49	71	2	27	36	6
Other positions	815	371	1,186	528	534	95	29
TOTAL	999	541	1,540	614	705	183	38

BENEFIT SYSTEMS S.A.							
POSITION LEVEL	WOMEN	MEN	TOTAL	<30 YEARS OF AGE	31-40 YEARS OF AGE	41-50 YEARS OF AGE	>50 YEARS OF AGE
Lower level staff (managers)	56	37	93	12	56	23	2
Middle level staff (deputy directors)	4	8	12	0	7	5	0
Senior staff (directors and Management Board)	10	19	29	1	10	15	3
Other positions	385	162	547	207	268	55	17
TOTAL	455	226	681	220	341	98	22

RELATION OF BASIC SALARY AND REMUNERATION OF MEN TO WOMEN IN THE BENEFIT SYSTEMS GROUP (EMPLOYMENT CONTRACT, AS AT DECEMBER 31, 2019)

BENEFIT SYSTEMS S.A.			
POSITION LEVEL	WOMEN	MEN	REMUNERATION OF MEN TO WOMEN
Lower level staff (managers)	56	37	116%
Middle level staff (deputy directors)	4	8	85%
Senior staff (directors and Management Board)	10	19	100%
Other positions	385	162	118%
TOTAL	455	226	140%

RETURN TO WORK AND POST-PARENTAL LEAVE RETENTION INDEX AT BENEFIT SYSTEMS S.A. (EMPLOYMENT CONTRACT, AS AT DECEMBER 31, 2019)

	WOMEN	MEN	TOTAL
Number of Employees entitled to a parental leave	25	16	41
Number of Employees who took a parental leave	31	2	33
Number of Employees who returned to work after a parental leave in 2019	8	0	8
Number of Employees still on a parental leave	25	0	25
Number of Employees who returned to work after a parental leave in 2018 and continued working for the next 12 months	17	0	17
Number of Employees who returned to work after a parental leave in 2018 and left the company within the next 12 months	2	0	2



HEALTH AND SAFETY

2.6.

Our goal is to work for an active lifestyle and promote healthy habits. We believe that more activity means more health, energy, well-being, and as a result – a better life. We motivate not only our Clients and Users, but also our Employees.

As part of non-financial benefits, they receive MultiSport or FitProfit cards that enable them to use a wide base of sports facilities throughout the country. They can also benefit from regular sports activities that we organise in the office space (at the Benefit Systems headquarters), such as yoga, healthy spine or running workouts. We fully finance or co-finance various sports activities of our Employees, e.g. participation in running events. We also take care of a healthy diet of our Employees by choosing suitable, regular food suppliers for the office.



¹⁸ See chapter 3. Clients and Users.

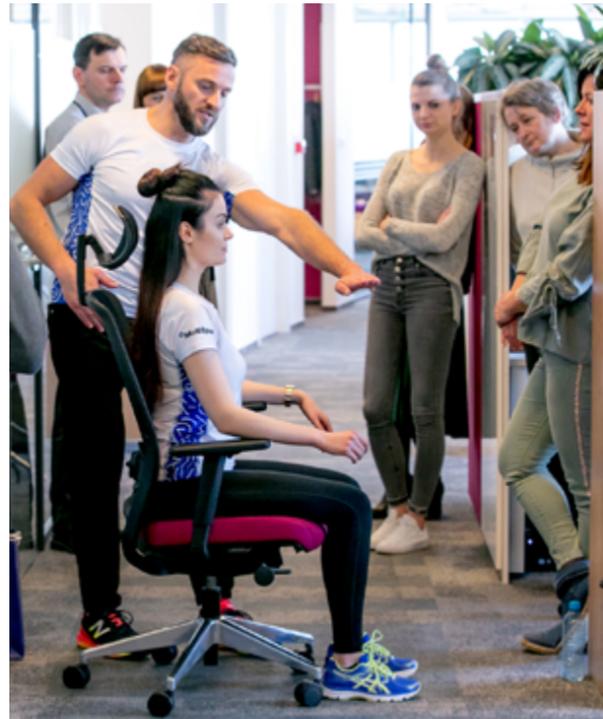
Due to the Benefit Systems Group's business profile, our Employees often educate others on how to live a healthy life, for example by organising health days at Clients or actions for Users in the MultiSport Zone.¹⁸ People who work in our clubs are mainly fitness instructors who lead an active, sporty and thus healthy lifestyle.

AS AN EMPLOYER, WE CARE FOR THE HEALTH OF OUR EMPLOYEES BY PROVIDING THEM WITH:

- > completely free or co-financed private medical care,
- > additional financing for life insurance,
- > health trainings and workshops,
- > first aid trainings,
- > preventive examinations,
- > special health-related actions,
- > additional financing for optical glasses,
- > fresh fruit delivery once a week,
- > modern, ergonomic workstations with adequate access to natural light,
- > quiet workstations and relaxation areas,
- > natural vegetation that cleans the air in office spaces,
- > mandatory health and safety trainings,
- > generally accessible and fully equipped first-aid kits.

In 2019, two health-related events for Employees were held at the Benefit Systems headquarters: **Spring Sports Day**, during which we promoted sporting activities taking place in the office, and the promotion of **Health Full Time**¹⁹ programme for our Clients, during which our trainers instructed Employees how to sit at a desk properly and showed them simple exercises that can be performed during work to relax muscles. There were also lectures on healthy nutrition, sleep and regeneration given.

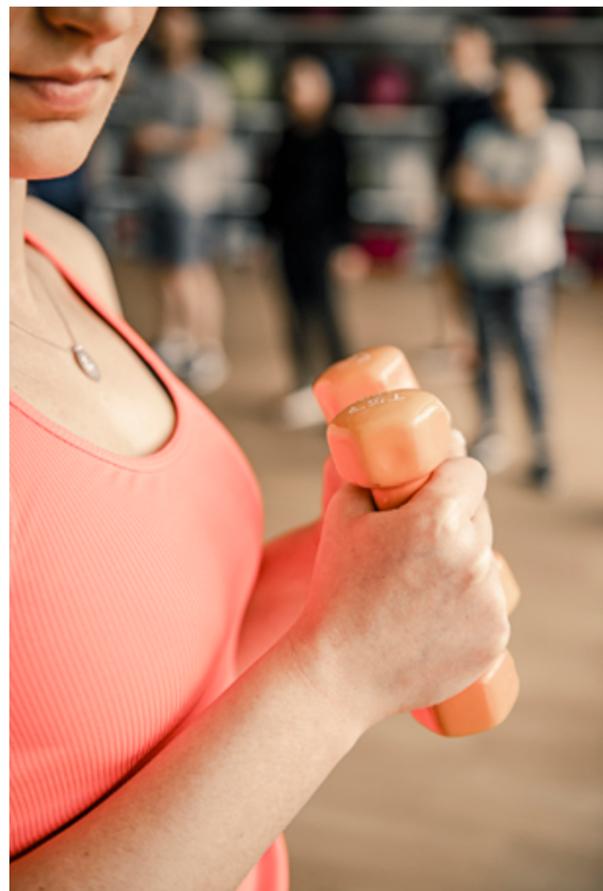
We encourage our Employees to undergo regular preventive examinations. In 2019 an open-access **MediBox telemedicine kiosk** was put up in the Benefit Systems headquarters. By using this device, Employees can do such basic medical tests as ECG, perform blood oxygen monitoring with a pulse oximeter, use a blood pressure monitor, as well as check their body composition on the special scales.



Health Full Time campaign for Benefit Systems Employees

Looking after our Employees' safety and to organise medical assistance in case of an emergency quickly and effectively, we prepared a brief instruction on how to deal with life-threatening situations.

The instruction was made available to Employees on the Benefit Systems Intranet. In addition, a colourful sticker with brief information describing how to behave in an emergency step by step, which includes emergency number and building security contact information, appeared on each desk. We also have Employees who had first aid training and, if necessary, are prepared to respond appropriately and provide basic assistance until paramedics arrive.



¹⁹ See Section 3.2. We educate our Clients.

At the Benefit Systems Group we engage our Employees in various volunteering activities in aid of local communities – both through multiannual programmes as well as individual campaigns and initiatives. We also support Employees' own projects.

For five years now, at Benefit Systems we have been organising **Dobry MultiUczynek** – our proprietary volunteer and philanthropic programme for Employees, under which they can submit their initiatives and receive financing from the Company for their implementation.



In 2019, Employees submitted 25 projects, out of which the Chapter chose 10. In total, **nearly 60 volunteers** were involved in their implementation, and the budget allocated for this purpose amounted to 165,000 PLN. Among others, we helped the animal shelter in Korabiewice, Oncology Centre in Warsaw, "Domy Wspólnoty Chleb Życia" Foundation as well as charges of the single mother house in Kraków. Benefit Systems International and Fit Invest International Employees also took part in the programme.

CORPORATE VOLUNTEERING

2.7.

VanityStyle runs a volunteer programme with a similar formula. **FitHeroes Team Runs with Help** was initiated by Employees themselves. It takes place twice a year and involves implementing one large and two smaller projects with a maximum budget of 20,000 PLN.

In 2019 MyBenefit and MultiBenefit Employees voluntarily engaged in sports, taking part in different **runs and charity competitions**. Entry fees were financed by the companies. A total of nearly 50 contestants took part in all activities, running, swimming and cycling for a good cause. In addition, MyBenefit Employees took part in the corporate "Be active!" competition, in which they collected active minutes by doing various sports activities for a minimum of 20 minutes. The prize in this sporting game was the right to choose a charity initiative for which the company would transfer funds in the amount of 5,000 PLN.

Our Employees are also willing to engage in regular blood donation campaigns and enrol for the DKMS marrow donor database. For more information about our initiatives and employee involvement, see Section 4.2. Community activating programmes.

APPRAISALS AND ENGAGEMENT SURVEY

2.8.

Appraisals are carried out in January and July based on the achievement of targets set up for the half-year agreed individually with the Employee. These goals refer not only to tasks and business projects, but also to soft competences. Assessment of the achievement of goals is made by both Employees and their supervisors. Employee appraisals aim at self-reflection, building Employees' commitment to improve efficiency and providing Employees with development opportunities.

The appraisal system is directly linked to the statutory financial bonuses paid out in the period following the assessment. The amount of the bonus depends on the level of achievement of the planned goals and the remuneration. We strive to ensure that the appraisal system is fair, clearly communicated, understandable and that it motivates Employees to get involved in their work.

In 2019, each Employee at Benefit Systems (except for people on probation) was subject to the appraisal process.

Most companies within the Benefit Systems Group have a periodic employee appraisal programme in place, which usually takes place on a semi-annual basis.

ENGAGEMENT SURVEY

We evaluate the work of our Employees and reward them for good results, but we also want Employees to evaluate the company in which they work. **Therefore, for eight years now we have been conducting an annual engagement survey** – until 2018 it was signed by Aon and as of 2019 it has been known as the Kincentric survey. This is the biggest employee engagement survey in Poland in which Employees evaluate many aspects of their work environment, both at the company and the team level. The survey is completely confidential. As an employer, we only receive aggregate results at team levels, which ensures honesty and reliability of the answers given. The turnout in this regular survey at Benefit Systems is usually over 90% (95% in 2019, 91% in 2018), which indicates Employees' willingness to share their opinions.

The following results of the engagement survey, which was conducted in November 2019, show data for Benefit Systems S.A. in two ways: without the Fitness Unit and separately for the Fitness Unit itself, because this reflects the way it was carried out. Benefit Systems S.A. and Benefit Systems S.A. Oddział Fitness (Fitness Unit), which has been a part of the parent company since November 2019, consists of two separate employers, has a completely different specifics of work and a different work environment.²⁰

To simplify, in the following survey the results for Benefit Systems S.A. excluding the Fitness Unit are presented under "Benefit Systems", while the results for Benefit Systems S.A. Oddział Fitness (Fitness Unit) – under "Fitness Unit."

For several years Benefit Systems has been achieving one of the best results of employee engagement surveys in Poland, thus becoming one of the winners of the "Best Employer" competition.

The survey conducted in November 2019 showed that **the general engagement level among Benefit Systems Employees was 71%** (2% decrease compared to the 2018 survey). This result still means a high level of our Employees' engagement – in 2019 the average employee engagement

rate in Poland was 49%, so we rank high above the average. However, this year's result is an indication that we should work on this aspect in the company even harder, both at the level of management staff as well as within teams.

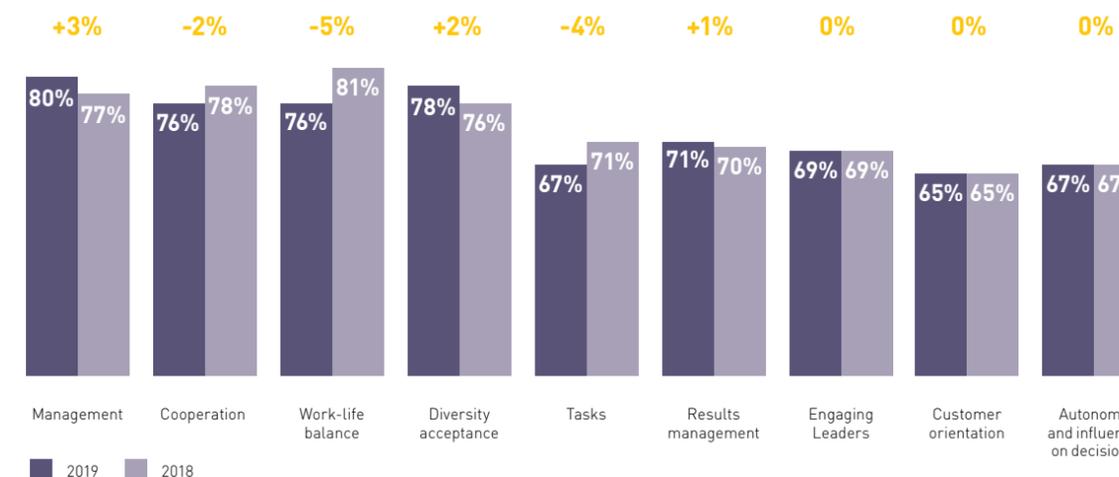
71%
BENEFIT SYSTEMS EMPLOYEE ENGAGEMENT SCORE IN 2019

The Kincentric engagement survey result for **the Fitness Unit was 44%**, and for **the entire Benefit Systems Group – 56%** (60% in 2018). These results are lower than those achieved by Benefit Systems, but as a Group they place us 7% above the average for all companies in Poland.

OVERALL ENGAGEMENT SURVEY RESULT AT THE BENEFIT SYSTEMS GROUP

	BENEFIT SYSTEMS	FITNESS UNIT	BENEFIT SYSTEMS GROUP	AVERAGE FOR COMPANIES IN POLAND
2019	71%	44%	56%	49%
2018	73%	nd	60%	50%

OVERALL ASSESSMENT OF SELECTED CATEGORIES IN THE ENGAGEMENT SURVEY AT BENEFIT SYSTEMS

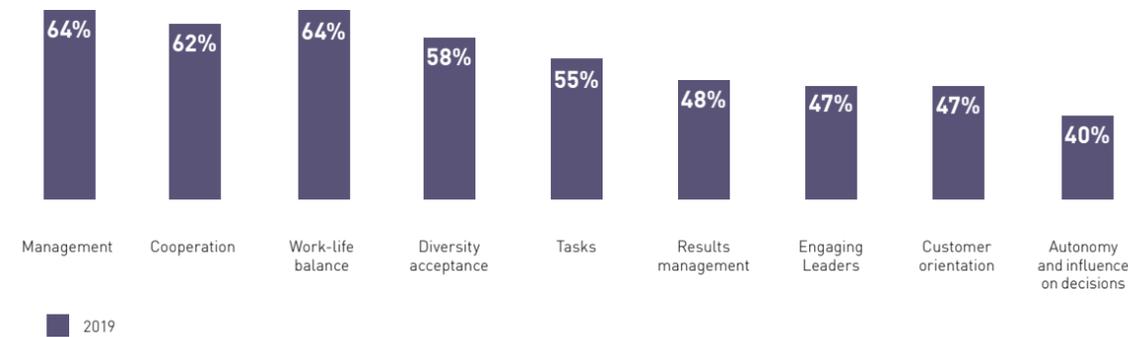


²⁰ See Section 1.3. The group's structure and segments and 2.1. Employment structure.

OVERALL ASSESSMENT OF SELECTED CATEGORIES IN THE ENGAGEMENT SURVEY AT BENEFIT SYSTEMS GROUP



OVERALL ASSESSMENT OF SELECTED CATEGORIES IN THE ENGAGEMENT SURVEY AT FITNESS UNIT



The differences in the results between Benefit Systems, the Fitness Unit and the whole Group result mainly from the companies' autonomy and individual approach to different areas, both connected with employees and managers. However, we try to implement solutions proven in Benefit Systems that have a positive impact on the engagement of our Employees in the Fitness Unit and our subsidiaries.

Every year, the survey results are thoroughly analysed by the Management Board, HR teams and management staff, both at the level of individual companies as well as departments and teams to diagnose areas that received a low rating or have deteriorated compared to the previous year and work out solutions to increase Employees' satisfaction.

EMPLOYEES' OPINIONS EXPRESSED IN THE SURVEY TRANSLATE INTO SPECIFIC, POSITIVE SOLUTIONS IN THE FUTURE.

Benefit Systems held meetings and workshops during which areas selected by Employees were discussed. These were mainly those topics that received lower rating in the survey conducted in 2018. We collected many valuable insights, ideas and even specific projects that have already been implemented or are being carried out. These include:

COMPLETED	IN PROGRESS
Introduction of the "Talent League" Programme for the entire organisation.	Wide access to trainings by launching e-learning platform for the entire company, currently tested in our largest department.
Organisation of open trainings on "soft" and "hard" skills preceded by a survey of the most interesting topics.	Continuation of the "Appreciate Cooperation" Programme (in progress).
Making the onboarding training formula more attractive and increasing its effectiveness.	Developing an approach to home office and company-wide good practices related to this topic.
	Undertaking activities in the area of "Remuneration and recognition", the final effect of which will be the development of a comprehensive remuneration policy.

New initiatives and changes resulting from the engagement survey conducted in 2018 also appeared in other companies within the Group. Some of them were completed in 2019, while others will be continued this year.

Companies from the Cafeteria Segment, **MyBenefit and MultiBenefit**, which carried out activities aimed at preparing for the merge in 2019, started or implemented such projects as unifying remuneration regulations in both companies, launching job position evaluation process, strengthening the management group with necessary competences, developing the organisational structure with new expert positions or investing in new solutions, marketing activities and development of the MyBenefit flagship product. Additional projects included the establishment of new project groups implementing bottom-up initiatives involving different teams, organisation of internal "open doors" to understand the specifics of other teams' work better as well as improving internal communication between the two companies.

At **VanityStyle** changes and improvements that were introduced after analysing the results of the 2018 engagement survey include introduction

of a job seniority leave and more flexible working time, implementation of a new internal communication platform (Intranet), organisation of development breakfasts for employees as well as changes in the structure of selected departments to optimise processes and increase efficiency. In addition, creating the Works Council and organising volunteer activities enabling Employees to engage in social initiatives thanks to the funds obtained from the company. Another change – the most visible one – is moving to a new, more comfortable office in December 2019.



VanityStyle new office

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CLIENTS AND USERS



in the photo:
SEBASTIAN FROM FLEET TEAM
ASIA FROM PARTNERSHIP RELATIONS DEPARTMENT

OUR CLIENTS

3.1.

We provide our Clients with ready-made and comprehensive solutions in the field of non-financial benefits that they can adapt to the needs of their employees in a flexible way.

MODEL OF COOPERATION WITH CLIENTS

The model of cooperation with Clients at the Benefit Systems Group is based **on the B2B relation**. Our offer is addressed to companies of various sizes, state institutions and other entities that have between a few and several dozen thousand employees and operate both in Poland and on foreign markets. We try to approach each Client individually and adapt the offer to its needs, developing terms of cooperation favourable for both parties, in line with the win-win principle.

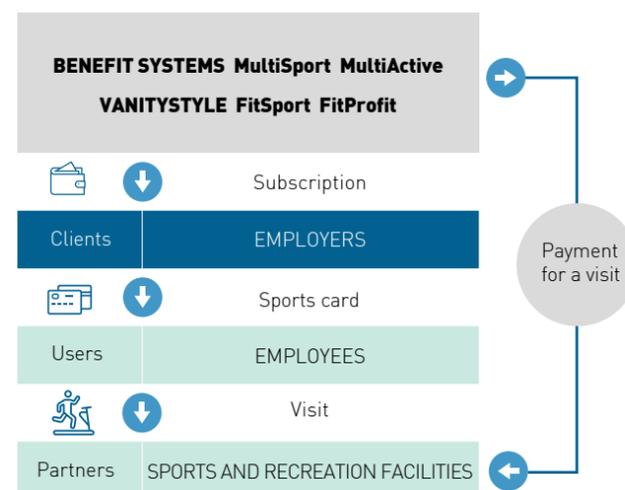
By providing sports cards within the Poland and Foreign Market Segment, we connect our Clients and their employees (card users) with the owners of sports and recreation facilities, i.e. our Partners. Considering such a model of cooperation, we do not have one hundred percent impact on the quality of service that the final recipient – the User – receives (the exception is our own clubs, where we make every effort to ensure that the offer is at the highest level and meets the expectations of card users and subscribers). However, we aim at supporting the entire supply chain in this process, including through additional programmes for our Partners, generating benefits for the Users and the entire industry. We are in constant dialogue with our Clients and Users and we conduct regular opinion surveys²¹ so we can respond to their needs on an ongoing basis.

²¹ See page 35.

Non-financial benefits offered by the Benefit Systems Group make our Clients more attractive on the job market and help them build a positive image as an employer who takes care of its employees' health, fitness and well-being.

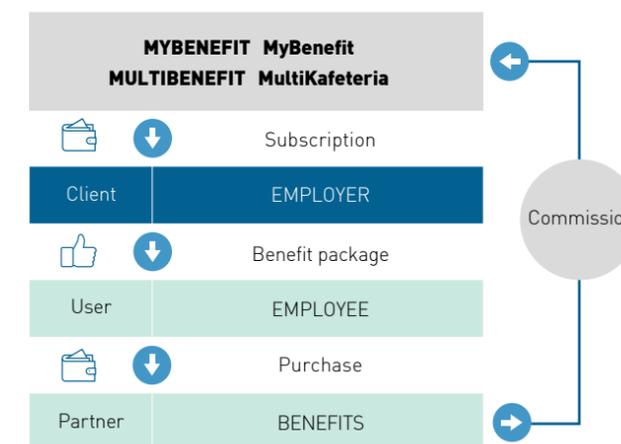


MODEL OF COOPERATION WITH SPORTS CARD CLIENTS



Cooperation with our Clients within the Cafeteria Segment is also based on the B2B relation and long-term contracts under which Clients get access to MyBenefit and MultiKafeteria cafeteria platforms. These platforms enable them to manage their benefit programmes for employees and other HR processes. They are also adapted to support non-financial benefits in accordance with the Company Social Benefits Fund Act. Our platforms allow for financing benefits from the Client's budget according to its rules as well as being purchased by employees themselves via online payments.

MODEL OF COOPERATION WITH THE CAFETERIA SEGMENT CLIENTS



The key group of the Benefit Systems Group's Clients are those who use sports cards provided by Benefit Systems, FitSport Polska and VanityStyle. At the end of 2019 their number amounted to **17.9 thousand in Poland** and **10.1 thousand abroad**. The number of Clients using the Benefit Systems S.A. MultiSport Programme was **16.5 thousand**.

Our Clients also include individuals. We cooperate with them according to **B2C principle**. These are customers of fitness clubs belonging to the Group who hold a subscription card authorising them to use the gym and fitness classes in each chain. At the end of 2019 their number amounted to **131.6 thousand in Poland** and **21.4 thousand abroad**.

NUMBER OF BENEFIT SYSTEMS GROUP SPORTS CARDS CLIENTS IN POLAND AND ABROAD

28 thousand 2019 **22 thousand** 2018

16.5 thousand 
CLIENTS OF MULTISPORT PROGRAMME IN POLAND

10.1 thousand 
CLIENTS OF MULTISPORT PROGRAMME ABROAD

28 thousand 
CLIENTS OF ALL SPORTS CARDS IN POLAND AND ABROAD

153 thousand 
CLIENTS OF OUR CLUBS IN POLAND AND ABROAD (SUBSCRIPTION CARD HOLDERS)

WE ASK OUR CLIENTS FOR THEIR OPINION

The quality of services we provide to our Clients is crucial to us, which is why **we conduct regular opinion surveys** among this group of our Stakeholders. A comprehensive satisfaction survey conducted among Benefit Systems Clients in 2019 by Ipsos Loyalty showed that overall satisfaction with cooperation remained at a very high level of 98%. We achieved the same result last year.

98%
OF SURVEYED CLIENTS ARE SATISFIED WITH THE RELATIONS WITH OUR COMPANY AND THE QUALITY OF SERVICE.



We also receive high results in NPS (Net Promoter Score) surveys, which we conduct among our Clients every quarter. The main loyalty indicator in 2019 was 70 points, which is 1 point higher compared to the previous year. The percentage of respondents ready to recommend Benefit Systems to another company was 74% (2% increase compared to 2018). The main reasons behind the willingness to recommend our company include good quality of cooperation, helpfulness, good contact with Account Managers and professional service.

The survey also showed that if Clients were to choose a service provider in the area of non-financial employee benefits again, as many as 94% of them would choose Benefit Systems (an increase of 4% compared to 2018). This translates into plans for further cooperation – 14% of respondents intend to extend cooperation with Benefit Systems and 85% intend to continue it under current conditions.



94%
OF SURVEYED CLIENTS WOULD CHOOSE TO COOPERATE WITH BENEFIT SYSTEMS AGAIN.



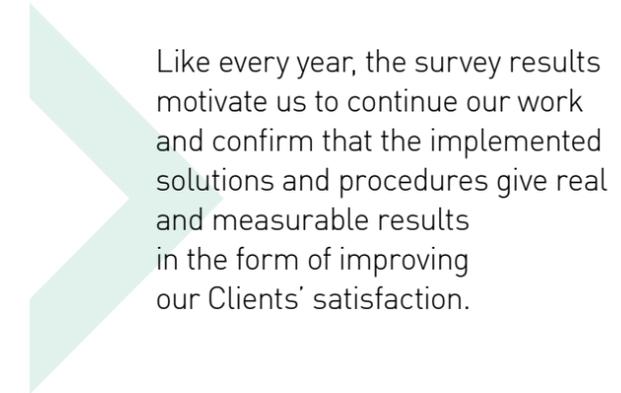
Like last year, top rated areas of cooperation with Benefit Systems included current cooperation, efficiency of having things done as well as timeliness and correctness of issuing invoices.

In the survey we ask our Clients about cooperation with a dedicated Account Manager – up to 90% of respondents evaluate this cooperation positively. The NPS indicator for Account Managers was 70 points and is comparable to the results from 2018. The percentage of Clients ready to recommend services of our Account Managers to another company is 77%. The main strengths of cooperation with Account Managers indicated in the survey include commitment, accessibility and availability, knowledge and competences, courtesy, timeliness, response time and time spent on resolving reported cases.

90%
OF SURVEYED CLIENTS EVALUATE COOPERATION WITH A DEDICATED ACCOUNT MANAGER POSITIVELY.



Like every year, the survey results motivate us to continue our work and confirm that the implemented solutions and procedures give real and measurable results in the form of improving our Clients' satisfaction.



WE EDUCATE OUR CLIENTS

3.2.

BENEFIT MONTHLY

For seven years now we have been publishing a trade magazine addressed mainly to our Clients. This publication is sent directly to employees in HR and payroll departments as well as managers.

In the Benefit monthly we discuss topics connected with management, leadership, recruitment, development, well-being, healthy and active lifestyle as well as issues connected with law and settlement of non-financial benefits. We publish articles by experts and practitioners from the HR industry, thanks to which Clients receive free and reliable knowledge of issues that are in their interests every day. We also present case studies of companies that share their experiences, providing useful knowledge in the field of specific activities. In the Benefit monthly readers can also find "cover" interviews with renowned people from the world of sports, culture or business. In 2019 they included Czesław Lang, Agnieszka Rylik, Agnieszka Radwańska, Wojciech Herra, Tomasz Michniewicz, Elżbieta Dzikowska, Małgorzata Kożuchowska and Michał Żebrowski.

In 2019, the monthly published a series of articles on benefits in the public sector, which were created in cooperation with selected Clients representing this sector. Our goal was to raise awareness about non-financial benefits, employees' expectations in this regard, as well as the opportunities offered by the Employee Benefit Fund.

In the Benefit monthly we also write about interesting projects that we implement at Benefit Systems. We present our CSR activities as well as an original development programme for our Employees.

We provide our Clients not only with non-financial benefits for employees, which make their offer on the labour market more attractive, but we also share expert knowledge with them.

We share our knowledge and experiences with readers because we believe that we can be an inspiration to others.

The monthly editorial staff actively support many industry events, mainly those connected with HR, by covering the media patronage of conferences and other practitioners' meetings. In 2019 we were present at such events as Kongres Kadry, Forum Zdrowia Pracownika, Wellbeing w Praktyce, Festiwal Inspiracji or Krakowskie Forum Wynagrodzeń.

Benefit monthly has a nationwide character. It is printed and distributed in 8,000 copies. The monthly is also available in the electronic version (PDF format) and e-mailed to nearly 10,000 online subscribers. Publications are also available online: www.miesiecznik-benefit.pl.



HOLISTIC BUSINESS ACADEMY

As part of the Holistic Business Academy, a development programme run by the company since 2017, our Clients and VanityStyle Partners can participate in a series of training courses on personal and managerial development. The workshops allow participants to improve their so-called social competences, take care of themselves as well as their spiritual and physical development.

The meetings, which during the 2019 edition were held in the form of development breakfasts, are an opportunity to learn how physical condition affects our psyche, how to change our habits, how to rebuild our self-esteem and how to deal with stress.

People, their personal development and their passions are very important to us, which is why we intend to continue the Holistic Business Academy in 2020, but in a slightly different formula to reach an even larger group of people. The Academy will take the form of a road show in four cities in Poland: Warsaw, Kraków, Łódź and Gdańsk. The event will also be available online, which will allow us to accomplish our mission of promoting a healthy lifestyle and a holistic approach to people even better.



HEALTH DAYS AT CLIENTS'

Additional benefits for our Clients and their employees include health days we organise. In Poland they are part of the Health Full Time programme, while in the Czech Republic, Slovakia and Bulgaria they take the form of Health Days.

Zdrowie na Etacie (Health Full Time) is our own well-being programme, which we created in 2018 for MultiSport Programme Clients, bearing in mind their efforts towards their employees' well-being. As part of the programme, we offer our Clients' employees (regardless of whether they are Users of our sports cards or not) meetings and workshops promoting a healthy lifestyle, led by specialists in the field of healthy nutrition, training and physical activity. We also support our Clients in communicating the programme in their companies so that as many people as possible can take part in classes and introduce a healthy change to their lives. In 2019 we organised over 300 events for over 120 Clients. The meetings took place not only in office spaces but also in warehouses and production halls.

IN 2019, WE ORGANISED OVER 300 HEALTH-RELATED EVENTS AT MULTISPORT CLIENTS IN POLAND

The Health Full Time Programme is very well received by our Clients, both in terms of service and implementation as well as due to the promotion of healthy habits and a positive impact on the employer's image. The programme participants appreciated practical exercises, trainers' approach, professionalism, commitment and dietary advice the most. The respondents were most enthusiastic about healthy workplace workshops in which we provided health-related recommendations and short exercises tailored to the work performed.

Open Days are meetings organised by VanityStyle at the Clients. They take the form of lectures on a healthy lifestyle, which are conducted by experts, including Jakub Mauricz, one of the most respected sports nutritionists in Poland, who is the VanityStyle ambassador. Participants can also take advantage of individual consultations with specialists, e.g. a personal trainer or physiotherapist, as well as analyse their body composition and check their metabolic age. Both our Users as well as people who do not have our card can participate in Open Days at Clients.

Health-related meetings organised at MultiSport Clients abroad take place in the form of **Health Days**. Their formula is similar to the Health Full Time Programme. In addition to taking part in lectures on healthy nutrition, physical activity at work or anti-stress sessions, participants can also enjoy a massage and measure their body composition.

In addition to health-related meetings at Clients, during which we educate employees, our Company, which is responsible for the MultiSport Programme in the Czech Republic, also organises similar activities at various events and conferences connected with health and other topics. In 2019 it organised more than 650 such events.



OUR USERS

3.3.

Benefit Systems Group's product users are people who use our sports cards, cafeteria platforms and other own products, for example the BenefitLunch card. They receive these products from their employers²² – our Clients, as part of non-financial benefits.

OVER 1 MILLION MULTISPORT CARD USERS IN POLAND

The largest group are Users of the MultiSport Programme Users in Poland provided by Benefit Systems S.A. – their number in 2019 exceeded 1 million (1,036.4 thousand on 31 December 2019). At the end of 2019 the total number of all Users holding a sports card provided by the Benefit Systems Group amounted to 1,453.4 thousand, of which 1,118.8 thousand in Poland and 334.6 thousand on foreign markets. The number of Users registered on our cafeteria platforms amounted to nearly 463 thousand. The most popular benefits offered through this channel are invariably benefits from the "Sport" category.

NUMBER OF BENEFIT SYSTEMS GROUP SPORTS CARD USERS (IN THOUSAND)

	POLAND	ABROAD	TOTAL
2019	1,118.8	334.6	1,453.4
2018	971.2	222.9	1,194.1

²² Except for "accompanying person" sports cards.

1,036.4 thousand 
USERS OF THE MULTISPORT PROGRAMME IN POLAND

1,453.4 thousand 
USERS OF ALL SPORTS CARDS IN POLAND AND ABROAD

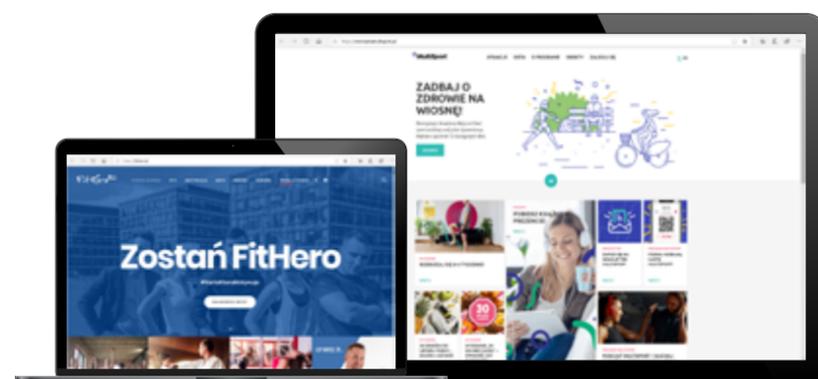
463 thousand 
USERS OF CAFETERIA PLATFORMS

USER ZONE

Because we operate mainly in the B2B business model, we do not have direct contact with the Users of our products at the sales stage. However, we reach them through our websites, dedicated platforms, social media, as well as e-mail communication and newsletters.

The main platform for communication with MultiSport Programme Users is the **MultiSport Zone** at www.kartamultisport.pl/en/. We dedicate this service mainly to people who have MultiSport and MultiActive cards. It provides interesting and useful information about an active lifestyle and healthy diet as well as motivational challenges, competitions and more. After logging in Users can:

- > take advantage of a diet wizard, which allows them to create a 30-day diet tailored to their food preferences or health condition available in 12 different categories,
- > take part in challenges created in cooperation with professionals that help limit sugar in their diet, include more vegetables in their menu or move their body and change their habits,
- > ride a city bike for free for 60 minutes a day,
- > download free audiobooks and e-books.



A large part of the content that we publish in the Zone is available to all Internet users. They have access to many articles and tips that can motivate and encourage them to enter the path of an active and healthy lifestyle.

The Zone also includes a search engine for sports facilities that our Users can go to. In 2019, we launched an improved, more intuitive version of the search engine to make it even easier to use.

Registration to the MultiSport Zone is voluntary and depends on the User's willingness (it is not automatic). At the end of 2019, the number of Users registered in the Zone amounted to nearly 700,000. On average, 250,000 unique Users logged in to the Zone each month.

As part of VanityStyle, we also run **FitHero.pl lifestyle blog**, which is a place to build relationships with our Users. The blog has an extensive, constantly growing database of articles and interviews with experts, divided into thematic categories such as style, motivation, diet, training and health. The blog has great educational and substantive value, especially for people who are just starting their adventure with sport.

We also run websites dedicated to specific programmes for people who use products offered by VanityStyle. These include: FitProfit www.fitprofit.pl, FitSport www.fitsport.pl and QlturaProfit www.qlturaprofit.pl. There is also a convenient search engine for the facilities available under a given programme available there.

SOCIAL MEDIA

One of the channels that we use to present our content and communicate with our Users are social media. In May 2019 we launched the **official MultiSport Polska profile on Facebook and Instagram**. Both profiles quickly gained a large group of fans and followers. They are addressed not only to our Users, but to all enthusiasts of physical activity and a healthy lifestyle at any age.



In our social media we discuss important topics. In 2019 we carried out two large campaigns: "What Moves You" and "Your Move", designed to motivate and inspire to move on people's own terms through inspiring stories of our protagonists. We created film materials and numerous graphic creations for them. In total, our films have been viewed over one million times! The stories of two exceptional women, Helena Norowicz and Anna-Maria Siwińska, which show that you can be active at any age and in any circumstances, were particularly appreciated.



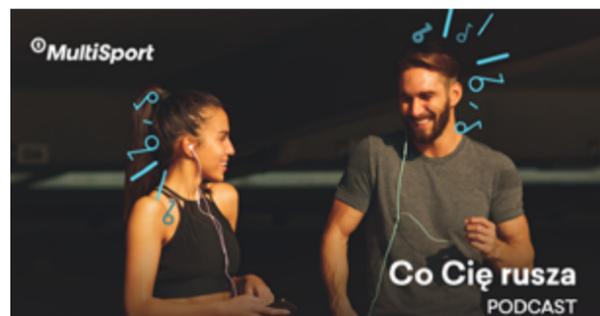
Thanks to great interaction of our Users, in July 2019 (less than three months after its launch) MultiSport Polska profile debuted in the Facebook Trends Sotrender Report²³, coming 7th in terms of engagement and 8th in terms of active users in the fitness category. At the end of 2019 we jumped to the 4th place, just behind the profiles of such celebrities as Anna Lewandowska or Ewa Chodakowska. We are the only industry profile among the top ten profiles.

In social media we also run a profile dedicated to **FitProfit** and **FitSport** card users. On our Facebook and Instagram fan page they can find information on training and diet as well as a range of content motivating to take up physical activity. We also use this channel to communicate our new campaigns and competitions for our Users.

We are also paving the way in the audio world. In September 2019, as the first Polish brand in the sports industry, **we launched a MultiSport podcast called "What Moves You"** about motivation, activity, nutrition and living in harmony with oneself, i.e. everything that moves us. We talk with real enthusiasts and specialists in their field. We ask questions and want to hear non-obvious answers. By the end of the year, we published nine episodes which were listened to over 7,000 times in total.

Our podcast can be found on Spotify, iTunes and in the MultiSport Zone. We are everywhere where our Users are – they can listen to our podcasts during workouts, running, walking or travelling to work.

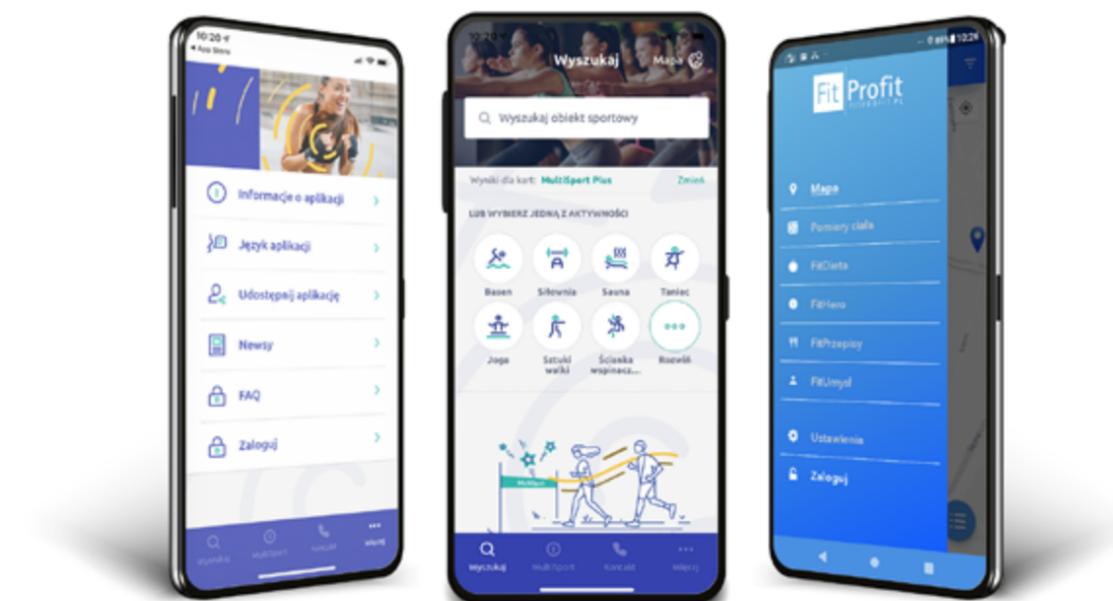
Developing our communication channels in social media further, we want to continue focusing on the natural character of movement and cooperate with specialists who can provide our Users with knowledge and inspiration about a holistic approach to a healthy and active life.



MULTISPORT VIRTUAL CARD

In 2019, out of concern for our Users' comfort, we introduced **MultiSport Virtual Card**. It is a mobile MultiSport card in the form of a free smartphone application which allows Users to take advantage of sports facilities without having to show the actual card. The application includes an improved version of the facilities search engine. We are constantly working on the development of this application, its new functionalities and additional features to make using Virtual Card even more friendly and give more benefits.

VanityStyle card holders can also use dedicated **FitProfit smartphone application**. The basic functionality of this tool is the search engine of sports facilities and discounts. It also includes personalised diets, fit recipes, training plans, body measurements and a section on motivation and personal development. The application has everything that may be needed to stay healthy, fit and highly motivated.



²³ Facebook Trends Report is the largest regular publication summarising the activity of Polish companies on Facebook.

HELPLINE



The additional channel of communication with our Users is our **Helpline**. Most calls made to the Benefit Systems and VanityStyle Helpline come from sports card users who contact us mainly to obtain information about services, facilities and available activities.

The high quality of our offer is proven by a **very low complaints ratio** – the average number of complaints that we received through the Helpline in 2019 was only 18 a month for Benefit Systems and five for VanityStyle.

Every year, the Benefit Systems Helpline team introduces new initiatives and improvements that aim at enhancing the quality and speed of service as well as ensuring callers' customer experience.

In 2019 we introduced a new voicemail standard where we call Users back within a maximum of 2 hours. Our consultants have an internal trainer at their disposal, who cares for their individual development. They participate in pilot tests of new services and projects that we implement for our Users to have full knowledge of them and to provide complete information to the caller if necessary. The team can boast about a low turnover rate, which helps us maintain a constant, very high level of service quality. We process complaints in a very short time, i.e. less than 48 hours. We also make sure that the callers do not wait long for a connection with a consultant – **we answer 93% of calls within maximum of 20 seconds**.

BENEFIT SYSTEMS HELPLINE

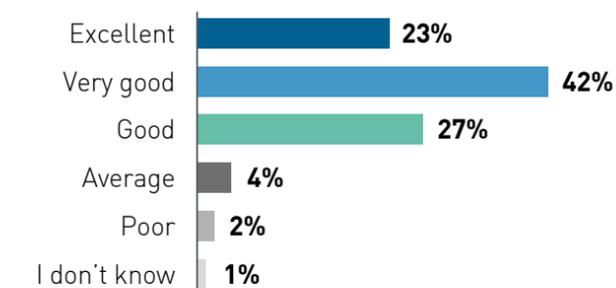
	2019	2018
AVERAGE NUMBER OF COMPLAINTS PER MONTH	18 (0.036% of all calls)	20 (0.002% of all calls)
NUMBER OF COMPLAINTS SOLVED WITHIN < 48 HOURS	97%	90%
AVERAGE TIME OF WAITING FOR THE CONNECTION < 20 SECONDS	93% of calls	84% of calls

WE ASK OUR USERS FOR THEIR OPINION

In order to improve our everyday work and monitor service processes, we conduct regular surveys among our Users, which are managed internally through online and computer-assisted telephone interviewing (CATI) surveys. The areas we survey include:

- › **Satisfaction of MultiSport and MultiActive sports card Users** – the survey results showed that our Users have a strong relationship with the product and highly appreciate our sports cards. Their loyalty is demonstrated by their declarative tendency to remain a card user which, similarly to the previous year, is over 80%. When asked about the overall evaluation of the card, a total of 65% of the respondents chose "Very good" and "Excellent."

HOW WOULD YOU EVALUATE THE CARD IN GENERAL?



99% OF USERS RATED THEIR SATISFACTION WITH CONTACT WITH THE BENEFIT SYSTEMS HELPLINE CONSULTANTS POSITIVELY



- › **Users' satisfaction after contacting our Helpline** – we regularly verify the quality of this integral part of our post-sale service with the aim of being a leader in this area. Every year the results of the survey conducted among people calling the Benefit Systems Helpline show a very high level of customer satisfaction. In 2019 the NPS (Net Promoter Score) result in this area was 78 points and as many as 99% of our Users rated their satisfaction with contact with our consultants positively.
- › **Satisfaction of MultiSport Zone Users** – we monitor satisfaction of our sports cards users who take advantage of the MultiSport Zone. Their NPS results oscillate between 50 and 62 points, depending on the quarter of 2019. Additionally, we verify how our Users rate their experiences in sports clubs they had a chance to visit thanks to our sports card – in each quarter at least 90% of surveyed Users rate their visit positively.
- › **Satisfaction of e-MultiSport and MultiKafeteria Platform Users** – survey conducted online, after using a given platform and making an order. The NPS result for the first platform was between 62 and 68 points, depending on the quarter of 2019, and for the cafeteria platform – 32 points (an increase of 11 points compared to 2018).

WE ACTIVATE OUR USERS

3.4.

FOUR SEASONS PROGRAMME

In 2019 we continued our **Four Seasons Programme**, which aims at promoting activity among our Users at any time of the year and encouraging them to take advantage of the opportunities offered by the MultiSport card. The programme completes the basic offer with additional, mainly seasonal elements, also connected with sports and personal development.

Depending on the season, we implement new additional services, such as rope parks, outdoor pools, trampoline parks, ice rinks and city bikes.

We also organise special campaigns. We create them based on the Users' expectations and needs confirmed by opinion surveys.

In 2019, we organised the MultiSport Summer Game for the second time. It is a holiday game which 130,000 MultiSport Card Users participated in. This is 30% more than in the previous year!

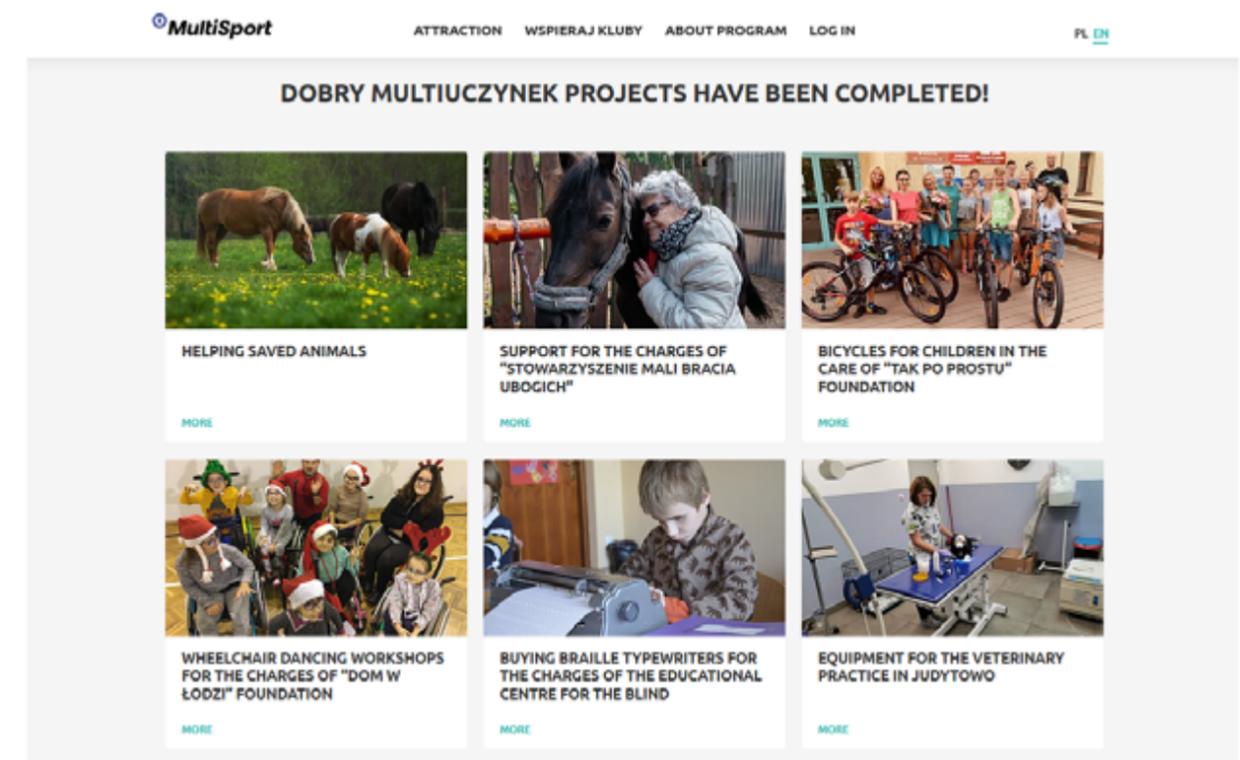


The game is available in the MultiSport Zone www.kartamultisport.pl/en and consists in earning points for specific activities, not just sports. Points could also be collected for reading featured articles, solving quizzes or inviting friends to play. Depending on the number of collected points, Users could exchange them for various awards (cinema tickets were most popular again) and participation in competitions.

Because we want to engage our Users in helping others, the MultiSport Summer Game, just like the year before, had an additional CSR aspect. Users exchanged their points for prizes, but they could also give them away to support charity campaigns under **Dobry MultiUczynek Programme**.²⁴

We gave them six campaigns to choose from and help foundations or associations that look after children with disabilities, the elderly and sick animals. Thanks to our Users' involvement, all projects collected the required number of points and Benefit Systems provided almost 100,000 PLN to help the beneficiaries. A summary of the game can be found in the MultiSport Zone at:

www.kartamultisport.pl/en/charity2019



²⁴ See Chapter 4. Community.

“TURN CENTRAL WARMING ON”

“Turn central warming on” is a photo competition organised for FitProfit and FitSport card users in 2019. The competition lasted from January to March and the main task for the participants was to send a photo showing their winter warm-ups. Then we collected Internet users’ votes. Fifteen entries with the largest number of votes were judged by the competition jury, which selected the winner of the main prize, i.e. a voucher worth 4,000 PLN to be used in a travel agency. In addition, contestants could win material prizes every month. The whole action was carried out on a dedicated website: www.centralnerozgrzewanie.pl. Nearly 100 people took part in the competition and Internet users cast almost **38,000 votes**.



ACTIONS FOR OUR CLUB USERS

Throughout the year, in our own fitness clubs we organise several actions and attractions for our Users and club members which aim at activating this group. In 2019 we organised the following campaigns:

OPEN DAYS ON VALENTINE'S DAY, MOTHER'S DAY OR FRIEND'S DAY

Occasional actions where our club members and MultiSport or FitProfit card holders could bring an accompanying person who used the club for free.

“HAVE FUN AND STAY HEALTHY”

A Facebook photo competition in which Users added photos showing their winter activities.

„SPRING POWER BOOST”

Free Les Mills fitness marathons in selected clubs in Kraków, with additional attractions such as consultations with nutritionists and music played by a DJ.

OPEN DAY ON WOMEN'S DAY

An action in My Fitness Place club chain during which all ladies could take advantage of free consultations with cosmetologists; our instructors gave them flowers and organised special fitness marathons.

ACTIVITY DOES NOT ALWAYS MEAN SPORTS

“CANCELLED PE CLASS?”

Action organised during the nationwide teachers’ strike, which allowed free admission to clubs upon showing a school or student ID.

“LET YOURSELF BE DISCOVERED”

An action that aimed at finding Brand Ambassadors among our club members; there was a photo session organised and the Ambassadors’ images will be used in our advertising materials.

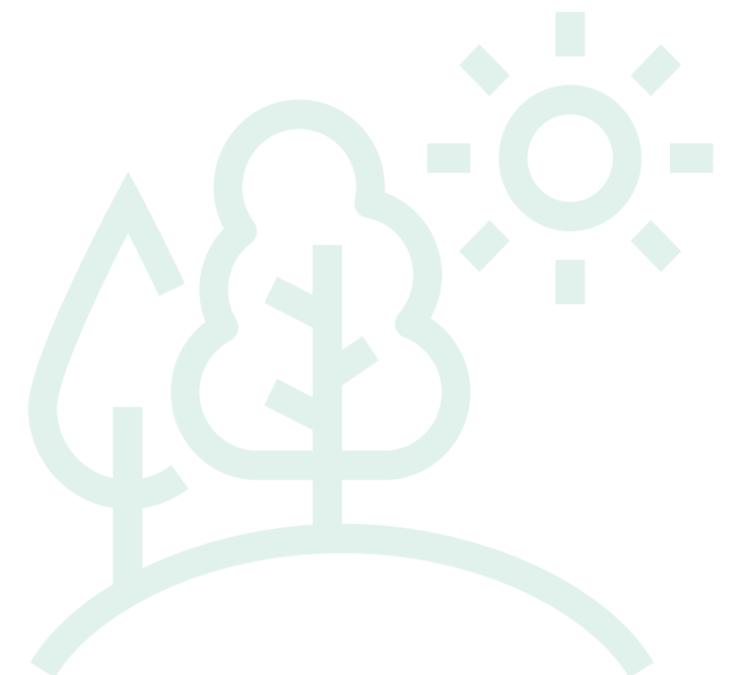
OPEN DAYS AT MY FITNESS PLACE CLUBS

An action in which we offered free personal trainings, diet catering refreshments, consultations with dietitians and many other attractions for club members and our Users as well as for people who are not yet using our clubs.

FAMILY PICNIC

An outdoor family event for club members and Users with numerous attractions: free OCR training with a huge obstacle from Ospro, inflatable slides, games and animations for children, fitness classes, food trucks and more.

We activate **MyBenefit cafeteria platform** users throughout the year, preparing special campaigns tailored to seasons and upcoming occasions. These actions are connected with offering “seasonal” benefits, which usually appear on the platform as a separate category (e.g. ski passes in winter) as well as promotions of selected benefits tailored to the current Users’ needs and special conditions for purchasing benefits, e.g. discounts. Our actions aim mainly at inspiring our Users to spend their free time actively, not only in the form of sports, but also through cultural, tourist and recreation activities.



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COMMUNITY



in the photo:
MARCIN FROM IT DEPARTMENT
KINGA FROM ADMINISTRATION DEPARTMENT
KAMIL FROM PARTNERSHIP RELATIONS DEPARTMENT
SYNY AND LECTER, DOGS OF GABRIELA FROM COMMUNICATIONS DEPARTMENT

WE ARE SOCIALLY RESPONSIBLE

As a part of our CSR activities, we look at our community and try to respond to its needs where we see the potential to use our knowledge and competences.

As already mentioned in section 1.6.3 CSR Strategy, **social responsibility and sustainable development** are at the heart of the Benefit Systems Group's business operations being its integral part. Caring for the sustainable development of all market participants, we also want **to support and implement social initiatives** of our Employees, Beneficiaries and Partners. We believe that this way of influencing the surrounding world affects the quality of life of individual people and the whole society.

We direct our corporate social responsibility activities to various stakeholder groups. We implement projects for **children, people with disabilities, the elderly and the excluded** as well as **animals**. A very important part of our activities, especially in recent years, are also projects implemented with **the natural environment in mind** and minimising the negative effects of our business.



Jesteśmy społecznie zaangażowani

PROMOTING B CORP MOVEMENT AS ONE OF THE CHALLENGES OF THE CSR STRATEGY

4.1.

In September 2018 Benefit Systems was **the first public company** in Central and Eastern Europe to receive **B Corp Certification**. **B Corporation** community includes organisations that have **principles of corporate social responsibility** inscribed in their business model, are involved in solving specific social problems and have their functioning based on a partnership cooperation model adopted with all stakeholders based on the **"win-win"** guiding principle. At the end of 2019 Benefit Systems was **the only organisation** originated in Poland and the first public company in Central and Eastern Europe to receive B Corp Certification.

As part of the certification process, the creator of B Corp, **B Lab non-profit organisation**, conducts a detailed **analysis of the functioning of the company and its surroundings**. In the process that requires auditing, companies must receive a specific cumulative score in five areas: corporate governance, employment policy, impact on the communities surrounding the company, customer relations and environmental protection. The B Corp score requires not only **declarations of actions** but also **providing documents confirming the results of the company's initiatives** and their long-term nature as part of the company's business strategy.

By receiving the certification, Benefit Systems declared further development and continuation of its activities connected with **social commitment in relation to sustainable business**. This commitment was confirmed by signing **the Declaration of Interdependence** as a symbol of joint actions towards a new business model.

One of them is to promote the idea of B Corp on the Polish market by sharing the experiences and values which Benefit Systems and the MultiSport Programme have been built on.

Corp promotion, we actively **supported the first meeting** of the B Corporations movement in Poland. It is an initiative whose main idea is to integrate communities interested in running a business in a sustainable way focused on exerting a positive influence. The meeting was attended by leaders of the B Corp movement from Europe, representatives of socially and environmentally engaged enterprises operating in Poland, scientists, lawyers and founders of positive influence start-ups.



Our representatives also took part in **the annual B Corp Summit** for socially responsible companies that took place in Amsterdam in September 2019. This two-day meeting, full of presentations, plenary sessions and workshops, was an opportunity to learn about the vision of developing the B Corp movement in the world in the coming years, exchange information and share knowledge with B Corp companies from around the world as well as find about the movement and its initiatives for these companies that are just aspiring to the B Corp title.



The first meeting of B Corp Friends in Poland, © Better

> To share experiences related to the certification process, **Benefit Systems participates in industry meetings and events**, supporting other companies applying for B Corp Certification. The idea behind B Corporation is also an important element of the company's communication activities, which resulted in nearly 250 media publications in 2019.

> In the 17th edition of the **"Responsible Business in Poland. Good practices"** report published by the **Responsible Business Forum** the following Benefit Systems initiatives were recognised: **Dobry MultiUczynek volunteer and philanthropic programme**²⁵ as well as B Corp Certification.



B Corp Summit 2019, Amsterdam, © B Lab Europe



© B Lab Europe

²⁵ Discussed in 4.2.1. Dobry MultiUczynek Programme for Employees and Users.

One of the main provisions of corporate social responsibility is conducting numerous non-financial activities that have a positive impact on the world around us. Activating and making local communities sensitive as well as participating in philanthropic and volunteer campaigns are elements of the Benefit Systems mission.

COMMUNITY ACTIVATING PROGRAMMES

4.2.

DOBRY MULTIUCZYNEK PROGRAMME FOR EMPLOYEES AND USERS

DOBRY MULTIUCZYNEK FOR EMPLOYEES

Since 2015 we have been running our own **Dobry MultiUczynek Programme**, under which **Employees submit projects** in aid of various institutions, establishments and non-profit organisations. These projects are dedicated mainly to **children and teenagers** in difficult life situations, **people with disabilities, seniors and the homeless** but also to **animals and the environment**. From the very beginning our Dobry MultiUczynek Programme has been supported by the **Volunteer Centre Association**.



The idea behind **Dobry MultiUczynek** is simple – we want to **help and inspire** at the same time. We want our Employees to show initiative and volunteer, which is why Benefit Systems has been regularly launching subsequent editions of the programme for five years now. Employees use a special form to submit their **own ideas** for projects in aid of non-profit or public benefit organisations.

After all applications are submitted, the Programme Chapter selects **large and small projects** (differing in grant amounts) which are then financed and implemented. Each of the implemented projects has its Leader – the employee submitting the initiative. So far, we have implemented a total of **nearly 100 projects** on various topics, in which **over 250 Employees (volunteers)** were involved. The total value of the projects implemented so far has exceeded **1,100,000 PLN**.

NEARLY 100
ON VARIOUS TOPICS

OVER 250
EMPLOYEES
VOLUNTEERS

OVER 1.1 MLN
TOTAL VALUE
OF THE PROJECTS
IMPLEMENTED SO FAR

ORGANISATIONS THAT WE SUPPORTED UNDER DOBRY MULTIUCZYNEK PROGRAMME

- > Gajusz Foundation,
- > Dom w Łodzi Foundation,
- > Children's Memorial Health Institute,
- > Children's Hospital in Niekłańska Street in Warsaw,
- > Alaska Foundation,
- > Amp Futbol Polska Association,
- > Special Purpose School and Education Centre in Leszno,
- > Oncology Hospital in Wieliszewo,
- > Everest Foundation,
- > Saint Albert Chmielowski Relief Society,
- > SOS Children's Villages,
- > Children's Friend Society Adoption Centre in Warsaw,
- > Viva! animal shelter,
- > stray animal shelter in Żyrardów,
- > Chorzów and Toruń,
- > Przystań Ocalenie,
- > EKO Straż in Wrocław

and many others.

Dobry MultiUczynek is an extremely important initiative for us because it brings us **closer to the local community**, not only through the provided financial support, but primarily through **active participation in the implementation** of projects. Our employees are eager to engage in initiatives that they submit themselves, so to make it easier for them, they have the right to **an additional day off** in a year to carry out their Dobry MultiUczynek project. The **corporate volunteering** initiative also affects integration into the work environment and strengthens bonds within the organisation. Thanks to Dobry MultiUczynek our Employees can not only meet the beneficiaries, understand their needs and, in effect, help them, but also engage in the life of the Company and inspire each other to volunteer also outside work. As part of the programme, we also inspire the **local community** because our Employees often involve their families, friends and acquaintances in their projects. In this way volunteering as part of Dobry MultiUczynek by Benefit Systems continues to expand the scope of its activities for **positive change**.



DOBRY MULTIUCZYNEK FOR USERS

In 2018, on the foundations of Dobry MultiUczynek for Employees, we created the first edition of the programme for Users. Its goal was social involvement of another group of our Stakeholders²⁶. In 2019, as part of **the MultiSport Summer Game**, we also carried out **Dobry MultiUczynek Programme for Users**. The mechanism in this edition was slightly different than in the previous year, but also aimed at supporting foundations, associations and non-profit organisation by activating MultiSport Card Users.



The Summer Game Project is implemented once a year during the holidays with the Programme Users in mind. It consists in collecting points and exchanging them for prizes available on a special platform at www.kartamultisport.pl/en through sport activities, reading health and activity articles, solving quizzes or inviting friends to the Programme. **Users** could spend their **points on prizes** (e.g. cinema tickets), **participation in competitions and supporting charity campaigns**. As part of the action, in 2019 Users gave their points away, supporting as many as six initiatives for children, the elderly and animals. As many as **130,000 Users** played the game and enjoyed themselves for a good cause for **79 days**. Thanks to the points they gave away, **each of the six projects that entered the finals received financial support from Benefit Systems**.²⁷



²⁶ We wrote about Dobry MultiUczynek Programme for Employees in the Non-Financial Report 2018, section 4.6. Dobry MultiUczynek Programme.

²⁷ More information about the MultiSport Summer Game can be found in section 3.3. Our Users.

SECOND EDITION OF ACTIVE MULTISPORT SCHOOLS PROGRAMME – WE ACTIVATE CHILDREN AND TEENAGERS

Active MultiSport Schools is **the original educational programme** of Benefit Systems and the V4 Sport Foundation, created with the aim of children's physical activation. It has been run **since 2018** in primary schools in selected provinces. The goal of the initiative is to restore the joy of exercise among primary school students and increase their level of physical literacy. The first stage of the programme is a special workshop on the importance of physical activity and healthy nutrition of children for kids, parents, teaching staff and local government representatives. During the meetings, ideas are developed to improve children's daily activities (e.g. active breaks, active lessons, sports road to school), which are then implemented. So far, nearly **15,000 primary school students** from **35 schools in the Dolnośląskie province** and **20 schools in the Mazowieckie province** have participated in the initiative.

WE EDUCATE

WE ORGANISE WORKSHOPS ON THE IMPORTANCE OF PHYSICAL ACTIVITY AND HEALTHY NUTRITION OF CHILDREN FOR CHILDREN, PARENTS, TEACHING STAFF AND LOCAL GOVERNMENT REPRESENTATIVES.

WE CREATE

TOGETHER WITH THE SCHOOL AND THE PARENTS, WE DEVELOP IDEAS FOR INTRODUCING MORE ACTIVITIES INTO CHILDREN'S EVERYDAY LIVES, E.G. ACTIVE BREAKS, ACTIVE LESSONS OR SPORTS ROAD TO SCHOOL.



WE CHECK

TWICE A YEAR WE MEASURE THE LEVEL OF PHYSICAL LITERACY AMONG CHILDREN IN FOURTH, FIFTH AND SIXTH GRADE (OPTIONALLY 1-3) IN A SPECIALLY DESIGNED SPACE THAT WE BRING TO SCHOOLS. THESE ARE NINE STATIONS WITH PHYSICAL EXERCISES (EUROFIT TEST) SUCH AS LONG JUMP, STAMINA TEST OR POLE HANG. THANKS TO THIS TEST TEACHERS AND PARENTS CAN FIND OUT THE INITIAL LEVEL OF PHYSICAL LITERACY AMONG CHILDREN AND THE RESULTS OF INTRODUCED TRAINING PLANS.

Active MultiSport Schools is a project which proves that interesting sports classes build children's engagement. EuroFit+ performance test conducted in schools in the form of a feature game combines physical activity and technology that children love. The task for pupils joining the project is to conquer **Immobility Galaxy Monsters** while performing specific exercises (based on the EuroFit European physical activity test). Children enter a colourful world and their struggle is accompanied by sounds, animations and gadgets.



In addition to physical fitness measurements, the programme also includes surveys of children's activity preferences or overweight and obesity measurements. At the moment, **one in five** children in the Dolnośląskie province and **one in four** children in the Mazowieckie province has a problem with being overweight. The data on obesity among school children is particularly worrying. In two provinces mentioned above it concerns respectively 10% and 11% of children.



The collected data constitutes a systematically expanded knowledge base about physical and health condition of the young generation. In the following years the programme is to be continued in other provinces.

More information about the project can be found at www.aktywneszkoly.pl and fanpage fb.com/AktywneSzkołyMultiSport

“ACTIVE SINCE CHILDHOOD” EDUCATIONAL CAMPAIGN

In 2019 VanityStyle began piloting a nationwide “Active since childhood” educational campaign which aims at drawing attention to the problem of lack of activity and a sedentary lifestyle among children. The concept of the campaign assumes its cyclical development and implementation in the long term. Its first edition was based on two main elements:

Creating an information website where parents, guardians or grandparents can find a range of valuable information, inspiration and suggestions for games with children, divided into three age categories.

Preparing a special publication -donation containing materials addressed to children together with an information insert for parents. The total income from the sale of the publication was intended to support the Niezwyciężony Foundation for the renovation of the room where free sports activities for children are organised as well as for scholarships for gifted children who, due to their difficult financial situation, cannot develop their sports talent.



Drawing attention to the growing social problem of children's immobility as well as building awareness of parents and guardians with an indication of their responsibility are the main objectives of the campaign.

We also want to help build proper habits among children, but to do this we must first activate their parents. An intuitive platform where guardians can take advantage of interesting advice and inspiration for active forms of spending time with children, download educational materials, as well as read numerous publications emphasising the importance of physical activity in the context of proper child development supported by research can help in this.

In the following years, VanityStyle will continue its activities related to the campaign for an active lifestyle among children and their carers.

MULTISPORT SENIOR PROGRAMME – WE ACTIVATE SENIORS



We believe that **sport and physical activity** can be practised **at any age**. Regardless of the fitness level, predisposition or habits, we can find a way to **improve our quality of life** through sport. In Poland, seniors are still the largest group of **people excluded from active leisure**. We want to **change this**. With this in mind, Benefit Systems has created the MultiSport Senior Programme. Its **main goal** is to encourage older people to undertake various activities tailored to their needs. As part of the programme, we issue **the MultiSport Senior Card** – the first sports card for **people over 60 years of age** in Poland. The MultiSport Senior Card (at a low price covering only the costs of the programme) can be ordered by any MultiSport or MultiActive employee type card holder. **The pilot stage of the programme** was carried out in **2018**



where **1,500 seniors from all over Poland** took part in testing various MultiSport services. At the end of 2018, as part of the programme, seniors could use **2,511 sports facilities** throughout Poland and all services available for MultiSport cards users, subject to one visit per day **before 16:00**.

WHAT DOES REGULAR PHYSICAL ACTIVITY GIVE SENIORS?

- > It reduces the risk of diseases of affluence.
- > It improves motor coordination.
- > It has a beneficial effect on the cardiovascular system.
- > It supports intellectual activity.
- > It lowers blood pressure.
- > It improves the quality of sleep.
- > It delays the process of dementia and age-related diseases.
- > It improves mood and quality of life.

In August, as part of the **promotion of physical activity among seniors**, Benefit Systems took part in the Warsaw Senior Parade organised by the Zaczyn Foundation. On this day, the streets of Warsaw (and then the University of Warsaw main campus) were filled by **thousands of seniors** from various Polish cities who wanted to prove that **age is just a number** and that anyone can be active.

One of the attractions of the Generations Picnic was MultiSport Senior educational and sports zone. During the picnic there were attractions for both active seniors and those who wanted to start their adventure with physical activity prepared. **The MultiSport Senior Zone** included **free body composition measurements** along with **health consultations**. There were also **physiotherapists** and **personal trainers** waiting for seniors to tell them how to exercise properly to maintain health and well-being for years. All-Day Generation Dancing began by warming up the muscles on the picnic's main stage. A short warm up session for seniors was conducted by a Benefit Systems trainer.

The next item on the agenda was a discussion about physical activity, during which our experts talked about the problem of **immobility among people**



above 60 years of age in Poland (based on the MultiSport Index 2019 survey) and **stereotypes about sport in adulthood**. Straight from the stage we also gave a few pieces of healthy advice regarding leading an active lifestyle every day. The event met with great enthusiasm from the participants and allowed them to get several helpful tips related to physical activity.



NATIONAL SPORTS DAY WITH MULTISPORT

On the **National Sports Day** (September 14) Benefit Systems was one of the partners of the family picnic organised on the grounds of the National Stadium in Warsaw for the second time. As part of the event, participants could use attractions in the **MultiSport Sports and Educational Zone** for free. Everyone, regardless of age, could find something for themselves. Special multimedia sports stations of **the Active MultiSport School Programme** were waiting for the youngest.



Among the attractions there were also devices combining sport and technology, including Icaros – special equipment to train in virtual reality. **Adults and seniors** could check their **body composition and posture** or **take advantage of consultations with dietitians, physiotherapists and personal trainers**. The results of all the consultations and activities included:

- › several hundred measurements of body composition taken,
- › over 650 cocktails made on blender bikes,
- › over 100 podometric measurements (foot and posture analysis) taken,
- › several dozen meters of elastic therapeutic tape applied,
- › nearly 450 kg of apples given away.

The **National Sports Day 2019** was attended by **approximately 10,000 people**.



CHARITY SPORT

Benefit Systems Group supports sports events, the proceeds of which are transferred for important social purposes. One of them is **The Company Run Organised by the Everest Foundation**.

This is an annual sports event organised by the Everest Foundation in Wrocław and Warsaw. The idea of the company run is to promote healthy competition and physical activity among employees of both small businesses and international corporations and the desire to help children in greatest need.

The competitors take part in the Company Run in teams of five. Each of them must run 5 km and then pass the baton to another person. In addition to the run itself, special zones for companies and numerous attractions for contestants are organised in the same place and time, giving the opportunity for all-day integration of employees and their families.

As in previous years, Benefit Systems was the official Company Run Partner both in Wrocław and Warsaw. In addition to organisational support and preparation of the stand for runners, Benefit Systems Group's Employees took an active part in the run itself. In this year's edition there were as many as six Benefit Systems teams and one MyBenefit team. In addition, the Company's Employees were involved in the **40th PZU Warsaw Marathon** and **14th Warsaw Half Marathon** for the Rak'n'Roll Foundation (as part of the #biegamdobrze campaign) as well as in the **15th Ekiden Marathon Relay** for the Empowering Children Foundation (as part of the #biegamdobrze campaign).

Moreover, in 2019 MyBenefit was active in promoting important CSR goals through participation in various runs. In 2019, its employees took part in two other large events:

TRIATHLON COMPANY RELAY – annual sports event organised by the PRO SPORT PRO LIFE FOUNDATION acting for the benefit of people widely recognised as “excluded from sports”, i.e. obese, disabled and elderly.

Representatives of companies, organisations and groups of friends can take part in the Triathlon Company Relay by putting their teams to the competition to carry out several activities. Part of the entry fee from each team is transferred by the organisers for the statutory purposes of the PRO SPORT PRO LIFE Foundation.

In 2019 six teams (18 competitors) from MyBenefit and MultiBenefit took part in the run. MyBenefit was the official Partner of the Finisher Zone, getting involved (also financially) in the organisation of this venture.

POLAND BUSINESS RUN – organised by the Poland Business Run Foundation, whose mission is to provide comprehensive and professional assistance to people with disabilities of the musculoskeletal system, through their activation, levelling social barriers as well as helping people at risk of amputation.



Every year the Foundation organises the Poland Business Run which in 2019 took place simultaneously in 10 cities in Poland. There are five relay teams taking part in the event. Each competitor must run for 3.5 to 5 km. MyBenefit and MultiBenefit employees have started in the run for the fourth time. Last year the companies were represented by a record number of five teams (25 competitors), which took part in the run in Wrocław.

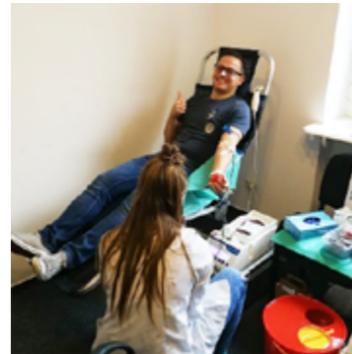
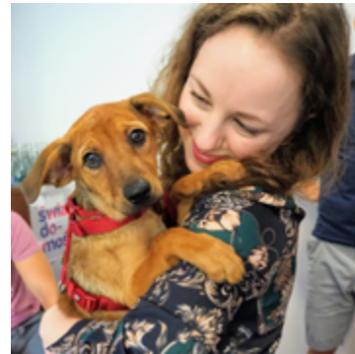
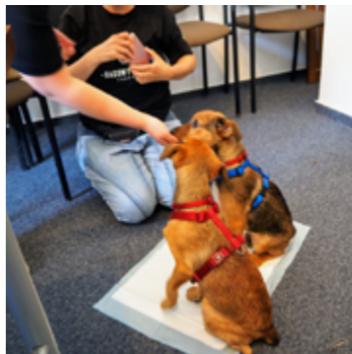


“FITHEROES TEAM RUNS WITH HELP” VOLUNTEER PROGRAMME

In 2017 VanityStyle created a **volunteer programme called “FitHeroes Team Runs with Help”**, a copy of Dobry MultiUczynek. It allows Employees to join charity and social campaigns by submitting projects they would like to organise within the frames of corporate volunteering. As part of the programme, there are two editions per year, during which projects previously submitted by Employees are implemented. Each implemented project has its leader, the employee submitting the idea. As part of this year’s programme, **three projects were implemented**:

PROJECT FOR THE ADOPCJE MALAMUTÓW FOUNDATION

Support for the foundation and its pupils, i.e. dogs of northern breeds, which consisted in building a coop with an enclosure in which dogs could live until they found a family, as well as raising money for the current needs of the foundation.



PROJECT FOR THE RASOWY KUNDEL FOUNDATION

Help for the Rasowy Kundel Foundation, which deals with homeless dogs. The help consisted in finding temporary (and ultimately permanent) homes for the dogs by taking photos of the animals, as well as promoting adoption in social media. In addition, thanks to the auction of various objects and services, we were able to support the foundation financially in the treatment of animals, purchase of food and medicines.

BLOOD DONATION DAY

During the Blood Donation Day organised at VanityStyle headquarters, each Employee, as well as people from other companies located in the building, could donate blood and enrol in the bone marrow donor database of the DKMS Foundation. Over 50 people signed up to participate.

OTHER CSR ACTIONS ENGAGING OUR EMPLOYEES

In addition to extensive CSR programmes that we implement at Benefit Systems, we also run smaller, regular initiatives thanks to which our Employees can engage in **activities towards social responsibility**. These initiatives often go hand in hand with creating good practices and habits by which our Employees **inspire their local communities**. We want our initiatives to have also **pro-environmental and zero waste aspect** as well as refer to a **healthy and active lifestyle**. In 2019, we were able to implement several actions in this area within the Group, including:

- year-round collection of plastic caps for the shelter in Nowy Dwór Mazowiecki carried out by Benefit Systems S.A.



- support from Benefit Systems S.A. Employees towards two branches of the single mother house in Warsaw in the form of a collection of things, clothes and accessories for children,



- ecological bags sewing workshop for Benefit Systems S.A. Employees,
- preparing 75 gift sets for the homeless on Christmas Eve organised by the Sante'egidio community at Benefit Systems S.A.

Chcesz podarować upominek świąteczny osobie bezdomnej?

Wejdź na empla i przeczytaj komunikat – zbieramy dary dla osób ubogich i bezdomnych dla Wigilii organizowaną przez wspólnotę Sant'Egidio.

ZBIÓRKA TRWA DO 15 GRUDNIA
w Dziale Komunikacji na 11 piętrze przy kuchni.

POTRZEBUJESZ więcej informacji?
Zadzwoń do Gabrieli Boreckiej - 500 464 223

- employees' participation in a charity run for people with breast cancer at Benefit Systems Greece Mike,

- > two editions of "Blood Hero", i.e. honorary blood donation and enrolling in the bone marrow donor database in cooperation with DKMS at Benefit Systems S.A.,



- > participation of Benefit Systems S.A. and VanityStyle in the annual "Two Hours for the Family" campaign organised by the Humanites Foundation and a shorter day for Employees of both companies to spend time with their families,

- > action initiated by Benefit Systems S.A. Employees to clean the forest in Warsaw Ursynów district,



- > organisation of the "Sneakers Day" at Benefit Systems Bulgaria OOD, which aimed at drawing attention to how physical activity supports well-being and productivity at work,

- > preparing 161 Christmas presents as part of the Benefit Systems S.A. employee campaign for children from children's homes in Łódź as part of the annual "Santa Claus" campaign,



- > the "Ole Male" campaign at Benefit Systems Bulgaria OOD, which aimed at preparing Christmas presents for multi-problem families instead of traditional corporate gifts for Stakeholders,

- > corporate "Be active!" competition at MyBenefit, which aimed at financial support of a non-profit organisation chosen by the Employees. This year the support went to the Oleśnickie Bidy Foundation.



ACHIEVING 17 SUSTAINABLE DEVELOPMENT GOALS

Being a socially responsible company and conducting numerous CSR activities within the Group, Benefit Systems actively promotes the idea of **UN 17 Sustainable Development Goals** and implements the **2030 Development Agenda** adopted by the UN Resolution by 193 countries of the UN General Assembly in September 2015. Almost all countries committed themselves to achieve 17 Sustainable Development Goals and 169 related targets.

Benefit Systems has been conducting educational activities among its Employees for two years now and actively participates in conferences, workshops and events related to the implementation of the Agenda. In addition, the company determines the direction of its business development in such a way as to participate in the commitment of socially responsible companies the best way possible.

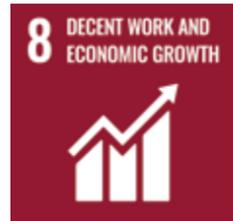


AS PART OF THE 17 GOALS BENEFIT SYSTEMS TRIES TO ACHIEVE MAINLY THE FOLLOWING GOALS:



GOOD HEALTH AND WELL-BEING FOR PEOPLE

through activities for an active and healthy lifestyle dedicated to our Users, Employees, as well as local communities.



DECENT WORK AND ECONOMIC GROWTH

by creating a good-quality workplace, remuneration that enables dignified life and confronting the growing expectations regarding corporate responsibility with respect to the Group's activities.



REDUCING INEQUALITIES

through activities related to diversity policy, equal access of women and men to the workplace, also at the management level.

The implementation of the Sustainable Development Goals and the dissemination of their ideas have also been included in **the Group's CSR strategy challenges** described in 1.6.3 CSR Strategy section. One example of facing this challenge was the celebration of **the Global Day of Action** and joining the **#Act4SDGs** movement by organising **ecological bags sewing workshops** at the company's headquarters. All materials that our Employees brought and re-processed into bags can be used for a long time during daily shopping, replacing plastic bags. We made over **200 ecological bags in total**. The Global Day of Action is organised as part of the UN SDG Action Campaign – a global initiative of the UN Secretary-General. It engages thousands of organisations that jointly spread knowledge about the Goals and encourage to take various actions for them, such as the zero waste workshops we organised.



17 GOALS AS THE LEITMOTIF OF THE CORPORATE EVENT

Once a year Benefit Systems Employees meet at a summer integration event at which they can not only spend time together in a casual atmosphere but also take part in numerous activities which usually also have an educational aspect. The leitmotif of our meeting this year was **ecology and 17 Sustainable Development Goals**. Employees could learn about the origins of the 2030 Agenda and the goals that we, as the Company, want and can achieve as well as gain general knowledge about 17 goals through specific activities and participation in workshops. The main attraction of the event was **huge puzzle**²⁸ presenting

17 Sustainable Development Goals which Employees were putting together for several hours, integrating and gaining knowledge at the same time.

In addition, participants took part in **pro-environmental workshops**, such as sewing ecological bags, zero waste workshops during which they were making jewellery from waste, ecological perfume workshops, educational workshops on plastic as well as numerous activities related to sports and recreation.



²⁸ We want to make our 17 Sustainable Development Goals puzzle available to other companies so that it can be reused and promote the ideas of the 2030 Agenda.

PARTNERS – OUR KEY SUPPLIERS

4.4.

Business experience and transparent cooperation principles allow us to build a network of Partners which honour MultiSport cards effectively for years. Benefit Systems, operating in the B2B model, pays great attention to relations with its Suppliers, enjoying the reputation of a trusted partner focused on joint success. High quality of the services offered, innovative solutions and sensitivity to market needs mean that the number of our Partners is constantly growing. This translates into direct benefits for our Users.

MODEL OF COOPERATION WITH PARTNERS

As mentioned earlier, the Company and selected companies from the Group cooperate with their Partners in the B2B model and act as an intermediary between the User of our cards and the Supplier who offers these services at the facility. It is our Partners that have direct contact with our Users, which is why we pay special attention to the level of services and products provided by the MultiSport Programme partner network. Sports services providers are constantly verified regarding:

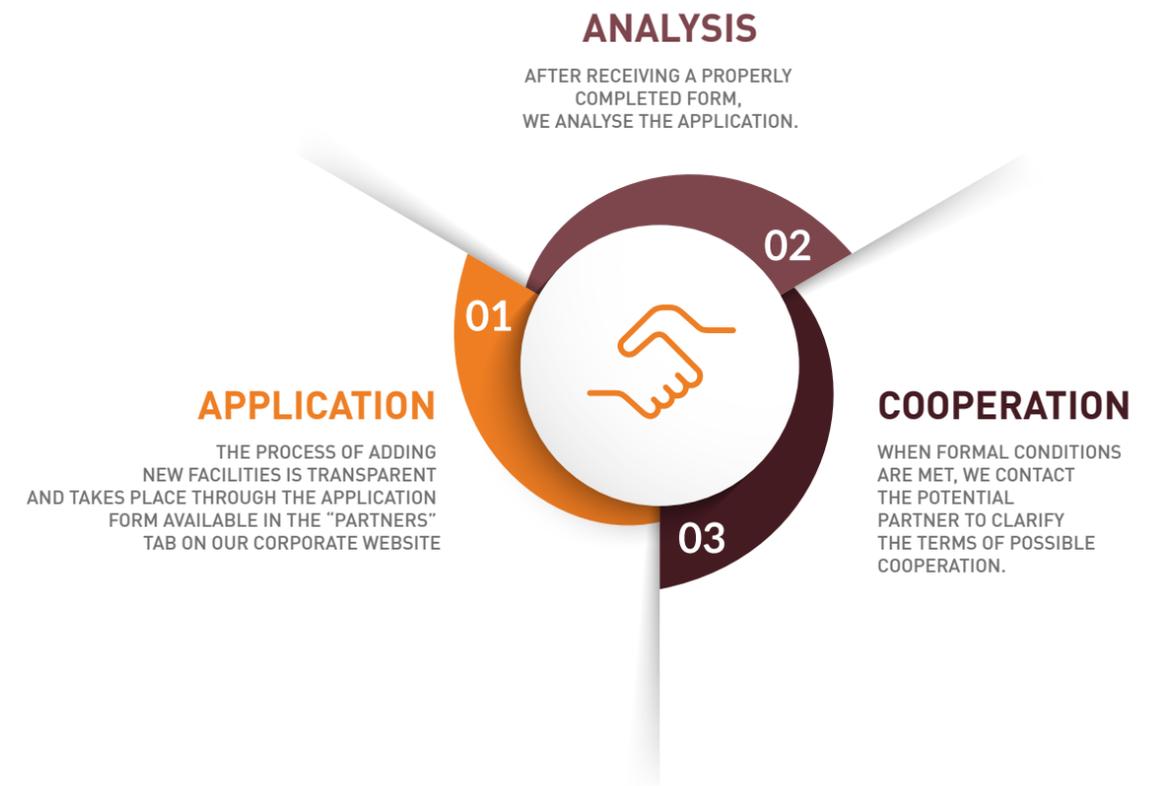
- › reliability of the accounts based on the number of visits registered in the Benefit Systems system,
- › offer that a target User (Client's employee) uses – if it is compliant with the cooperation agreement, if it does not discriminate sports card Users, if it does not include additional fees not compliant with the agreement.

One of the key conditions for Benefit Systems to be successful is cooperation with our Partners – owners of sports facilities.

Malpractice verification and prevention is carried out by using high-class statistical and analytical tools. Benefit Systems also conducts periodic controls in the form of mystery shopping.

Cases of potential inconsistencies between the scope of sports services and the marketing information provided by Benefit Systems – especially by the facilities www.benefitsystems.pl/en/for-you/multisport – are verified and eliminated on a regular basis, for example through Users' reports via the Helpline available 7 days a week between 07:00 and 22:00. Actions inconsistent with the principles of cooperation may exclude the Partner from further or potential cooperation.

HOW DO WE ESTABLISH COOPERATION WITH NEW PARTNER FACILITIES?



At the end of 2019 we cooperated with **3,388 MultiSport Partners**, which translates into **4,594 sports facilities** as part of the MultiSport Programme.

During the whole year we added **693 new facilities** to the Programme, but at the same time some of the partner facilities ended their activity, which ultimately means that we added **321 sports facilities** accepting MultiSport cards.

At the end of 2018 we had **3,225 Partners**, which translates into the possibility of engaging in active leisure in **4,269 sports and recreation facilities**.

3,388

**MULTISPORT
PARTNERS**

4,594

**SPORTS AND RECREATION
FACILITIES**

PARTNER NUMBERS

NUMBER OF MULTISPORT PROGRAMME PARTNER FACILITIES	NUMBER OF VANITYSTYLE PARTNER FACILITIES	NUMBER OF SHARED FACILITIES
4.6 thousand	3.7 thousand	3.1 thousand

SUPPORT PROGRAMMES FOR PARTNERS

Building long-term relationships and the desire for continuous development are inseparable elements of cooperation with our Partners, which is why we have created several programmes through which we can support this development:

BUSINESS MANAGEMENT EXECUTIVE PROGRAMME AND BUSINESS MANAGEMENT EXECUTIVE PROGRAMME EXCELLENCE

Series of business trainings co-organised with the ICAN Institute. Since 2015 we have been strengthening competences of the staff managing our partner sports and recreation facilities. These trainings allow broadening the business perspective on managing a company and obtaining knowledge about the latest global trends in management.

GO ON BIZNES

It is a music service available in the form of an application containing two packages to be played in partner facilities (including a free music package), enabling legal access to music without any commercials. The service has been available to our Partners since 2016.

MULTISPORT ACADEMY

Since 2017 we have been running a training programme consisting of five modules dedicated to Partners, under which they have the opportunity to expand their knowledge and skills that help in running a business in the fitness and wellness industry on a daily basis. The issues discussed during the trainings include team building and management, effective sales of products and services, marketing, operational management, legal and financial aspects as well as customer service.

“SAFETY FIRST!”

It is a pilot **first aid course** for our Partners organised in 2018. The purpose of the training was to draw our Partners' attention to the safety of people exercising in sports facilities. During the pilot stage there were 10 workshops attended by 115 people organised. In the survey 113 out of 115 participants confirmed that the training significantly raised their competences regarding first aid. In 2019 two editions of the training took place with 223 people being trained. All the trained people stated that the training increased their competences in first aid. In total, in 2018 and 2019 as many as 338 people took part in the training.

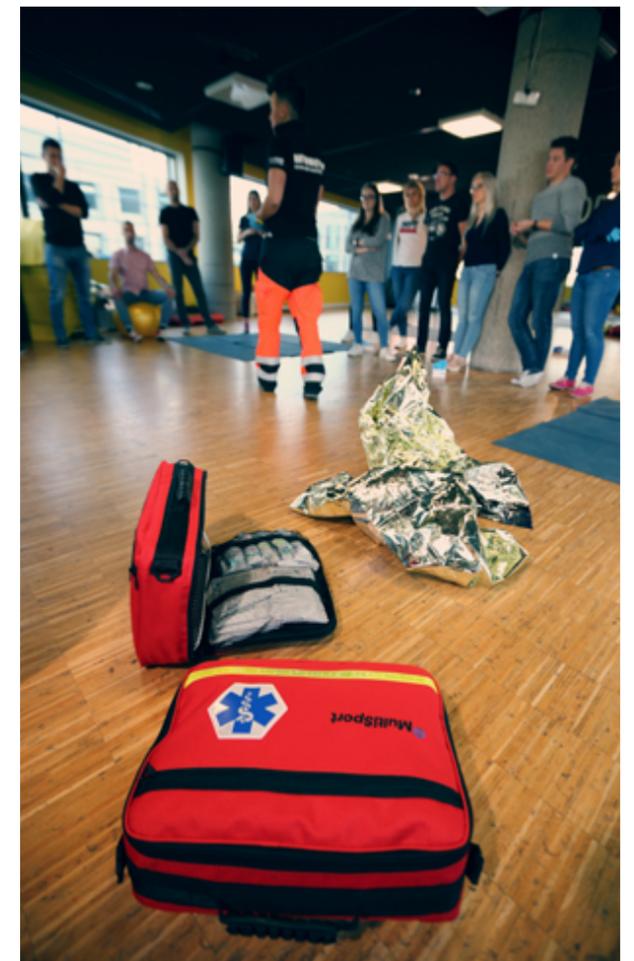
LOAN PROGRAMMES

These programmes are financial support for Partners who plan to open a new facility or upgrade an existing one. In 2019, we had 50 Partners using the loan support for a total amount of 11,600,000 PLN. These loans were a partial financial support for the modernisation of 39 and the opening of 11 new partner facilities.

In order to look after cooperation with our Partners in the right way, we pay special attention to their **financial liquidity** – we provide regular and reliable settlements based on the monthly number of visits of sports card Users. As a company, we make every effort to settle our obligations towards Partners **before the end of the 14-day payment period**. Creating a special **Partner Zone** platform made all the settlements much easier. This dedicated service enables Partners to perform all activities related to cooperation with Benefit Systems in one place and with one tool



THREE-YEAR EDITION OF THE LOAN PROGRAMME FOR OUR (2017-2019) COVERED 220 LOANS FOR 180 PARTNERS WITH THE TOTAL VALUE OF 44,500,000 PLN



PARTNER SURVEYS

As we have already mentioned in Chapter 1, 1.7. Research and development, we care about the **opinions of our Partners** regarding cooperation under the MultiSport Programme. Feedback and listening to the changing market are necessary aspects of achieving **a common goal**. Therefore, we regularly carry out **numerous surveys and analyses** regarding the quality assessment of Benefit Systems activities in the eyes of our Partners. These include:

INTERNAL SURVEYS

Are carried out throughout the year to verify our Partners' experience of ongoing cooperation (for various categories of partners, using the NPS methodology).

ANNUAL SATISFACTION SURVEY

Is carried out in cooperation with the Ipsos research institute, allowing us to verify the overall satisfaction and loyalty of our Partners.

INDEPENDENT OPINIONS

Annual, independent satisfaction survey, which in addition to verifying the overall satisfaction with cooperation with our Company allows our Partners to comment on the quality of services provided by our Account Managers and us – to assess specific areas of cooperation with us.

93%

THE OVERALL LEVEL OF PARTNERS' SATISFACTION WITH COOPERATION WITH BENEFIT SYSTEMS IN 2019 BROKEN DOWN BY THE FACILITY TYPE:

- 95% fitness clubs
- 97% swimming pools
- 86% martial arts, dancing, yoga
- 98% other categories (including salt cave, climbing wall)

SELECTED PARTNER SURVEY RESULTS IN 2019

84% of our Partners also cooperate with companies competing with Benefit Systems.

As many as 93% of our Partners are very satisfied with the payment settlement dates guaranteed by Benefit Systems.

46% of our Partners would recommend Benefit Systems due to good, trouble-free cooperation, 27% due to the popularity of MultiSport cards and 23% due to good/quick contact with Account Managers.

The Partners we cooperate with within the Group are not only owners of sports and recreation facilities, but also suppliers of non-financial benefit platforms, sports equipment for fitness clubs as well as other groups of suppliers whom we cooperate with as part of the daily operation of our offices.

To make cooperation with all our Partners as best and consistent with our standards as possible, we base it on a specially designed procurement policy. It aims at planning and effective making of purchase with the most favourable commercial conditions, while maintaining the highest quality of products and services as well as ethical principles and values that companies within the Group adhere to. The main rules of selecting suppliers include:

- > **respect for competitiveness principles** – in the process of selecting a Supplier we evaluate such a number of offers that enables us to choose the best offer on the market in order to guarantee high effectiveness of incurred costs,
- > **effective strengthening of cooperation, building and maintaining relations with existing Suppliers** while providing the organisation with the opportunity to acquire new Suppliers according to the needs at the same time,
- > **orientation on supporting small, local businesses and family companies in the process of selecting suppliers,**
- > **objective assessment of price and quality conditions while analysing ethical principles that Suppliers** adhere to (companies within the Group eliminate mainly those Suppliers that operate contrary to the principles described in the BS_WAY Code of Ethics),
- > **basing business relations on mutual fair treatment and cooperation according to the win-win principle.**

OTHER SUPPLIERS AND DELIVERY CHAIN

The following companies operate **within the frames of the specific procurement policy**: Benefit Systems S.A. (including the Fitness Unit), Benefit IP Sp. z o.o., Benefit IP Sp. Z o.o. sp. k., MyBenefit Sp. z o.o. and Benefit Systems International Sp. z o.o., **cooperating with 600 Suppliers**.

In the coming years our **procurement policy** will be implemented in other companies. As part of its good practices, the Company also updated the **supplier's form**, which takes into account our values (compliance and the code of ethics) and protects companies in terms of eliminating fraud transactions. Updating the form also aimed at simplifying creation of a contractor's file as well as harmonising payment dates affecting our financial liquidity.

Based on our procurement policy, we maintain the principle of the supply chain management for our key Partners. **These include:**

- > **materials for all types of MultiSport cards and BenefitLunch cards suppliers,**
- > **IT equipment suppliers,**
- > **office articles and equipment suppliers,**
- > **food products suppliers,**
- > **sports equipment suppliers.**

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in the photo:
KARINA FROM CLIENT RELATIONS DEPARTMENT
MAŁGOSIA FROM PARTNERSHIP RELATIONS DEPARTMENT
MATEUSZ FROM CLIENT RELATIONS DEPARTMENT

ENVIRONMENT



CLIMATE INFORMATION

5.1.

Being aware of the climate change and the new European Commission guidelines published in June 2019, we are preparing to report extended non-financial information related to the climate in accordance with the provisions of the 2019/C 209/01 Communication from the Commission entitled "Guidelines on non-financial reporting: Supplement on reporting climate-related information." This information will be published in the Benefit Systems Group non-financial report for 2020.

Disclosure of more detailed information related to the climate is an important topic for us, both from the point of view of business conducted in a responsible manner as well as due to the expectations of our Stakeholders and the growing awareness of the importance of this issue, including in the context of the risks it poses and its impact on business continuity in the long run.

To meet the expectations of our Stakeholders, follow the new guidelines of the European Commission and ensure the development of business conducted in a responsible manner, in 2020 we will be working on in-depth analysis and collection of information that will allow us to identify and manage risks arising from the climate change (both physical and transition risks) better. The actions we will take will also help us to make decisions more consciously and plan strategically in the short and long term as well as to create Climate Policy for the Benefit Systems Group.

In the Benefit Systems Group non-financial report for 2020 we intend to show how our activities affect the climate (e.g. by measuring CO₂ emissions and carbon footprint) and how the climate change can affect our business to a greater extent than before. We will focus both on the socio-environmental and financial aspects.

We will make every effort to ensure that the information related to the climate that we disclose in the next non-financial report relates to each of the five reporting areas specified in the Non-Financial Reporting Directive, i.e. the business model, policies and due diligence, outcome of these policies, principal risk factors and risk management as well as key performance indicators.

Further in this Report we present our pro-environmental initiatives undertaken in 2019 and basic data regarding the consumption of electricity, water and paper.



WE WANT TO BE MORE ECO

5.2.

ENVIRONMENTAL POLICY

We follow our Environmental Policy that sets out actions and commitments we have made to reduce our negative impact on the environment. We have been consistently striving to meet our commitments for several years now.

As part of the Benefit Systems Environmental Policy, we are committed to:

- › look for new solutions in order to decrease our impact on the environment, including lower energy and water consumption as well as less waste,
- › make purchase with the environmental impact in mind,
- › cooperate with institutions and organisation whose operations relate to sustainable development, environmental protection and pro-environmental education,
- › involve our Employees and Associates in our pro-environmental activities,
- › adhere to legal regulations regarding the environmental protection,
- › report pro-environmental activities and their effects in the company's annual non-financial reports.

The full content of our Environmental Policy is available at:

www.benefitsystems.pl/en/about-us/responsible-business

Sustainable development and responsible business are values that have been at the core of Benefit Systems operations for years. As a company with an international certification of companies that are better for the world – B Corp, we attach great importance to ecology, looking for solutions that minimise our negative impact on the environment. We run numerous environmental activities and educate our Employees in this area, trying to shape their sensitivity to environmental issues. We advise them on how to behave in favour of the natural environment on a daily basis, not only at work, but also in their private life, developing simple ecological habits or approaching everyday shopping more consciously.



GREEN OFFICE CERTIFICATE

Green Office is an independently verified eco certificate granted for two years to institutions, companies and organisations that stand out thanks to an increase in the efficiency of their office operations by reducing their negative impact on the environment. The Green Office Standard is a form of pro-environmental office management and its implementation aims at rational resource management and raising employees' environmental awareness.

To receive this certificate, we had to undergo a positive certification audit and meet several pro-environmental standard criteria. These criteria were divided into two groups:

- the first group consists of technical criteria that include issues related to water, electricity and waste sorting management,
- the second group consists of criteria related to pro-environmental education of employees, suppliers and customers as well as creating friendly work environment.

To meet this criterion we organised "Eco habits at home and at work" workshops where they learned how to sort waste properly, what to consider when buying energy-saving equipment or how even simple, daily habits reduce negative impact on the environment.

In 2019 Benefit Systems received the Green Office certificate, which is the "successor" to the certificate obtained in 2017.

The Green Office Certificate is awarded by Fundacja dla Edukacji Ekologicznej (FDEE) – an independent organisation whose goal is to reduce negative impact on the environment through education of the society. FDEE is the only foundation in Poland with legation of the Foundation for Environmental Education. It implements national and international projects, thanks to which it raises environmental awareness among companies of various sizes, educational institutions, organisations and local governments.



ECO OFFICE

Our office in the capital is the most pro-environmental one due to the location in a modern office building where innovative technological solutions aiming at reducing electricity and water consumption have been used. The office has good access to public transport, so we can limit the use of cars harmful to the environment. We also have an extensive infrastructure and facilities for cyclists – a large Veturilo city bike station in the immediate vicinity as well as a parking lot and a cloakroom for cyclists. Thanks to this, some of our Employees use this ecological means of transport to commute to work.



We implement most pro-environmental initiatives at the Benefit Systems S.A. headquarters in Warsaw, which has an area of nearly 6,500 m² and occupies four floors.

PRO-ENVIRONMENTAL SOLUTIONS AT THE BENEFIT SYSTEMS S.A. HEADQUARTERS:

ELECTRICITY

- We use electricity which comes only from renewable sources.
- There are motion detectors installed in corridors and toilets. They make lights switch on only when they detect movement. In the summer of 2019, we changed the lighting settings in the corridors so that the light does not turn on automatically during the day when it is bright.
- Workstations are well lit with natural light, so we don't use artificial light during the day.
- Air conditioning is controlled by zones, rooms and individual needs. It switches off automatically when a window is opened in each zone.
- We use only energy saving devices such as printers, computers and refrigerators.
- Our printers turn off automatically after an inactivity period.
- Our computers turn off automatically after 23:00. Ultimately, they will turn off sooner.

PAPER

- › We print on recycled paper.
- › We limit paper consumption by default double-side printing.
- › In every copy room there is information reminding Employees the rules of pro-environmental printing.
- › We try to make the most of the electronic circulation of documents, reducing their printing. At the end of 2019 we resigned from paper appraisal forms which will be delivered to the HR Department only in electronic form from now on.
- › We encourage our Clients and Partners to settle their accounts using electronic invoices.²⁹

WATER

- › We reduce water consumption thanks to taps and urinals with photocells.

WASTE

- › In 2019 we introduced sorting waste into five fractions: plastics and metal, glass, paper, biowaste and domestic waste.³⁰
- › We do not order water in plastic bottles for meetings. We serve water for guests in jugs or in glass bottles. All kitchens have been equipped with high-quality water filtering devices, thanks to which we can drink tap water.
- › All copy rooms have special containers for paper, which is then recycled.
- › We have containers for used batteries that are disposed in an appropriate way, so they do not pollute the environment. In 2020 we will reduce the consumption of disposable batteries by introducing rechargeable ones.

- › Hazardous waste, such as computer equipment, is disposed in accordance with environmental requirements.
- › We collect plastic caps which we then donate to an animal shelter. Apart from the charity aspect, this also has a pro-environmental dimension and allows us to process and reuse plastic.
- › We collect clothes for those in need, thanks to which unwanted clothes get a second life instead of ending up in a garbage can.
- › We want our regular suppliers of breakfast and lunch dishes (three suppliers) to eliminate plastic packaging as much as possible.

The subsidiaries of the Benefit Systems Group also carry out various pro-environmental activities which will be intensified in 2020.

In 2020 **VanityStyle** is going to launch the internal **ECO VS** programme which will include long-term educational activities that aim at promoting pro-environmental behaviours among Employees. For the first six months of the programme, each month will be devoted to a specific pro-environmental action, including saving water, sorting waste and taking public transport or cycling instead of using a car. They will be accompanied by competitions involving Employees as well as information campaigns on specific problems or threats and their optimal solutions.

VanityStyle initiatives and pro-environmental solutions undertaken so far include:

- › sorting waste into four fractions,
- › collecting used batteries and wastepaper,
- › buying low-energy household and electronic equipment,
- › buying water only in glass bottles,
- › ordering office supplies from one supplier to reduce the number of deliveries,

- › applying double-sided printing principle and printing documents only if necessary,
- › regular communication to Employees, reminding them about the importance of saving electricity and water.

In addition, in the building where the new VanityStyle office is located (which the company moved to in December 2019) a number of solutions in favour of the environmental protection were used, such as energy-saving LED lighting or ventilation units with heat recovery.

Pro-environmental initiatives undertaken by **MyBenefit** in 2019 focused mainly on reducing paper consumption and sorting waste through:

- › sorting waste into plastic, paper, glass and domestic waste together with sorting instructions,
- › providing containers for used batteries,
- › replacing plain paper with recycled paper,
- › changing the configuration of all company printers to the default double-sided printing,
- › introducing the obligation to confirm printing by the Employee using a PIN or personal card – unconfirmed tasks are deleted from the device's memory,
- › collecting plastic caps which are then donated to a selected charity and processed; raw material is later reused,
- › disposing electronic waste in accordance with applicable requirements.

Our **companies abroad** also use solutions and take initiatives to reduce negative impact on the natural environment. These include:

- › sorting waste, also in fitness clubs,
- › campaigns and trainings for Employees regarding proper waste sorting,
- › using recycled paper,
- › energy-efficient lighting in office spaces and fitness clubs,
- › motion detectors that turn the light on in office rooms,
- › regular communication to Employees to remind them about reasonable printing of documents,
- › limiting the production of plastic waste.

In addition, in our company in Bulgaria (Benefit Systems Bulgaria EOOD) there is a group of **Green Ambassadors**, i.e. Employees who feel personally involved in environmental protection and remind other people about the importance of sorting waste. Every year the Employee who was most involved in pro-environmental activities receives a special Green Award. A similar group of ambassadors operates at Benefit Systems S.A., which you can read about further in the Report.

The largest area for improvement in terms of pro-environmental activities is undoubtedly in our 161 fitness clubs, which have been managed by Benefit Systems S.A. Oddział Fitness (Fitness Unit) since November 2019. Due to the very demanding reorganisation process resulting from the merge of companies managing individual club networks into one Fitness Unit in 2019³¹, we have not yet introduced significant pro-environmental measures in clubs. We will undertake such activities in 2020 and they will be described in the next non-financial report.

²⁹ See section Electronic invoice is eco.

³⁰ See section New sorting guidelines and "Fair Play with Nature" campaign.

³¹ See Section 1.3. The Group's structure and segments.

ELECTRONIC INVOICE IS ECO



Every year we take actions addressed to our contractors that aim at changing the form of payment settlement to electronic invoices. In 2019 we conducted a special mailing campaign called „Together for nature - electronic invoice” directed at Clients of Benefit Systems and FitSport Polska responsible for the sale of MultiSport cards, in which we encouraged them to resign from printed invoices in favour of electronic invoices informing them that ecology and responsible business are important to us at the same time. Thanks to our activities carried out in 2019, nearly 4,000 Clients (3,781 to be exact) switched to a greener form of payment settlements.

NEARLY 4,000
MULTISPORT CLIENTS IN POLAND SWITCHED TO ELECTRONIC INVOICES IN 2019

NUMBER OF MULTISPORT PROGRAMME CLIENTS AND PARTNERS USING ELECTRONIC INVOICES

	PARTNERS	CLIENTS
2019	90%	70%
2018	85%	49%

At **VanityStyle** electronic invoices constitute 78% of cost documents in our settlements with Suppliers (including Partners). In our settlements with Clients, 76% of sales invoices are sent in the form of an electronic invoice.

MyBenefit, which selects Partners that offer electronic services to cooperate with, also encourages them to settle their payments based on an electronic invoice. In 2019, electronic invoices constituted 88% of total received and issued cost documents (84% in 2018).

NEW SORTING GUIDELINES AND “FAIR PLAY WITH NATURE” CAMPAIGN



At the end of 2019, at the Benefit Systems headquarters we introduced new guidelines of waste sorting into five fractions: plastics and metal, glass, paper, biowaste and domestic waste. In addition to increasing the amount of waste containers in the kitchens, we also set up additional bins for sorting in the corridors on all four floors that we occupy (three sets per floor). In this way we wanted to encourage Employees to sort waste which is usually thrown into the bins under the desks and is not sorted.

In January 2020 we urged all Employees to give away their waste bins from under their desks and use only the containers for sorted waste. In the “Give your bin back!” campaign everyone who gave away their waste bin received an air purifying flowerpot to put on the desk. Ultimately, we plan to remove all bins from under our Employees’ desks and present them to selected institutions and organisations that will need them.

Together with the introduction of new waste sorting, we also refreshed our pro-environmental “Fair play with nature” campaign, which aims at educating and prompting Employees to be more ECO both at work and at home. We introduced the first stage of the campaign in 2017.

The new face of the campaign has been created in a light, **retro-comic style** designed to catch attention and educate with a grain of salt. All the materials were created from scratch on our behalf by an external agency according to our idea. Colourful stickers and posters appeared in various places in the office space: in kitchens, copy rooms, toilets, on waste bins in corridors and next to all light switches. They present characters inspired by retro culture, drawn with a cartoon line that suggest what to do to act in a more pro-environmental way.



To facilitate waste sorting, we also prepared large, colourful educational boards for Employees that include instructions on where to throw away specific waste and what not to throw into containers for individual fractions. The boards can be found in all kitchens and corridors, next to additional waste containers. In addition, on the floor in front of the bins in the kitchens we stuck arrows with the names of individual fractions so that waste sorting is even easier.



In 2020 we plan to organise a compulsory waste sorting training for all Employees at Benefit Systems S.A.

Through "Fair play with nature" stickers and posters we not only educate how to sort waste but we also:

- > remind about turning lights off,
- > suggest how to print reasonably,
- > instruct to fill dishwashers up,
- > suggest that one piece of a paper towel is enough to wipe hands.

The new campaign was very well received by our Employees who appreciated its originality and unconventional character. At the same time, they were very enthusiastic about the introduction of new waste sorting into five fractions.



ECO AMBASSADORS

In 2019 another pro-environmental initiative that we implemented was creating a group of ECO Ambassadors made up of Benefit Systems and MultiBenefit³² Employees.

ECO Ambassadors are Employees who are interested in ecology and want to engage in activities in this field for our Company with us. During regular ECO Ambassadors monthly meetings, we share inspirations, ideas and comments and during our daily work we jointly implement sustainable initiatives in the office space.

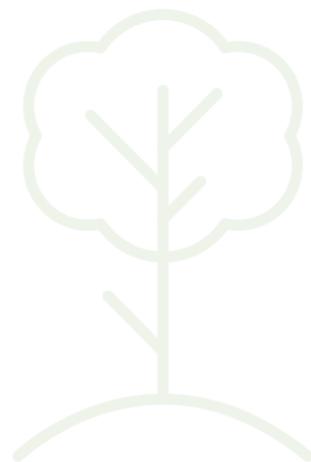
The group of ECO Ambassadors consists of about 30 people who volunteered because they feel the need to influence others, implement new pro-environmental initiatives and make their colleagues aware of how to proceed in order to harm our planet to a lesser extent. At the same time, they set a good example for others by showing them that even simple, daily habits and actions can have a positive impact on the natural environment. The group is open and more people can join it at any time.



Benefit Systems ECO Ambassadors (most people from the group)

³² Currently MyBenefit.

PRO-ENVIRONMENTAL INITIATIVES IN 2019



To sum up, for Benefit Systems 2019 was the time when we implemented many new, larger or smaller pro-environmental initiatives and activities, some of which have been described above in detail. These included::

- › introducing new guidelines of waste sorting into five fractions,
- › creating new edition of the **“Fair play with nature”** educational campaign for Employees,
- › appointing ECO Ambassadors ,
- › receiving the Green Office Certificate,
- › organising **“ECO habits at home and at work”** workshops for Employees,
- › expanding the pro-environmental module during the onboarding training so that new Employees know that environmental protection is very important to us in the first days of work,
- › conducting **“Together for nature – electronic invoice”** campaign where we offered our Clients joint action for environmental protection in the form of changing the form of settlement to electronic invoices³³,
- › reducing the amount of paper by resigning from paper appraisal forms that have been delivered to the HR department only in electronic form since December 2019,
- › introducing containers for used batteries where Employees also throw batteries brought from home,
- › changing lighting settings in the corridors for more pro-environmental ones,
- › turning off Employee computers automatically,
- › introducing more accurate monitoring of printouts on company printers to reduce the amount of paper used,
- › eliminating disposable paper coffee cups for guests in our Kafebuk, which enables leaving the office with a drink in hand (Kafebuk is a public space for our guests with an open kitchen, including a coffee maker and a bookcase),
- › introducing regular supplies to the company’s kitchens of oat-based drink for vegans, which in addition to the moral aspect is also more pro-environmental,
- › participating in conferences and industry meetings where we present the benefits of having B Corp Certification and joining the group of companies that are “better for the world”,

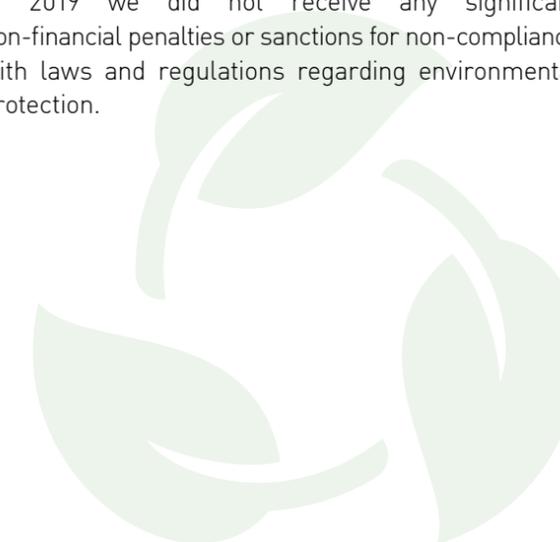
³³ See previous section of the Report.

- › organisation of an annual outdoor company event under the slogan of UN 17 Sustainable Development Goals³⁴; at every corporate event we care for the natural environment; for example, we do not use plastic, disposable dishes and cutlery and some of the attractions are pro-environmental and educational,
- › organising ecological shopping bags sewing workshops as part of the celebration of the Global Day of Action for the Sustainable Development Goals³⁵,
- › participating in consultation meetings while creating the Impact Barometer indicators – a joint initiative of CSR Consulting and Statistics Poland,
- › participating in business breakfasts organised by the Foundation for Environmental Education, which aim at exchanging pro-environmental inspirations and ideas that can be introduced in office spaces,
- › joining, as every year, celebrations of the international **“No Elevator Day”** when we encouraged not only our Employees but also other companies in our office building to use stairs; in addition to promoting health benefits of physical activity, it also has a positive impact on the environment – elevators are less used and so they need less electricity.

We regularly inform our Employees about all pro-environmental initiatives on the Intranet, in a dedicated group called “Fair play with nature”.

In 2020 we plan to carry out further activities and introduce new pro-environmental initiatives at Benefit Systems as well as other companies within the Group. All these activities will be described in the non-financial report for 2020.

In 2019 we did not receive any significant non-financial penalties or sanctions for non-compliance with laws and regulations regarding environmental protection.



³⁴ See Section 4.3. Achieving UN 17 Sustainable Development Goals.

³⁵ See Section 4.3. Achieving UN 17 Sustainable Development Goals.

OUR IMPACT ON THE ENVIRONMENT

5.3.

Despite numerous pro-environmental activities undertaken, like any other enterprise, we have a negative impact on the natural environment to varying degrees.

As a group of companies engaged in providing services which is not involved with production, this influence is exerted by electricity, water and paper consumption as well as generating waste.

In the following section of the report we present data on electricity, water and paper consumption. We will present more in-depth data, including the data on our carbon footprint, in the non-financial report for 2020.

Compared to 2018, in 2019 electricity consumption at the Benefit Systems S.A. headquarters in Warsaw slightly decreased (414.895 MWh in 2019 and 416.760 MWh in 2018). Consumption for the entire Benefit Systems Group increased by over 9,000 MWh compared to the previous year. This is mainly due to the increase in the number of fitness clubs belonging to the Benefit Systems Group's own chain (23 new facilities in total: 17 in Poland and 6 abroad).



ELECTRICITY CONSUMPTION IN 2019

	TOTAL SPACE	TOTAL ELECTRICITY CONSUMPTION	CONSUMPTION PER 1 M ²
BENEFIT SYSTEMS GROUP	277,870 m ²	36,453.716 MWh <small>27,403.28 MWh in 2018</small>	131.2 kWh <small>0.131200 MWh</small>
BENEFIT SYSTEMS S.A.	204,220 m ²	27,511.325 MWh	134.714 kWh <small>0.134714 MWh</small>
BENEFIT SYSTEMS S.A. WARSAW HEADQUARTERS	6,463 m ²	414.895 MWh <small>416.76 MWh in 2018</small>	64.195 kWh <small>0.064195 MWh</small>
BENEFIT SYSTEMS S.A. ODZIAŁ FITNESS (FTINESS UNIT)	196,810 m ²	27,078 MWh	137.584 kWh <small>0.137584 MWh</small>

The information below does not include data on water consumption in a dozen or so fitness clubs, in Benefit Systems S.A. branches and at the two VanityStyle offices. **The total space for which no water consumption data was given is 29,349 m² and has been deducted from the data in the table below.** Obtaining data on water consumption in this case is not possible because water charges are included in all maintenance costs and we do not have data on the consumption meter.



WATER CONSUMPTION IN 2019

	TOTAL SPACE	TOTAL WATER CONSUMPTION	CONSUMPTION PER 1 M ²
BENEFIT SYSTEMS GROUP	248,521 m ²	418,006 m ³	1.68 m ³
BENEFIT SYSTEMS S.A.	188,630 m ²	322,456 m ³	1.71 m ³
BENEFIT SYSTEMS S.A. WARSAW HEADQUARTERS	6,463 m ²	4,121 m ³	0.63 m ³
BENEFIT SYSTEMS S.A. ODZIAŁ FITNESS (FTINESS UNIT)	182,166 m ²	318,335 m ³	1.74 m ³

As part of the Benefit Systems Group, in 2019 we printed over **five million pages**³⁶ on company printers. In 2020, we will strive to reduce this number, for example by more thorough monitoring of printouts and analysing the need to print specific materials, replacing paper documents with electronic documents where possible as well as by educating Employees.



AMOUNT OF PAPER USED AT THE BENEFIT SYSTEMS S.A. HEADQUARTERS (COMPANY PRINTERS)

NUMBER OF PAGES PRINTED IN 2019	1,011,408
AVERAGE NUMBER OF PAGES PER ONE PRINTING TASK	4
NUMBER OF PAGES PRINTED IN 2018	1,300,647

³⁶ This number does not include our companies located abroad due to the lack of complete data.

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- 6.2. Methodology and indexes 133
- 6.3. The scope of non-financial information 138
- 6.4. Key performance indicators 139

ABOUT THE REPORT



in the photo:
MAGDA AND ADRIAN FROM HEALTH FULL TIME TEAM

SUMMARY

6.1.

Benefit Systems report for 2019 fulfils the obligation arising from the amended Accounting Act – Article 49b, section 2 and 3 – regarding extended non-financial reporting. It has been prepared **as a separate statement of Benefit Systems S.A. and Benefit Systems Group** regarding non-financial information. The report reveals significant details, policies and risk as well as undertaken activities and results connected with the environmental, social and employee matters, respect for human rights and counteracting corruption. It contains a description of the effects of various policies connected with these issues adopted by companies within Benefit Systems Group, including **key non-financial performance indicators** connected with the entity's operation.

Benefit Systems Group reports non-financial aspects of its operations as well as related objectives and responsible business practices on an annual basis within the time frame specified for annual financial statements. This report **presents data for the period between 1 January 2019 and 31 December 2019** (unless a specific fragment states otherwise). The non-financial report for 2018 was published on April 4, 2019.

The report contains a description of the entity's business model as well as a description of individual operational segments of the Benefit Systems Group. It presents the Group's social, environmental and economic results with the emphasis on the Poland Segment which is the core of the Group's activities. Due to a large variety of entities within the Group and a large number of entities, the Company undertakes activities that aim at unifying its policies and good practices followed within particular segment.

This report has been verified internally by key Employees. We would like to **thank all Employees** of all companies within the Benefit Systems Group for their great involvement in the process of reporting non-financial information for 2019 and their help in preparing this report. **Pictures included in this year's Report** only present our Employees, thus we would like to thank them for giving their consent to share their image for the purposes of this publication.

METHODOLOGY AND INDEXES

6.2.

The structure of the Benefit Systems Group Non-Financial Report 2019 is based **on five main areas of an organisation's evaluation within B Corp Certification** as well as **Global Reporting Initiative** international standard.

The report for 2019 has been prepared according to the latest version of the **GRI Standards at the CORE application** level. The reporting process conducted according to the GRI Standards recommendations enabled us to select the most important reporting aspects for Benefit Systems. According to the principle of materiality defined in the GRI Standards recommendations, the report refers to those aspects that reflect organisation's significant economic, environmental and social impact or significantly affect stakeholders' opinions and decisions.

In addition, the content of this report refers to the needs and expectations of our Stakeholders as well as the perspective of our Employees and management staff. The content of the report has been developed based on the knowledge obtained during the **Stakeholders Panel** held in September this year. The panel results along with key aspects are described in Our Stakeholders section.

On the next pages of the Report we present a table with the GRI Standards indicators included in the report as well as our own indicators specified for the Group's non-financial reporting for 2019.

REPORT AND CSR POINT OF CONTACT AT
BENEFIT SYSTEMS:
CSR@BENEFITSYSTEMS.PL



Gabriela and Paulina
from Internal Communications & CSR Team

GRI STANDARDS INDICATORS TABLE

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102-4	Location of operations	1.2. Business profile, offer and business model	12
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102-46	Defining the report content	6.1. Summary	132
102-47	Key issues identified	6.2. Methodology and indexes	133
102-48	Explanations regarding the effects of any restatements of information provided in previous reports, including the reasons for such restatements and their impact [e.g.: mergers, acquisitions, change of the base year/period, nature of business, measurement methods]	not applicable	
102-49	Significant changes in relation to the previous report regarding the scope, range or measurement methods used in the report	not applicable	
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102-51	Publication date of the previous report (if published)	6.1. Summary	132
102-52	Reporting cycle	6.1. Summary	132
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SCOPE OF NON-FINANCIAL INFORMATION

6.3.

SCOPE OF NON-FINANCIAL INFORMATION REQUIRED BY THE ACCOUNTING ACT

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6.4.

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BENEFIT SYSTEMS GROUP NON-FINANCIAL REPORT 2019

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