



# **BENEFIT SYSTEMS GROUP** NON-FINANCIAL REPORT 2020



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For the third time in four years of non-financial reporting of the Benefit Systems Company and Capital Group we present you a document based on the global GRI Standard and divided into five main thematic areas examined as part of the B Corp certification (B Corporation). These include: Management and Corporate Governance, Employees, Clients, Community and Environment. This year's publication is not only a summary of data and a description of non-financial activities carried out in individual aspects of our business but also, due to the COVID-19 pandemic, a report presenting its impact on these areas. Being a company that has belonged to the global B Corp movement since 2018, it was important for us to present our Stakeholders with the facts related to the impact of the pandemic on all areas of our non-financial activities. In 2021 Benefit Systems planned to go through the B Corp recertification process, however, due to the devastating impact of the pandemic on our business, with the approval of the certifying organisation, B Lab, this was postponed to 2022 (see Chapter 4 Community). We continue to implement the activities related to our Company's social responsibility and the certificate which continues to include us until the second half of 2022. Being a pioneer

of B Corp on the Polish market, we engage in all activities that aim at promoting the movement in our environment. In 2020 we welcomed two new companies with Polish origin among the certified organisations: Netguru and ANG Group. The number of international companies that have received a certificate or are interested in it, also on the Polish market, has increased. There are currently over 3,700 certified companies belonging to the B Corp movement operating in 74 countries around the world.

We believe that in the coming years the pandemic situation will allow us to implement projects in line with the activities of socially responsible companies for which, apart from creating and developing their business, it is crucial to act in harmony with the environment and with a sense of responsibility towards all Stakeholder groups. This publication is a reliable document presenting the activities that we undertook within the Company and the Group between 1 January and 31 December 2020, described according to GRI metrics and B Corp areas, taking into account the changes and the impact of the pandemic on the operations of companies within the Benefit Systems Capital Group.



## LETTER FROM THE MANAGEMENT BOARD

Dear Ladies and Gentlemen,

For many of us, last year turned out to be a breakthrough. This was also the case for our organisation which in a short time effectively switched to remote work, successfully optimised its processes, adapted to pandemic realities, implemented new online solutions at a record pace and actively acted for its key Stakeholders and beneficiaries. It was also a time of making difficult decisions, extraordinary vigilance, responsibility, and quick reaction to a dynamically changing situation. In this non-financial report, we present the results of those activities that we are proud of but that also cost us stress, concern for our Stakeholders and the business that in the last year suffered as never before. We hope that they will be the best proof of the strength and maturity of our Group and the ability to adapt to new conditions quickly and effectively.

Despite the difficult situation for the entire fitness industry, our Company did not give up its mission and undertook numerous activities to activate the society. We also acted for the benefit of our sports Partners to whom we donated significant funds to help them reopen their facilities in accordance with sanitary restrictions in June last year. As part of social education, we conducted a nationwide campaign called "Pump up your immunity" in which the emphasis was placed on the positive impact of activity on psychophysical health and immunity during the pandemic as well as "We're glad you're here!" campaign encouraging people to return to exercise in sports facilities. We discuss these activities in more detail in the following chapters of this report.

In the time of business challenges, we also focused on supporting our Employees so that the period of isolation and changes in the way they work do not negatively affect their health and wellbeing. We have created, among others, a holistic development programme, including an internal training plan to ensure the appropriate development of professional competences.

According to the guidelines of the B Corporation international movement, which Benefit Systems has belonged to for several years, we also continued our activities in response to current social problems (including immobility, sports exclusion caused by the pandemic, increasing stress and anxiety in the society). Guided by the partnership and ethical model of cooperation with all our Stakeholders, extensive support for sports Partners, transparent communication with Clients and Suppliers, we also expanded the scope of our environmental initiatives and implemented carbon footprint measurements of the organisation to be able to reduce CO2 emissions and therefore its negative impact on the climate. With the support and commitment of many people we also managed to develop an updated Benefit Systems Capital Group's CSR Strategy. It will be implemented in 2021 and we will be able to present its main points in next year's report.

Despite a very difficult year, we are proud of what we have achieved, protecting and adapting our business to the situation with full respect for the values that have been embedded in our DNA for many years. That is why we would like to thank our Employees, Clients, Partners, Users and Shareholders for a good cooperation full of understanding, commitment and respect as well as numerous actions undertaken together for sustainable development.

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

# MANAGEMENT AND CORPORATE GOVERNANCE

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# 1.1. HISTORY, BUSINESS PROFILE AND BUSINESS MODEL

## HISTORY

### 2000

- Establishing Benefit Systems

### 2000-2003

- Offering financial services and incentive benefits related to sports and recreation

### 2003-2005

- Introducing and developing the MultiSport Programme in Poland

### 2007

- Establishing VanityStyle
- Establishing TravelPass which will be transformed into MyBenefit in 2010

### 2008-2009

- Dynamic development of the MultiSport Programme
- Introducing the MultiKafeteria and MultiBilet Programme
- Introducing the FitProfit card and CinemaProfit voucher

### 2010

- Starting operations on foreign markets, the first one being the Czech Republic
- Merging VanityStyle with the Benefit Systems Capital Group

### 2011

- Stock exchange début – Benefit Systems S.A. joins the group of companies listed on the Warsaw Stock Exchange

### 2013

- Creating the BenefitLunch Programme
- Merging MyBenefit with the Benefit Systems Capital Group

### 2015

- Exceeding half a million MultiSport Programme Users
- Entering new foreign markets: Bulgaria and Slovakia
- Creating Dobry MultiUczynek CSR programme

### 2017

- Exceeding one million MultiSport Programme Users in Poland and abroad

### 2018

- Benefit Systems joins B Corp community
- Starting foreign operations in other countries: Croatia and Greece
- Creating the MultiSport Senior Programme
- Creating the Active MultiSport Schools CSR programme
- Creating Dobry MultiUczynek CSR programme for MultiSport Card Users

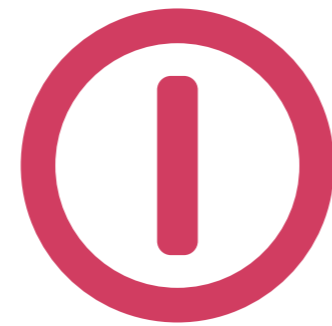
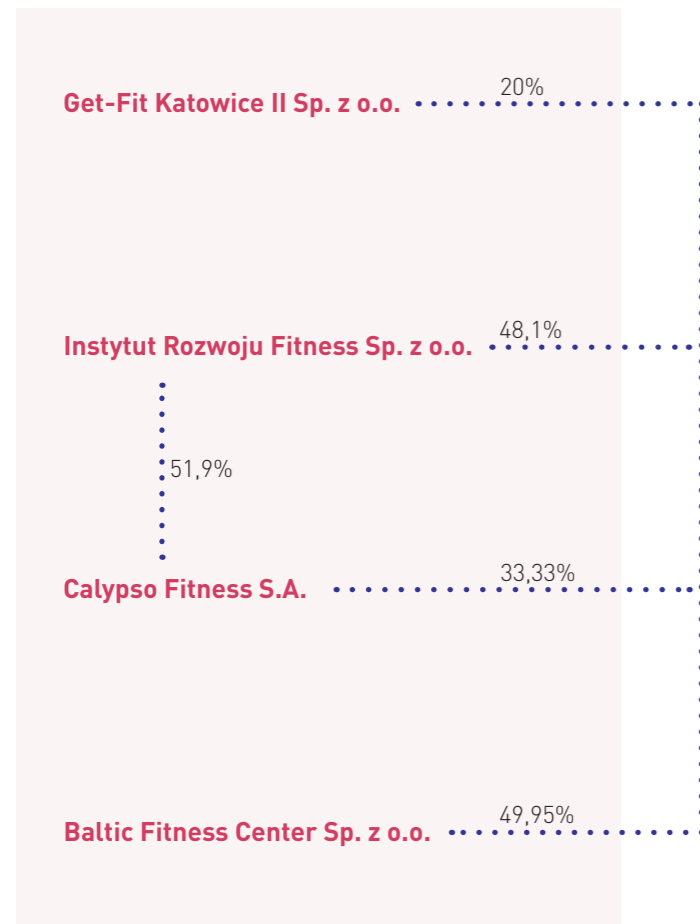
### 2019

- Exceeding one million MultiSport Card Users in Poland
- Exceeding 400,000 Cafeteria Programme Users

### 2020

- Creating and implementing Yes2Move – an online training platform and shop for our Clients and MultiSport Programme Users as part of a new company, Yes To Move
- Creating a new product called VanityStyle Online Zone for FitSport and FitProfit Programme Users
- Creating a new MultiLife online product as part of the MultiSport Programmet
- Withdrawing from the Greek market and closing Benefit Systems Greece MIKE down

GROUP COMPANY SCHEME

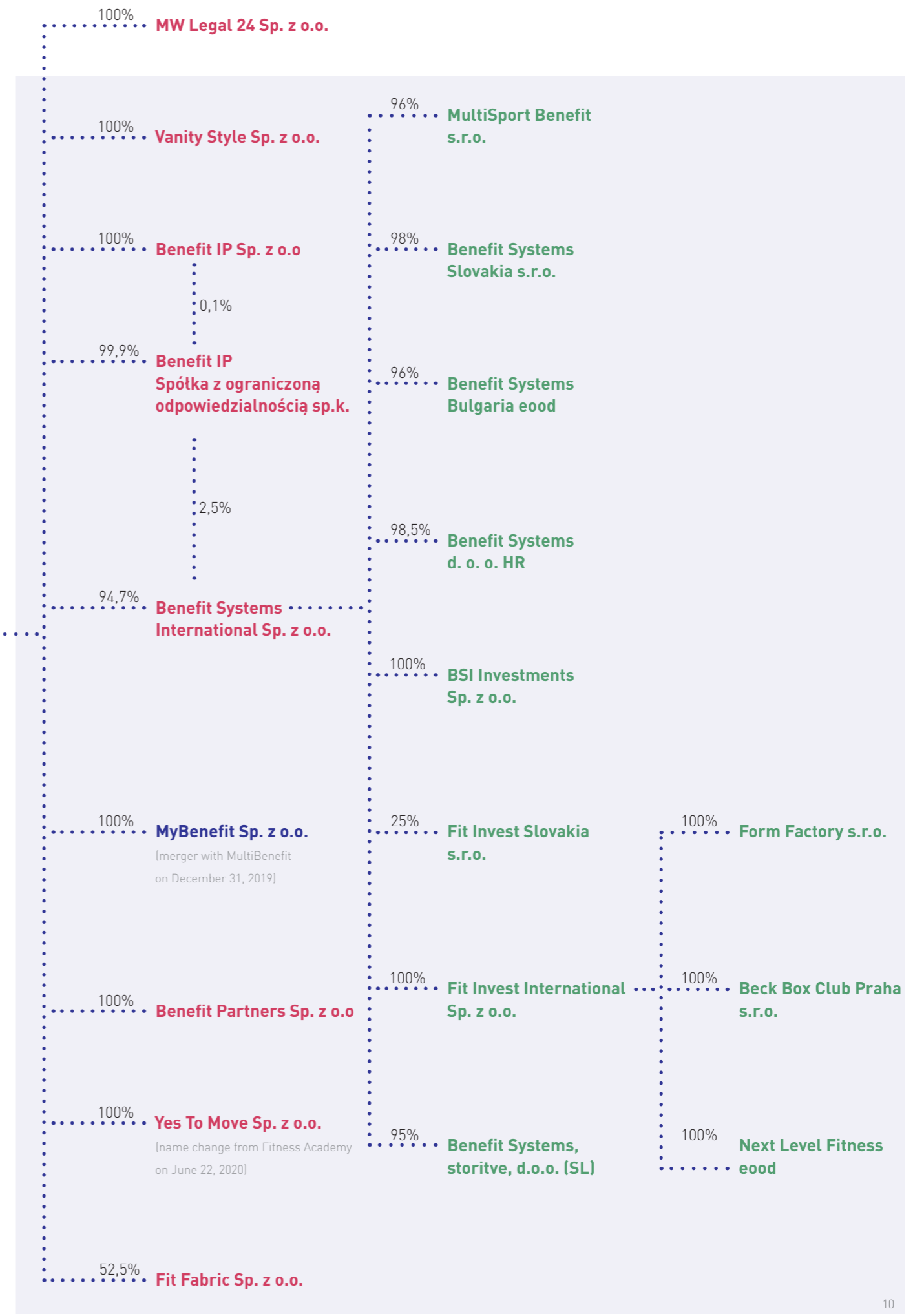


**Benefit Systems S.A.**  
(including the Fitness Unit)

Poland - Foreign Markets - Cafeterias

Equity Consolidation

Full Consolidation



## BUSINESS PROFILE AND BUSINESS MODEL

- Benefit Systems is a company **with Polish origin**.
- We have been operating on the Polish market for **over 20 years** and on foreign markets for **11 years**.
- We specialise in providing employers with non-financial employee benefits in the field of sports, recreation, culture, and entertainment as well as adapted cafeteria programmes.
- Our **Clients** include companies (employers) and individuals.
- Among the **Users** of our products and services there are employees of our Clients' companies and their relatives (accompanying persons).

The business model of the **Benefit Systems S.A. parent company** is based on the **B2B formula**. The company is the MultiSport Programme operator and an intermediary between **our Clients** (companies) and **Partners** (owners of sports facilities). Clients buy sports cards which they later offer (for a fee or for free) to their employees. These, in turn, use the sports facilities which receive remuneration from Benefit Systems for each visit of the User (cardholder). Our Clients include companies and enterprises, state institutions, non-governmental organisations and other entities employing at least five people. As part of the Fitness Unit, the Company also provides B2C services, offering individual customers access to its own fitness clubs and other sports facilities as well as services and products as part of the **Yes2Move online platform** (available also to MultiSport Programme Users).

Other subsidiaries operating within the Capital Group are also based on the **B2B model**. **Vanity Style Sp. z o.o.**, which is a distributor of sports cards under the **FitSport and FitProfit Programme**, offers services on the same basis as Benefit Systems S.A., cooperating largely with the same Partners. **MyBenefit Sp. z o.o.**, also operating within the B2B model, offers companies **access to a rich cafeteria platform** dedicated to their employees.

The business model that proved successful in Poland is also being developed by **Benefit Systems International Sp. z o.o.**, which operates within the Capital Group on other European markets: the Czech Republic, Bulgaria, Croatia, and Slovakia.

### WHERE DO WE OPERATE?

**Benefit Systems S.A.: headquarters in Warsaw** and branches in Kraków, Rzeszów, Toruń, Gdańsk, Wrocław, Zielona Góra, Poznań and Katowice

**Benefit Systems Fitness Unit:**  
investment clubs operating throughout the country

**MyBenefit:** Warszawa and Wrocław

**VanityStyle:** Warszawa

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

## 1.2. THE GROUP'S STRUCTURE AND SEGMENTS

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**. As part of its operating activities, the Group presents results in **three operating segments: Poland, Foreign Markets and Cafeterias**.

### POLAND SEGMENT

The Poland Segment covers activities connected with the sale of sports cards and management of fitness clubs, investments in new clubs on the Polish market as well as the development of services and sale of products related to health and an active lifestyle. Sports cards are distributed by the following companies: **Benefit Systems S.A., FitSport Polska Sp. z o.o.** (until 30 November 2020 – after that date, the company was incorporated into Benefit Systems S.A.) and **VanityStyle Sp. z o.o.** In response to the COVID-19 pandemic throughout the year, we took steps not only to develop our offer and dynamically create new online products and services within the segment but also to reduce the direct costs of our own sports facilities. The situation connected with lockdowns, which for many months prevented the normal operation of most sports facilities, was extremely difficult for our industry and directly influenced the business conducted in the Poland Segment. Throughout the year, depending on the quarter, the number of Clients and Users of our programmes changed with the current situation. During the first quarter we were dealing with a steady development of the business but already in the second quarter, due to the lockdown, we saw a decrease in the number of active cards. Having run its business on the Polish market for over 20 years, Benefit Systems had to deal with a decrease in the number of Clients, and thus also in active sports cards for the first time in history<sup>1</sup>. However, we are constantly taking steps to optimise the costs related to maintaining the business

by developing an offer tailored to the pandemic situation.. At the end of 2020, **companies from the Benefit Systems Group** managed chains operating **158 own clubs, i.e., three less than at the end of 2019**. These facilities represent brands (chains) such as Zdrofit, Step One, Fabryka Formy, Fitness Academy, My Fitness Place, FitFabric, S4, and AquaPark Wesolandia. Additionally, the Group held minority interests in companies managing another **45 facilities**. In the first three quarters of 2020, several own clubs belonging to the Fitness Academy, My Fitness Place and Zdrofit chain were closed. At the same time, we opened **a few of the clubs**.



<sup>1</sup> For detailed numerical data regarding the number of Clients and cards, see Section 1.3. Offer and Products by segment and Chapter 3 Clients and Users.

## FOREIGN MARKETS SEGMENT

The Foreign Markets Segment deals with **developing the MultiSport Programme** and **running fitness clubs** outside Poland. This area of Benefit Systems activity has been developed **since 2010** and the first market where our flagship product appeared was the **Czech Republic**. When creating business in individual countries, we had the same values and goals as on the Polish market. Currently, the MultiSport Programme is being developed in **four foreign markets** (Czech Republic, Bulgaria, Slovakia, Croatia). For almost two years, until the first quarter of 2020, we also operated in Greece but at the April meeting of the Benefit Systems International Sp. z o.o. Supervisory Board a decision was made **to withdraw from the Greek market (for business reasons)**. On 30 June 2020 Benefit Systems Greece MIKE was sold and thus we ended our activity in this part of Europe<sup>2</sup>.

The second pillar of the development of foreign markets is the launch and operation of our **own fitness clubs**. Their number and locations at the end of 2020 did not change compared to the previous year. **In the Czech Republic, Bulgaria and Slovakia** we have a total of **24 investment clubs**.

### INVESTMENT CLUBS

<b>CZECH REPUBLIC</b>	15
<b>BULGARIA</b>	8
<b>SLOVAKIA</b>	1

**The Foreign Markets Segment includes the following companies:** MultiSport Benefit S.R.O. (Czech Republic), Benefit Systems Bulgaria EOOD (Bulgaria), Benefit Systems Slovakia S.R.O. (Slovakia), Benefit Systems D.O.O. (Croatia). The segment also includes Benefit Systems, storitve, D.O.O. (Slovenia), which does not conduct operating activities. Fitness clubs were operated on three markets: Czech (Beck Box Club S.R.O., Form Factory S.R.O.), Slovak (Fit Invest Slovakia S.R.O.) and Bulgarian (Next Level Fitness EOOD). The coordinator of the activities of fitness clubs and their supervisory body is Fit Invest International Sp. z o.o. In 2020 we also created the BSI Investments company which aims at developing the MultiSport Programme on local foreign markets. In

<sup>2</sup> For the figures for the Greek market, see the following pages of the report.

relation to other companies in the segment, Benefit Systems International Sp. z o.o. is a parent company, while being a subsidiary of Benefit Systems S.A. at the same time.

Due to the specific nature of our industry, as in the case of the Polish market, the pandemic had a direct impact on the business situation of the Foreign Markets Segment. Lockdowns and restrictions introduced in the countries where we operate have hindered, and often prevented, the normal functioning of sports facilities, which significantly limited the possibility of using them by MultiSport Programme Users. The number of Clients and Users in the Foreign Markets Segment was constantly increasing year by year, however, over the course of 2020, the situation related to the increase and decrease in the number of active cards was dynamic. Due to various restrictions, the number of cards decreased and increased again, depending on the current situation in individual quarters and countries. Overall, compared to the previous year, at the end of 2020 we were dealing with a decrease in the number of Clients and Users.

**In 2019, the number of Clients was 10,129 and the number of Users – almost 334,600. At the end of 2020, the number of Clients was 10,091, and the number of Users – 253,000, i.e., by 38 Clients and over 80,000 fewer Users** than in the previous year.

### Number of Users by country:

<b>CZECH REPUBLIC</b>	134,800	re-closure of sports facilities on 18.12.2020
<b>BULGARIA</b>	86,900.	closure of sports facilities on 28.11.2020
<b>SLOVAKIA</b>	18,400.	re-closure of sports facilities on 19.12.2020
<b>CROATIA</b>	13,700.	closure of sports facilities on 28.11.2020

Despite the difficult pandemic situation on foreign markets, the chain of partner facilities cooperating with us within the **MultiSport Programme** is still being expanded. **At the end of 2020, this chain included 4,319 facilities**, which is over **90 more than at the end of 2019** (on 31 December 2019 we had 4,227 foreign Partners), despite the closure of our business in Greece. Such activities allow for greater access to services offered to the MultiSport Programme Users as well as developing cooperation with Partners within local communities, aimed at promoting an active and healthy lifestyle..

### Number of partner facilities by country:

	FACILITIES
<b>CZECH REPUBLIC</b>	1909
<b>BULGARIA</b>	1080
<b>SLOVAKIA</b>	891
<b>CROATIA</b>	439

### Number of Clients, Users, and partner facilities in Greece as of 31 March 2020 (the end of the last full quarter of activity):

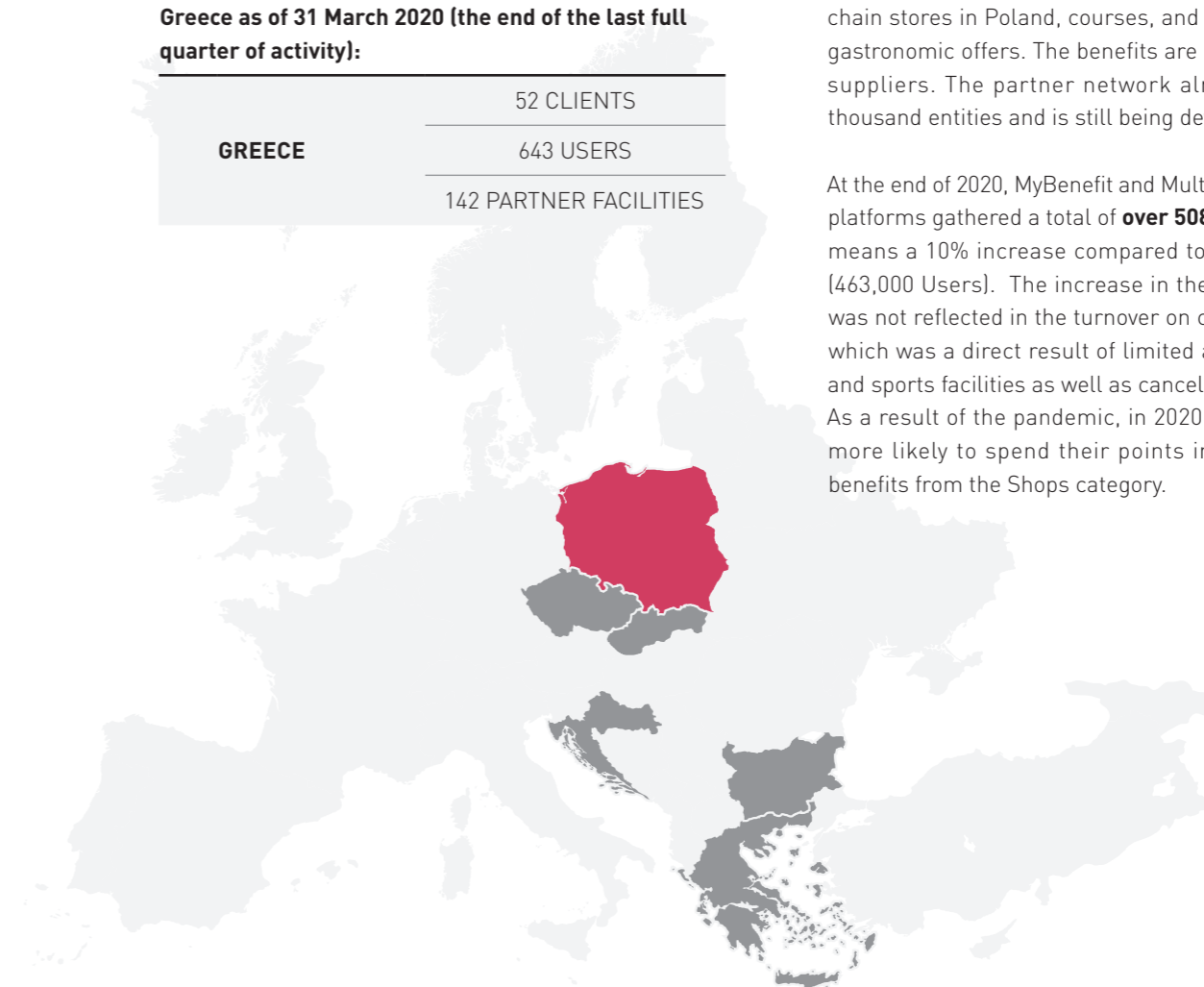
	52 CLIENTS
<b>GREECE</b>	643 USERS
	142 PARTNER FACILITIES

## CAFETERIAS SEGMENT

The Cafeterias Segment has been operating on the Polish market for nearly **14 years** and its main task is the constant development of **MyBenefit cafeteria platforms**. It provides a wide range of non-financial benefits, a large part of which are the Benefit Systems Group's own products. Until recently, activities in the Cafeterias Segment were managed by two companies: MyBenefit Sp. z o.o. and MultiBenefit Sp. z o.o. At the end of 2019 both companies were formally merged into one – MyBenefit Sp. z o.o. Another significant project after the consolidation was making **MyBenefit's business strategy more consistent** with the strategic assumptions adopted within the Capital Group. The result of this work is a new MyBenefit strategy for 2020-2022, which is based on six key areas of activities: **People, E-commerce, Technology, Offer, Brand and Synergy**. Within these areas the company has set itself strategic goals, including an extremely important one which is to expand MyBenefit cafeteria with new, desired functionalities and innovative technologies..

MyBenefit cafeteria offer focuses on benefits connected with culture, entertainment, recreation, personal development, leisure as well as domestic and foreign tourism. The benefits also include value codes of brand chain stores in Poland, courses, and training as well as gastronomic offers. The benefits are provided by proven suppliers. The partner network already has several thousand entities and is still being developed..

At the end of 2020, MyBenefit and MultiKafeteria cafeteria platforms gathered a total of **over 508,000 Users**, which means a 10% increase compared to the previous year (463,000 Users). The increase in the number of Users was not reflected in the turnover on cafeteria platforms, which was a direct result of limited access to cinemas and sports facilities as well as cancelled cultural events. As a result of the pandemic, in 2020 Users were much more likely to spend their points in the cafeteria on benefits from the Shops category.





**FULL LIST OF COMPANIES IN THE CAPITAL GROUP  
AS OF 31 DECEMBER 2020**

The name of the subsidiary	Place of business and country of registration	The Group's share in the capital <sup>1</sup> :	
		31.12.2020	31.12.2019
<b>VanityStyle Sp. z o.o.</b>	ul. Skierniewicka 16/20, 01-230 Warsaw, POLAND	<b>100,00%</b>	100,00%
<b>Benefit IP Sp. z o.o.</b>	Plac Europejski 2, 00-844 Warsaw, POLAND	<b>100,00%</b>	100,00%
<b>Benefit IP Spółka z ograniczoną odpowiedzialnością sp.k.</b>	Plac Europejski 2, 00-844 Warsaw, POLAND	<b>100,00%</b>	100,00%
<b>Yes To Move Sp. z o.o.</b> <sup>3</sup>	Plac Europejski 2, 00-844 Warsaw, POLAND	<b>100,00%</b>	100,00%
<b>MW Legal Sp. z o.o.</b> <sup>4</sup>	Plac Europejski 2, 00-844 Warsaw, POLAND	<b>100,00%</b>	100,00%
<b>Benefit Partners Sp. z o.o.</b> <sup>5</sup>	Plac Europejski 2, 00-844 Warsaw, POLAND	<b>100,00%</b>	95,00%
<b>Fit Fabric Sp. z o.o.</b> <sup>6</sup>	al. 1 Maja 119/121, 90-766 Łódź, POLAND	<b>52,50%</b>	52,50%
<b>FitSport Polska Sp. z o.o.</b> <sup>7</sup>	Plac Europejski 2, 00-844 Warsaw, POLAND	<b>0,00%</b>	100,00%
<b>MyBenefit Sp. z o.o.</b>	ul. Powstańców Śląskich 28/30, 53-333 Wrocław, POLAND	<b>100,00%</b>	100,00%
<b>Fit Invest International Sp. z o.o.</b>	ul. Młynarska 8/12, 01-194 Warsaw, POLAND	<b>97,20%</b>	97,20%
<b>BSI Investments Sp. z o.o.</b> <sup>8</sup>	ul. Młynarska 8/12, 01-194 Warsaw, POLAND	<b>97,20%</b>	0,00%

<sup>3</sup> Yes To Move Sp. z o.o. was created after the transformation of Fitness Academy Sp. z o.o. on 22 June 2020.

<sup>4</sup> The company is not included in the consolidation since it is not operating.

<sup>5</sup> On 2 March 2020, the purchase transaction of 5% of shares in Benefit Partners Sp. z o.o. was completed, as a result of which Benefit Systems S.A. owns 100% of the company's shares.

<sup>6</sup> Consolidated since 2018 assuming full control (100%) without considering minority interests due to concluded agreements obliging minority shareholders to sell the remaining part of their shares.

<sup>7</sup> On 30 November 2020 FitSport Polska Sp. z o.o. was merged with Benefit Systems S.A.

<sup>8</sup> BSI Investments Sp. z o.o. was founded on 3 December 2020.

<sup>9</sup> Next Level Fitness EOOD was created after the transformation of Fit Invest Bulgaria EOOD on 21 September 2020.

<sup>10</sup> On 30 September 2019, the purchase transaction of 2.80% of shares in Benefit Systems International Sp. z o.o. was completed, as a result of which Benefit Systems S.A. owns 97.2% of the company's shares.

<sup>11</sup> On 30 October 2019, the purchase transaction of 1.50% of shares in Benefit Systems D.O.O. was completed, as a result of which Benefit Systems International Sp. z o.o. owns 98.5% of the company's shares.

The name of the subsidiary	Place of business and country of registration	The Group's share in the capital <sup>1</sup> :	
		31.12.2020	31.12.2019
<b>Fit Invest Slovakia S.R.O.</b>	Ružová dolina 480/6, Bratislava - mestská časť Ružinov 821 08, Slovensko	<b>97,20%</b>	97,20%
<b>Form Factory S.R.O.</b>	Vinohradská 2405/190, Vinohrady, 130 00 Praha 3, Republika Česka	<b>97,20%</b>	97,20%
<b>Next Level Fitness EOOD</b> <sup>9</sup>	Krasno Selo district, 11-13 Yunak str., 1612 Sofia, Bulgaria	<b>97,20%</b>	97,20%
<b>Beck Box Club Praha S.R.O.</b>	Vinohradská 2405/190, Vinohrady, 130 00 Praha 3, Republika Česka	<b>97,20%</b>	97,20%
<b>Benefit Systems International Sp. z o.o.</b> <sup>10</sup>	ul. Młynarska 8/12, 01-194 Warszawa, Polska	<b>97,20%</b>	97,20%
<b>Benefit Systems D.O.O.</b> <sup>11</sup>	Zagreb (Grad Zagreb) Heinzelova ulica 44, Chorwacja	<b>95,74%</b>	95,74%
<b>Benefit Systems, storitve, D.O.O.</b> <sup>12</sup>	Trg republike 3, 1000 Ljubljana, Slovenija	<b>92,34%</b>	92,34%
<b>Benefit Systems Bulgaria EOOD</b> <sup>13</sup>	11-13, Yunak Str., floor 1 Sofia 1612, Bulgaria	<b>93,31%</b>	91,85%
<b>MultiSport Benefit S.R.O.</b> <sup>14</sup>	Lomnického 1705/9, 140 00 Praha 4, Republika Česka	<b>93,31%</b>	81,45%
<b>Benefit Systems Slovakia S.R.O.</b> <sup>15</sup>	Ružová dolina 6, Bratislava - mestská časť Ružinov 821 08, Slovensko	<b>95,26%</b>	80,68%
<b>Benefit Systems Greece MIKE</b> <sup>16</sup>	12 Agias Fotinis Str.Nea Smyrni, 17121, Grecja	<b>0,00%</b>	93,31%

\* Change in the presentation of the Group's shares compared to previous years. Starting from 2020, the Group's indirect share in the capital of its subsidiaries is presented.

<sup>12</sup> Benefit Systems, storitve D.O.O. was registered on 25 November 2019. Benefit Systems International Sp. z o.o. owns 95% of the company's shares.

<sup>13</sup> On 27 April 2020, the purchase transaction of 1.50% of shares in Benefit Systems Bulgaria EOOD was completed, as a result of which Benefit Systems International owns 96% of the company's shares.

<sup>14</sup> On 20 January 2020, the purchase transaction of 12.20% of shares in Multisport S.R.O. was completed, as a result of which Benefit Systems International Sp. z o.o. owns 96% of the company's shares.

<sup>15</sup> On 20 January 2020 and 21 September 2020, purchase transactions, respectively, of 13% and 2% of shares in Benefit Systems Slovakia S.R.O. were completed, as a result of which Benefit Systems International Sp. z o.o. owns 98% of the company's shares.

<sup>16</sup> On 30 June 2020, the purchase transaction of 96% of shares in Benefit Systems Greece MIKE was completed, as a result of which Benefit Systems International Sp. z o.o. sold all shares of the company.

# 1.3. OFFER AND PRODUCTS BY SEGMENT

## POLAND SEGMENT

The Poland Segment specialises in the sale of sports cards issued by Benefit Systems S.A., FitSport Polska (until 30 November 2020) and VanityStyle. These activities are supported by the fitness clubs' infrastructure and dedicated online platforms. The offer includes such products (services) as:

**MULTISPORT PLUS** – A card offering an unlimited number of entries per month to nearly 4,600 sports and recreational facilities and the possibility of practising as many as 25 sports disciplines.

**MULTISPORT CLASSIC** – Possibility to enter the facility once a day; almost 2,500 sports facilities and 25 sports disciplines.

**MULTISPORT LIGHT** – Possibility to use over 2,400 facilities from 6 to 10 times a month and access to a wide online offer (training, diet creator, consultations).

**MULTISPORT KIDS** – Access to sports and recreational activities for children in selected facilities.

**MULTISPORT KIDS AQUA** – Entries for children to over 500 swimming pools all over Poland.

**MULTISPORT STUDENT** – An additional card to an employee-type card available for pupils and students between 16 and 26 years of age.

**MULTISPORT SENIOR** – A card for Users over 60 years of age; entry once a day before 16:00; over 2,800 sports and recreational facilities and 25 activities.

**FITSPORT** – Access to about 20 activities in facilities cooperating with VanityStyle Sp. z o.o. within the limit of 8 entries per month.

**FITPROFIT** - Unlimited access to many sports and recreational facilities throughout Poland; every User has

over 25 activities to choose from and can additionally get around 1,300 discounts on various services and purchases.

**ONLINE SERVICES AND ACTIVITIES FOR MULTISPORT PROGRAMME USERS:** Individual training and dietary consultations, English courses, animations for children, mindfulness classes for stress, yoga course for beginners, etc. available at kartasportowa.pl.

**YES2MOVE ONLINE PLATFORM** – A platform for online training and a shop under the same brand with products supporting activity and immunity, available for MultiSport Programme Users and customers of Benefit Systems investment and partner facilities.

**MULTILIFE** – A new, holistic online service which the MultiSport Programme Users can take advantage of since January 2021. It was being developed from the second half of 2020 and it will be further developed in the coming months.

**VANITYSTYLE STANDARD ONLINE ZONE** – Online platform available to FitProfit employee-type card holders. The offer includes free access to the Online Zone, which allows a holistic approach to looking after oneself. It provides materials in such areas as training, diet, psychology and development as well as child.

**LONG-TERM PASSES AND SINGLE-TIME ENTRIES** - as part of the B2C offer, each network of our investment fitness clubs provides a wide range of passes and single-time entries enabling Customers to use their fitness services and facilities.

**VANITYSTYLE PREMIUM ONLINE ZONE** - An online platform that supports health, fitness, and wellbeing in a holistic way. As part of the subscription, Users have unlimited access to the platform with the content on training, diet, psychology, development, and child as well as vouchers for products and services of well-known brands.

**GETPROFIT** – A discount programme that provides for discounts of up to 100% in selected facilities throughout Poland. The offer includes discounts on thousands of different services in the following categories: health and beauty, sports and recreation, culture and entertainment, courses, training, etc. It is the Users that decide where, when and how many times they want to use a given discount.

**ATMOSFERA MULTISPORT** – A facility created in Warsaw with children in mind. It had its official opening in 2020, but due to the pandemic situation, it remained closed for most of the year or operated in a limited form, in line with the current restrictions. The facility was established to organise classes, workshops, summer activities and special events in the spirit of sports and education for children and youth.



AS PART OF THE POLAND SEGMENT OFFER, THE FOLLOWING FACILITIES AND ACTIVITIES CAN BE USED:

SWIMMING POOL	TRAMPOLINE
SUMMER	PARK
SWIMMING POOL	POLE DANCE
YOGA	GYM
TEAM GAMES	MARTIAL ARTS
ROPE PARK	VACU WELL
PAINTBALL	AQUA AEROBIC
CLIMBING WALL	TENNIS
SQUASH	ROLLERS
FITNESS	NORDIC WALKING
CLASSES	PILATES
BADMINTON	PLAYROOMS
SALT CAVE	SPINNING
TABLE TENNIS	DANCE
ICE RINKS	ROLLETIC

WE OPERATE IN OVER  
**650 CITIES**  
IN POLAND

WE HAVE  
**5,200**  
SPORTS AND RECREATIONAL  
FACILITIES AVAILABLE

WE HAVE  
**475,400**  
SPORTS CARD USERS<sup>17</sup>

<sup>17</sup> For the detailed information on the number of cards in individual quarters and comparison to 2019, see Chapter 3 Clients and Users

## FOREIGN MARKETS SEGMENT

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

**MULTISPORT** – Possibility to enter the facility once a day; access to all sports and recreational facilities in the partner chain.

**MULTISPORT KIDS** – Possibility to enter the facility once a day; limited number of services in individual countries.

**ONLINE WORKOUT PLATFORM** – An online platform created for foreign MultiSport cardholders. It provides access to instructional videos that help its users perform workouts at home as an alternative to workouts in sports and recreational facilities. The platform is available for all foreign markets.

KEY FIGURES AT THE END OF 2020:

**253,800**  
USERS

**4,319**  
PARTNER FACILITIES

**8,199**  
UNIQUE ONLINE  
WORKOUT PLATFORM USERS



## CAFETERIAS SEGMENT

Our **cafeteria programmes** allow employees to choose benefits themselves, within the scope and budget specified by the employer. Users select them directly in the Cafeteria online platform through their individual accounts. This solution allows full control and simple settlement of benefits used.

**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).

**QLTURAPROFIT VOUCHER** – Offered by VanityStyle Sp. z o.o. is an incentive programme that allows admission to the 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.

**MULTITEATR** – Offers vouchers for theatre performances staged in the most popular theatres.

**MULTIMUZEUM** – Is an offer of tickets to museums and art galleries in major cities in Poland.

**BENEFITLUNCH** – Provides employees with access to a lunch offer at nearly 260 gastronomic venues in Poland.

**MULTIZOO** – Is an offer of tickets to zoological gardens – the latest of-fer in the Cafeterias Segment portfolio.

**TRAVELPASS** – Is a tourist voucher entitling its holders to take advantage of a wide range of travel, services, and hotels on attractive terms and at a convenient time.

KEY FIGURES AT THE END OF 2020:

**508,036**  
USERS

**3,821**  
PARTNERS

## 1.4. MISSION, VISION, VALUES

While creating the MultiSport Programme, we were guided by the most important mission for us: **promoting a healthy and active lifestyle among Poles**. We believe that being more active translates into more energy, health, wellbeing and, as a result, a better life. We think about our activities comprehensively, targeting **all age groups**, increasing the society's awareness of the benefits of taking up physical activity at any time in life. We believe that everyone can exercise and take care of themselves, starting with the simplest activity. Our **most important goal** is **health and happiness** of our Clients' employees that come with a **customised, non-financial benefits offer**. When developing our offer, we want to act in accordance 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. 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<sup>18</sup>. Guided by the **win-win principle**, we put mutual benefits and long-term partnership with our Stakeholders first. For Benefit Systems, people, good relationships, and a healthy lifestyle are most important, which is why we strive to make our company *the best for the world every day*<sup>19</sup>.

### WHAT IS IMPORTANT TO US?

MUTUAL RESPECT.

IDENTIFYING WITH OUR WORK.

PROACTIVE BUSINESS MANAGEMENT.

INNOWACJE I NOWE INSPIRACJE, CZYLI NAJWYŻSZA JAKOŚĆ NA RYNKU.

RELATIONS WITH STAKEHOLDERS. EVERYONE IS EQUALLY IMPORTANT TO US.

JOY, THAT IS, WE DO WHAT WE LOVE, AND WE WANT TO INFECT OTHERS WITH IT.

ACTIVE HELP.

SAFETY. WE TAKE CARE OF OURSELVES AND OTHERS.

RESPONSIBILITY FOR STAKEHOLDERS.

CARE FOR THE ENVIRONMENT AND CLIMATE.

## 1.5. OUR STAKEHOLDERS

The business environment and building local communities is one of the important foundations of the Benefit Systems Group's activities. As we have already mentioned in the previous section, **relationships** in which each Stakeholder is properly cared for and cooperation is based on **the win-win principle are very important to us**. We place great emphasis on **transparency and reliable communication**. We believe that **close**

**contact, mindfulness and openness** are important aspects of contact in the market that surrounds us. Our Stakeholders' needs are particularly important to us, therefore we conduct a **dialogue based on honesty and an open information policy with each group**.

### BENEFIT SYSTEMS STAKEHOLDER GROUPS



THE GROUP'S EMPLOYEES



CLIENTS



PARTNERS AND SUPPLIERS



SHAREHOLDERS, INVESTORS, MANAGERS AND ANALYSTS



EXPERTS AND MEDIA



NATURAL ENVIRONMENT AND CLIMATE



BENEFICIARIES



USERS

<sup>18</sup> For more information on B Corporation Certification, see Section 4.1. We are socially responsible

<sup>19</sup> According to B Corporation philosophy.

## CHANNELS OF COMMUNICATION WITH 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 MS User Zone,
- Yes2Move online platform,
- Dedicated websites and pages of companies operating within the Group,
- Conferences, events, open days at Clients (including online events),
- Projects dedicated to Clients and Users,
- Benefit monthly (until October 2020),
- Blogs,
- Social media: Facebook, Instagram, LinkedIn,,
- Online meeting applications.



### SUPPLIERS (INCLUDING PARTNERS)

- Individual and group meetings,
- Telephone contact,
- Online Partner Zones,
- Electronic mail,
- Opinion polls,
- Industry conferences,
- Dedicated pages on websites of companies operating within the Group,
- Publications on industry portals.



### 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 (videoconferences),
- Quarterly conferences, teleconferences, roadshows (a series of meetings with investors), brokers conferences,
- Online chats with individual investors,
- 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.



### EXPERTS

- Individual and group meetings,
- Telephone contact,
- Mailing and newsletter,
- Press publications,
- Benefit monthly (until October 2020),
- Conferences, trainings, and industry events,
- Website and other online platforms.



### EMPLOYEES

- Intranet,
- Work Council,
- Newsletter, mailing,
- Company blogs,
- Regular feedback, semi-annual interviews, and appraisals,
- Satisfaction and engagement surveys, thematic polls,
- Company events and 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 and projects dedicated to Employees,
- Internship and training programmes,
- Online meeting applications.



### ENVIRONMENT AND CLIMATE

- 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

One of the useful tools for listening to the opinions and needs of the surrounding market and local community as well as for **examining the significance** of non-financial areas is the **Stakeholders Panel**. The company uses it in a two-year cycle, opening the Group to the market and its needs. The last Stakeholders Panel, broken down into internal and external part, was conducted in 2019 at the Benefit Systems headquarters. Both meetings were attended by **over 50** people from all Benefit Systems Stakeholder groups. The panel was prepared and conducted by the **Internal Communication and CSR Team** and an external consulting company, **CSR Consulting**. The adopted international **AA1000 standard**, in line with the GRI assumptions, made it possible to analyse the Group's current situation in terms of corporate social responsibility and to perform a materiality analysis in the context of non-financial reporting aspects..

The main goal of both the external and internal panel was to develop significant needs related to the **Group's non-financial reporting for the next two years** (2019 and 2020) common to the Stakeholders. Thanks to the workshop, out of almost **40 issues** related to **four key reporting areas** (Market, Workplace, Society, Environment), our Stakeholders were able to identify the most important ones in their opinion. The result of this work was the selection of **10 key issues** whose significance we measured using a special matrix. Ultimately, **11 issues were selected**. According to our Stakeholders, they had the highest priority. These issues belonged to the following areas: Market (3 issues), Workplace (4 issues), Environment (2 issues) and Society (2 issues)<sup>20</sup>.

Topics selected by our Stakeholders were helpful during the preparation of this year's report as well as the Group's non-financial report for 2019 in the context of responding to the current needs of our community and mindfulness towards important aspects of our non-business activities. To maintain a dialogue with our Stakeholders and develop its CSR activities, the Company will organise another Stakeholders Panel in 2021. During the meeting, non-financial issues relevant to our Stakeholders in the context of our activities and the specific nature of the industry will be developed for **2021-2022**.

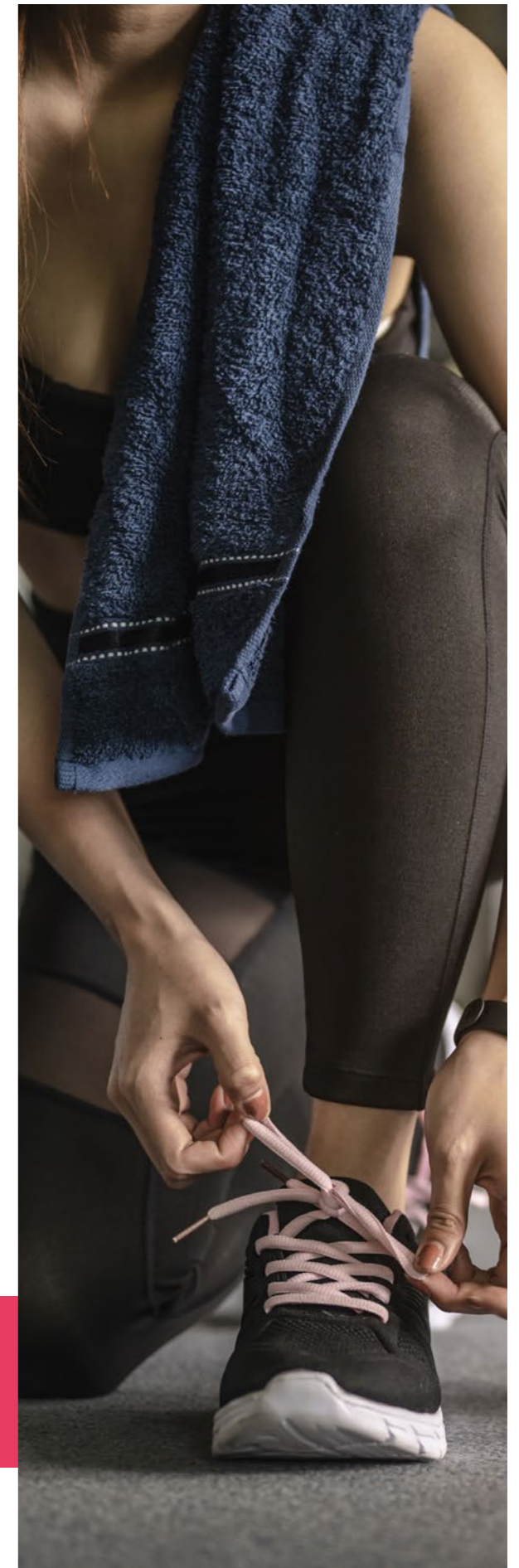
## INVESTOR RELATIONS

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.

The COVID-19 pandemic has introduced restrictions on holding conferences and direct meetings with investors or analysts. At the same time, business uncertainty caused by the restrictions resulted in an increased demand for the provision of up-to-date information. For this purpose, we have implemented the use of videoconferencing systems and traditional telephones to a much greater extent. Therefore, the pandemic did not cause any significant disruptions in the functioning of Investor Relations at Benefit Systems S.A.

## 2020 INVESTOR RELATIONS IN NUMBERS

- In 2020 we held eight performance teleconferences with analysts. After announcing the results of each quarter, we organised one conference for analysts and managers from the Polish market and from the foreign market in English.
- We conducted over 120 individual teleconferences, videoconferences, and meetings with representatives of the capital market (apart from performance meetings and meetings at conferences).
- We participated in seven conferences and investor videoconferences organised by brokerage houses, during which we conducted 63 meetings with representatives of the capital market. The meetings were attended by over 140 unique participants.
- In connection with the bond issue, in August 2020 we organised a virtual roadshow (series of meetings) for over 15 professional investors.
- In 2020, approx. 80% of the above-mentioned contacts involved managers and analysts from the Polish market while 20% were foreign investors.
- At the end of 2020, five analysts from brokerage houses issued recommendations for the Company's shares.
- In 2020 we organised an online chat with individual investors via one of the leading stock exchange portals for the first time. During the chat, member of the Management Board responsible for financial matters answered 22 questions.

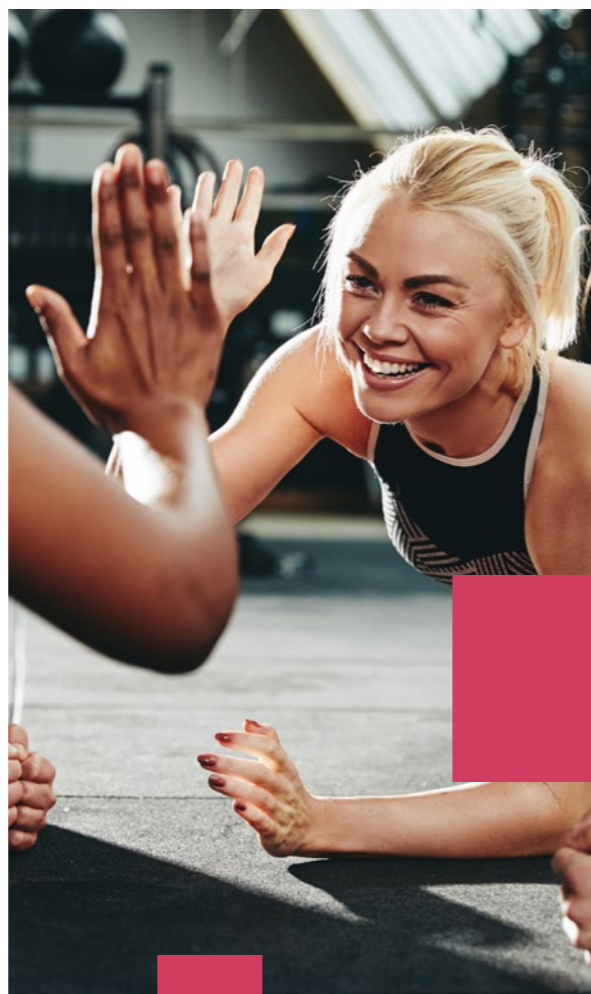


<sup>20</sup> For the full description of the issues, see the Benefit Systems Group Non-Financial Report 2019, Chapter 1 Management and Corporate Governance.

## INVESTOR RELATIONS GOOD PRACTICES

- 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 questions from investors and analysts. Due to sanitary requirements, this year we limited ourselves to organising teleconferences.
- After publishing the quarterly results, the Company always organises teleconferences for foreign investors.
- The Company participates in local and foreign conferences of brokerage houses where it meets with representatives of the capital market.
- The Management Board and the Investor Relations Department hold individual meetings with market representatives and small group meetings.
- 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).
- The Company does not organise meetings for individual investors but answers their questions addressed to the Company.
- In 2020 we conducted an online chat dedicated to individual investors for the first time. The company intends to continue organising the chat in this form in the coming years.
- Benefit Systems publishes information, current and periodic reports in Polish and English (current reports, financial statements) both through the Electronic Data Transfer System and the corporate website.
- 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.
- The Company has an Individual Reporting Standard, which specifies how the organisation identifies confidential information and how it communicates it to the capital market.

- Investor relations are supported by an external company.
- Benefit Systems is a company open to foreign markets. In 2020 we communicated with investors from over a dozen countries, including United States, United Kingdom, Germany, Canada, Estonia, Sweden, Japan, Hungary, Czech Republic, Japan, Spain, Lithuania, Russia.
- The Company is a member of the Polish Association of Listed Companies. In 2020 its representatives regularly participated in conferences and online events organised by this organisation as well as consultative working groups.



## 1.6. BUSINESS STRATEGY AND MANAGEMENT STANDARDS

### ■ 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 increase in the number of Cafeterias Segment Users,
- Building competitive advantage by making the Group's products more attractive,
- Taking advantage of the potential synergies between products and companies,
- Developing online services, both in the context of supporting the sale of sports cards and creating separate products. Developing the online training platform, Yes2Move e-shop and online functionalities related to sports cards and cafeteria platforms,
- 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: Poland, Foreign Markets and Cafeterias**. 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 Markets Segment, MyBenefit Sp. z o.o. – Cafeterias 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 staff** and then cascaded to lower levels along with incentive programmes, annual and semi-annual bonuses as well as commissions. Such activities are conducive to effective and loyal work focused on **achieving financial goals**, long-term, sustainable **growth of the Capital Group's value, Clients' satisfaction and creating a favourable work environment**.

Corporate governance management within the Benefit Systems Group considers **different structure of management systems** in individual companies within the Group 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 **environmental, social, and corporate governance as well as sustainable development** through appropriate recommendations of **adopted policies and procedures** and assistance in their implementation, while respecting **differences in the organisational culture** of individual segments and companies.

## 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. This system involves all Employees. 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.

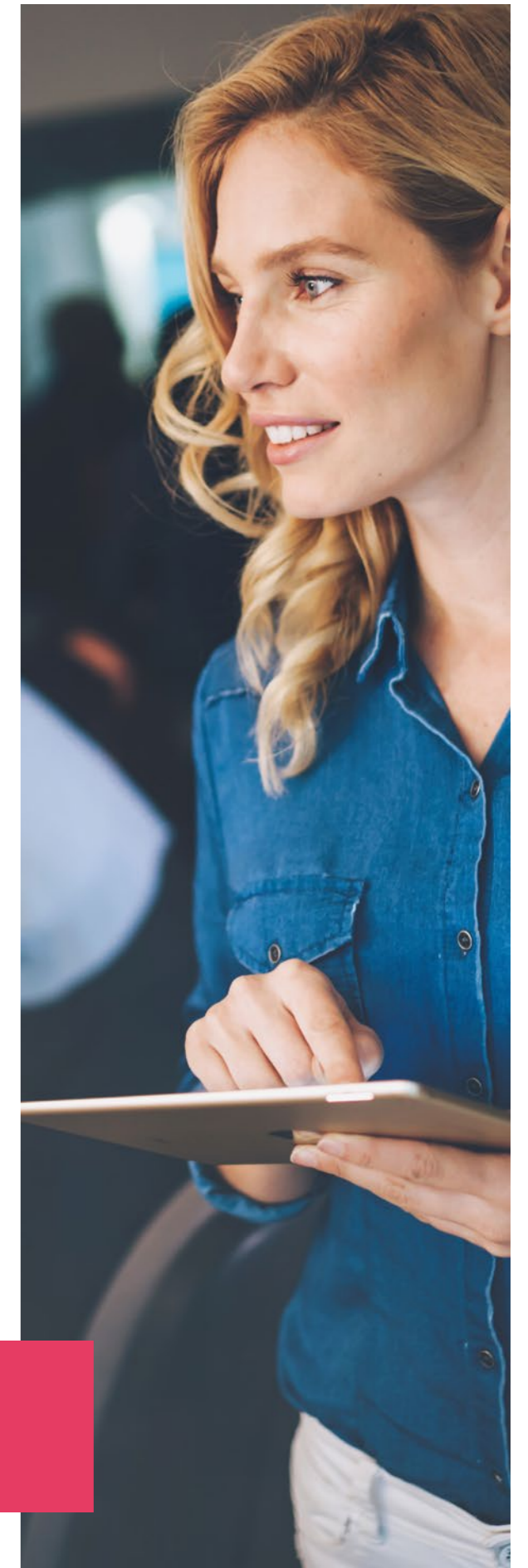
Internal audit evaluates the effectiveness and contributes to the improvement of the following processes: corporate governance, risk management, fraud and abuse prevention as well as control mechanisms in the Company and the Benefit Systems Capital Group.

Compliance is a function that supports the process of managing the non-compliance risk by monitoring implementation of applicable laws, good practices, ethical standards as well as implementation and application of internal regulations. 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:**

- **Benefit Systems Group Code of Ethics BS\_WAY** – 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 in the Responsible business folder on our corporate website.
- To meet the latest regulations and address good market practices, in 2019 we started updating the Code of Ethics, which was implemented at the beginning of 2020. Within the VanityStyle company there is also a separate document, which is complementary and consistent with the values of the BS\_WAY Code of Ethics.
- **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. In 2020 there were no corruption cases reported at Benefit Systems.
- **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/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.
- **Supplier CSR FORM** – a questionnaire created for the purpose of verification and responsible selection of Suppliers who will potentially cooperate with Benefit Systems. Completing the questionnaire aims at verifying the Supplier in terms of broadly understood activities in the field of social responsibility as well as environmental, social and corporate governance factors. The Company was working on the document in the second half of 2020. It will be introduced in the first quarter of 2021.

Procedures and policies related to compliance and internal control that are in force in the Company are gradually implemented in other companies within the Benefit Systems 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 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 for the Benefit Systems Group for the **period between 1.01.2020 and 31.12.2020**.<sup>21</sup>

### 1. RISK RELATED TO BUSINESS MODEL

- 1.1. Risk related to business model of the Company and of the Group as well as focusing on one area of activity and selling the flagship product only to companies, not to individuals
- 1.2. Risk related to changes in employee preferences in terms of employee benefits
- 1.3. Risk related to changes in the MultiSport cards financing model made by employers and changes to the regulations on the company social benefit fund
- 1.4. Risk related to the appearance of new non-financial employee benefits or new products connected with sports benefits offered to employers

### 2. RISK RELATED TO THE COVID-19 PANDEMIC

- 2.1. Risk related to the decrease in the number of cards, reduction of revenues and financial result as well as closure of clubs
- 2.2. Risk related to the bankruptcy of business Partners and a significant reduction in the MultiSport base

### 3. FINANCIAL RISKS

- 3.1. Liquidity risk
- 3.2. Currency risk

### 4. RISKS RELATED TO MANAGING A LARGE CAPITAL GROUP AND DIFFICULTIES IN ACHIEVING PROJECTED OPERATIONAL EFFICIENCY

### 5. RISK RELATED TO FOREIGN EXPANSION

### 6. TECHNOLOGICAL RISKS

- 6.1. Risk related to changes resulting from technological progress
- 6.2. Risks related to the implementation and maintenance of IT systems and cybersecurity

### 7. RISK RELATED TO HUMAN RESOURCES

### 8. RISK RELATED TO ANTITRUST REGULATIONS AND ANTITRUST PROCEEDINGS

### 9. RISK RELATED TO THE PROVISIONS ON THE PROTECTION OF PERSONAL DATA

### 10. RISK RELATED TO CHANGES IN THE LEGAL ENVIRONMENT AND THE INTERPRETATION OF TAX REGULATIONS

### 11. REGULATORY RISK RELATED TO THE COMPANY BEING STOCK EXCHANGE/ MULTILATERAL TRADING FACILITY ISSUER

## ANTITRUST PROCEEDINGS AGAINST BENEFIT SYSTEMS S.A.

On 22 June 2018, pursuant to the decision of the President of the Office of Competition and Consumer Protection ("**President**"), antitrust proceedings were initiated against the Company in connection with the suspicion of an agreement on dividing the fitness club market, suspicion of making arrangements for exclusive cooperation with fitness clubs and suspicions of restricting the possibilities of offering services within the sports and recreational packages ("**Proceedings**").

On 4 January 2021, the Company received the decision of the President on the first of three suspicions ("**Decision**") against which the Proceedings are being conducted. According to the Decision, the President considered the participation of the Company in the agreement involving the division of the market in 2012-2017 the practise restricting competition on the domestic market for the provision of fitness services in clubs, which is in breach of Art. 6 sec. 1 point 3 of the Competition and Consumer Protection Act and Art. 101 paragraph. 1 letter c of the Treaty on the Functioning of the European Union.

The President imposed financial penalties on the parties to the Proceedings, including the Company and its subsidiary (Yes to Move Sp. z o.o., formerly Fitness Academy sp. z o.o.). The Company does not agree with the Decision, and therefore it appealed against the Decision within the time limit prescribed by the provisions of law.

According to the decision of the President with regard to the two remaining suspicions, the proceedings should end on 29 May 2021.<sup>22</sup>



<sup>21</sup> For the full description of the risks, see the Benefit Systems Capital Group's financial statement for 2020.

<sup>22</sup> For more information on the Proceedings, see the Capital Group's financial statements for 2020.

## 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 within the Company (including the Fitness Unit) are regulated in our **internal** documentation in which the **Personal Data Protection Policy** is the key instrument.

We constantly care about the highest standards in the field of personal data processing of people who have trusted us. An expression of this concern was a **professional external audit** carried out in 2020, the purpose of which was to verify the processing of personal data taking place in the Fitness Unit as well as several other activities we undertake.

Bearing in mind the principle of transparency and open communication, last year we implemented a new, extended version of the **Privacy Policy** and informed our Clients as well as people using our products about it. As in 2019, we focused on developing the awareness of people who allow us to process their personal data. For this reason, we have developed new training content and information materials promoting knowledge in the field of personal data protection.

We make every effort to improve our standards by undertaking such actions as continuous improvement of our internal personal data processing procedures or improvement of internal documentation in this regard. For example, the end of the year was marked by two major updates concerning the **Personal Data Protection Policy** and the **Personal Data Breach Management Policy**.

Our efforts in this area resulted in the fact that between 1 January and 31 December 2020, as in 2019, **no administrative penalty**, which would result from violation of the provisions on the protection of personal data, was imposed on us.

In 2020, as part of data security activities, **several new tools for the protection of information and personal data were implemented at My Benefit**. These included: advanced anti-virus protection system, e-mail protection system, a tool for remote updating of operating systems and software on business computers, a tool for regular server vulnerability scanning, Mobile Device Management tool as well as extending the data leak prevention tool. In addition, the **Central Authorisation Register** was created along with a new **procedure for granting rights**. Last year, the **risk assessment for the network and server**

**infrastructure of the Cafeterias Segment** was also carried out.

The standard onboarding path for new MyBenefit Employees was completed by **mandatory training in the field of personal data protection**, with particular emphasis on the process of reporting and handling incidents. At MyBenefit we take care to regularly remind and educate Employees in the field of information security and best practices. We have also developed the **Remote Work Regulations** which define the principles of information security when working in the home office mode.

The year 2020 was an important year in terms of data protection also for **VanityStyle**. To increase the security of corporate data, a **DLP system has been implemented**, i.e., software to protect data against leakage. This system provides more effective protection of personal and corporate data collected and processed by the company. Additionally, the documents describing the procedures for data security remain unchanged at VanityStyle. These include: **Personal data protection policy, Instructions for handling VanityStyle data subjects' requests, Retention policy and Procedure for reporting personal data protection violations**.

## 1.7. 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 and healthy 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 Stakeholders, believing that only such a way of **running the Company** allows for **sustainable development of our business environment**. An inseparable inspiration in building the CSR reality of Benefit Systems is also **B Corp certification** as well as the obligations that come with it.

To implement all these activities competently, the Company has created the **CSR Strategy as an element of its business strategy**. Based on **six pillars**<sup>23</sup> 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. **The Group's CSR Strategy** also describes and specifies all **sustainable business activities** that we implement for our Stakeholders based on the following objectives:

### MAIN CSR OBJECTIVES

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

### ADDITIONAL CSR 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 implemented by the Company and individual companies within the Group under the supervision of a **dedicated CSR Team**. At the end of 2020, we were working on **updating our strategy** and defining objectives for the coming years. As part of the work, we **deepened and expanded the pillars** on which the document will be based and we also focused on defining **the most important objectives for the Group** for the coming years, such as **measuring and reducing the impact on the natural environment or taking care of the safety of Employees and other Stakeholders** in connection with the COVID-19 pandemic. The updated strategy will be published and implemented in the entire Group in **2021**. Its assumptions will apply until the **end of 2024**, unless specified otherwise.



<sup>23</sup> For more information about the pillars and strategy assumptions, see the Capital Group's non-financial report for 2019, Chapter 1 Management and corporate governance.

# 1.8. RESEARCH AND DEVELOPMENT

For many years, one of the important aspects of **listening to** our Stakeholders and **following the changing world**, which is also a **reference point for our activities**, has been market research and analysis in the key areas of the Company's and Group's operations. For us, the results of this research are a **real indicator of the needs and expectations** of the market as well as the **knowledge** that we want to share and use to improve our offer.

## WHO DO WE SURVEY?

- CLIENTS
- USERS
- PARTNERS
- COMMUNITY

## 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.

**By surveying our Clients, Users and Partners**, we want to know their satisfaction and loyalty level, contentment with our services as well as aspects related to the assessment of experiences resulting from cooperation with our Company. Due to the COVID-19 pandemic, cyclical measurements, and surveys that we carried out in recent years were not conducted last year.

A survey among Partners who did not have the opportunity to run their businesses in a standard way as well as Clients who could not fully use our services for half of the year would be unreliable. The dynamic increase in infections, restrictions and subsequent lockdowns were not conducive to the surveys among our Stakeholders and would be inadequate in the current reality. Therefore, the measurements of the Partners were suspended and the customer satisfaction survey among the MultiSport Programme Users was not conducted.

However, among the cyclical surveys within the Company's structure, we **conducted a satisfaction survey among MultiSport and MultiActive cardholders**. The analysis considered factors related to the pandemic and in addition to standard questions the ones created specially for exceptional circumstances were to measure the impact of the pandemic on the use of our flagship product. The survey took place between 23 September and 11 October, shortly before the second lockdown.

### MULTISPORT USER SATISFACTION SURVEYS 2020

**93 %**

OF USERS

EVALUATED THE MULTISPORT CARD AS  
EXCELLENT, VERY GOOD OR GOOD

**75%**

OF USERS

EVALUATED KARTAMULTISPORT.PL AS  
EXCELLENT, VERY GOOD OR GOOD

**60 %**

OF USERS

KNOW THE USER ZONE AT  
KARTAMULTISPORT.PL

As part of activities related to **measuring Stakeholder satisfaction**, also **VanityStyle** conducted a **User survey**, the purpose of which was to get the opinions on the products offered by the company. Additionally, there were questions verifying how Users perceive the latest solutions and products.

### FITSPORT AND FITPROFIT USER SATISFACTION SURVEYS 2020

**88,5%**

OF VANITYSTYLE USERS  
GIVE SPORTS CARDS

**8,9 or 10**

POINTS ON A SCALE FROM 1 TO 10,  
INCLUDING

**50,1%**

THAT GIVE THEM 10 POINTS

## WE SHARE KNOWLEDGE: SPECIAL EDITION OF THE MULTISPORT INDEX SURVEY

# MultiSport INDEX 2020

For three years now, together with an external partner, Kantar TNS, we have been conducting the **MultiSport Index** survey. This is the **first comprehensive research on physical and sports activity of Poles in Poland**, complemented by the data on individual provinces. Due to the COVID-19 pandemic, this year's edition of the survey was unique. It was carried out, not in one, as in previous years, but in as many as three periods in 2020: before the outbreak of the pandemic, during the first lockdown, and after its end. In effect, the MultiSport Index 2020 results constitute an extended analysis of the **impact of the pandemic on the level of physical activity in Polish society and on the motivation of Poles to engage in sports**. Every year the MultiSport Index survey contains a special thematic part which draws attention to the needs and behaviours of selected social groups in the field of physical activity. This year, this part was dedicated to professionally active Poles and includes an analysis of:

- The impact of physical activity on mitigating the effects of remote work,
- The needs of employees regarding employers' support connected with a healthy and active lifestyle,
- The availability of non-financial sports benefits.

The survey was conducted in three different periods on a random sample of **1,800 Poles** over 18 years of age (from 15 to 29 January 2020), **1,000 Poles** over 18 years of age (from 23 to 30 April 2020) and **1,200 Poles** over 18 years of age (from 1 August to 7 September 2020).

As is well known, regular physical activity affects the quality and length of our life, improves the condition, strength and endurance of the body, wellbeing and concentration level, and strengthens immunity. Our research shows that Poles are aware of the health benefits of sport and the level of physical activity in the society largely depends on the possibility of practising it. **At the beginning of 2020, 65% of Poles undertook physical activity at least once a month**. Due to the **spring lockdown, this percentage fell by 4%**. People

who limited their training at that time indicated the **closure of sports facilities as the main reason** for changing their sports habits. After the reopening of the sports infrastructure, the **physical activity of the society increased to 63%, i.e., by 2%**. So far, we have observed an increase in the activity of Poles at this level throughout the year. **More than half of Poles claim that they experienced a shortage of exercise during social isolation**.

Poles who are physically active are almost unanimous – 73% of them **do not want to give up physical activity** regardless of the development of the pandemic situation. On the example of Polish employees who take advantage of non-financial benefits in the field of sport, we can see that such support has a real impact on the level of physical activity, which in this group amounts to **as much as 76% – compared to the current average of the society this result is higher by 13%**. As many as **79% of physically active Poles** admit that regular exercise improves their wellbeing and efficiency at work and **41% has found a way to alleviate the stress caused by the pandemic in physical activity**. As a result, as many as **60% of employees expect more support** in the field of a healthy and active lifestyle **from their employers**.

## OVER 50% OF POLES

SAY THAT DURING SOCIAL ISOLATION THEY  
EXPERIENCED LACK OF ACTIVITY

## 73% POLES

DO NOT WANT TO GIVE UP PHYSICAL ACTIVITY  
REGARDLESS OF THE DEVELOPMENT OF THE PANDEMIC SITUATION

## AS MANY AS 79%

OF PHYSICALLY ACTIVE POLES ADMIT THAT  
REGULAR EXERCISE IMPROVES THEIR WELLBEING AND EFFICIENCY AT WORK

## 41% OF POLES

FOUND A WAY TO ALLEVIATE THE STRESS CAUSED BY THE PANDEMIC  
IN PHYSICAL ACTIVITY

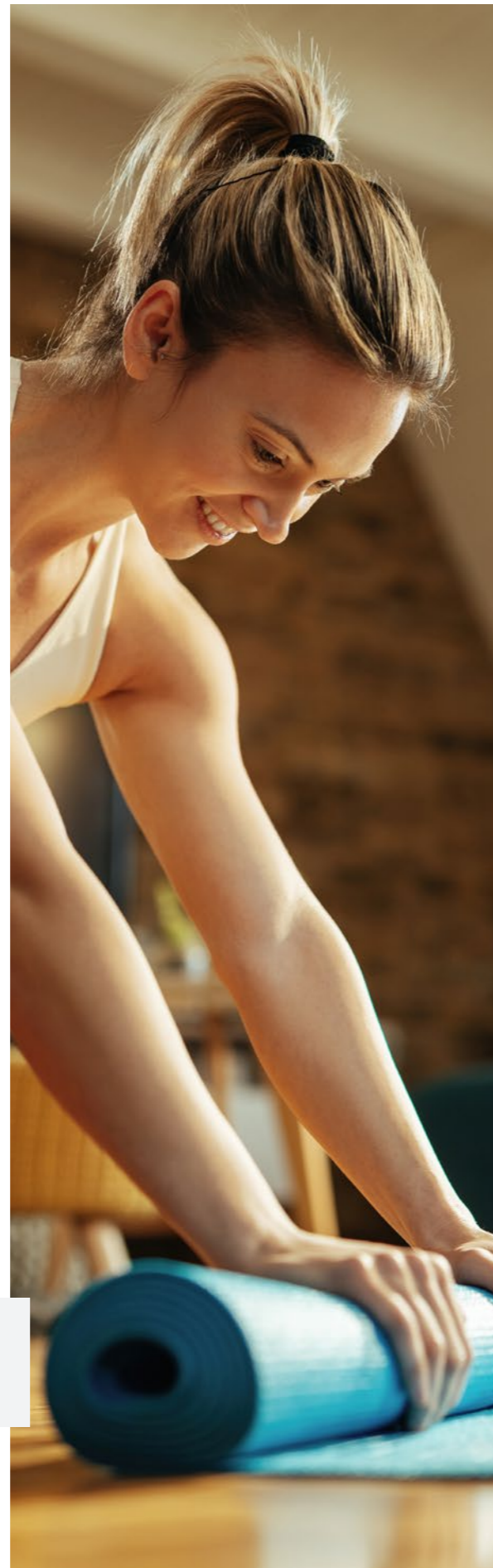
The full MultiSport Index 2020 Report can be found on our corporate website:  
[www.benefitsystems.pl/fileadmin/benefitsystems/relacje\\_inwestorskie/Centrum\\_Prasowe/PR\\_materialy/MultiSport-INDEX-2020\\_v5.pdf](http://www.benefitsystems.pl/fileadmin/benefitsystems/relacje_inwestorskie/Centrum_Prasowe/PR_materialy/MultiSport-INDEX-2020_v5.pdf)

## VANITYSTYLE SKANER MŚP SURVEY AMONG SMALL AND MEDIUM-SIZED ENTERPRISES

In 2020 VanityStyle, in collaboration with the Keralla Institute, conducted a **nationwide survey among small and medium-sized enterprises** that aimed at **learning the opinions of potential and current Users regarding products and services** offered by the company. The survey was carried out for the second year in a row and its results were published in the fourth quarter of 2020.

There were **441 companies that participated in the survey**. Its results show that despite the pandemic, 19% of small and medium-sized enterprises introduced **new forms of support for their employees**. The newly introduced benefits include, among others, a flexible approach to the place and time of work, benefits for parents or coronavirus tests. Additionally, the survey shows that some employers appreciated the usefulness of the VanityStyle online platform providing access to training and advice on a healthy lifestyle. These employers are convinced that such a solution would strengthen the positive image of their company and see the possibility of employees taking care of their health and condition at home.

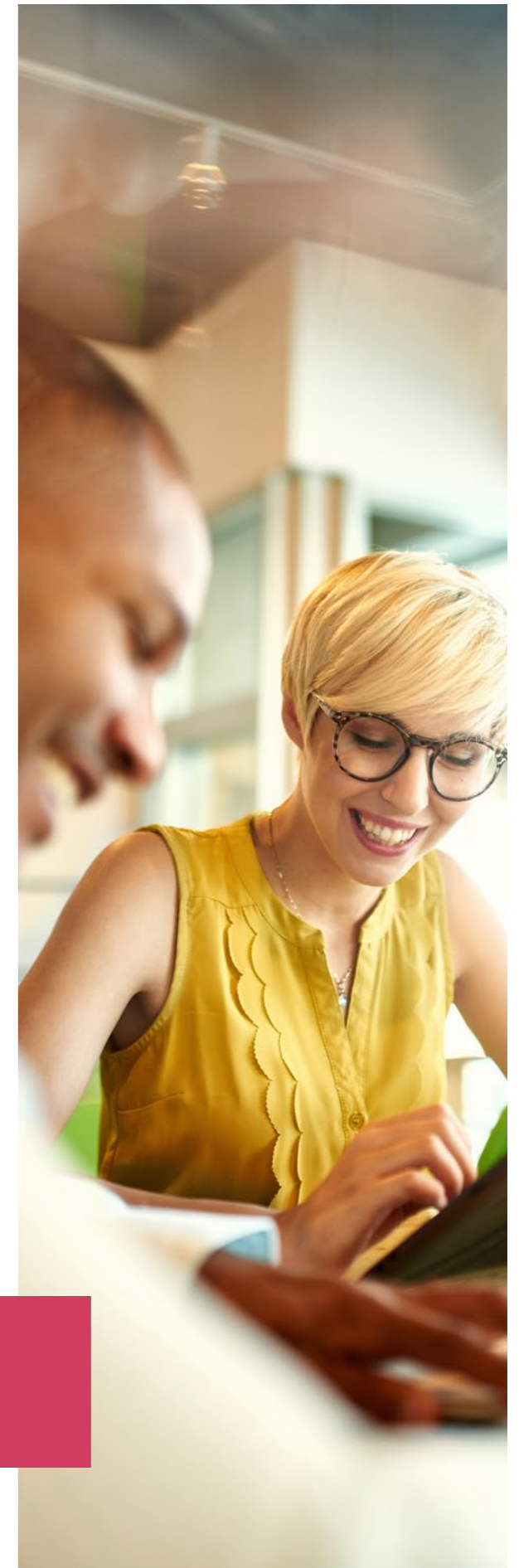
During the pandemic, **19%** of surveyed employers **INTRODUCED NEW FORMS OF SUPPORT FOR THEIR EMPLOYEES**.



## 1.9. AWARDS AND DISTINCTIONS

Despite the pandemic as well as many cancelled competitions and plebiscites in which we participated in previous years, in 2020 Benefit Systems received the following awards and distinctions:

- Distinction for Benefit Systems S.A. in Kreatura 2020 independent creation competition for the MultiSport "We're glad you're here!" campaign in the special "Marketing during the pandemic" category
- Benefit Systems was on the Financial Times "Diversity Leaders" list among employers supporting diversity. The ranking included 33 companies operating in our country and Benefit Systems took the 528th place out of 850 companies from around the world.
- Benefit Systems won the competition for the best IT recruitment advertisement organised by the owner of the Just Join It online recruitment platform.



# OUR TEAM

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# 2

## 2.1. EMPLOYMENT STRUCTURE

The tables below present the employment status as of 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.** and **Benefit Systems S.A. Fitness Unit**, although they constitute one company (the parent company), from a formal point of view and due to the specific nature of their activity, are separate employers. Therefore, most of the information on Employees contained in the following chapter is given separately for both employers and the tables with data contain additional statements for the Benefit Systems S.A. parent company excluding the Fitness Unit..

**Benefit Systems S.A.** is mainly responsible for the development and sales of the MultiSport Programme in Poland, having Employees who perform their duties in office spaces in standard working hours. **Benefit Systems S.A. Fitness Unit** is responsible for running our cub chains and employs mainly personal trainers and instructors conducting group classes whose work significantly differs from the standard eight-hour working day five days a week. These people usually do not work full time, they run classes in several different clubs (also belonging to other chains), and their working hours are often irregular. Therefore, the dominant form of employment at Benefit Systems S.A. Fitness Unit are civil law contracts (included in the following tables as Associates). It is closely related to the specific nature of the industry. A significant part of the Associates in the Fitness Unit are young people, often still studying. 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..

### ■ EMPLOYMENT AT THE BENEFIT SYSTEMS GROUP<sup>24</sup>

- Number of Employees in the Group: **1,388 people**
- Number of Employees in the parent company: **693 people**
- Number of all people employed in the Group: **5,711 people**
- Number of all people employed in the parent company: **4,296 people**
- Average employment in the Benefit Systems Group: **1,447 people**
- Average employment in the parent company: **706 people**

At the end of 2020, the parent company, excluding Benefit Systems S.A. Fitness Unit, employed **611** people (Employees and Associates). Employment contracts constituted **97%** of all forms of employment (91.3% in 2019). In terms of gender, women predominate and constitute **66.5%** of all the employed.

In the tables below, the Associates category also includes people cooperating with our fitness clubs as trainers and instructors who did not provide services and received no remuneration in the months in which the clubs were closed due to the pandemic. However, contracts with these people were maintained throughout the year, ensuring continued social security for them.

#### NUMBER OF EMPLOYEES AND ASSOCIATES BY GENDER AS OF 31 DECEMBER OF A GIVEN YEAR.

BENEFIT SYSTEMS GROUP				
FORM OF EMPLOYMENT	WOMEN	MEN	2020 TOTAL	2019 TOTAL
EMPLOYEE Permanent employment contract	904	484	<b>1,388</b>	1,540
ASSOCIATE Civil law contract and B2B	2,261	2,062	<b>4,323</b>	4,355
<b>TOTAL</b>	<b>3,165</b>	<b>2,546</b>	<b>5,711</b>	5,895
BENEFIT SYSTEMS S.A.				
FORM OF EMPLOYMENT	WOMEN	MEN	2020 TOTAL	2019 TOTAL
EMPLOYEE Permanent employment contract	464	229	<b>693</b>	681
ASSOCIATE Civil law contract and B2B	1,864	1,739	<b>3,603</b>	3,398
<b>TOTAL</b>	<b>2,328</b>	<b>1,968</b>	<b>4,296</b>	4,079
BENEFIT SYSTEMS S.A. EXCLUDING THE FITNESS UNIT				
FORM OF EMPLOYMENT	WOMEN	MEN	2020 TOTAL	2019 TOTAL
EMPLOYEE Permanent employment contract	397	196	<b>593</b>	569
ASSOCIATE Civil law contract and B2B	9	9	<b>18</b>	54
<b>TOTAL</b>	<b>406</b>	<b>205</b>	<b>611</b>	623

#### NUMBER OF EMPLOYEES BY CONTRACTED WORKING HOURS AS OF 31 DECEMBER OF A GIVEN YEAR.

BENEFIT SYSTEMS GROUP				
CONTRACTED WORKING HOURS	WOMEN	MEN	2020 TOTAL	2019 TOTAL
FULL TIME	867	473	<b>1,340</b>	1,498
PART TIME	37	11	<b>48</b>	42
<b>TOTAL</b>	<b>904</b>	<b>484</b>	<b>1,388</b>	1,540
BENEFIT SYSTEMS S.A.				
CONTRACTED WORKING HOURS	WOMEN	MEN	2020 TOTAL	2019 TOTAL
FULL TIME	451	227	<b>678</b>	673
PART TIME	13	2	<b>15</b>	8
<b>TOTAL</b>	<b>464</b>	<b>229</b>	<b>693</b>	681
BENEFIT SYSTEMS S.A. EXCLUDING THE FITNESS UNIT				
CONTRACTED WORKING HOURS	WOMEN	MEN	2020 TOTAL	2019 TOTAL
FULL TIME	385	194	<b>579</b>	564
PART TIME	12	2	<b>14</b>	5
<b>TOTAL</b>	<b>397</b>	<b>196</b>	<b>593</b>	569

<sup>24</sup> As of 31 December 2020.

**NUMBER OF EMPLOYEES AND ASSOCIATES BY DURATION OF THE CONTRACT  
AS OF 31 DECEMBER OF A GIVEN YEAR**

BENEFIT SYSTEMS GROUP				
CONTRACT DURATION	WOMEN	MEN	2020 TOTAL	2019 TOTAL
PERMANENT	1,271	894	<b>2,165</b>	3,612
FIXED-TERM	1,894	1,652	<b>3,546</b>	2,283
<b>TOTAL</b>	<b>3,165</b>	<b>2,546</b>	<b>5,711</b>	5,895
BENEFIT SYSTEMS S.A.				
CONTRACT DURATION	WOMEN	MEN	2020 TOTAL	2019 TOTAL
PERMANENT	758	490	<b>1,248</b>	1,207
FIXED-TERM	1,570	1,478	<b>3,048</b>	2,872
<b>TOTAL</b>	<b>2,328</b>	<b>1,968</b>	<b>4,296</b>	4,079
BENEFIT SYSTEMS S.A. EXCLUDING THE FITNESS UNIT				
CONTRACT DURATION	WOMEN	MEN	2020 TOTAL	2019 TOTAL
PERMANENT	371	181	<b>552</b>	550
FIXED-TERM	35	24	<b>59</b>	73
<b>TOTAL</b>	<b>406</b>	<b>205</b>	<b>611</b>	623

## KEEPING JOBS DURING THE COVID-19 PANDEMIC

Due to the COVID-19 pandemic, imposed restrictions and the necessity to close fitness clubs, our business, both in Poland and abroad, suffered significant losses. Closing of sports facilities (including our own clubs), which constitute the basis for the provision of services under the MultiSport Programme, prevented us from operating to the full extent. Despite this difficult situation, our priority was to maintain as many jobs as possible. During the first lockdown, the companies benefited from government support and some Employees and Associates were affected by the economic downtime. We have also introduced a reduction in the working time and remuneration.

At **Benefit Systems S.A.**<sup>25</sup> the economic downtime, which lasted two months (April-May), affected 39% of the employed. In the above period, 57% of Employees had their working time and basic salary reduced to a level not lower than 80%, except for the senior staff that received the remuneration reduced to 60%. To support Employees in this economically difficult time, we

introduced the possibility of receiving financial support from the company, increasing funds for this purpose from the Company Social Benefits Fund. Furthermore, in 2020, as an additional benefit, we introduced a subsidy for Employees' time off (self-arranged countryside holiday), under which everyone who went on an uninterrupted two-week holiday and submitted an appropriate application received additional funds.

At **Benefit Systems S.A. Fitness Unit**, which cooperates with trainers and instructors conducting group classes mainly on the basis of civil law contracts, in the first half of 2020 all cooperation agreements were maintained, including commission contracts without the provision of services (in the months when the clubs were closed) but with uninterrupted social insurance. Employees in support departments, managerial staff in clubs and the entire management staff had the working time and remuneration reduced to 80%. Few employees were affected by the economic downtime with a salary reduced by 50%.

In the second half of 2020, as the pandemic situation did not improve and clubs remained closed for most of the months, the company optimised its structure by liquidating business development and investment departments, which required layoffs. Individual positions in HR and products were also eliminated. In total, in 2020, the number of employees at Benefit Systems S.A. Fitness Unit was reduced by 19%. Civil law contracts without the provision of services and remuneration in the months in which the clubs could not operate due to the applicable restrictions were maintained. Club managers received a salary not lower than 80%, depending on the actions taken during the closing of the facilities.

### Benefit Systems S.A. Fitness Unit intensively supported its Employees and Associates in this difficult time:

- People cooperating under civil law contracts wishing to apply for aid from the government's anti-crisis shield received support in filling out applications which were sent to the Social Insurance Institution (ZUS). The company helped to complete and sent nearly 2,000 applications.
- People running their own business under the B2B contract received advisory, formal, and legal support in obtaining government funding. They also received certificates confirming the provision of services, necessary to submit the application.
- Individual online consultations with representatives of an external recruitment company were organised for Employees with whom the cooperation was terminated. During these meetings they obtained professional support in the field of career counselling and active job search, including CV preparation. People who benefited from this form of support could immediately apply for the job offers proposed by the advisor and their CV was entered into the company's database.
- People who were subject to the restructuring process were also given the opportunity to benefit from professional psychological support.
- The company issued the above-mentioned Employees references to help them find a job.

**VanityStyle** and **MyBenefit** also benefited from government salary subsidies under the anti-crisis shield, which allowed them to avoid job cuts. It related to the necessity to reduce the number of full-time jobs and salaries to the level of 80% (at MyBenefit this applied to all Employees). At VanityStyle the reduced working hours and remuneration concerned 62% of Employees in the first month and 50% in the next. In April and May, the economic downtime with maintaining 50% of the monthly salary (but not less than the minimum salary) affected 17% and 35% of Employees respectively.

At **FitFabric**, which manages a chain of 18 fitness clubs, the pandemic only slightly contributed to the reduction of employment. This happened in the second half of the year. In April 2020, the company went into a state of economic downtime, sending some employees to the furlough with the basic salary reduced by 50%. This continued until June when clubs were reopened after the first lockdown. Contracts with Associates were maintained throughout the year, without the provision of services and remuneration in the months in which the clubs were closed.

The companies within the Group operating on **foreign markets** (Czech Republic, Slovakia, Bulgaria, and Croatia) took advantage of the support offered by the governments of individual countries, sending their teams to an economic downtime, or reducing their working time or salary (depending on the market). At the same time, measures were taken to optimise the employment structure and adapt it to the new realities of the business environment. Comparing the employment at the end of the first quarter of 2020 and at the end of December 2020, the number of Employees of all our foreign companies decreased by 22% (over 100 people).

<sup>25</sup> Excluding Benefit Systems S.A. Fitness Unit, which is a separate employer.



**NUMBER OF EMPLOYEES AND ASSOCIATES IN THE BENEFIT SYSTEMS GROUP IN 2020  
(QUARTERLY DATA)<sup>26</sup>**

<b>BENEFIT SYSTEMS GROUP</b>				
<b>FORM OF EMPLOYMENT</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
EMPLOYEE Permanent employment contract	1,555	1,425	1,432	1,388
ASSOCIATE Civil law contract and B2B	4,330	4,314	4,406	4,323
<b>TOTAL</b>	<b>5,885</b>	<b>5,739</b>	<b>5,838</b>	<b>5,711</b>
<b>BENEFIT SYSTEMS S.A.</b>				
<b>FORM OF EMPLOYMENT</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
EMPLOYEE Permanent employment contract	707	692	709	693
ASSOCIATE Civil law contract and B2B	3,564	3,564	3,640	3,603
<b>TOTAL</b>	<b>4,271</b>	<b>4,256</b>	<b>4,349</b>	<b>4,296</b>
<b>BENEFIT SYSTEMS S.A. EXCLUDING THE FITNESS UNIT</b>				
<b>FORM OF EMPLOYMENT</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
EMPLOYEE Permanent employment contract	584	578	609	593
ASSOCIATE Civil law contract and B2B	24	18	26	18
<b>TOTAL</b>	<b>608</b>	<b>596</b>	<b>635</b>	<b>611</b>
<b>BENEFIT SYSTEMS S.A. FITNESS UNIT</b>				
<b>FORM OF EMPLOYMENT</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
EMPLOYEE Permanent employment contract	123	114	100	100
ASSOCIATE Civil law contract and B2B	3,540	3,546	3,614	3,585
<b>TOTAL</b>	<b>3,663</b>	<b>3,660</b>	<b>3,714</b>	<b>3,685</b>

**NUMBER OF ASSOCIATES EMPLOYED IN FITNESS CLUBS BELONGING TO THE BENEFIT SYSTEMS GROUP IN POLAND  
AND ABROAD<sup>27</sup> IN 2020 IN FULL-TIME EQUIVALENT  
(QUARTERLY DATA)**

<b>Q1 – AS OF 31 MARCH 2020</b>			
<b>FORM OF EMPLOYMENT</b>	<b>WOMEN</b>	<b>MEN</b>	<b>TOTAL</b>
B2B	191.7	311.7	503.4
CIVIL LAW CONTRACTS	702.7	391.7	1,094.4
<b>TOTAL</b>	<b>894.4</b>	<b>703.4</b>	<b>1,597.8</b>
<b>Q2 – AS OF 30 JUNE 2020</b>			
<b>FORM OF EMPLOYMENT</b>	<b>WOMEN</b>	<b>MEN</b>	<b>TOTAL</b>
B2B	132.4	229.4	361.8
CIVIL LAW CONTRACTS	394.8	100.2	495.0
<b>TOTAL</b>	<b>527.2</b>	<b>329.6</b>	<b>856.8</b>
<b>Q3 – AS OF 30 SEPTEMBER 2020</b>			
<b>FORM OF EMPLOYMENT</b>	<b>WOMEN</b>	<b>MEN</b>	<b>TOTAL</b>
B2B	170.7	244.4	415.1
CIVIL LAW CONTRACTS	575.4	223.8	799.2
<b>TOTAL</b>	<b>746.1</b>	<b>468.2</b>	<b>1,214.3</b>
<b>Q4 – AS OF 31 DECEMBER 2020</b>			
<b>FORM OF EMPLOYMENT</b>	<b>WOMEN</b>	<b>MEN</b>	<b>TOTAL</b>
B2B	158.2	242.0	400.2
CIVIL LAW CONTRACTS	392.2	225.3	617.5
<b>TOTAL</b>	<b>550.4</b>	<b>467.3</b>	<b>1,017.7</b>

<sup>26</sup> As of the last day of a given quarter.

<sup>27</sup> Applies to the following companies: Benefit Systems S.A. Fitness Unit, Fit Fabric Sp. z o.o., Beck Box Club S.R.O., Form Factory S.R.O., Fit Invest Slovakia S.R.O. And Next Level Fitness EOOD.

## RECRUITMENT

Despite the pandemic and the difficult situation in which our business has found itself, there was a need to expand teams in various areas within the companies. In 2020, we employed 365 Employees and 949 Associates in the Benefit Systems Group.

When recruiting new Employees and Associates, we concentrate on people with great potential, ambitious, focused on development, effective cooperation and achieving goals. At the same time, we are looking for candidates who identify with our values and who will fit into our teams, co-creating a friendly working atmosphere based on mutual courtesy and respect. To work in clubs, we are looking for active, energetic, open, and friendly people who are passionate about sport, health and physical condition.

Recruitment processes, including onboarding meetings for new Employees and Associates, are carried out in a manner individually developed by a given company, tailored to its specific nature. At every stage we make every effort to ensure that employee rights and human rights are respected to the highest degree, being additionally guided by our internal BS\_WAY Code of Ethics. We provide equal opportunities, both as part of internal and external recruitment, and we care about the secrecy of the recruitment process and the security of candidates' personal data.

Every year, in companies within the Group, in addition to external recruitment processes, we conduct and promote **internal recruitment** to enable Employees to acquire new competences and continue the development path in new areas. Any person employed in each company may apply after obtaining the approval of the current supervisor. Information on internal recruitment is provided on an ongoing basis, for example via Intranet and e-mail.



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.



We constantly encourage young people who are just entering the labour market to complete **an internship or training at Benefit Systems** which often leads to the person being employed full time. For this purpose, every year we have a stand at the Warsaw job and internship fairs for students and graduates (in 2020 the fair was organised just before the first lockdown). We also advertise on recruitment websites and invite students to take part in paid internships in our company.

In 2020, due to the pandemic and the need to maintain security measures, recruitment in companies within the Benefit Systems Group was conducted mainly online (both interviews with candidates as well as additional tasks, e.g., knowledge tests and role plays). Face-to-face meetings in the office took place at the final stage of recruitment. We believe that the opportunity to meet at the place of future work and a personal conversation with future colleagues and supervisors are valuable for candidates and make the decision to join the company easier. All meetings were held under high sanitary regime.

### RECRUITMENT AT BENEFIT SYSTEMS S.A. HEADQUARTERS:

- We use advanced recruitment tools, such as competence and psychometric tests, case studies or Assessment Centre, to ensure the best match between the candidate and the position, which is a source of mutual benefits.
- We also invite people whom a potential new employee would cooperate with and representatives of the teams we recruit for to participate in the recruitment processes, which engages the team and gives the candidate the opportunity to gain deep knowledge of our culture. A thoughtful recruitment process and getting to know one another are reflected in the high accuracy of the recruitment processes. Low turnover in individual departments and in key positions is the goal of employment policies and proper recruitment is at its core.
- In our recruitment advertisements, we care about a clear message and transparent presentation of the offer while reflecting the company's organisational culture.
- If possible, we first start internal recruitment with the development of our Employees in mind. We promote this form of recruitment through online and offline communication activities as well as appointing Internal Recruitment Ambassadors at Benefit Systems.
- At every stage of the recruitment process, we take care of a good atmosphere, maintain regular contact with candidates and provide feedback after their participation in the recruitment process.
- After the recruitment is completed, we ask candidates for their feedback and on this basis, we constantly improve the entire recruitment process, because we know how important Candidate Experience is.
- We take care of the proper introduction of the selected candidate to the new professional duties and new environment through the onboarding – a two-day meeting for new Employees.
- From the very first day of employment, our Employees have access to several non-financial benefits, including MultiSport and BenefitLunch cards or free medical care.

- We want each new member of our team to feel comfortable with us, which is why from the first day of work they are under the care of their supervisor or a colleague from their team who supports them in finding themselves in a new place and responds to emerging questions.

In 2020, the recruiting team at the Benefit Systems headquarters successfully conducted **111 recruitment processes** of which 10% of people employed were candidates recommended by the company's Employees under the "Action Recommendation" and 17% came from internal recruitment processes.

In 2020, **Benefit Systems S.A. Fitness Unit**, which is a part of Benefit Systems S.A. but at the same time a separate employer hiring mainly trainers and instructors conducting group classes, took several measures to standardise its recruitment processes:

- The career page ([kariera.bsof.com.pl](http://kariera.bsof.com.pl)) where current job offers in our clubs can be found has been launched.
- A new ATS recruitment system adapted to the specifics of the fitness industry, in which standard work behind the desk is in a clear minority, has been implemented. The system enables mobile handling of recruitment processes and selection of received CVs (via mobile devices, e.g., smartphones), conducting video interviews with candidates as well as reporting recruitment needs by fitness clubs.
- An internal document entitled "Recruitment Process Standards", which contains clear instructions and practical guidelines on how the next stages of recruitment should be carried out, has been developed by the HR Department and made available on the company's Intranet.
- A new standard of searching for candidates via social media (Facebook, Instagram) has been implemented.

## ONBOARDING

The last stage of the recruitment process is onboarding, i.e., a familiarisation and training meeting for new Employees and Associates, which is an important element of the entire process. It not only enables the introduction of new people but also creates the "first impression" about the company. That is why we want these meetings to take place in a friendly and relaxed atmosphere while providing important information in a professional, accessible, and understandable manner. In each of the companies onboarding takes place in a slightly different form. In 2020, due to the need to maintain security measures, these meetings were held mainly online.

During two-day onboarding meetings at the **Benefit Systems S.A.** headquarters each thematic module is conducted by a dedicated Employee who is responsible for or represents a given area in the company on a daily basis. As a result, new team members receive all the information "first-hand." Each meeting is attended by a Management Board Member who tells the story of Benefit Systems, our products as well as the company's mission and core values. One of the topics presented is the company's CSR activities, including those related to ecology and employee volunteering so that every new person is aware of how important this area is for us. A new element of onboarding introduced in 2020 was an active break with the *Zdrowie na Etacie* (Health Full Time)<sup>28</sup> team, during which the trainers encouraged physical activity at the computer. *Zdrowie na Etacie* (Health Full Time) is Benefit Systems' signature programme under which we promote physical activity and a healthy lifestyle among the company's Clients. During onboarding meetings, new hires also undergo mandatory health and safety training. Each onboarding participant receives an attractive package of company gadgets.

Due to the specific nature of work in fitness clubs and the dispersion of facilities, the introductory training for new people at **Benefit Systems S.A. Fitness Unit** takes place online via the company's FitMeet Intranet. There, the approved candidate will find all the necessary materials, information, and instructions, along with tasks to be performed which allow to check the acquired knowledge. In addition, a new person employed in the club has contact with customers and learns about the operation of the system as part of the training already in the first days of work.

As part of the onboarding process, new Employees at **MyBenefit** take part in a series of meetings and trainings (in 2020 mostly online), ranging from the mandatory ones, such as health and safety, through those related to general information on the company's history, vision, and mission, offered products, to detailed ones, directly related to the position held. One of the elements of onboarding is also a meeting with the HR Department, during which the Employee can learn everything about the rules prevailing in the company or benefits as well as get answers to any questions in the "employment" area.



<sup>28</sup> For more information on *Zdrowie na Etacie* (Health Full Time), see Section 3.5. We educate and activate our Clients and Users.

At **VanityStyle** the process of introducing a new Employee is called "Relay – Let's Meet." These are short meetings in each of the departments operating in the company, regardless of which team and which position the person was hired for. During the onboarding relay, a new employee can meet colleagues from the entire company and receive key information on what a given department does, learn about its organisational structure and standard working day. In 2020, most meetings were held online.

In our Czech company, **MultiSport Benefit S.R.O.**, which is responsible for selling the MultiSport Programme on the Czech market, new employees receive a practical, several dozen-page guide, containing a full package of useful information on the company's history, its values, products, benefits, the functioning of the office and more.



**MultiSport**

MultiSport'ákem  
snadno a rychle

NECO MÁLO O MULTISPORTU

### Naše motto, vize, mise a hodnoty

**MISE:**  
Pomáháme zaměstnaným lidem cítit se lépe.

**VIZE**  
Vždy první volba a odborný partner v oblasti sportovních a relaxačních benefitů pro klienty, partnery i zaměstnance.

**MOTO**  
Cítit se lépe.

Pomáháme, nasloucháme

Respekt a sounost nám nejsou cizí, rozhýbáváme firmy

Hledáme vždy řešení win-win

6

**NUMBER OF NEW EMPLOYEES IN THE BENEFIT SYSTEMS GROUP IN 2020  
PEOPLE HIRED UNDER EMPLOYMENT CONTRACT**

BENEFIT SYSTEMS GROUP						
GENDER/AGE	<30 years of age	30-40 years of age	41-50 years of age	>50 years of age	2020 TOTAL	2019 TOTAL
WOMEN	127	71	34	2	<b>234</b>	346
MEN	64	39	25	3	<b>131</b>	227
<b>2020 TOTAL</b>	<b>191</b>	<b>110</b>	<b>59</b>	<b>5</b>	<b>365</b>	
2019 TOTAL	303	209	53	8		573
BENEFIT SYSTEMS S.A.						
GENDER/AGE	<30 years of age	30-40 years of age	41-50 years of age	>50 years of age	2020 TOTAL	2019 TOTAL
WOMEN	55	46	19	2	<b>122</b>	99
MEN	19	16	12	1	<b>48</b>	57
<b>2020 TOTAL</b>	<b>74</b>	<b>62</b>	<b>31</b>	<b>3</b>	<b>170</b>	
2019 TOTAL	68	64	24	0		156
BENEFIT SYSTEMS S.A. EXCLUDING THE FITNESS UNIT						
GENDER/AGE	<30 years of age	30-40 years of age	41-50 years of age	>50 years of age	2020 TOTAL	2019 TOTAL
WOMEN	35	32	14	2	<b>83</b>	76
MEN	14	13	10	1	<b>38</b>	45
<b>2020 TOTAL</b>	<b>49</b>	<b>45</b>	<b>24</b>	<b>3</b>	<b>121</b>	
2019 TOTAL	53	50	18	0		121

**NUMBER OF NEW ASSOCIATES IN THE BENEFIT SYSTEMS GROUP IN 2020  
PEOPLE HIRED ON THE BASIS OF CIVIL LAW CONTRACTS AND B2B**

BENEFIT SYSTEMS GROUP					
GENDER/AGE	<30 years of age	30-40 years of age	41-50 years of age	>50 years of age	TOTAL
WOMEN	491	116	23	8	<b>638</b>
MEN	221	66	17	7	<b>311</b>
<b>TOTAL</b>	<b>712</b>	<b>182</b>	<b>40</b>	<b>15</b>	<b>949</b>
BENEFIT SYSTEMS S.A.					
GENDER/AGE	<30 years of age	30-40 years of age	41-50 years of age	>50 years of age	TOTAL
WOMEN	357	81	17	3	<b>458</b>
MEN	142	36	13	6	<b>197</b>
<b>TOTAL</b>	<b>499</b>	<b>117</b>	<b>30</b>	<b>9</b>	<b>655</b>
BENEFIT SYSTEMS S.A. EXCLUDING THE FITNESS UNIT					
GENDER/AGE	<30 years of age	30-40 years of age	41-50 years of age	>50 years of age	TOTAL
WOMEN	3	3	1	0	<b>7</b>
MEN	14	11	2	0	<b>27</b>
<b>TOTAL</b>	<b>17</b>	<b>14</b>	<b>3</b>	<b>0</b>	<b>34</b>

**ANNUAL EMPLOYEE TURNOVER RATE IN THE BENEFIT SYSTEMS GROUP**

	2020	2019
<b>BENEFIT SYSTEMS GROUP</b>	35,5%	22,6%
<b>BENEFIT SYSTEMS S.A.</b>	32,4%	13,9%
<b>BENEFIT SYSTEMS S.A. EXCLUDING THE FITNESS UNIT</b>	16,8%	13,2%
<b>BENEFIT SYSTEMS S.A. FITNESS UNIT</b>	48,0%	14,6%

The increased employee turnover rate in 2020 reflects the business situation of companies caused by the pandemic and lockdown as well as the need to freeze certain activities. Companies within the Benefit Systems Group were forced to suspend the activities of clubs, stop the implementation of many projects, reduce salaries, or introduce an economic downtime. These reasons directly influenced the employment situation. Some people decided to leave the Group on their own initiative to gain employment in an industry not so se-

verely affected by the economic effects of the pandemic as the fitness industry. This was especially true of young people whose percentage among the employed is the highest. Some people were dismissed for reasons relating to the employer, which, however, did not constitute the so-called collective redundancies.

## 2.2. ATTRACTIVE WORKPLACE AND BENEFITS

At the Benefit Systems Group we strive to provide Employees and Associates with an attractive workplace where they can develop professionally in a friendly and open environment. We believe that positive relationships between people and a good atmosphere are factors that significantly affect the quality and comfort of work. We respect one another and others' time, we care about work-life balance, because we know how important it is to maintain an appropriate balance between professional duties and private life. In 2020, when we worked from home for most of the months due to the COVID-19 pandemic, this balance was particularly important. We supported the possibility of maintaining a healthy balance by organising numerous online workshops to support our team not only in effective remote work, but also in a healthy lifestyle and care for its psychological aspects.

In our office spaces, designed with attention to detail, i.e., living vegetation and pleasant colours, we provide Employees with comfortable and ergonomic workstations and appropriate equipment needed to perform their official duties. We also organise places to relax where they can rest from the computer and do something other than work for a while. People employed in fitness clubs have all the equipment at their disposal so they can keep in shape at the place of employment.

Good working atmosphere is also influenced by integration and joint celebration of various occasions, not only during company-wide events, but also within departments and teams. In 2020, due to the pandemic, all such events planned between March and December were cancelled but we sincerely hope that in the following year we will be able to gradually return to our meetings and celebrations..

Organisational culture of companies within the Benefit Systems Group and the values that guide us put **mutual respect, tolerance, kindness, and partnership** in the

first place. Cooperation and sharing knowledge are extremely important to us. These aspects were highly rated by Employees in the annual engagement surveys<sup>29</sup> as those accompanying us in our daily work. Thanks to this, we know that these are not only slogans, but a real attitude represented by our teams.

We appreciate Employees for their contribution to business development, offering them not only appropriate remuneration but also **several additional non-financial benefits**. Their range is one of the most diverse on the market and includes, among others, our own products: MultiSport card, BenefitLunch card and MyBenefit cafeteria bonuses.

The list of non-financial benefits for Employees of the Benefit Systems Group includes benefits related to many areas of everyday life, such as health, physical activity and recreation, education, culture, and entertainment as well as parenthood. **They differ between companies due to their legal separateness, financial condition as well as Employees' expectations.**

In 2020, due to the pandemic and related limitations, including the need to reduce costs, we had to resign from several standard benefits available to Employees in previous years, including the AskHenry assistant service. At the same time, Benefit Systems<sup>30</sup> introduced an additional benefit in the form of holiday subsidies for self-arranged countryside holiday under which the Employee who went on a two-week holiday and submitted an appropriate application received additional funds from the company.



## BENEFITS FOR EMPLOYEE FROM THE BENEFIT SYSTEMS GROUP IN 2020:<sup>31</sup>

### PHYSICAL ACTIVITY

- MultiSport or FitProfit sports card (co-financed or fully financed by the employer),
- sports classes in the office (subject to safety measures) as well as a properly equipped exercise room with table tennis table, table football and darts (at the Benefit Systems headquarters),
- free use of fitness clubs for people employed in companies operating our chains,
- access to MultiSport Zone, Yes2Move platform and VanityStyle Online Zone with a wide database of online training materials.

### HEALTH

- free or co-financed private medical care for Employees with the option of buying a package for family members at an attractive price,
- life insurance financed in full or offered on preferential terms,
- additional financing for optical glasses,
- free tests for people suspected of being infected with the virus and tests for COVID-19 antibodies,
- access to MultiSport Zone, Yes2Move platform and VanityStyle Online Zone with a wide database of online materials containing advice from nutritionists and psychologists.

### FOOD

- free or co-financed BenefitLunch card with access to numerous healthy meals (various cuisines),
- additional financing for breakfast and lunch (regardless of the BenefitLunch card mentioned above),
- generally available coffee, tea, herbs, milk (also plant-based and lactose-free).

## CULTURE, ENTERTAINMENT AND RELAXATION

- MyBenefit cafeteria programme where points can be exchanged for various benefits (in 2020, in most companies, the funds for this purpose came from the Company Social Benefits Fund and could be allocated to benefits in the following categories: Sport, Tourism, Culture and Recreation),
- possibility of purchasing tickets for concerts, cinema, and theatre vouchers at a lower price,
- co-financing for a holiday leave (self-arranged countryside holiday),
- generally accessible library with board games (at the Benefit Systems headquarters).

### EDUCATION

- free specialist trainings, webinars, and general development workshops (mainly online),
- free foreign language courses at e-Tutor.pl,
- generally accessible library with specialist literature.

### PARENTHOOD

- additional financing for school starter kits,
- additional financing for kindergarten and nursery,
- additional three hours of paid leave for parents on the day the school year begins and ends.

### CELEBRATIONS

- gift vouchers on having a baby,
- wedding gift vouchers,
- gifts for Employees with five years of work experience,
- gifts for Employees with 10 years of work experience.

<sup>29</sup> For more information on the engagement survey, see Section 2.4. Appraisals, engagement and internal communication.

<sup>30</sup> Excluding Benefit Systems S.A. Fitness Unit, which is a separate employer. .

<sup>31</sup> The benefit package differs depending on the company.

## FINANCES

- financial bonuses resulting from periodic employee appraisals,
- adding regular points to MyBenefit cafeteria enabling the purchase of various, benefits (in 2020, in most companies, the funds for this purpose came from the Company Social Benefits Fund and could be allocated to benefits in the following categories: Sport, Tourism, Culture and Recreation),
- additional financing for public transport,
- employee loans from the Company Social Benefits Fund on attractive terms.

## 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,
- additional two free hours connected with the “Two Hours for the Family” campaign.

## OTHERS

- company cars for senior staff,
- company mobiles.



## 2.3. TRAINING AND DEVELOPMENT

The year 2020 and the pandemic forced the need to quickly adapt to a new situation in many ways, also in training and development of Employees and Associates. The training programmes planned for the whole year had to be modified, both in terms of subjects and tools. We had to limit many development activities, also due to the need to optimise costs (including individual and group language training that our Employees had used so far). At Benefit Systems external training was replaced by development activities carried out by internal trainers and experts.

Since the first lockdown in March 2020, development activities have been held online and most of the workshop topics were included in the wellbeing category. These trainings focused on the physical, mental, intellectual, and spiritual wellbeing of Employees. There were also “tool” development activities for people who need technical support in connection with the need to quickly switch to work from home. During the training, Employees could get to know various types of programmes and applications, including those for online communication. There were also numerous workshops on network data security.

In connection with the use of remote and then hybrid work organisation at **Benefit Systems**, the training and development team conducted two generally available training projects online – Development Weekly Schedule and its continuation, 4 Sides of Development, which mainly consisted of:

- support in maintaining the quality and comfort of work during the pandemic,
- taking care of the psychophysical wellbeing of Employees in this difficult time,
- developing competences tailored to job positions,
- building habits of effective functioning and working during the lockdown,

- systematic sharing of development materials in the form of webinars with the possibility of playing them at any time.

As part of the above-mentioned projects, Employees benefited from three types of training:

- Substantive – developing specialist competences.
- Soft – increasing interpersonal skills, motivation and supporting attitudes based on the company’s values.
- Wellbeing – caring for the psychophysical wellbeing of Employees in a holistic and integrated way.

The “4 Sides of Development” programme, promoted under the “Broaden your horizons in 4 ways” slogan, is a four-month training cycle in which each month was dedicated to a different thematic category: W for Wellbeing, E for Effective development, N for Not only a leader, and S for Sure we listen to you.

NUMBER OF TRAINING PARTICIPANTS IN **BENEFIT SYSTEMS**<sup>32</sup> IN 2020: 2,202 PEOPLE.

**851** PARTICIPANTS OF SUBSTANTIVE TRAININGS  
**798** PARTICIPANTS OF SOFT SKILLS TRAININGS  
**553** PARTICIPANTS OF WELLBEING TRAININGS

<sup>32</sup> Excluding Benefit Systems S.A. Fitness Unit – see explanation in the introduction to Section 2.1. Employment structure. .

As part of the above-mentioned training activities at Benefit Systems, we conducted, among others, a series of workshops for sales teams from the Customer Relations Department, which responded to a reported business need to support them in a new, pandemic reality that limits standard sales activities. The workshops also allowed the participants to discover their potential, integrate and increase their motivation as well as take care of themselves as members of a strong team. The workshops were attended by 115 people.

Considering the time available to Employees, which was limited due to the new conditions of remote work (often requiring the reorganisation of private life) and new business challenges, the proposed content was presented in a condensed form and the training sessions lasted from 30 minutes to a maximum of two hours. Each event was recorded and made available on the Intranet so that everyone interested who could not participate in the workshop could listen to it at the right moment.

In addition, in 2020, we completed planned training projects that were analysed and adapted to the new conditions. These included:

- **Talents League** – a company-wide talent programme for people with above-average results and potential which over 90 Employees who wanted to expand their competences within the company's structures signed up for. The multi-stage qualification for the programme, consisting of a series of tests and activities, was successfully completed by 24 people. They will develop their skills in two ways: through a general development path, and then, depending on the participant's choice, through an expert or managerial path. Benefit Systems talent programme **gives equal opportunities to all Employees** because everyone could take part in the qualifications. Unlike many programmes of this type run by employers, participation in this one is not decided by superiors who select people from among their teams but by open qualifications conducted according to clearly defined rules which every Employee of the company can join.
- **LEON e-learning platform** – a training platform for Employees, which was made available to the entire company in 2020 (in 2019, as part of the pilot stage, only three departments of the company had access to it). LEON constantly expands its training resources and in addition it is also used to conduct gamifications that are very popular among our Employees who gain new competences while having fun at the same time.

- **Onboarding** – an implementation programme for new Benefit Systems Employees as part of which two-day training and familiarisation meetings are organised once a month. Due to the COVID-19 pandemic and security measures, most meetings in 2020 were held online. For more information on onboarding in companies within the Group, see Section 2.1. Employment structure.



In 2020, training activities at **Benefit Systems S.A. Fitness Unit** focused mainly on aspects related to customer service in clubs, security procedures in connection with the pandemic as well as the opening and closing of facilities due to the lockdown. These were also implementation trainings for new club managers as well as fitness trainings in Les Mills programmes. In addition, new hires received various types of development materials on such issues as remote work, providing feedback, setting goals and team management.

Employees at **MyBenefit** participated in many online trainings related to the organisation of remote work and the difficult situation related to the pandemic and its consequences. Managers also underwent training on team management and their role in the era of remote work. At **VanityStyle** Employees could take advantage of managerial and competence-raising training for individual positions as well as language courses on the e-Tutor platform.

At our Czech company, **MultiSport Czech Republic**, cancelled external trainings were replaced with new internal online trainings conducted by the company's Employees. These were training courses on sales, tools, finances, and negotiation techniques. The idea was very positively received by the participants. The project will continue in 2021. At **Benefit Systems Bulgaria**, where the training budget was "frozen", Employees and Associates received a wide list of free online training which they could use to improve their competences.

In 2020, the number of training hours per Employee/Associate significantly decreased compared to the previous year and amounted to 3.8 (18.1 hours in 2019). Undoubtedly, such a large decline was influenced by the pandemic and all its consequences. The total number of training hours presented in the table below is the total number of hours of each training multiplied by the number of its participants, including language courses (group and individual) but excluding postgraduate studies and e-learning training on the LEON platform.

TRAINING AND DEVELOPMENT ACTIVITIES AT THE BENEFIT SYSTEMS GROUP IN 2020

	Total number of training hours	Number of people hired <sup>33</sup>	Average number of training hours per Employee/Associate
<b>BENEFIT SYSTEMS GROUP</b>	21,782	5,711	3.8
<b>BENEFIT SYSTEMS S.A.</b>	14,353	4,296	3.3
<b>BENEFIT SYSTEMS S.A. EXCLUDING THE FITNESS UNIT</b>	8,277	611	13.5

<sup>33</sup> Number of Employees and Associates as of 31 December 2020..

## 2.4. APPRAISALS, ENGAGEMENT AND INTERNAL COMMUNICATION

### PERIODIC EMPLOYEE ASSESSMENTS

Most companies within the Benefit Systems Group have a periodic employee appraisal programme in place, which usually takes place on a semi-annual basis. The basis for the evaluation of work is the achievement of goals and tasks individually agreed with the Employee for the given six months. The goals concern both the performed duties and business projects as well as specific competences (so-called soft goals). The Employee first performs a self-assessment and the final one takes place during an interview with the supervisor. At Benefit Systems<sup>34</sup>, MyBenefit and MultiSport Czech Republic the periodic appraisal system is directly related to **financial bonuses**, the amount of which depends on the level of achievement of goals and remuneration in each period. The evaluation system is based on clear and fair rules that are communicated to Employees in an accessible way. In sales departments, Employees are assessed against predetermined sales targets (KPIs). The evaluation of the results takes place once a quarter and is also associated with granting a discretionary bonus.

As of 2019, the top management in the Group<sup>35</sup>, with particular emphasis on Board Members and persons reporting directly to them, is subject to a "360 degree" competency assessment. The evaluation system has been prepared entirely internally and is based on the competences strictly resulting from our corporate values (our DNA). Our idea is to gradually implement this development tool among other Employees.

In 2020, 100% of **Benefit Systems**<sup>36</sup> Employees whose

employment period already exceeded the trial period was subject to the employee appraisal related to the bonus. Due to the very difficult business situation and the need to reduce costs, MBO bonuses for the first and second half of the year were reduced by 50%. In 2020, at **Benefit Systems Fitness Unit**, due to the pandemic, only Managing Directors were assessed, using the 360-degree method.

At **FitFabric**, which runs a chain of clubs with the same name, the assessment of work in the facilities was carried out using the Mystery Shopper method. In addition, the manager of a given club assessed the staff, both those working at the reception desk and the trainers, and then discussed the results individually with the subordinates. The evaluation results were related to a discretionary bonus.

### ENGAGEMENT SURVEY

Every year an employee engagement survey is carried out in all companies within the Group as it is an extremely valuable source of information for the Management Board and managerial staff. So far, eight editions of the survey have taken place – for seven years the survey was done by Aon, and in 2019 – by Kincentric. It is the largest employee engagement survey in Poland in which employees assess many aspects of their work environment, both at the company and team level. The survey is completely confidential which ensures honesty

of the responses and credibility of the opinions expressed. Attendance in this cyclical survey at Benefit Systems<sup>37</sup> is very high, usually over 90% (95% in 2019).

More information about the results of the survey from previous years as well as The Best Employer title that Benefit Systems received can be found in the Group's non-financial reports for 2019 and 2018, which are available in the "Responsible business" folder on our corporate website: [www.benefitsystems.pl](http://www.benefitsystems.pl)

In 2020, due to the COVID-19 pandemic and all its consequences, including the need for companies to reduce costs, the employee engagement survey was not carried out for the first time in eight years. We hope that in the next year we will be able to return to the implementation of suspended internal projects and initiatives, including the engagement survey.

Although the survey was not conducted in 2020, certain **actions in response to the 2019 survey results** were taken within individual companies.

At **Benefit Systems** they included extending the Talent League programme to the entire company<sup>38</sup>, continuation of the project on the development of a coherent remuneration policy as well as training in effective recruitment for team leaders. The pandemic also contributed to the satisfaction of another Employees' expectation resulting from the survey – the implementation of extended remote work opportunities with the use of new tools. Other activities planned for this year were put on hold during the pandemic. **VanityStyle** introduced flexible working hours, shorter working time on Fridays and the statutory possibility of remote work (which very quickly became a necessity due to the pandemic). At **MyBenefit**, similarly to the parent company, the job evaluation process was carried out along with the salary revision which resulted in the introduction of changes in the basic salary rates for Employees. Changes were also made to the organisational structure to improve collaboration between teams and increase the ability to participate in processes affecting the company's results. The company has implemented a new strategy for 2020-2022 and launched a new MyIdea project under which every Employee can submit their ideas and improvements regarding the main product and the company's operations. These ideas are analysed and implemented.

### INTERNAL COMMUNICATION

Both in the process of periodic employee appraisals and in the employee engagement survey, open and two-way communication is extremely important. We know how important it is to be able to freely express opinions, but we also know the importance of company-wide communication addressed to all Employees and Associates in one, easily accessible place. In our companies such a place is the corporate Intranet which enables providing information in an attractive and friendly form, and – importantly – gives the opportunity to collect feedback in the form of comments and "likes" as well as the survey module.

Most of our companies in Poland use the same external platform, **Emplo** – a friendly and secure internal communication tool that includes several additional functionalities in the HR area. Benefit Systems, MyBenefit and VanityStyle have their own individual access to the platform, closed to other companies. Smaller entities within the Group (Benefit IP, Benefit Systems International and Fit Invest International) use the parent company's Intranet and have access to all content, including registration for training and other events.

At **Benefit Systems** we have been using Emplo for six years. During this time, our company Intranet has evolved a lot and become the basic tool for company-wide communication, but also – thanks to closed social groups – is a great support in team and project communication. In the mobile version of the Intranet, Employees have easy access to content also on their business phones. Through Emplo, we provide all information related to our company's operations, ranging from changes in the company's structure or new products and projects, through CSR initiatives and organised training, to everyday organisational topics related to the functioning of the office. The Intranet is also a place where we praise our teams by presenting the effects of their work on a given project. Every month we publish a message in which we present and welcome new people starting work in our company. In 2020, Emplo was an important channel of communication with Employees regarding the organisation of work and maintaining safety measures during the COVID-19 pandemic.

<sup>34</sup> Excluding Benefit Systems S.A. Fitness Unit.

<sup>35</sup> This applies to all companies in Poland.

<sup>36</sup> Excluding Benefit Systems S.A. Fitness Unit.

<sup>37</sup> Excluding Benefit Systems S.A. Fitness Unit. .

<sup>38</sup> For more information on the programme, see Section 2.3 Training and development..





In 2020 Empla was also implemented at **Benefit Systems S.A. Fitness Unit**, where it functions as **FitMeet**. Due to the number of users, it was a big challenge for the company. Nearly 3,000 Employees and Associates, both from the headquarters and all fitness clubs located throughout Poland, have gained access to the company's Intranet. The FitMeet implementation was accompanied by a teaser campaign and competitions. One of them was a competition for the name of the platform, still shrouded in mystery at that time, presented as a virtual meeting place for the entire organisation. There was also a video created in which key people in the company invited everyone to use this tool. The content published in FitMeet includes both information, operational and development messages (including mandatory training in the form of webinars, onboarding for new people and health and safety materials) as well as topics related to, among others, social initiatives undertaken within the company.



## 2.5. EMPLOYEE RIGHTS AND HUMAN RIGHTS

One of the key values for the Benefit Systems Group is respect, which applies to all Stakeholder groups, including our Employees and Associates. In our daily work, we respect one another, we care for a good atmosphere and positive relationships. Respect for our teams also manifests itself through respecting fundamental human rights and employee rights.

Both in our **Diversity Policy** and **BS\_WAY Code of Ethics**, which contain the basic ethical principles that we follow in the Group, we emphasise the importance of tolerance, equality, and respect for the dignity of others. We adhere to these principles both in recruitment processes and in daily cooperation within teams, departments, and the entire organisation. We value the diversity of our Employees and Associates, treating it as an added value.

We commit ourselves to act in accordance with the Universal Declaration of Human Rights, the conventions of the International Labour Organisation and the principles of the UN Global Compact. We do not hire minors and we do not agree to any form of forced labour. Our companies do not allow discrimination and unequal treatment, insults, or harassment based on gender, sexual orientation, religion, political opinions, or origin. We create a friendly and safe work environment in which our teams feel comfortable and simply good.

We do not have a human rights policy, but we have implemented appropriate documents securing this area and we comply with the principles relating to employee rights, respect for diversity, compliance, anti-mobbing activities and anti-corruption. These documents include, among others, clear instructions for Employees and Associates on how they can report any observed cases of abuse and irregularities, including mobbing and discrimination.

### ■ DIVERSITY POLICY

At the Benefit Systems Group we believe that a diverse and harmonious team is an opportunity to increase the efficiency and creativity of Employees. Respecting their uniqueness increases job satisfaction.

A diverse team also means a better understanding of the needs and expectations of business partners and recipients of our services. That is why we strive to create a work environment that will respond to the diverse needs of all people so that they can fully realise their potential in their private and professional life.

In 2018 we implemented the Benefit Systems S.A. Diversity Policy, under which we undertake to treat all Employees equally, regardless of gender, age, ethnic origin, religion, sexual orientation, or family status.

#### IN OUR COMPANY WE SUPPORT DIVERSITY THROUGH:

- **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
- **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,
- **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 matching competences to the scope of duties is a key factor in choosing a candidate,
- **supporting work-life balance** – we implement solutions and take initiatives supporting family and private life of our Employees,
- **supporting development of passions and interests** – each Employee can participate in sports activities organised in the office; we also support sports teams and other interest groups created within the Company,
- **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.

In 2021, the Diversity Policy will be modified and extended to other companies within the Group.

## BS\_WAY 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 entire Group, both in relations between Employees and Associates as well as with all Stakeholders. It includes a list of areas that are important to us, such as human rights, social commitment, and the natural environment.

In 2020, we implemented a new, extended version of the Code, which was announced on the company's Intranet. Employees and Associates took part in dedicated trainings, completed with a test to check the acquired knowledge. Information on the Code, ethical rules of conduct and other issues related to the compliance area is also provided to Benefit Systems new team members already in the first days of work (onboarding). During the presentation with quiz elements conducted by the Compliance Team, they learn, among others, what a conflict of interest is and when accepting gifts from business partners is inconsistent with the Code and compliance principles.

**BS\_WAY Code of Ethics** contains clear instructions for Employees and Associates on how to provide information about suspected abuse or other situations and behaviours that do not comply with the Code. Reports go to the Compliance Officer and can be made anonymously or openly. The body responsible for examining matters related to compliance with the Code is the **Ethics Committee**, which includes a member of the Benefit Systems Management Board, HR Director and Compliance Officer.

Several companies within the Group have developed and implemented their own Codes of Ethics<sup>28</sup>, however, the general values and ethical principles they contain are consistent with the Benefit Systems Group's BS\_WAY Code of Ethics and provide a solid basis for conducting business in an ethical, responsible, and honest manner, respecting all groups of Stakeholders.

Benefit Systems Group's BS\_WAY Code of Ethics and Diversity Policy can be found in the "Responsible business" folder on Benefit Systems corporate website: [www.benefitsystems.pl/o-nas/odpowiedzialny-biznes/kodeks-etyki-bs-way-i-polityka-roznorodnosci](http://www.benefitsystems.pl/o-nas/odpowiedzialny-biznes/kodeks-etyki-bs-way-i-polityka-roznorodnosci)



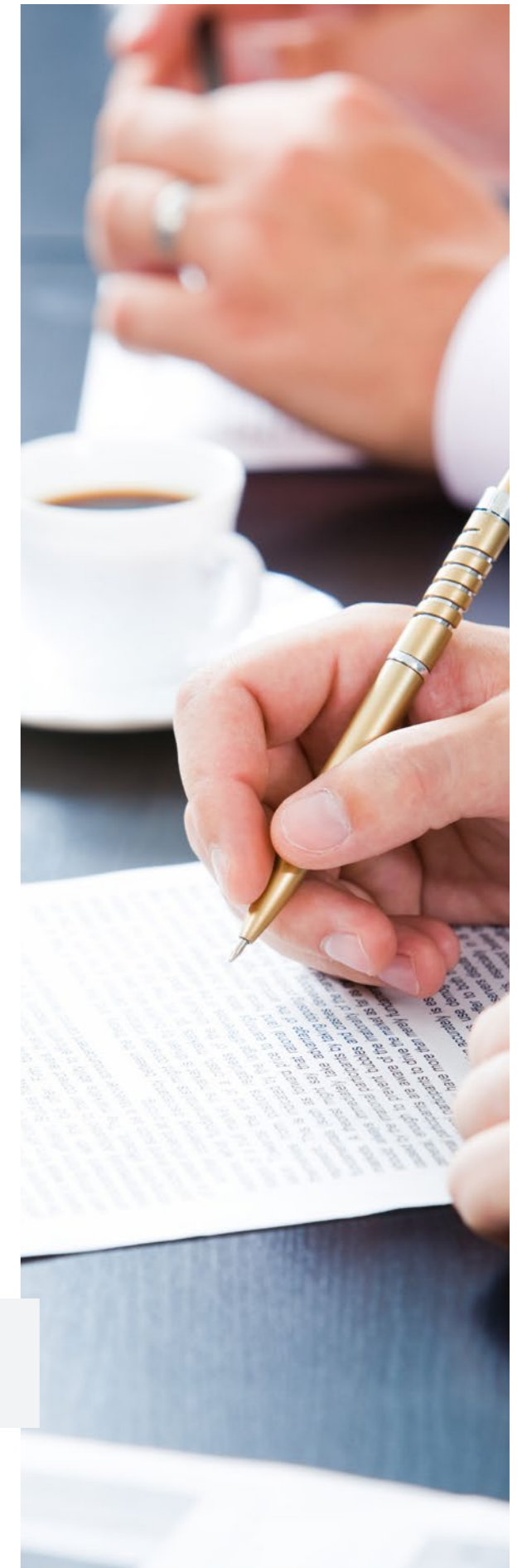
## MOBBING AND DISCRIMINATION PROCEDURE

For the sake of our Employees and Associates, we have the "Best Practices in cases of mobbing and discrimination" document in place. It contains clear instructions on what to do when someone notices disturbing and undesirable behaviours. This applies to both people who feel discriminated against or affected by mobbing as well as people who have noticed such behaviours towards other team members and would like to report them. The document contains information on where to turn to, what should be included in the notification, what is the further procedure after its submission and who is part of the team appointed to clarify the allegations. Notifications are sent to the HR Department and the appointed team includes, among others, a representative of the Works Council. The person who submitted the notification has the right to access the protocol and all documentation kept by the team.

In 2020, there were **two reports of activities inconsistent with the Code of Ethics reported at Benefit Systems, including one related to mobbing**. Explanatory proceedings conducted by the committees appointed for this purpose **did not reveal any irregularities**. All doubts were clarified and passed on to the reporting persons. In 2020, in other companies within the Group, there were no reports of mobbing and discrimination.

Other documents adopted in our companies that relate to employee rights are **Work Regulations** that contain basic rights and obligations of both Employer and Employee as well as **Remuneration Regulations** that define rules of broadly understood remuneration for work and other benefits.

At Benefit Systems there is also **Work Council** whose role is to represent Employees and cooperate with the employer in their interest.



<sup>39</sup> Including VanityStyle Sp. z o.o., Benefit Systems d. o. o. HR and Form Factory s.r.o.

**COMPOSITION OF MANAGEMENT BODIES AND WORKFORCE  
IN THE BENEFIT SYSTEMS GROUP BY AGE AND GENDER**  
(EMPLOYMENT CONTRACT, AS OF 31 DECEMBER 2020)

BENEFIT SYSTEMS GROUP								
POSITION LEVEL	WOMEN	MEN	2020 TOTAL	<30 years of age	30-40 years of age	41-50 years of age	>50 years of age	2019 TOTAL
LOWER LEVEL STAFF Managers	129	80	209	40	115	50	4	238
MIDDLE LEVEL STAFF Deputy directors	14	15	29	0	19	10	0	45
SENIOR STAFF Directors and the Management Board	16	46	62	0	18	34	10	71
OTHER POSITIONS	745	343	1,088	392	556	111	29	1,186
<b>TOTAL</b>	<b>904</b>	<b>484</b>	<b>1,388</b>	<b>432</b>	<b>708</b>	<b>205</b>	<b>43</b>	1,540

BENEFIT SYSTEMS S.A.								
POSITION LEVEL	WOMEN	MEN	2020 TOTAL	<30 years of age	30-40 years of age	41-50 years of age	>50 years of age	2019 TOTAL
LOWER LEVEL STAFF Managers	55	39	94	4	57	30	3	93
MIDDLE LEVEL STAFF Deputy directors	8	9	17	0	11	6	0	12
SENIOR STAFF Directors and the Management Board	7	17	24	0	8	12	4	29
OTHER POSITIONS	394	164	558	178	294	67	19	547
<b>TOTAL</b>	<b>464</b>	<b>229</b>	<b>693</b>	<b>182</b>	<b>370</b>	<b>115</b>	<b>26</b>	681

**RELATION OF BASIC SALARY AND REMUNERATION OF MEN TO WOMEN IN BENEFIT SYSTEMS S.A.<sup>40</sup>**  
(EMPLOYMENT CONTRACT, AS OF 31 DECEMBER 2020)

BENEFIT SYSTEMS S.A.			
POSITION LEVEL	WOMEN	MEN	REMUNERATION OF MEN TO WOMEN
LOWER LEVEL STAFF (Managers)	55	39	120%
MIDDLE LEVEL STAFF (Deputy directors)	8	9	103%
SENIOR STAFF (Directors and the Management Board)	7	17	107%
OTHER POSITIONS	394	164	104%
<b>TOTAL</b>	<b>464</b>	<b>229</b>	<b>109%</b>

<sup>40</sup> Data based on the average annual salary broken down by gender and position levels.

**BENEFIT SYSTEMS S.A. EXCLUDING THE FITNESS UNIT**

POSITION LEVEL	WOMEN	MEN	REMUNERATION OF MEN TO WOMEN
LOWER LEVEL STAFF (Managers)	44	32	124%
MIDDLE LEVEL STAFF (Deputy directors)	6	9	103%
SENIOR STAFF (Directors and the Management Board)	6	10	105%
OTHER POSITIONS	341	145	121%
<b>TOTAL</b>	<b>397</b>	<b>196</b>	<b>109%</b>

**RETURN TO WORK AND POST-PARENTAL LEAVE RETENTION INDEX**  
(EMPLOYMENT CONTRACT, AS OF 31 DECEMBER 2020)

BENEFIT SYSTEMS GROUP			
	WOMEN	MEN	TOTAL
Number of Employees entitled to a parental leave	65	12	77
Number of Employees who took a parental leave	130	8	138
Number of Employees who returned to work after a parental leave in 2019	23	4	27
Number of Employees still on a parental leave	78	0	78
Number of Employees who returned to work after a parental leave in 2018 and continued working for the next 12 months	33	1	34
Number of Employees who returned to work after a parental leave in 2018 and left the company within the next 12 months	14	1	15

BENEFIT SYSTEMS S.A.			
	WOMEN	MEN	TOTAL
Number of Employees entitled to a parental leave	35	7	42
Number of Employees who took a parental leave	61	0	61
Number of Employees who returned to work after a parental leave in 2019	9	0	9
Number of Employees still on a parental leave	33	0	33
Number of Employees who returned to work after a parental leave in 2018 and continued working for the next 12 months	23	0	23
Number of Employees who returned to work after a parental leave in 2018 and left the company within the next 12 months	7	1	8

## 2.6. HEALTH AND SAFETY DURING THE PANDEMIC

In 2020, the health and safety of our Employees and Associates was particularly important. The pandemic, which poses a real threat to human health and life, required the managerial staff to take several measures to increase safety in our office spaces and fitness clubs.

### ACTIONS TAKEN

Crisis team, consisting of representatives of individual departments and areas, have been appointed in companies. During regular meetings, these teams discussed the current situation in the company. Their task was to present the needs and define specific activities that enabled the efficient functioning of the companies and ensured the maximum safety of Employees and Associates. Below is a list of measures implemented by the Group in connection with the pandemic to increase safety of our teams.

#### INTERNAL ACTIVITIES OF COMPANIES INCREASING SAFETY IN CONNECTION WITH THE COVID-19 PANDEMIC:

- Appointing crisis management teams responsible for planning, coordinating, and supervising the actions taken as well as monitoring the current situation in the company and providing support to infected people.
- Developing procedures and rules of conduct when an infection is detected in the company and an Employee/Associate comes into contact with an infected person from outside the office. The procedures were made available on the company's Intranet or were sent by e-mail. Information about the procedures was also communicated to the teams via cascade communication. As part of the above-mentioned procedures, in the event of an infection, comprehensive disinfection of the office and common

areas was carried out. A list of people who would be in close contact with an infected person was also drawn up. These people were reported to a sanitary-epidemiological station and sent to work remotely with the recommendation of self-observation. They also had the opportunity to test for COVID-19, financed by the employer. Employees who were in quarantine or who tested positive for COVID-19 but did not have bothersome symptoms, had the option to resign from sick leave and work from home while maintaining full pay.

- Directing people returning from abroad to remote work.
- Providing personal protective equipment in the form of masks, face shields and protective gloves.
- Providing hand disinfectants in common areas, at entrances, in toilets and in kitchens.
- Frequent disinfection and ventilation of office and club spaces, especially common areas (kitchens, toilets) and surfaces with increased touch concentration (door handles, handrails, etc.).
- Excluding common areas with seating, such as the dining area in kitchens, sofas, and armchairs for guests from use.
- Designating isolation places for people who develop symptoms of coronavirus while working in the office along with developing a procedure to deal with such situations.

- Introducing partially remote (rotational) work and, when the pandemic escalates, total remote work. People who did not have the appropriate conditions to work at home had the opportunity to work in an office.
- Introducing online meetings and limiting the number of meetings in the office with outsiders.
- Meetings in company conference rooms (if any) were held at an appropriate distance and the participants were wearing protective masks.
- Organising online training.
- Limiting the Employees going to lunch with the option of ordering meals to be delivered to the office.
- Limiting business trips to the necessary minimum.
- Limiting the movement of Employees between floors to minimise the potential risk of spreading the virus.
- Conducting information and educational campaigns to increase the safety of Employees and Associates by placing posters and stickers in common areas, cyclical communication on the company's Intranet and mailings. At Benefit Systems text messages sent to the Employees' business telephone numbers were an additional communication channel. They contained brief information reminding about basic rules, such as covering the mouth and nose, frequent washing and disinfecting hands or keeping social distance. At MyBenefit the text message communication channel was used in emergency situations (messages were also sent to private numbers, if the Employee so desired).
- Providing free coronavirus tests to Employees who

had contact with an infected person. In our company in Bulgaria, the team working in the office performed preventive tests once a week.

- Securing the reception exposed to contact with people from outside through plexiglass covers. At VanityStyle covers were also installed between the workstations of all Employees.
- Forbidding collection of private courier and postal packages at work.
- The possibility of using tests for the presence of antibodies after COVID-19 disease.

The companies also organised online meetings and webinars for Employees and Associates during which management representatives informed them about the current situation and actions taken. They also tried to cheer up and calm the teams. It was also an opportunity for participants to get answers to various questions.

Moreover, to facilitate remote work, the companies have taken several additional activities aimed at strengthening the tool and technical facilities and ensuring the continuity of business processes as well as increasing work safety outside the office environment. Additionally, appropriate tool workshops were conducted<sup>41</sup>.

<sup>41</sup> For more information, see Section 2.3. Training and development.

# NOŚ MASKE

Noś maseczkę w częściach wspólnych.



## W łazience

**Noś maseczkę ochronną**  
Nie zapomnij, że łazienka to wspólna przestrzeń – w trosce o bezpieczeństwo swoje i innych za każdym razem zakładaj maseczkę.

**Licz się z zasadami**  
W łazience mogą przebywać 2 osoby jednocześnie.

**Ćwicz wyciskanie**  
Wyciskaj mydło i myj dokładnie ręce po każdej wizycie w toalecie.

## W kuchni

**Zamaskuj się**  
Nie zapomnij o obowiązku noszenia maseczki. Możesz ją zdjąć jedynie na czas posiłku.

**Zachowaj bezpieczną odległość**  
Zachowaj 1,5 m odstępów od drugiej osoby, również podczas posiłków.

**Oczekaj cierpliwie**  
Poczekaj na swoją kolej, jeśli widzisz, że w kuchni jest duży tłok.

**Jedz z głową**  
Zamiast jeść lunch poza biurem, zamów go na miejsce.

**Uzupelniaj płyn**  
Używaj wyłącznie czystych naczyń i dla własnego bezpieczeństwa zrezygnuj ze swoich bidonów, butelek czy kubków.

## INSTRUKCJA MYCIA RĄK.

WYKONUJ CZYNNOŚĆ PRZEZ 30 SEKUND

**1** Zwilż ręce ciepłą wodą i nałóż mydło na dłonie

**2** Umyj wewnętrzną i zewnętrzną część dłoni

**3** Przejdź teraz do przestrzeni między palcami, kciuków oraz nadgarstków – namydli je dokładnie

**4** Oplucz dłonie ciepłą wodą

**5** A na koniec wytrzyj dłonie ręcznikiem

Information campaign in connection with the COVID-19 pandemic at the Benefit Systems S.A. headquarters.

In 2020, most of the activities undoubtedly focused on the pandemic. However, in addition to ensuring the safety of their Employees and Associates against COVID-19, companies have also taken other measures to protect the health of their teams, providing them with:

- free or co-financed private medical care with the option of purchasing a package for a partner or family at a preferential price,
- life insurance fully financed or to be purchased on preferential terms,
- free or co-financed MultiSport or FitProfit sports cards enabling the use of sports and recreational facilities and additional online services,
- access to MultiSport Zone, Yes2Move platform and VanityStyle Online Zone with a wide base of materials including advice from dietitians and psychologists as well as online training,
- sports activities in the office (including yoga and a healthy spine),

- mandatory health and safety training,
- additional financing for optical glasses,
- modern, ergonomic workplaces with adequate access to natural light as well as quiet workplaces and relaxation zones,
- generally accessible and fully equipped first-aid kits.

Moreover, **Benefit Systems** Employees could use online training as part of the internal Active Break campaign, which were conducted by our trainers from the Zdowie na Etacie (Health Full Time) team. It was a series of short, ten-minute blocks of exercises in front of the computer, focusing on the most sensitive places in the body, especially prone to pain while sitting and resulting from lack of movement. For more information on Zdowie na Etacie (Health Full Time), see Section 3.5. We educate and activate our Clients and Users.

In 2020, out of concern for the health of Employees, **MyBenefit** organised:

- a webinar on the prevention and fight against breast cancer as part of the Pink Ribbon campaign,
- a webinar on the prevention and fight against men's cancer as part of the Movember campaign,
- flu vaccination for people with a medical package,
- SEP training with an exam for people from the IT security and support team; SEP trainings are intended for Employees involved in the operation and/or supervision of devices, installations, and power networks.



Cups promoting pro-health campaigns at MyBenefit

Due to the Benefit Systems Group's business profile, our Employees and Associates educate themselves how to live healthy, for example through health days at Clients or actions for Users in MultiSport Zone<sup>42</sup>. People working in clubs are mainly trainers and instructors who conduct group activities and lead an active, sports and thus healthy lifestyle on a daily basis.

<sup>42</sup> For more information, see Section 3.5. We educate and activate our Clients and Users.

## HEALTH AND SAFETY

Compulsory health and safety training courses are held in all companies within the Benefit Systems Group. These trainings are a permanent element of every onboarding, i.e., an introductory meeting for new Employees and Associates. Our Employees undergo periodic health and safety training, completed with an exam checking their knowledge. On the companies' Intranet there are educational materials and documents available, such as:

- fire instruction,
- first aid instruction,
- instructions on how to proceed in the event of an accident on the way to/from work or at work, along with templates of forms needed to report such an event,
- procedures to be followed in the event of a terrorist threat.

In 2020, at **Benefit Systems Fitness Unit** a single-person health and safety service unit was established. Its tasks include taking care of the safety and hygiene of the company's Employees performing their duties in administrative and office positions as well as taking care of safety in fitness clubs. Selected actions taken by the health and safety officer included:

- conducting inspections in open fitness clubs,
- participation in the development of safety instructions,
- developing occupational risk assessment for workplaces,
- participation in determining the circumstances and causes of accidents at work and creating registers,
- cooperation in organising an appropriate level of health and safety training and participation in the proper professional adaptation of new hires,
- initiating and developing various forms of popularising the issues of occupational health and safety and ergonomics by creating and sharing materials on the internal Intranet.

## ACCIDENTS AT WORK

In 2020 at **Benefit Systems Fitness Unit** there were two accidents at work reported, both of a minor nature. The injured persons were not on sick leave in connection with the incidents. There were no accidents at work or on the way to work reported in other companies within the Group.

# CLIENTS AND USERS

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# 3

# 3.1. MODEL OF COOPERATION WITH CLIENTS

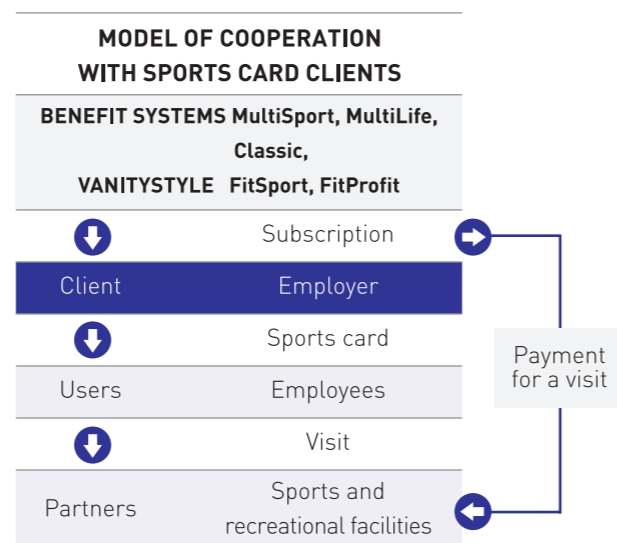
Currently we divide Clients of companies within the Benefit Systems Capital Group into business and institutional Clients (B2B Clients), to whom we address the offer of employee benefits in the form of sports cards and cafeteria products, and into individual customers (B2C Clients) who use passes in our investment clubs (operating within Benefit Systems S.A. Fitness Unit)

In the model of cooperation with B2B Clients, we have one main goal. By offering them ready-made, comprehensive solutions in the field of employee benefits, we help Clients increase their attractiveness on the labour market by building a positive image of an employer investing in the health, fitness, and wellbeing of their employees. The benefits we offer can be flexibly and individually adapted to the needs of their team.

Our offer is addressed to companies of various sizes, state institutions and other entities operating both in Poland and on foreign markets, which employ from five to several hundred or even several thousand people. We try to approach each Client individually and adapt the offer to their needs, developing mutually convenient terms of cooperation in accordance with the **win-win principle**.

As part of the Poland and Foreign Markets segments, we connect B2B Clients and their employees (card Users) with the owners of sports and recreation facilities, i.e., our Partners. The latter, by accepting the sports cards we offer, enable their Users to use their facilities, services, and sports programmes.

Due to the cooperation model, we do not have a total impact on the quality of the services that the final recipient – the User – receives (the exceptions are our own clubs where we make every effort to ensure that the offer is at the highest level and meets all the expectations of its recipients). However, our priority is **supporting our Partners, ethics, reliability, and transparency of cooperation**. These factors translate directly into benefits for the Users and the entire fitness industry. **Clients and**



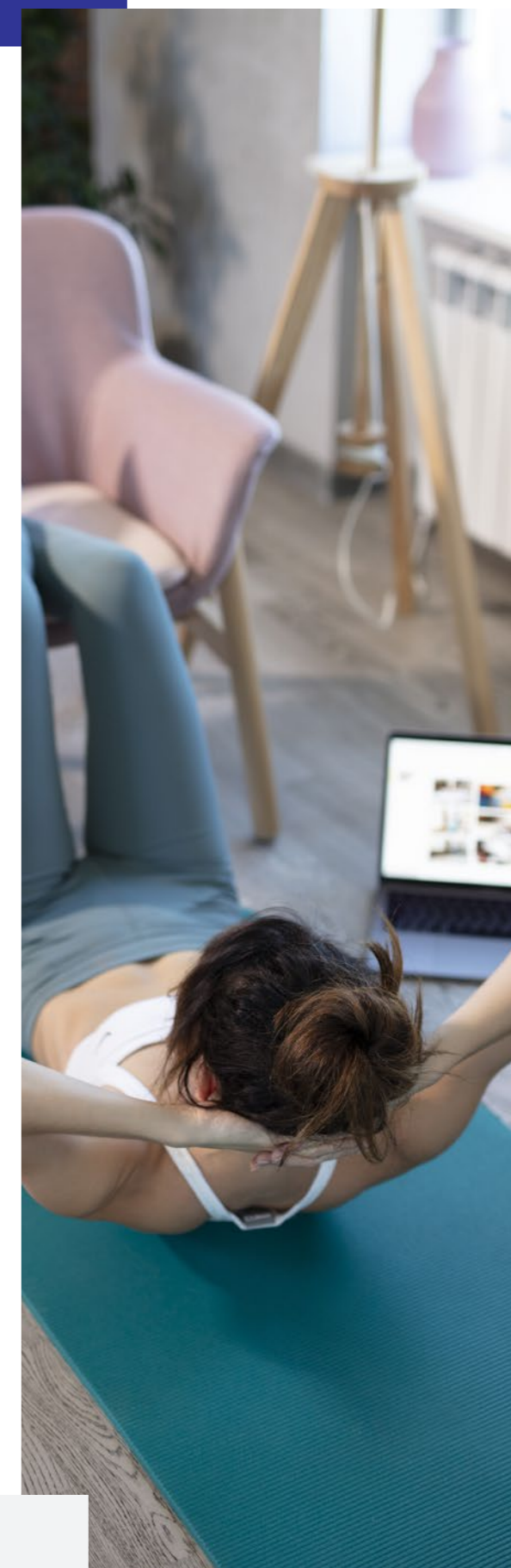
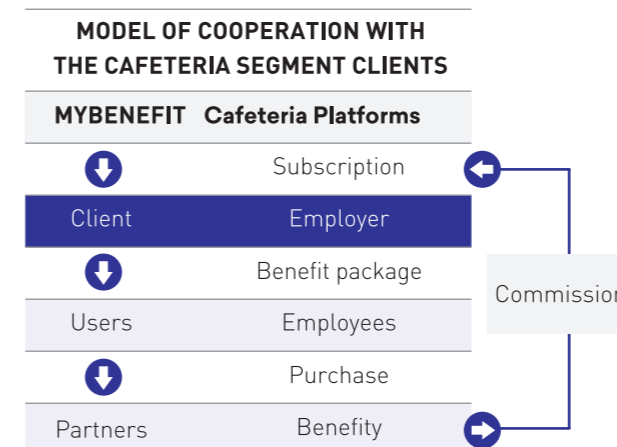
**Users belong to the group of our key Stakeholders** with whom we want to be in constant contact, **listen to their opinions** as well as **react to the changing situation and effectively adapt our offer** to their current needs. For us, such a circumstance was the COVID-19 pandemic that has been developing in Poland since the beginning of 2020. It immediately influenced the operation of the sports and recreation industry, and thus our business. We reacted quickly and tried to cope with the new reality, the positive effect of which are **new products and online services for our Users**. We still want to develop them and give our business environment **new opportunities** that will make maintaining a healthy and active lifestyle as easy and accessible as in the time we remember before the pandemic<sup>43</sup>.

As we mentioned above, **our Clients** also include **private individuals** with whom cooperation is based on the **B2C principle**. These are customers of fitness clubs belonging to the Group who have **purchased a pass** authorising them to use the gym and fitness classes in each chain.

The number of these customers, like B2B Clients, decreased compared to the previous year. Their number

at the end of 2020 amounted to almost **119,000 in Poland** and almost **15,500 abroad**. In 2019 we had **131,600 customers in Poland** and **21,400 customers abroad**.

Cooperation with Clients in the Cafeterias segment is also based on a **B2B relationship** and is based on long-term contracts under which they receive **access to the MyBenefit cafeteria platform**. The platform enables them to **manage the employee benefit programme** and other **HR processes**. They are also adapted to **handling non-financial benefits** in accordance with the Company Social Benefits Fund Act. Our platform enables **financing benefits from the Client's budget** on the terms specified by the Client as well as **purchasing benefits from the employee's own funds** via online payments.



<sup>43</sup> For more information on new products, see Section 1.3. Offer and products by segment and 3.3 Programmes, services and campaigns: we listen to our Users.

## 3.2. CLIENTS AND USERS IN NUMBERS

Invariably the key and most numerous groups of Benefit Systems Group's Clients are those of sports cards provided by Benefit Systems and VanityStyle. As mentioned in Section 1.2. The Group's structure and segments, having run business on the Polish market for over 20 years and on foreign markets for 11 years, due to the pandemic Benefit Systems **had experienced a decrease in the number of Clients**, and thus also in active sports cards for the first time in history.

### NUMBER OF SPORTS CARD CLIENTS IN POLAND IN INDIVIDUAL QUARTERS OF 2020

(BENEFIT SYSTEMS S.A. AND VANITYSTYLE SP.Z.O.O.):

PERIOD	NUMBER OF CLIENTS
Q1	20,543
Q2	18,694
Q3	19,760
Q4	19,762

### NUMBER OF MULTISPORT CARD CLIENTS IN POLAND IN INDIVIDUAL QUARTERS OF 2020.

PERIOD	NUMBER OF CLIENTS
Q1	18,611
Q2	17,431
Q3	18,241
Q4	18,197

The figures presented in the tables apply to both Customers with active and temporarily suspended (due to the pandemic) sports cards.

### NUMBER OF (ACTIVE CARDS) USERS IN POLAND AND ABROAD AT THE END OF INDIVIDUAL QUARTERS OF 2020:

#### Q1

**1,548,900 CARDS** Including 1,177,500 in Poland and 371,400 on foreign markets.

#### Q2

**787,100 CARDS** Including 498,900 in Poland and 288,200 on foreign markets.

#### Q3

**1,056,300 CARDS** Including 766,300 in Poland and 290,100 on foreign markets.

#### Q4

**729,200 CARDS** Including 475,400 in Poland and 253,800 on foreign markets.

**The number of Users** (active cards) at the end of 2019 was **1 453,400**, including 1,118,800 in Poland and **334,600 on foreign markets.**

**The number of sports card Clients** at the end of 2019 was **17,900 in Poland and 10,100 abroad.**

**LICZBA KLIENTÓW B2C w Polsce** na koniec 2020 r. wyniosła prawie **119 tys.**, a na koniec 2019 r. **141,2 tys.**

Contrary to sports cards in Poland and abroad, the number of Clients in the **Cafeterias segment** continued to increase and at the end of 2020 amounted to **1,013 Clients** and over **508,000 Users**. **At the end of 2019** it was almost **939 Clients** and **463,000 Users**.

## 3.3. PROGRAMMES, SERVICES AND CAMPAIGNS: WE LISTEN TO OUR USERS

The development of services and programmes, everyday communication as well as activating and listening to our Users is an integral part of running a sustainable business. As already mentioned in previous chapters, our activities are directed to the employees of our Clients and their relatives who use sports cards, cafeteria platforms and other signature products as non-financial benefits. The most numerous group is the MultiSport Programme Users who are not only recipients of our services but also of various forms of communication, thanks to which they can take full advantage of our offer and be up to date with the activities and services we offer them.

### USER ZONE, NEW SERVICES AND PRODUCTS

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

The main platform for communication with the MultiSport Programme Users is **MultiSport Zone** at [www.kartamultisport.pl](http://www.kartamultisport.pl). This website is dedicated to MultiSport cardholders who will find there a lot of practical information about an active lifestyle and a healthy diet, motivating challenges, competitions, and many other extras.

The year 2020 was the time of implementing **changes to the User Zone**. It was a very complex process, which included UX research of the website (user experience), UX research of a new website design based on Users' feedback and the process of designing new visuals. **We have completely changed the website design** to a more

modern one, we introduced new, intuitive navigation, information architecture and refreshed, more accessible content.

In addition to the standard services that our Users can use within the zone<sup>44</sup>, there are also **new services** that we have been working on since the end of the first quarter of 2020. They have been embedded in the Online Zone where our Users can use, among others:

- Online training on the Yes2Move platform,
- Discounts on purchases in the Yes2Move shop,
- English course,
- Mindfulness workshops for stress,
- Yoga course for beginners,
- Online consultation with trainers, nutritionists, and experts as well as a dedicated diet platform.

<sup>44</sup> For more information on the services within the User Zone, see the Benefit Systems Non-Financial Report 2019, Section 3.3. Our Users.



In addition, as part of the development of the offer, at the end of the year we introduced **a new product called MultiLife**. In this way MultiSport Programme Users could use a wide range of online services since January 2021. **They take care of the holistic development of Users** through the best-selected offers that are available online 24/7. The product focuses on physical and mental development as well as relaxation. In the perspective of the first quarter of 2021, the product will be developed by the psychological area, i.e., consultations, expert texts, and webinars for Users. MultiLife is a product that we have been working on for a long time, wanting to expand our product portfolio and its availability. The pandemic situation was an additional motivator for us to work on the products and helped us understand the need for their online availability even better, thanks to which we know how we want to develop further in this area.



## USER ZONE IN NUMBERS

### FIRST LOCKDOWN (MARCH - JUNE 2020)

During the first lockdown, the User Zone was visited by **523,294 unique Users** and the website traffic generated **4.5 million views**. Users played the video with saved workouts on the website almost **730,000 times**.

**Almost 20,000** unique Users took part in **live trainings**, which took place every day of the week at 5:00 pm.

### SECOND LOCKDOWN (OCTOBER - DECEMBER 2020)<sup>45</sup>

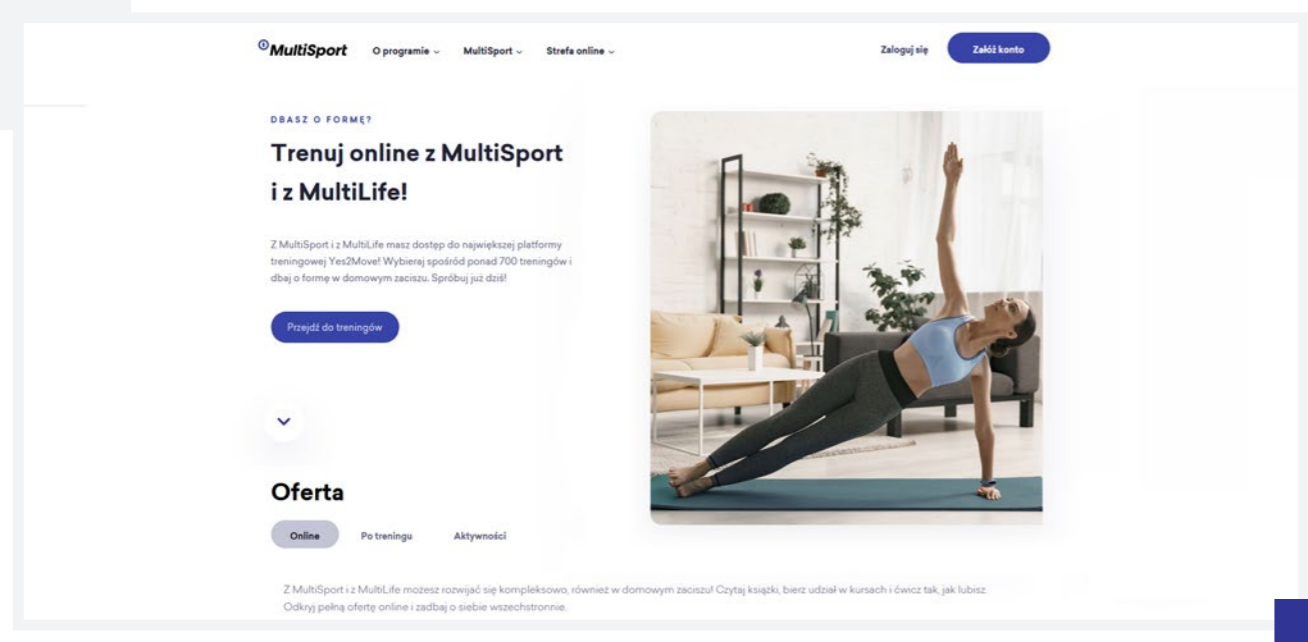
During the second lockdown, by the end of 2020, the User Zone was visited by **409,407 unique Users** who generated **3,141,282 views**.

Participating in online trainings, Users generated over **175,000 Yes2Move page views** and **300,000 page views** as part of the **Support Clubs** (Wspieraj Kluby) campaign.

**Over 10,000 new Users** have set up an account in the User Zone.

Users have launched **Mindfulness lessons** a little over **12,500 times**.

Users signed up for consultations with a **dietitian 965 times** and with a **personal trainer – 1315 times**.

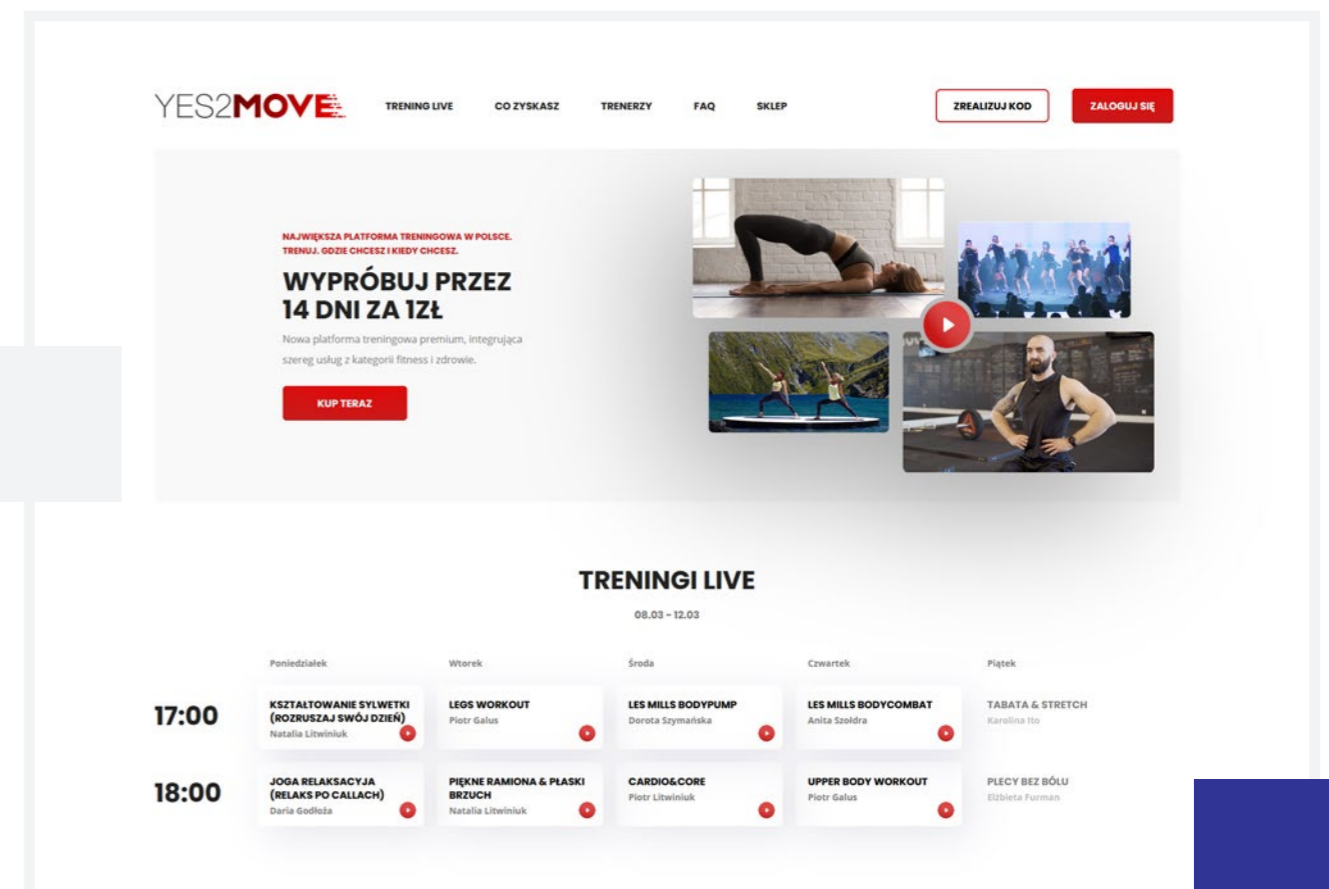


In 2020, we also worked on an important and multidimensional project, i.e., **Yes2Move platform** (www.yes2move.com) created by **Benefit Systems Fitness Unit**. It is an online training platform and online shop of the same brand (sklep.yes2move.com) **with products supporting physical activity and immunity** dedicated to **Clients of investment facilities** (since April 2020), **MultiSport Programme Users** (since October 2020) and **customers of partner facilities** (since November 2020). Just like the new MultiLife product, the first ideas and plans related to the creation of the platform were discussed before the pandemic and the changes it imposed on our business. The service is therefore not only a response to the effects of the pandemic, which in fact was an additional motivation for us to intensify activities related to the launch of the project.

**Live trainings for the Users** are available on the platform from Monday to Friday between 5:00 and 7:00 p.m. Their greatest added value is the possibility of exercising with favourite trainers know from the clubs. They also allow our chains to maintain relationships with their Users despite closed clubs.

Additionally, Users have access to:

- Over 800 online workouts,
- Standardised Les Mills workouts (offline and online),
- Ready-made sets of exercises,
- Personalised diets,
- Blogs and podcasts about fitness and wellbeing,
- Discount codes for purchases with our Partners,
- Live training sessions archive.



<sup>45</sup> The data is presented at the end of the reporting year, not at the end of the lockdown which continues for our industry.

**Yes2Move online shop**, available to Clients since September 2020, provides products related to a healthy and active lifestyle. The shop's offer includes:

- vitamins and minerals to boost immunity,
- small sports equipment that helps to diversify workouts at home,
- protein and carbohydrate supplements to complete daily diet,
- dietary foods that help create balanced and tasty meals.

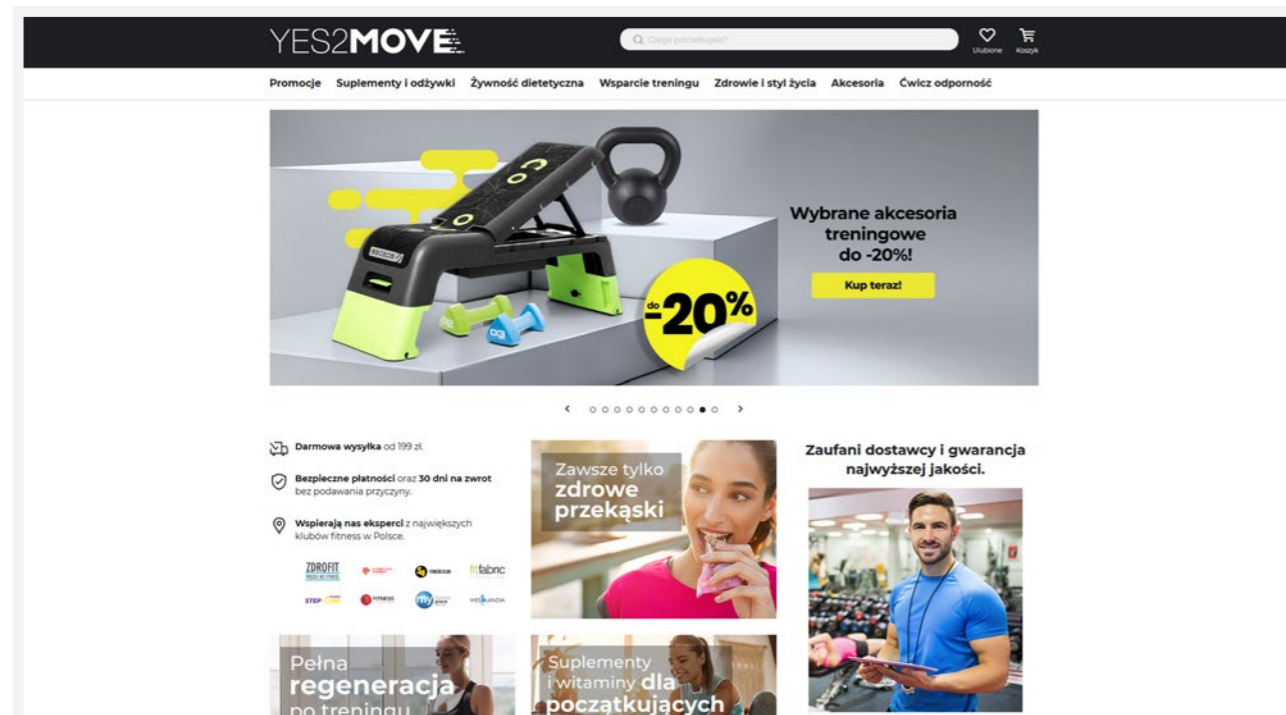
## YES2MOVE PLATFORM IN NUMBERS

By January 2021, Users performed a total of **130,000 workouts** on the Yes2Move platform.

Between September and December 2020, the number of Clients on the platform increased five times, which means **25,000 registered Clients of the platform** at the end of the year.

Between the launch of Yes2Move platform (April 2020) and 31 December 2020 it was visited by about **320,000 unique Users**.

Between the launch of Yes2Move shop (September 2020) and 31 December 2020 it was visited by **80,000 unique Users**.



In addition to standard communication platforms<sup>46</sup>, which aimed at promoting products and contacting Users, **VanityStyle**, providing services under the FitSport and FitProfit Programme, also created an online training platform in 2020. It was a response to the changes related to the impact of the pandemic on the business and allowed cardholders to continue physical activity and a healthy lifestyle without leaving home.

The online platform has two variants: **VanityStyle Standard Online Zone** (since April 2020; as a free addition for cardholders) and **VanityStyle Premium Online Zone** (since September 2020), which Clients can purchase access to for their employees, regardless of whether they have cards as part of VanityStyle sports programmes or not.

Within the Online Zones, Users have access to:

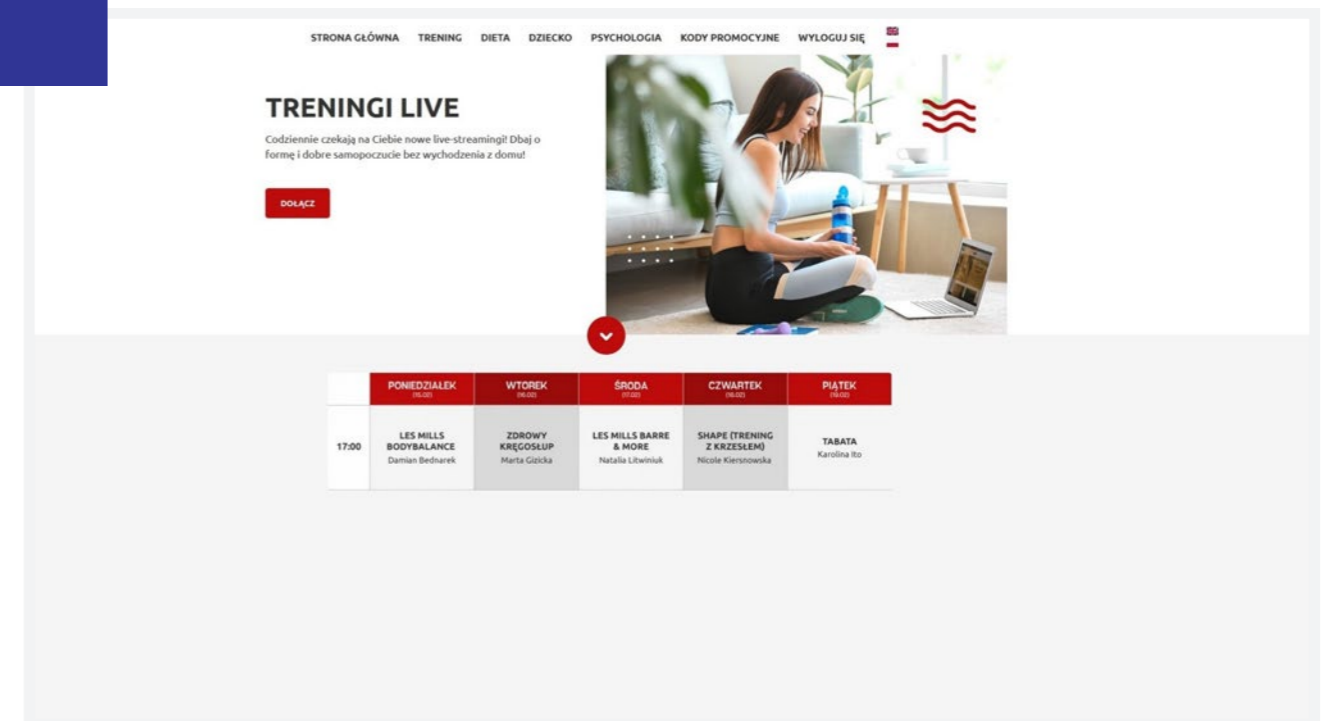
### STANDARD PACKAGE:

- Over 200 different online workouts (including workouts for the whole family),
- Yoga course for beginners,
- Live daily workouts,
- Webinars with nutritionists,
- Codes for online trainings conducted by our partner facilities,
- Articles and video advice from psychologists,
- Games, books, animations, and other online materials for children.

### PREMIUM PACKAGE:

- Personalised diet and diet platform,
- Over 300 training videos,
- Individual consultations with a trainer, nutritionist, and psychologist,
- Mindfulness courses,
- Live workshops for children,
- Vouchers and access codes for products and services of well-known brands.

In 2021, both variants of the VanityStyle Online Zone platform will be developed to provide Users with the widest possible range of services that they can use regardless of the pandemic situation.



<sup>46</sup> For the description of VanityStyle communication platforms, see Benefit Systems Group Non-Financial Report 2019, Section 3.3. Our Users.

## VIRTUAL CARD

Thinking about convenience and easy access to our services, in 2019 we launched **the MultiSport Virtual Card for our Users**. This is a mobile MultiSport Card in the form of a free smartphone application which Users can use to access sports facilities without the need to present a physical sports card.

The application is available for phones with the Android (Play Store) and iOS (AppStore) systems. In addition to the functions available from the beginning of the application, such as facility finder, mobile card, pedometer or spare QR code, in 2020 we were working on the development of new functionalities and extras to make the use of the Virtual Card even more user-friendly and give more benefits. The most significant implementations in the application in the past year were:

- **Additional cards (March 2020)** – employee-type cardholders can add children's cards (Kids and Kids Aqua) to their account in the application and make them available to other Users to register entries to facilities from one account in the application in the case of group and family entries which affects the speed of entering the facility and starting classes.

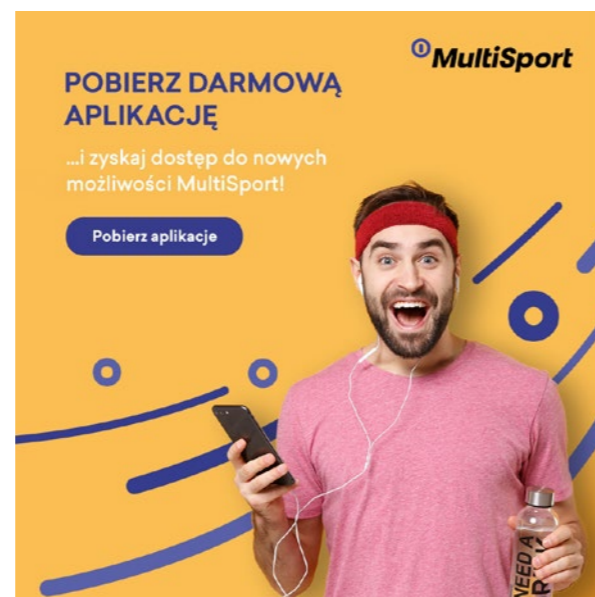
- **Online training (June/July 2020)** – the application has a new functionality called "Workouts" where training for adults and materials dedicated to children are presented, enabling Users to maintain a healthy lifestyle and exercise at home when gyms and fitness clubs remain closed.

- **Identity verification in the application (December 2020)** – the functionality that most Users have been waiting for. It consists in confirming one's identity in the application with an uploaded photo and verifying it once with an employee of the sports facility so in the future there is no need to show an identity document when registering the entry using the application. This functionality affects the speed of the User's service when registering a visit and thus the use of services.

### MULTISPORT VIRTUAL CARD IN NUMBERS

Currently we have **233,122 registered Virtual Card application Users**.

Since the publication of the application, **886,596 people** have registered entering the facility with a **Virtual Card**.



Cardholders using the **VanityStyle** offer can also use a dedicated **FitProfit application** available both for Android and iOS system.

The basic functionality of this tool is a search engine for sports facilities and discounts. It also includes personalised diets, fit recipes, training plans, body measurements as well as a section on motivation and personal development. The application has everything that might be needed to stay healthy, fit, and motivated.

## SOCIAL MEDIA AND ADVERTISING CAMPAIGNS

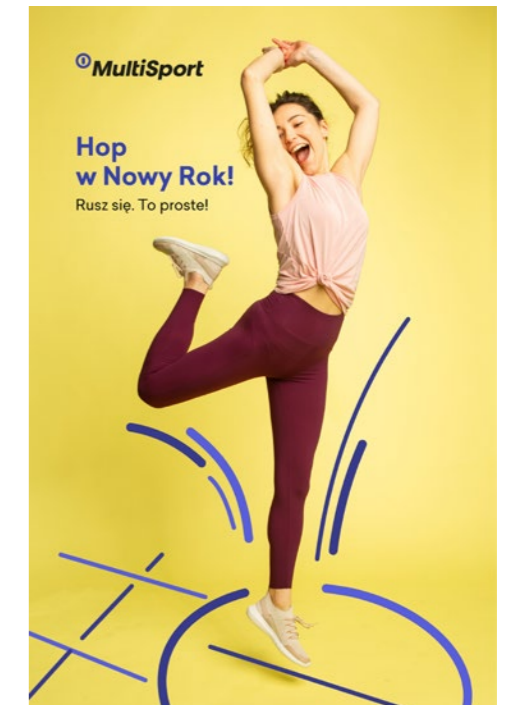
Other channels through which we deliver content and communicate with our Users are **social media** and dedicated **advertising campaigns** that we implement and publish in this dynamically developing, virtual space. In May 2019 we created the official **MultiSport Polska brand profile** on Facebook and Instagram. Both profiles quickly gained a large group of fans and followers. They are directed not only to our Users but to all enthusiasts of physical activity and a healthy lifestyle at all ages. We are also constantly developing communication in social media through cooperation with influencers as well as a profile on Spotify where we offer interesting podcasts and many hours of music. Moreover, both the Fitness Unit, which manages our sports facilities, as well as individual companies **run social media profiles of brands belonging to the Capital Group**. We want to be closer to our Clients and Users and build greater coverage in local communities interested in a healthy and active lifestyle. **Informing Users and Clients about the current guidelines related to the pandemic situation** is also a very important factor. By keeping profiles of our brands and individual clubs, we can quickly and effectively reach our Stakeholders with the latest information

Benefit Systems brands communicate with the Clients and Users on the following social media: Facebook, Instagram, LinkedIn, YouTube, Spotify.

In 2020, we conducted several campaigns, which appeared, among others, in our social media. When implementing this type of projects, we always **try to raise important and current topics closely related to our mission**. This year's communication focused on such topics as the pandemic, boosting immunity and the current possibilities of using our services and facilities. There were also social and product campaigns as well as those with humorous elements, allowing their recipients to relieve tension related to lockdowns and social isolation, organised.

The most important Benefit Systems campaigns in 2020 include:

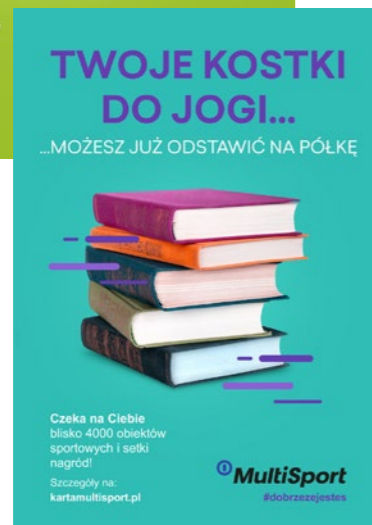
**"Move. It's simple"** – one of the first MultiSport campaigns last year, which was motivating and referring to the child's joy of discovering sport. The campaign was published on the brand's Facebook profile.



**"We're glad you're here" campaign, part 1** is related to the longing for sports facilities and focused on returning to using them after the first lockdown. The campaign also promoted an online offer and posts about safe return to facilities. The campaign was published on Facebook and Instagram.

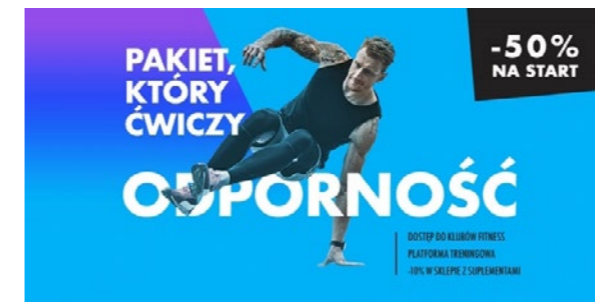


The second part of the **“We’re glad you’re here” campaign** focused on returning to facilities in terms of home ways of being active. A very important element of the campaign was media communication based on the opinions of experts in the field of medicine and psychology as well as numerous scientific studies. As a result of communication activities, nearly 900 media publications were created, drawing attention to the need and safety of continuing physical activity during the pandemic. Throughout the campaign, the educational materials could also be used by the MultiSport Programme Partners and shared in their social media, for example, to educate their customers. Moreover, the campaign was published on the brand’s Facebook profile as well as in the form of outdoor posters in Warsaw.

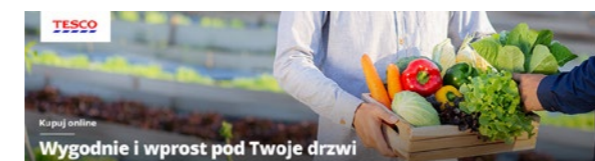
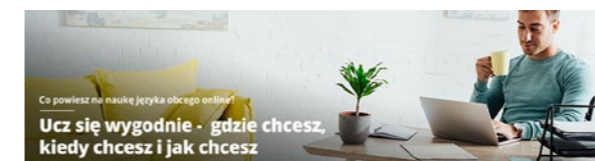


The autumn **“MultiMożliwości”** campaign presenting a wide range of possibilities offered by the MultiSport Programme. Through specific visual communication it aimed at attracting Users’ attention and emphasising the surprising offer within the programme. The campaign was published on Facebook and Instagram.

**Zdrofit TV campaign** as part of promoting the **Pump up your immunity** platform. In a campaign based on an advertising spot promoting two of our brands – **Zdrofit and MultiSport** – there are personalities of key importance for our services, i.e., representatives of individual groups of Clients. We show that everyone, regardless of age, figure, and level of fitness, can and should undertake physical activity because it is a pillar of building immunity and life force. We focused on diversity and equality in promoting physical activity and health among our Clients and MultiSport cardholders. Additionally, as part of the ongoing “Pump up your immunity” online campaign we promote the Yes2Move platform and we also pursue such goals as positioning fitness clubs as facilities where Users look after their health, creating the need for physical activity as an important factor in the pandemic reality or resolving objections related to the fear of coming to fitness clubs.



**MyBenefit #Stayathome campaign**, organised during the first lockdown, aimed at promoting products and services that cafeteria programme Users could use at home. As part of the campaign, a landing page with new categories inspiring Users to spend time at home in an attractive and creative way with the use of promoted products was created.



## ACTIONS FOR USERS

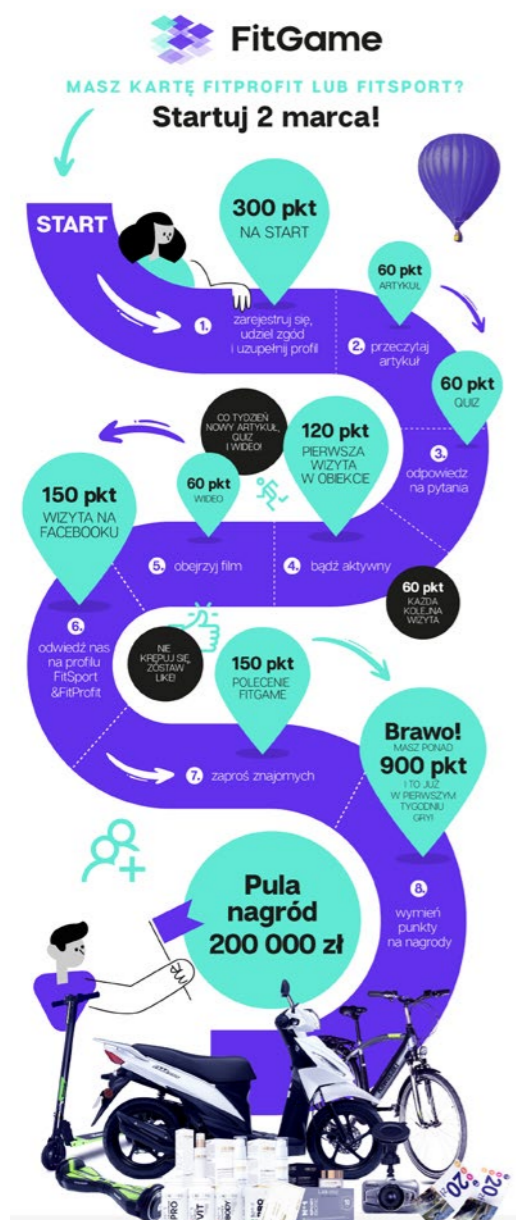
With Clients and Users in mind, we implement projects that make our offer more attractive, and we are even closer to our local communities.

For the third year in a row, during the holiday season (July-August 2020), we completed the **MultiSport Summer Game** (also called gamification) for the Users which was attended by **almost 100,000 people**. This year’s game was called **“60 days around summer”** and, like in previous editions, it consisted in earning points for specific activities, not only sports, but also reading thematic articles, solving quizzes, or inviting friends to play. Depending on the number of collected points, Users could exchange them for various prizes and participation in competitions.



This year’s **Gamification** was attended by almost **100,000 people**. In 2019 it was **130,000 participants** and since the beginning of the project – almost **330,000 Users**.

However, gamification is not only about having fun but also **helping others**. As every year, our campaign also had a **CSR aspect**. Users exchanged their points for prizes for themselves, but they could also donate them to support charity actions under the Dobry MultiUczynek Programme<sup>47</sup>. We offered them **five actions for various beneficiaries to choose from**. Thanks to the involvement of our Users, all projects collected the required number of points and the Company donated **PLN 50,000** to help winning organisations and institutions. A summary of the action can be found in the MultiSport Zone: [www.kartamultisport.pl/multisport/po-treningu/dobry-multiuczynek](http://www.kartamultisport.pl/multisport/po-treningu/dobry-multiuczynek).



Gamification was also organised for **FitSport and FitProfit** cardholders. The game had two editions throughout the year which were called **FitGame** (March-April 2020) and **FitGame 2: Challenge** (September-November 2020). A total of **4,005 Users** who engaged in various activities broadening their knowledge and winning prizes took part in both editions. As part of the game, Users collected points for such activities as reading articles, watching videos, solving quizzes, going to sports facilities, taking the specific number of steps a day, inviting friends to the game, liking the brand’s FB profile, and then exchanged them for prizes. In addition, both editions had a CSR dimension because by participating in the game Users could support charity initiatives thanks to which a total of **PLN 19,000 was donated to six different beneficiaries**.

Within the **Fitness Unit customers of our clubs** also took part in **numerous campaigns and competitions** organised by individual brands belonging to Benefit Systems. Throughout the year, we organised sports events such as the Bicycle Marathon, Zumba Marathon, Club Open Doors (including tasting, body composition and weight measurements for club members) and actions organised for Women’s Day, Grandfather and Grandma’s Day or Valentine’s Day. In addition, as part of the Zdrofit TV campaign, there was a competition to participate in an advertising video organised on the brand’s Facebook profile as well as a **competition with “Together we can do more” Les Mills workouts** run for clients on Zdrofit, Fabryka Formy, My Fitness Place, StepOne and Fitness Academy profiles as well as **“I train with Yes2Move” Tiguar competition** on the Yes2Move profile. At the end of the year there was a **Christmas competition** for Clients called **„#ChristmasTraining”** organised by all club chains on their Facebook profiles.

Furthermore, **MyBenefit**, specialising in providing cafeteria programmes, organised a Christmas competition called **“Magic letter to Santa”** which enjoyed great interest among the Users. The competition task was to write the most interesting letter to Santa, thanks to which Users won points for their dream purchases. There were **2,361 letters** submitted to the competition and the prizes for the winners totalled **PLN 6,000**.

## 3.4. HELPLINE

For our industry, Helpline is an indispensable **channel of communication with Users**. The vast majority of calls to the Benefit Systems and VanityStyle Helpline comes from sports card Users who contact us mainly to obtain information about the services, facilities and available activities. In addition, one of the greatest challenges last year was **the change in the tendency in the intensity of traffic**, which largely depended on the announced restrictions and government decisions. Users contacted the Helpline to learn about issues related to the use of services in the context of the pandemic situation. Despite increased traffic, as in previous years, we managed to maintain a very low complaint rate: the average monthly number of complaints received through the Helpline in 2020 was 40 calls for Benefit Systems and only six calls for VanityStyle. In the previous year it was 18 complaints a month for Benefit Systems and five complaints a month for VanityStyle. Every year the Benefit Systems Helpline team introduces new initiatives and improvements that aim at increasing the quality and speed of service and ensuring customer experience of callers. Last year, bearing in mind the dynamically changing situation, we adapted the personnel to critical periods during the pandemic when contact with the Helpline was more intense than ever before. As in previous years, our consultants also had the support of an internal trainer who takes care of their individual development. Despite the above difficulties, the Helpline team achieved very high qualitative results. In the last quarter of 2020, the **MultiSport Programme Users satisfaction level was 97%, which is the same as at the end of 2019**. The team can also boast of a low employee turnover, thanks to which we maintain a constant, very high level of service quality. We deal with complaints in a very short time, mostly not exceeding **48 hours**. We also make sure that callers do not have to wait long to connect with a consultant – as many as **60% of calls are answered within a maximum of 20 seconds**.

In 2020, the Benefit Systems Helpline answered over **176,000 calls** and handled over **94,000 e-mails**. In the case of **VanityStyle** it was nearly **20,000 calls** and almost **5,500 e-mails**.

In the last quarter of 2020, the **MultiSport Programme Users satisfaction level was 97%** and the percentage of complaints **did not exceed 0.5%** of all calls, which also translated into a high NPS index:

	2020	NPS
Q1		81
Q2		81
Q3		73
Q4		78

In the questionnaires, **95%** of Users declared that the matter they submitted to Benefit Systems was resolved at the first contact.

Throughout the year we registered a total of **554 complaints**, including **487 to Benefit Systems** and **67 to VanityStyle**.

In addition, **launching the Helpline for cafeteria products** (1 June 2020) was an important project for the Customer Relations Department. Its main purpose was to make contact with the Benefit Systems Group easier for the Users by providing one number for various products and services. It had a significant impact on improving the quality of customer service. From the moment the Helpline was launched until the end of 2020, we registered **5,863 calls** regarding Cafeteria products.

<sup>47</sup> For more information on the programme, see Chapter 4 Community.

<sup>48</sup> The number of calls includes not only standard complaints but also inquiries regarding the availability of facilities or complaints related to the inability to use them. We considered these issues as complaints, even though they did not relate directly to the quality of services or products.

## 3.5. WE EDUCATE AND ACTIVATE OUR CLIENTS AND USERS

### BENEFIT MONTHLY

For nearly eight years Benefit Systems was publishing a nationwide industry monthly magazine called **Benefit**, which was addressed mainly at our Clients. In October 2020, the hundredth and last issue of the monthly was published.

The magazine was delivered directly to employees of **HR and payroll departments as well as managers**. The first three issues of the Benefit monthly in 2020 were published in **printed form** (8,000 copies). With the lockdown announcement and the transition to remote work of most of our subscribers, we decided to suspend printing. Since April, the monthly was published periodically **only in digital edition**. The PDF file was sent to e-mail boxes of nearly 12,000 subscribers.

In the monthly, we **published expert materials** in the field of management, leadership, recruitment, development, wellbeing, active and healthy lifestyle as well as law and settlement of non-financial benefits. For nearly eight years the magazine presented articles written by **HR experts and practitioners**. **Good practices in the form of case studies** were shared by companies that put employees and their needs at the centre of their interests. The published **content promoted the creation of a healthy and engaging work environment**. We also monitored the **changes in the labour market** caused by the pandemic on an ongoing basis. We provided readers with useful and up-to-date **knowledge on trends and changes in the policy of non-financial benefits**. We published several articles supporting HR departments in organising the work of teams working remotely as well as building their commitment based on a holistic approach.

For years, the covers hosted **people from the world of culture, business, and sport**. In 2020, they included Krzysztof Wielicki, Adam Sztaba, Małgorzata Bieniaszewska and Maria Rotkiel.

In the Benefit monthly we also wrote about interesting projects that we implemented at Benefit Systems. Promoting a healthy lifestyle, we published **several articles on being active while working remotely**, based on original research and examples from the market.

Despite the inability to organise industry conferences, the monthly actively supported the promotion of those that managed to be organised online, including **Festiwal Inspiracji** and **Kongres Kadry**.

The year 2020 was the last year of publishing the **Benefit** monthly. Due to the crisis, Benefit Systems decided to suspend the title as its publisher. The last, hundredth issue was released in October 2020. Michał Bajor was featured on the jubilee cover.



## HEALTH DAYS AT CLIENTS

Another benefit created for our Clients and their employees are projects related to health in the workplace and an active lifestyle that have been implemented for several years now. The Company and individual companies within the Group organise health days at our Clients' workplaces to bring them closer to the topics related to our mission and as part of the services we provide for them.

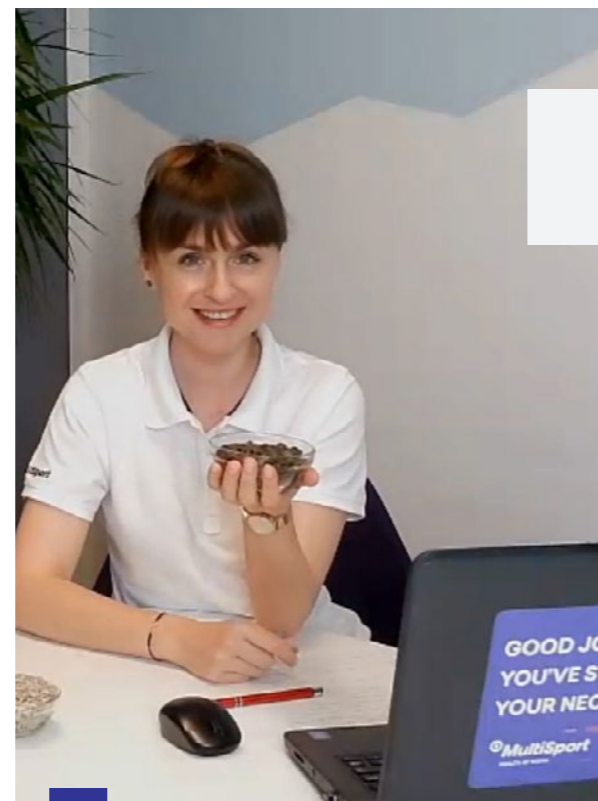
**Zdrowie na Etacie** (Health Full Time) is our signature wellbeing programme which Benefit Systems has been carrying out since 2018 for its Clients under the MultiSport Programme. We know that the wellbeing of employees is important to them and we wanted to help them take care of it not only before or after work, but also during it. As part of the programme, we offer all employees of our Clients (regardless of whether they are our cardholders or not) meetings and workshops promoting a healthy lifestyle conducted by specialists in the field of healthy nutrition, training and physical activity. We also support our Clients in the communication of the programme in their companies so that as many people as possible could take part in the classes and introduce a healthy change to their lives. In 2020, despite the pandemic situation, which was difficult for many industries, we did not give up the programme and we managed to organise over **350 events at almost 90 Clients.**

The previous years have shown us that our Clients assessed the Zdrowie na Etacie (Health Full Time) project very positively, both in terms of the quality of service and implementation, as well as due to the positive image as an employer. Therefore, we wanted the programme to be continued and, reacting quickly to a developing pandemic situation, we created opportunities to implement the Zdrowia na Etacie (Health Full Time) project in an online form. The pandemic not only created a specific work environment in most companies but also presented us with new challenges that we wanted to meet without hesitation. However, it did not diminish the interest of our Clients, thanks to which we could continue to operate and implement the programme, conducting, among others, thematic sessions, lectures, meetings with a dietitian and trainer, as well as online exercises.

In the autumn-winter period, also due to the ongoing pandemic, we met the expectations of our Clients by creating new topics for lectures such as: "Immunity – what you need to know and what no one will tell you" or "Nutrition to boost up immunity." We also paid a lot

of attention to stress and mindfulness. The sessions we conducted were to teach employees how to be mindful, cope with stress and use their potential better. We also discussed topics related to breathing techniques aimed at relaxation and learning proper breathing that reduces stress levels. During all classes, participants had the opportunity to ask questions in the chat and talk to the host.

Online exercises entitled "Active break during home office – exercises with the use of chairs" were also very popular. During the classes we showed how to stretch and relax the muscles that are particularly prone to pain in sedentary work. Clients also eagerly chose such physical activities as "Healthy and straight back," "Stretching with elements of mobility" as well as more dynamic forms of training such as "Full body workout" or "Interval." In addition, at the end of the year, in several cities in Poland, we conducted on-the-job training for people working in production halls and warehouses. These meetings were held in a traditional form, in compliance with all sanitary requirements related to the COVID-19 pandemic.



In 2020, as part of the Zdrowie na Etacie (Health Full Time) programme, we organised almost **350 events** at MultiSport Clients. **260 of them were in the online form.**

In total, since the beginning of the programme, we have organised almost **700 events at 220 clients.**

In 2020, under the **Open Days** programme we organised a total of **27 webinars** for FitSport and FitProfit Clients as well as our followers in social media.

This year, due to the pandemic, **Open Days**, i.e., meetings for VanityStyle Clients' employees, were also organised online. In previous years, these were lectures on a healthy lifestyle conducted by the most respected nutritionists in Poland, individual consultations with personal trainers or physiotherapists. During the meetings, participants also had the opportunity to analyse their body composition and check their metabolic age. This year, for security reasons and the possibility of remote work common for many industries, VanityStyle organised a series of webinars for our Clients' employees as well as webinars open to everyone interested on VanityStyle profiles in social media. They took the form of online lectures on a healthy lifestyle, boosting immunity, coping with stress, self-confidence, assertiveness or building relationships in private and professional life in times of crisis. The webinars were open both for FitSport i FitProfit cardholders as well as everyone interested in them.

## HEALTH CAPITAL PROJECT

Last year, we also implemented the Capital Health project, the final conference of which is planned for the first quarter of 2021. The project is a joint initiative of the Polish HR Association, the Union of Entrepreneurs and Employers, experts from the Human Capital Institute of the Warsaw School of Economics and numerous partners, including Benefit Systems, which has become its Strategic Partner. The aim of the project is to **increase social awareness of the need for long-term health support for employees** and their immediate environment. To achieve this, the project experts took numerous steps to present the best solutions to health capital as the most important element of human resources in companies and institutions to a wide audience. For this purpose, in 2020 qualitative and quantitative research was carried out on employees, management staff and decision-makers of HR departments. As part of the project, cyclical webinars discussing both the challenges of health capital and the best market practices are also organised.



## HEALTH DAYS ON THE FOREIGN MARKETS

In previous years, we also worked in the field of **education and well-being of our Clients' employees on the foreign market**. In the Czech Republic, Slovakia, and Bulgaria these were pro-health meetings called **Health Days**. Their formula was very similar to the **Zdrowie na Etacie** (Health Full Time) programme. In 2020, this project was continued, but due to the pandemic situation, only **234** events were carried out, i.e., more than 50% less than in the previous year, of which 75 were held online. Additionally, during the holiday season, when the pandemic situation stabilised, our Czech company, Form Factory, organised three special events for customers of its clubs, the so-called **Open Days**. As the name suggests, they took the form of open days aimed at supporting sales and services offered by sports facilities but also promoting a healthy lifestyle in the surroundings and local environment of these facilities. During the events, each visitor could use the facility's services, try the equipment, and receive a trainer's advice for free. As part of the Open Days, our facilities were visited by **326 people**.



## 3.6. SAFETY OF OUR CLIENTS AND USERS

This year serving Users and Customers (pass holders) of our clubs was particularly important for us in terms of **safety, hygiene, and even more comfortable use of services**. From the beginning of creating the business, we maintain the highest level of service quality both in our own facilities and in the context of building a network of partner facilities. The comfort of Users of our sports programmes and services was largely disturbed in 2020.

Such aspects as sharing a common space with strangers or touching the same equipment, which until now seemed completely natural, turned out to be something that we began to pay special attention to. The pandemic forced us all to strictly comply with the rules related to hygiene and safety in public places, so we took immediate steps to provide our Stakeholders with the greatest possible comfort when using our facilities in Poland and abroad.

.In response to the restrictions on the use of sports and recreational facilities on the Polish and foreign markets, we have introduced:

- Detailed procedures for dealing with the COVID-19 pandemic in relation to the operation of sports and recreational facilities and the safety of Employees and Customers,
- Regular disinfection and airing of rooms,
- Hand disinfection and wearing a mask/face shield during a visit to the facility mandatory for all Employees, Customers and Users,
- Plexiglass walls to maintain adequate insulation between the staff and Customers,
- Excluding common parts in buildings from use,
- Information communication related to safety rules in the form of posters and stickers in the facilities,
- Limiting the number of places in the facilities adapted to the current pandemic guidelines and in relation to the facility space.



# COMMUNITY

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# 4.

## 4.1. WE ARE SOCIALY RESPONSIBLE

From the beginning of Benefit Systems operations, **sustainability and social responsibility** have been embedded in our DNA. We are an organisation for which business development always goes hand in hand with caring for the wellbeing of our Employees, supporting local communities and listening to the needs and opinions of our Stakeholders. It is an inseparable element of our daily work and creating the Company's identification in the market that surrounds us. As part of our **CSR activities**, we look at our community and try to respond to its needs wherever we see the potential to use our knowledge and competences. Caring for the sustainable development of all market participants, we also want to **support and implement social initiatives** of our Employees, Beneficiaries and Partners. Last year showed us **another dimension of CSR activity** and drew our attention to phenomena that had never been in our interests before. Therefore, we have included **issues related to safety and support of the surrounding market** in our activities. These are in fact necessary in the context of jointly creating a business and being together every day. We try to be attentive and make responsible decisions to make a better life both for us and our surroundings. We believe that such a course of action affects the quality of life of an individual and of the entire society. We want to constantly develop in this area, create initiatives and keep looking for new inspirations that will allow us multi-dimensional, responsible development of the entire Group's business.

We focus our CSR activities on various groups of Stakeholders. They are not only related to our industry and services, although it is a very important part of reality for us. We implement projects in which we want to help through volunteering and philanthropy as well as educate, activate, and inspire one another. We operate with **children, people with disabilities, the elderly and the excluded as well as animals** in mind. From year to

year, an increasingly important part of our activities are also projects focused on the **natural environment** and minimising the negative effects of our business.

At Benefit Systems and in selected companies within the Group the **employee volunteering initiative** has been implemented for several years<sup>49</sup>, thanks to which our Employees can directly engage in the actions and programmes we propose to them. Volunteering and social initiatives have penetrated so deeply into the culture of our organisation that it is often the Employees themselves who initiate projects that they want to carry out in the work environment. Such involvement influences integration with the local community as well as strengthens ties within the organisation. The next section describes social initiatives implemented by the Group in 2020 in which both our Employees and the local communities around them were involved.



<sup>49</sup> For more information on employee volunteering, see Chapter 2 Employees.

## 4.2. PROMOTING B CORP MOVEMENT AS AN ELEMENT OF THE CSR STRATEGY

The Benefit Systems Group's CSR activities are based on two most important foundations: striving to meet B Corp standards and implementing our own CSR Strategy. In September 2018 we were **the first public company** in Central and Eastern Europe to receive B Corp Certification and thus joined the **community of socially responsible companies**<sup>50</sup>. It includes organisations that have **corporate social responsibility principles** 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. As part of the implementation of the CSR Strategy, obligations arising from the certification and being **the only organisation with a Polish origin** that received B Corp certification by the end of 2019, we have been involved in promoting the movement in Poland from the very beginning.

We strive to take an active part in initiatives related to the B Corp movement and, as part of conducting our business in a sustainable manner, we strive to have a positive impact on other companies and organisations, willingly sharing the knowledge and experiences resulting from the certification process so that they follow our B Corp path. Such relationships are also a valuable lesson that teaches us what we can improve in the Group to be even closer to the B Corp standards. In 2020 **two companies with Polish origin** – our Clients – joined the group of certified companies: **Netguru and ANG Group**. The number of international companies operating on the Polish market that have received the certification or are interested in it has also increased. There are currently over **3,700 certified companies** belonging to the B Corp movement **operating in 74 countries around the world**.

Last year, our representatives took part in the **following events and projects related to the B Corp movement**:

- Annual **Coherent Leadership Conference organised by the Humanities Foundation** (March 2020). During the conference, a panel on B Corp with the participation of Benefit Systems representatives was held where the announcement of the second company with Polish origin, Netguru, joining B Corp, was made. The company received its certification at the beginning of 2020.
- Publishing the **Benefit Systems Capital Group Non-Financial Report 2019**, which was based on the assessment structure of B Corp. In the following months, as part of the **competition for the best non-financial reports in 2019** organised by the **Responsible Business Forum and Deloitte Polska**, our publication received a distinction in an Internet voting.



<sup>50</sup> For more information on the B Corp certification procedure, see the Benefit Systems Group Non-Financial Report 2019, Section 4.1. Promoting B Corp movement as one of the challenges of the CSR.

- **A webinar** on the movement and the certification process called **“B Corp, a business that wants to fix the world – a different answer to the crisis and pandemic”**, which took place on 3 June 2020 as part of the local initiative of Polish B Corp Market Leads and Better and Bagiński PRO in cooperation with Benefit Systems and other B Corp companies operating in Poland. One of the panellists at the webinar was a Benefit Systems representative who told the participants about the company’s path to the certification in 2018.
- The first **B Corp Summit in Poland** (November 2020) conducted online and addressed mainly to companies operating in Poland as well as Central and Eastern Europe. During the summit, organised by **Polish B Corp Market Leads and Goodbrand/Better**, apart from the speeches of eminent speakers from Poland and abroad, there was a masterclass on **B Impact Assessment – Workers Area** organised by Benefit Systems..
- **9th Development Initiation Forum** (November 2020) addressed mainly to companies and institutions from Pomerania but also other regions of Poland. At the event Benefit Systems had the opportunity to present the movement and the B Corp certification.

In addition to participation in events related to B Corp and the mission connected with the promotion of the certification, the second half of 2020 was to be a time for us when the Group was slowly **preparing the foundations for the recertification** which is a long and complex process. Nevertheless, due to the devastating impact of the pandemic on our business and a significant drop in revenues in 2020 resulting from the lockdown lasting most months of the year, the Benefit Systems Management Board formally requested the Management Board of the B Lab organisation, which certifies B Corp companies, to postpone the date of our recertification. After a thorough analysis of the request and the situation in which our organisation found itself,

the B Lab Management Board, guided by the so-called Compassion Policy, **decided to extend the duration of the B Corp certification for Benefit Systems and postpone the recertification to 2022**, provided that the Company commences this process by July 2022. We have welcomed this decision with great satisfaction and relief. Despite an unprecedentedly difficult year, we have been actively preparing for recertification, **implementing initiatives related to B Corp’s requirements, also giving us the opportunity to increase B Corp scores**. However, both the financial losses and the resulting need for multidimensional savings aimed at maintaining the business as well as delegating Employees to activities related to securing the business against the effects of the pandemic, were enough serious reasons for us to ask B Lab to postpone the recertification date. However, we continue to implement activities related to our Company’s social responsibility and the **certification, which continues to include us until the second half of 2022**. We sincerely hope that despite the persistent difficult pandemic situation, we will manage to go through this process in accordance with the new arrangements with B Lab as for us it is one of the key projects **directly influencing the Capital Group’s CSR objectives**.

The past year was also a time for us to work on updating the Group’s CSR Strategy. As we mentioned in Section 1.7 CSR Strategy, in the last quarter of 2020 we were working on **updating the strategy** and setting goals for the coming years. As part of the work, **we deepened and expanded the pillars** which the strategy is based on and we focused on defining the **Group’s most important objectives** for the coming years, such as measuring and reducing the impact on the natural environment or taking care of the safety of Employees and other Stakeholders in connection with the COVID-19 pandemic. The updated strategy will be communicated and implemented throughout the Group **in the first quarter of 2021** and its assumptions will apply **until the end of 2024**, unless specified otherwise.



## 4.3. COMMUNITY ACTIVATION PROGRAMMES

As we mentioned in the previous section, as part of the implementation of CSR activities, and thus the CSR Strategy, for years we have been **creating projects in the field of social responsibility** to which we invite our Stakeholders. One of the first and largest projects of this type is the signature **Dobry MultiUcznynek Programme** that have been implemented in the Company since 2015. Under the programme **Employees submit aid projects** for various types of institutions and non-governmental organisations and receive funds for them from the Company. From the very beginning our programme has been supported by the Volunteer Centre Association. So far, we have implemented a total of nearly **100 projects** which involved over **250 volunteers**. The total value of the projects implemented so far has **exceeded PLN 1,100,000**.

Each project has its own unique story which we document through descriptions, photos and videos published in the section devoted to our pro-social activities on the Company’s Intranet. Employees-volunteers are proud of their achievements and messages regarding the implementation of such projects are very popular in the company. Projects within the Dobry MultiUcznynek Programme are dedicated mainly to **children and teenagers** in difficult life situations, **people with disabilities, seniors, homeless and excluded people** as well as **animals and the environment**.

An important factor in the implementation of projects is active participation in the submitted initiative as well as the Project Leader (the person submitting the project) creating a group of volunteers (our Employees as well as their family and friends) who will implement the winning project for the beneficiary. Therefore, in 2020 we did not have the opportunity to invite our Employees to the next edition of the programme. Changing restrictions, in which the key was to avoid gathering in groups and staying at home, as well as considerations related to the safety of beneficiaries which projects would potentially

involve, forced us to suspend the programme in 2020 in the traditional form. The second factor influencing the decision to suspend the employee volunteering programme in the pandemic was the need to reduce the Company’s expenses. However, we managed to **implement Dobry MultiUcznynek as part of this year’s MultiSport Summer Game**, which we already mentioned in Chapter 3 Clients and Users. The game was addressed to MultiSport cardholders who could donate their points to **five charity initiatives** that we have selected and submitted to the programme.



These initiatives were directed to non-governmental organisations as well as care and education facilities. Every one of them had an important project to complete which we could support financially. Thanks to the activity of our Users, we managed to collect the necessary points, which resulted in the transfer of **PLN 50,000** for five charity initiatives:

- **Care and Education Facility for children and teenagers in Starachowice:** purchase and installation of new radiators throughout the facility and repainting several common rooms,
- **Psierociniec Foundation:** financial support for the purchase of a working car – an indispensable tool in the daily work of the foundation, consisting in helping and caring for elderly and sick animals,

- **Regional Care and Therapy Facility for children and teenagers in Kazimierza Wielka:** assistance in the purchase of equipment for an external rehabilitation gym for the charges of the facility,
- **Zwierzęca Polana Foundation:** co-financing the purchase of materials to build a pasture for horses, the funds from the donation were used to build a brick foundation, which is the basis of the fence and allows for the separation of horses from dogs under the care of the Foundation,
- **Community of Sant'Egidio:** support for the poor and homeless by preparing 700 food packages and, due to the pandemic, delivering them to designated places where people in need are located.



Apart from implementing Dobry MultiUczynek Programme as part of Gamification (which we hope will come back in 2021 also in the employee edition), **VanityStyle organised the FitGame Gamification for the Users**, thanks to which **it was possible to support charity campaigns for six beneficiaries**. Helping and employee volunteering are included in the VanityStyle activities as an inseparable part of building a business, therefore actions such as gamification for the Users could not take place without a social element. During two editions of FitGame, Users collected points for activities and won prizes, but they could also donate them to charity, thanks to which they managed to donate a total of **PLN 19,000** in favour of:

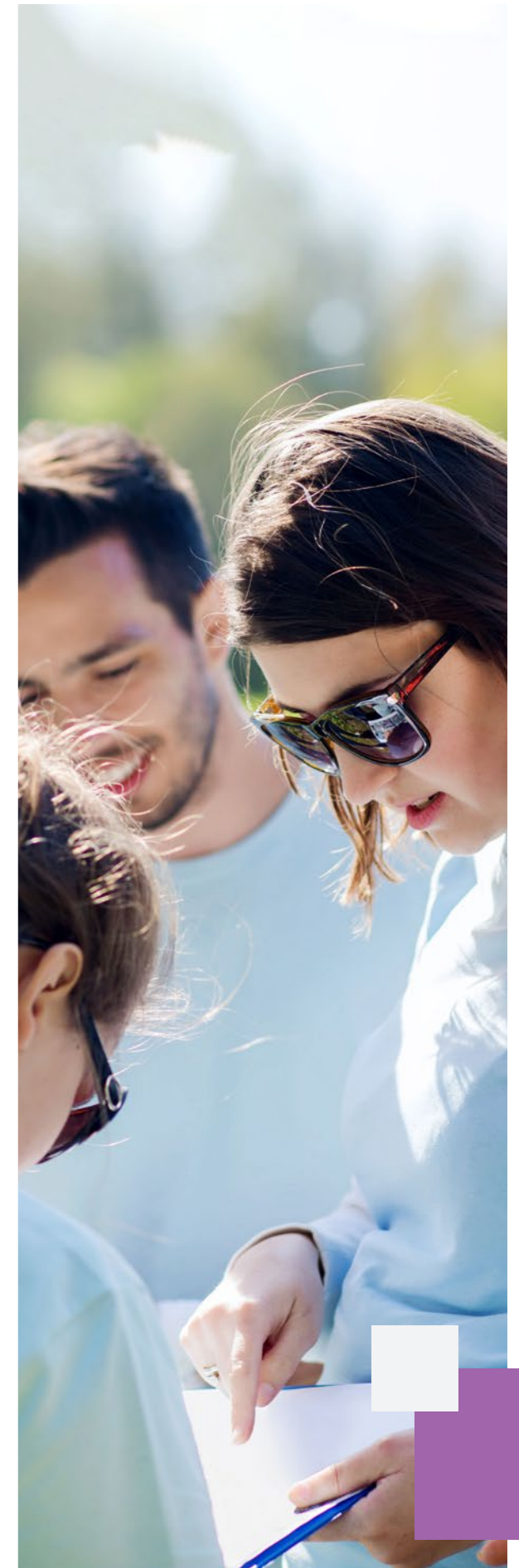
- **Skrzydlaty Pies Foundation** to purchase food and medicines for animals under the foundation's care,
- Support for one of the collections **related to the fight against COVID-19** at siepomaga.pl,
- **Niezwycięzony Foundation** to fund sports activities for children,
- **Zwierzęca Polana Foundation** to pay for the treatment of two dogs rescued from extremely bad conditions, who are under the foundation's care,
- **Viva! Foundation** to support the maintenance of horses saved by the foundation,
- Support for the collection for **children suffering from SMA** at siepomaga.pl.



In addition, as part of the twin **VanityStyle** volunteering Programme called **"FitHeroes Team Runs with Help"**, implemented in 2017 and enabling Employees to join charity and social campaigns by submitting projects on their own, in 2020 we managed to carry out a project to help the **Warsaw Hospice for Children Foundation**. As part of the campaign, together with our Employees, we completed several voluntary activities and we also provided funds in the amount of **PLN 10,000** to the foundation.

In previous years, as part of CSR and educational programmes, we implemented activities dedicated to children and seniors. Since 2018 we have been running **Active MultiSport Schools project** which aims at restoring the joy of exercise among primary school students and increase their level of physical activity. We have engaged almost 15,000 children from Polish schools, and we conducted dozens of workshop hours for students and their guardians. In recent years, under the new **MultiSport Senior product**, we also implemented several activities aimed at promoting the topic of old age and physical activity as well as activating the oldest social group. As part of the project, we organised a few workshops and events dedicated to seniors, thanks to which they could take part in a variety of activities tailored to their age. Moreover, last year VanityStyle realised the **Active Since Childhood educational campaign** which, similarly to Active MultiSport Schools, aimed at drawing attention to the problem of lack of exercise and a sedentary lifestyle among children. As part of the campaign, a website was created where guardians could find a lot of interesting information, inspirations, and suggestions for active play with children. The implementation of all these projects is an important aspect of the Group's non-business activities. Due to the pandemic situation, however, we could not afford to continue many of them<sup>51</sup>. We take safety considerations into account and we also try to realistically assess the chances and situation related to a given activity on an ongoing basis. In many cases, it was also the restrictions introduced by the government that prevented us from implementing a specific project. However, we believe that when the pandemic situation stabilises, we will be able to return to the programmes dedicated to our Stakeholders also in a traditional form based on joint action, activity, and integration of local communities.

<sup>51</sup> A full description of the implementation of the above-mentioned projects can be found in the Benefit Systems Group Non-Financial Report 2019, Chapter 4 Community.



## SMALL CSR ACTIONS INVOLVING EMPLOYEES

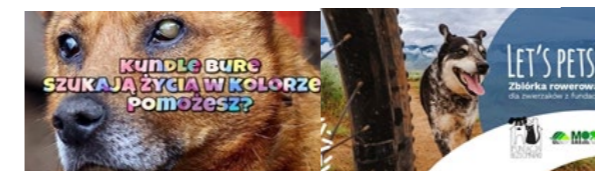
As mentioned earlier, we had to give up or suspend some of the projects, but at the same time many **smaller, equally important social campaigns** in which our Employees and the local community were involved took place throughout the year. In 2020 the Benefit Systems Group implemented, among others, the following projects:

- One edition 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 272 Benefit Systems S.A. Employees in the annual "Santa Claus" Christmas campaign and the preparation of over 170 gifts for children from multi-problem families under the care of the Social Welfare Centre in Łódź,
- Handing over 130 laptops used at the headquarters for remote learning for children under the care of the Social Welfare Centre in Łódź,
- Participation of Benefit Systems S.A. Employees in EKIDEN relay charity marathon for the Empowering Children Foundation,
- Implementation of the Benefit Systems Fitness Unit project for children and adolescents from the care and education facility who are under the care of the Szczęśliwej Drogi Foundation; it consisted in supporting 15 children in developing their sports passions through unlimited access to our Zdrofit chain clubs and two trainer consultations under the programme,
- Benefit Systems Fitness Unit and Legia Foundation project consisting in the organisation of free sports activities attended by a total of 500 people: 250 children and 250 guardians; as part of the project, each child could attend classes with a parent while the number of people in the room could not exceed 30 people; its main idea was to promote and present ideas for joint activities of parents and children,
- Support for the nationwide siepomaga.pl campaign by MyBenefit as part of which funds for the necessary equipment of medical facilities involved in the fight against the coronavirus were collected; for each selected value code purchased from the employee benefits cafeteria, MyBenefit donated PLN 5 per

collection,

- Organisation of a webinar for Employees and financial support from MyBenefit as part of the action of the Polish Associations of "Amazons" Social Movement based in Warsaw, supporting the prevention of breast cancer,
- Organising a webinar as part of an awareness-raising campaign encouraging research for male cancers and a competition for Employees for the most extravagant moustache; the winner of the competition handed the prize over to the "ZOBACZ MNIE" Foundation,
- Participation of MyBenefit Employees in the annual Szlachetna Paczka campaign; thanks to their involvement, three children received all the things in the demand lists,
- VanityStyle financial support for the Viva! Foundation in the amount of PLN 5,000 as part of the competition related to the Jobicon 2020 job fair and Internet user vote in the company's social media,
- VanityStyle arranging Fat Thursday in one of Warsaw's Retirement Homes and a sweet gift for 165 residents of the facility,
- Free LIVE trainings conducted by Fit Fabric instructors as a grassroots initiative of trainers that emerged during the lockdown out of their own need and passion; the project aimed at pro-health education, increasing awareness of physical culture and mental support for the local community and customers; the trainings were conducted by instructors from their own homes with the use of household accessories thanks to which they could be performed by the majority of recipients; initially, they were broadcast via Fit Fabric fan page in social media and then additionally through the official Facebook fan page of the city of Łódź where the group of subscribers consisted of many inhabitants of the entire Łódź Province,
- Organising "Sneakers Day" at Benefit Systems Bulgaria OOD, which aimed at drawing attention to how physical activity promotes wellbeing and productivity at work; due to the pandemic, this year's action took place online,

- Year-round collection of plastic caps carried out by individual companies of the Group and investment facilities,
- Numerous goods, food and raffle collections carried out by individual companies within the Group and investment facilities for such organisations as Community of Sant'Egidio, Fundacja Kapucyńska, Kundel Bury z Wiejskiej Dziury, Bezdolności Foundation, Małopolska Organizacja na Rzecz Natury, animal shelter in Józefów, Oleśnickie Bidy Foundation, Kotylion Foundation, Viva! Foundation animal shelter, Social Welfare Centre in Łódź, Caritas Polska.



## 4.4. PARTNERS: OUR KEY SUPPLIERS

The development of Benefit Systems is conditioned not only by attractive services and the creation of infrastructure but also activities in the field of social responsibility that also include constant cooperation with the owners and managers of sports facilities. They are our **key Partners** that have a direct impact on the **Capital Group's success**. Due to the pandemic, the past year was extremely difficult for the entire sports and recreation industry which is why we put special emphasis on even greater support for our Partners while looking for opportunities to support business. We were helped in this by experience as well as relationships built over the years thanks to which we could act together and find optimal solutions for a dynamically changing situation. We continue to focus on transparent principles of cooperation which allows us to build and maintain a network of Partners honouring **MultiSport, FitSport and FitProfit cards**. Operating in the **B2B model**, Benefit Systems attaches great importance to relations with its Suppliers, focusing on **joint success**. Despite two lockdowns lasting several months, we have not given up the values that are important to us, which have shaped our business and have allowed us to enjoy the reputation of a trusted partner. We tried to **introduce innovative solutions** as quickly as possible, keeping in mind the current market needs. Despite the difficult pandemic situation, **new entities constantly express their willingness to cooperate**, which translates into direct benefits for our Users. We hope that the situation will soon stabilise so that our Partners will be able to return to full operation and rebuild their business.

### MODEL OF COOPERATION WITH PARTNERS

The parent company and selected companies within the Group cooperate with their Partners in the **B2B model** acting as an **intermediary between the User of our cards and the Supplier** that 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 partner facilities chain. Therefore, they are **verified on an ongoing basis** regarding:

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

**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 finder (<https://www.benefitsystems.pl/dla-ciebie/multisport/>) – are verified and eliminated on a regular basis, for example through Users' reports via the Helpline available seven 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.

At **VanityStyle**, which provides sports cards under the FitSport and FitProfit Programme and cooperates with the majority of Benefit Systems Partners, **malpractice verification and prevention is very similar**. We use analytical tools and carry out periodic mystery shopping inspections. VanityStyle has a Helpline to which Users may report cases of non-compliance with the scope of sports services. It is available to Users seven days a week between 07:00 and 21:00. In addition, they can also report potential irregularities via the contact form on the company's product websites.

### How does Benefit Systems establish cooperation with new partner facilities?

- The process of adding new facilities is transparent and takes place through the application form available in the "Partners" folder on our corporate website.
- After receiving a properly completed form, we analyse the application.
- When formal conditions are met, we contact the potential Partner to clarify the terms of possible cooperation.

### PARTNERS IN NUMBERS

At the end of **2020** we had signed contracts with **3,426 MultiSport Partners**, which translates into **4,623 sports facilities** as part of the MultiSport Programme. During the whole year we added **577 new facilities** to the Programme, but at the same time approximately **540 partner facilities have ceased their activities**.

At the end of **2019** we had **3,388 Partners**, which translates into the possibility of engaging in active leisure in **4,592 facilities**. At the end of 2018, it was **3,225 Partners and 4,269 facilities**. This means that we still have a growing tendency when it comes to building a network of Partners, which is proven, among others, by the growing market need for services related to physical activity and a healthy lifestyle.

<b>NUMBER OF MULTISPORT PROGRAMME PARTNER FACILITIES</b>	4,600
<b>NUMBER OF VANITYSTYLE PARTNER FACILITIES</b>	3,600
<b>NUMBER OF SHARED FACILITIES</b>	3,100

### SUPPORT PROGRAMMES FOR PARTNERS

For years we have been working to build long-term relationships with Partners and we make sure that the offer of sports and recreational services continues to develop. In 2020, we had several activities planned in the field of **support programmes for Partners**, but the dynamically developing pandemic situation verified them. We had to give up some of the projects that we had carried out in previous years or temporarily suspend them. We reacted quickly to create **new programmes**

that were most necessary for our Partners at any given time. The most important **activities supporting Partners in connection with the pandemic and/or temporary closure of sports and recreational facilities are:**

- Introduction of a new service as part of the **#SupportClubs** campaign. In March 2020, when the first lockdown began, we launched a new service under the MultiSport Programme in the form of closed online classes conducted by our Partners.
  - Then, as part of the **#SupportClubs campaign**, we provided our Partners with the **Yes2Move** training platform as a tool that they could use to expand and diversify their service offer when::
    - they could not offer their customers stationary training and at the same time there were no online classes in their offer,
    - their facility offered online classes but access to the platform was an interesting alternative, providing varied training sessions around the clock,
    - among the customers of our Partners there were people with active passes who, due to the restrictions, could not use in the facilities,
    - Partners had trainers, nutritionists or physiotherapists in their team who could provide customers with online consultations, which, combined with access to the platform, constituted a comprehensive package of services,
- **One-off financial support** for disinfectants. This form of assistance was provided to Partners who decided to open their facilities after the first lockdown, i.e., in the first half of June 2020.
- **Permanent increase of the rate by a specified amount for Users' visits** to partner facilities.
- **Possibility of invoicing Benefit Systems twice a month**. In June, July and August 2020, our Partners had the opportunity to invoice us in the middle and at the end of the month, which was to help them maintain their financial liquidity.

As part of other partner support programmes, which we describe in more detail in the Benefit Systems Group Non-Financial Report 2019, Chapter 4 Community, most of our standard projects were temporarily suspended or only partially implemented in 2020:

- **First aid course for Partners: "SAFETY FIRST!"**. From January to mid-March, trainings were held in a stationary form. When the first lockdown began, the project was suspended until further notice for safety reasons.
- **Business Management Executive Programme and Business Management Executive Programme Excellence** trainings scheduled for 2020 have not taken place.
- On 13-14 March 2020, the last training within the **MultiSport Academy** took place. Due to the pandemic situation, we implemented them online.
- **GO ON Biznes music service** used by open partner facilities was available throughout 2020.
- As part of the **Loan Programme for Partners**, the company decided to suspend granting loans for new investments or modernisation of existing facilities. However, bearing in mind the dynamically changing situation, we supported Loan Partners with activities related to the prolongation or complete suspension of loan instalment repayments in periods when the facilities were not functioning and did not generate income (the first and second lockdown). The terms of the loan suspension depended on the Partner's individual situation and needs.

## PARTNER ZONE

For several years now we have been using a **dedicated online Partner Zone platform** for everyday cooperation with the owners of sports facilities. In this way Partners have convenient access to the latest information and **messages from Benefit Systems, Partner Support Tools and Programmes** as well as the ability to use an intuitive **billing panel**.

In 2020, the Company worked on the development of the platform. As part of these activities, new pages were created, where Partners can find information about the **currently available** Support Tools, including the online class registration tool as well as the latest rules of cooperation within the MultiSport Programme in the context of the **pandemic situation**.

## PARTNER SURVEY

Cyclical **opinion polls of our Partners** are one of the **most important elements of cooperation with Benefit Systems**. We want to listen to the opinions of our Stakeholders, thanks to whom we jointly develop our business and infrastructure of the fitness industry. As we mentioned in Chapter 1, Section 1.8. Research and development, most of our cyclical surveys, including the Partner opinion poll, did not take place due to the pandemic situation. However, we encourage you to check the **results of our Partners' opinion polls from previous years** that can be found in Benefit Systems Group Non-Financial Report 2019. The results of the surveys, thanks to which we can develop and listen to the current needs of our Partners, is a key tool for us, which we hope to use again in 2021.

## MYBENEFIT PARTNERS

In addition to cooperation with **Partners in the Poland segment**, for years we have also been cooperating with Partners of the Cafeterias segment, which include **companies and entities that prosper on the market in industries related to sports, recreation, tourism, culture, gastronomy, and many others**. The conditions of cooperation with MyBenefit include:

- acceptance of electronic services,
- availability of the offer for company employees,
- approval of commercial terms,
- having a website,
- high quality of customer service.

In 2020, due to the pandemic and the dynamically changing market situation (cinemas, theatres, museums, and other cultural and recreational facilities closed most of the time as well as the inability to provide accommodation services), the **Cafeteria offer was based mainly on cooperation with Partners who accept electronic codes in their online channel**. We put the greatest emphasis on cooperation with Partners in the **Shops, Gastronomy and Health** category. Last year, we also developed cooperation with Partners who provide an offer of **online training, diets, and catering** with home delivery.

Last year, the company **verified the model of concluding contracts with Partners** and introduced a revised one based on a **bilateral Agreement** (shortening the path of concluding cooperation). Originally, contracting was based on concluding a comprehensive contract based on one of the models: intermediation or resale. The process was lengthy and very engaging for both parties. The solution based on the Agreement, introduced during the pandemic, allowed for quick and effective finalisation of cooperation and **immediate launch of the Partner's products for sale..**

In addition, the company worked and provided Partners with a **new tool, the Code Panel**, which optimises the work of Partners in electronic code management. It is an internal website available in the web browser after logging in which we make available to Partners for trading in electronic codes. On the website we can manage:

- orders for Codes,
- import of Codes to the Cafeteria System,
- settlements with Partners.

This tool is adapted to the digital world of the Partners' offer, thus **securing the value of the codes** by anonymising the code sequence and **reducing the need to engage additional resources on the Partner's side** to support cooperation with MyBenefit.



## 4.5. COOPERATION WITH OTHER SUPPLIERS

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

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 several 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 – which is also in line with the B Corp standards,
- basing business relations on mutual fair treatment and cooperation according to the win-win principle.

- 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,

The following companies operate **within the frames of the specific procurement policy**: Benefit Systems S.A. (including the Fitness Unit), Benefit IP Spółka z ograniczoną odpowiedzialnością sp. k., MyBenefit Sp. z o.o. and Benefit Systems International Sp. z o.o., **which cooperates with more than 600 Suppliers**. The **procurement policy** we have created is being **successively implemented in other companies and areas** within the Group. As part of its good practices, the Company has also updated the **supplier's form** which considers 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.

Additionally, at the end of the year, we were working on a project to create a **CSR questionnaire for Suppliers**. The document was intended for the verification and responsible selection of Suppliers who will potentially work with Benefit Systems. Completing the form aims at examining the Partner in terms of broadly understood social responsibility activities and ESG factors. We plan to introduce it at Benefit Systems S.A. in 2021. It will be an important complement for us in the context of sustainable selection of Suppliers while acting in accordance with the procurement policy.

Based on our purchasing needs, within the above-mentioned companies **we cooperate with the following groups of Suppliers**:

- **materials for all types of MultiSport cards and BenefitLunch cards suppliers,**
- **IT equipment suppliers,**
- **office articles and equipment suppliers,**
- **food products suppliers,**
- **sports and fitness equipment suppliers,**
- **marketing material suppliers,**
- **cleaning and security services for facilities (offices and sports and recreational facilities) suppliers,**
- **other services suppliers.**





# ENVIRONMENT AND CLIMATE

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# 5.

## 5.1. IMPACT ON THE ENVIRONMENT AND CLIMATE: OUR CARBON FOOTPRINT

Benefit Systems, as a socially responsible company that belongs to B Corporation – the international movement of companies better for the world – aims to minimise the negative impact on the natural environment and climate exerted by its activities. Throughout the Group, we strive to implement environmentally friendly solutions and initiatives as well as educate Employees and Associates in this area. This attitude is also expected from us by our Stakeholders, including Investors, as evidenced by the increasing number of inquiries for the Company's non-financial data on ESG (Environmental, Social responsibility, Governance) factors.

According to the declaration made in the Benefit Systems Group Non-Financial Report 2019<sup>52</sup>, in 2020 we started the process of regular, annual carbon footprint measurement, which this time covered our Polish companies. Due to the difficult situation caused by the COVID-19 pandemic and the lack of adequate resources, companies from the Foreign Markets Segment were unable to collect the necessary data and were excluded from the process last year. In 2021, we plan to measure the carbon footprint of all companies within the Group.

We measured our carbon footprint in three ranges (Scope 1, 2 and 3), including direct and indirect emissions. Due to the number of sports facilities which we have and the fact that they are in buildings managed by various entities, collecting the necessary data was a big challenge. In substantive cooperation with Bureau Veritas, we analysed the business activities of each of the companies covered by the measurement and identified significant sources of greenhouse gas emissions. From the tool side, we used an external Diaphane platform which allowed us to collect all data in one place and calculate the carbon footprint.

<sup>52</sup> Section 5.1. Climate-related information.

We completed the process of collecting the necessary information in February 2021. The data was first entered on the Diaphane platform and then analysed by Bureau Veritas. The company has prepared a detailed report and its key results are presented below.



### ENERGY [302-1] ENERGY CONSUMPTION 2020 [GJ]

Type of fuel	Benefit Systems Group	Benefit Systems S.A.	Benefit Systems S.A. Fitness Unit	Benefit Systems S.A. excluding the Fitness Unit
Petrol	3,353	2,600	830	1,770
Diesel	2,438	1,691	1,149	542
Natural gas	2,453	2,446	2,446	0
Electricity purchased	75,690	67,069	65,893	1,176
Heat purchased	50,729	45,898	45,014	884
<b>Total consumption</b>	<b>134,663</b>	<b>119,703</b>	<b>115,331</b>	<b>4,371</b>

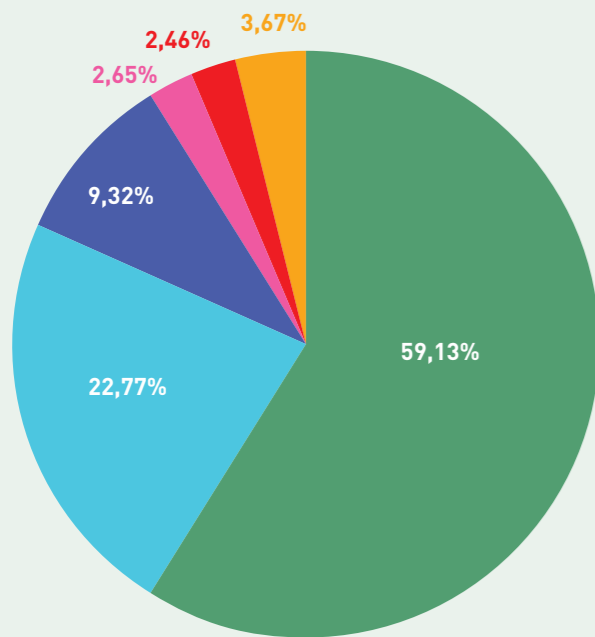
Fuel and energy consumption are monitored in the company's internal registers. In the case of purchased heat, some data has been estimated. Heat consumption applies to 137 facilities and the data was available for 47 of them. Based on the available data, the average heat consumption per 1 m<sup>2</sup> was calculated and the consumption in other facilities was estimated. The

conversion of fuel consumption into energy expressed in GJ was made using the calorific values in the document called "Calorific values and CO<sub>2</sub> emission factors in 2017 to be reported under the EU Emissions Trading System (EU ETS) for 2020" published by KOBIZE (National Centre for Emissions Management).

### DIRECT GREENHOUSE GAS EMISSIONS, INDIRECT GREENHOUSE GAS EMISSIONS FROM ENERGY AND OTHER INDIRECT GREENHOUSE GAS EMISSIONS [305-1] [305-2] [305-3]

#### GHG EMISSIONS 2020 [TONS OF CO<sub>2</sub>E]

Emission range/source	Benefit Systems Group	Benefit Systems S.A.	Benefit Systems S.A. Fitness Unit	Benefit Systems S.A. excluding the Fitness Unit
<b>Scope 1</b>	<b>1,229</b>	<b>596</b>	<b>435</b>	<b>162</b>
Fuels	547	439	278	162
Refrigerants	682	157	157	0
<b>Scope 2</b>	<b>21,088</b>	<b>18,795</b>	<b>18,456</b>	<b>339</b>
Electricity purchased	15,225	13,491	13,254	237
Thermal energy purchased	5,863	5,304	5,202	102
<b>Scope 3</b>	<b>3,988</b>	<b>3,541</b>	<b>3,378</b>	<b>163</b>
Cat. 3. Energy and fuel related emissions not included in scope 1 and 2	2,520	2,220	2,142	78
Cat. 1. Raw materials and purchased services	1,412	1,282	1,235	47
Cat. 6. Business trips	56	39	1	38
Cat. 5. Waste resulting from the activity	0.004	0.001	0	0.001
<b>Total emissions</b>	<b>26,305</b>	<b>22,933</b>	<b>22,269</b>	<b>664</b>



**GHG EMISSION SOURCES**

- **ELECTRICITY PURCHASED**
- **HEAT PURCHASED**
- **WTT ELECTRICITY**
- **R410A REFRIGERANT**
- **SHAKE POWDER**
- **OTHERS**

Sources closely related to the facilities, i.e., **electricity and heat consumption**, are responsible for almost 90% of all the Benefit Systems Group’s emissions. Other important sources include fugitive R410A refrigerant emissions and emissions from the production of protein shakes’ ingredient. The remaining emission sources listed below account for 3.67% of total emissions.

**IN 2020 THE BENEFIT SYSTEMS GROUP’S CARBON FOOTPRINT WAS 26,305 TONS OF CO2e.**

Most of the emissions, i.e., 84.7%, resulted from the operations of Benefit Systems S.A. Fitness Unit while 11.2% of the carbon footprint was generated by FitFabric. Benefit Systems S.A. (excluding the Fitness Unit) was responsible for 2.5% of emissions while MyBenefit and VanityStyle – for 1.1% and 0.5% of the group’s carbon footprint respectively.

The sources of data on fuels and energy, their scope and the conversion factors used are presented in the part concerning the 302-1 indicator, i.e., Energy. Data on purchased raw materials typical for the Group’s operations (products for protein shakes, plastic cups, energy bars, paper towels, bottled water, disinfectant, liquid soap, office paper, mobile phones, marketing materials, paper benefits, plastic cards), business trips and waste (waste electrical and electronic equipment) come from internal registers. Category 3 are Well to Tank emissions for fuels and electricity, i.e., emissions generated at the fuel production stage and from

fuel combustion to generate electricity lost during transmission and distribution.

The emission volume was calculated in accordance with the following standards: GHG Protocol Corporate Accounting and Reporting Standard Revised Edition, GHG Protocol Scope 2 Guidance and Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Greenhouse gases identified and included in the calculation are CO2, CH4 and N2O, which have been expressed as an equivalent of CO2. No biogenic CO2 emissions have been identified. This is the first year for which emissions have been calculated and is the base year. The sources of emission factors are included in publications by KOBIZE (National Centre for Emissions Management), DEFRA (Department for Environment, Food & Rural Affairs) data base, Ecoinvent 3.6 data base and science publications. The GWP factor for the refrigerant is based on the 4th Report of the IPCC (Intergovernmental Panel on Climate Change). The criterion for the consolidation of the emissions volume for the Group was the criterion of participation in companies, which means that 100% of the companies’ emissions was assigned to the Group. The emissions from the generation of purchased electricity consumed in facilities were calculated according to the location-based method which uses the average emission factor for Poland.

Given the business circumstances caused by the pandemic, unfortunately, the carbon footprint measurement for 2020 does not reflect the full picture of greenhouse gas emissions that our business generates as standard. The complete closure of our fitness clubs for several months and the limited presence of Employees in the offices make the Benefit Systems Group’s carbon footprint for 2020 not entirely reliable and it should not be used as a benchmark when comparing the results in the following year. For this reason, it will be very difficult for us to define specific KPIs for emissions for 2021. Nevertheless, we will strive to reduce them. We will focus on reducing electricity consumption in our fitness clubs which are the main source of greenhouse gas emissions throughout the Group.

**ELECTRICITY CONSUMPTION IN THE BENEFIT SYSTEMS GROUP IN 2020 (POLAND AND CAFETERIAS SEGMENT)<sup>53</sup>**

<b>BENEFIT SYSTEMS GROUP</b>	<b>Benefit Systems S.A.</b>	<b>BENEFIT SYSTEMS S.A. FITNESS UNIT</b>
21,024,986 kWh	18,630,253 kWh	18,303,595 kWh

In 2020, in addition to measuring the carbon footprint, we also planned to take measures to define the risks resulting from climate change and ways to manage them – in line with the European Commission’s guidelines of June 2019 on reporting climate-related non-financial information. The next step was to create a Climate Policy for the Benefit Systems Group. However, due to the ongoing pandemic and several related limitations (including budgetary ones), these activities were postponed to 2021.

<sup>53</sup> The list of companies is available in Section 1.1. History, business profile and business model.



## 5.2. ECOLOGY AT THE BENEFIT SYSTEMS GROUP

The pandemic has resulted in the suspension of environmental activities planned for 2020. Our companies found themselves in a very difficult business situation, fitness clubs remained closed for many months, and a small number of people stayed in the offices (due to economic downtime and the need to work remotely)

All these factors meant that there was not enough space as well as financial resources to implement the planned initiatives. That is why in the following chapter we mainly present the solutions which were initiated in our companies in the previous years, but which are still ongoing and bringing measurable benefits for the natural environment and climate.

The exception is VanityStyle, which, after moving to a new office, implemented several pro-ecological solutions in 2020, like those already functioning at Benefit Systems.

### ENVIRONMENTAL POLICY

In 2017, we implemented the Benefit Systems Environmental Policy which defines the actions taken by the company to reduce the negative impact on the natural environment. The document also contains a list of our commitments in this area which we consistently strive to fulfil.

#### AS PART OF THE BENEFIT SYSTEMS ENVIRONMENTAL POLICY, WE ARE COMMITTED TO:

- look for new solutions 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 in the "Responsible business" folder at Benefit Systems corporate website: [www.benefitsystems.pl/en/about-us/responsible-business/we-play-fair-with-nature](http://www.benefitsystems.pl/en/about-us/responsible-business/we-play-fair-with-nature)

In 2021, we plan to refresh the document and extend it to the whole Benefit Systems Group.

### GREEN OFFICE CERTIFICATE

To verify the effectiveness of undertaken actions and the implemented pro-ecological solutions, we undergo external audits. The certificates we receive are the confirmation of their positive results. In 2017 Benefit Systems received Zielone Biuro, and two years later, in June 2019 – the Green Office certificate. This certificate is granted for two years to institutions, companies and organisations that reduce the negative impact on the environment while increasing the efficiency of their office activities. 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 meet several technical criteria related to, among others, water and electricity consumption management or waste segregation One of the elements of the certification

process was also ecological education of Employees. We organised "Eco habits at home and in the office" workshops at which they received practical knowledge on the correct segregation of waste, learned what to look for when buying energy-saving equipment and how everyday, simple habits can reduce the negative impact on the environment, both in the office space and at home..

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 raising environmental awareness among companies of various sizes, educational institutions, organisations, and local governments.



## ENVIRONMENTALLY FRIENDLY OFFICE

Benefit Systems headquarters in Warsaw is the location where we have implemented the most pro-ecological initiatives. Our office with the space of nearly 6,500 m<sup>2</sup> occupies four floors of a modern office building where innovative technological solutions have been applied, including those reducing electricity and water consumption. Easy access to the office by various means of public transport (metro, trams, buses) in the immediate vicinity of the building allows Employees to limit commuting to work with environmentally harmful cars. Employees can also commute by bicycle – the building has facilities for cyclists (parking, cloakroom). Right next to the office building there is a large city bike station.

Below is a list of solutions that have been introduced **at the Benefit Systems headquarters** out of concern for the protection of the natural environment and climate.



## WE SAVE ELECTRICITY

- All electricity that we use at the Benefit Systems headquarters comes from renewable sources.
- We use energy-saving office equipment (computers, printers, refrigerators).
- Energy consumption is limited by motion sensors installed in corridors and toilets.
- The light in the corridors does not turn on automatically during the day when it is bright.
- During the day we do not use artificial light thanks to workstations with enough natural light.
- Air conditioning is controlled by zones, rooms, and individual needs. It switches off automatically when a window is opened in each zone.
- Printers turn off automatically after an inactivity period.
- Computers turn off automatically after 23:00.



## WE REDUCE WATER CONSUMPTION

- Water consumption in kitchens and toilets is limited by photocells installed in taps and urinals.



## WE SORT WASTE AND AIM TO REDUCE IT

- In December 2019 we introduced sorting waste into five fractions: plastics and metal, glass, paper, biowaste and domestic waste. The introduction of the new waste segregation was accompanied by a promotional and educational campaign for Employees, which was part of the internal "Fair play with nature" programme. More information can be found further in the report.
- In 2020 we conducted the "Give the basket back!" campaign, as part of which we persuaded Employees to give up the baskets from under their desks and to use only segregated waste containers. Those who gave away their baskets received a potted plant that cleans the air. The collected baskets were given a second life – we donated them to several institutions and foundations. As a result of the campaign, only a few dozen of nearly six hundred baskets remained in our office space in which unsorted waste was thrown.
- All kitchens have high-quality filtering devices so that we can drink tap water. We do not order water in plastic bottles for the office. Water for guests is served in jugs or in glass bottles.
- In our copy rooms there are special containers for paper which is sent for recycling.
- We dispose computer hardware and other environmentally hazardous waste in accordance with environmental requirements.
- From 2020 we do not order single-use AA and AAA batteries, having replaced them with reusable batteries.
- We have special containers for used batteries that are properly disposed of. They are also used for batteries that employees bring from home.
- We collect plastic milk and other drinks caps, which we donate to the animal shelter. Apart from the charity aspect, it also has a pro-ecological dimension and allows for the processing and reusing plastic.
- We organise clothing collections for those in need, thanks to which unwanted clothes get a second life, instead of ending up in the garbage.



## WE SAVE PAPER

- We print largely on ecological recycled paper.
- At meetings we mainly use whiteboards. If we do use flipcharts with a replaceable block of paper, it is recycled paper.
- Our printers are set to default two-sided printing, which allows you to reduce paper consumption.
- In the copy rooms there are posters reminding Employees how to print and what not to print to use less paper.
- We limit the circulation of documents in paper form, using electronic form where possible.
- We constantly encourage our Clients and Partners to settle accounts with us using e-invoices. More information on this can be found further in this chapter.

**VanityStyle**, which moved to a new office in December 2019, implemented several pro-ecological solutions in the first weeks of work in a new and modern environment, using the experience of Benefit Systems. This happened in early 2020, before the COVID-19 pandemic and the first lockdown. The implemented solutions and initiatives include:

- Organising eco points for waste segregation into four fractions (plastic, paper, glass, domestic waste).
- Installing tap water filtering devices which eliminate the purchase of water in plastic bottles.
- Using energy-saving lighting and motion sensors to reduce electricity consumption.
- Using energy-saving devices such as printers and refrigerators.
- Using zone-controlled air conditioning according to rooms and needs.
- Reducing the number of printers in copy points from a dozen to three.
- Setting printers to default two-sided printing to reduce paper use.
- Shutting printers down automatically after a period of inactivity to reduce energy consumption.
- Collecting used batteries, which are properly disposed so as not to pollute the environment.
- Collecting electro-waste by a company specialising in this field.
- Collecting plastic caps which are donated to a selected charity event, and then processed and reused.
- Encouraging Clients, Partners and Suppliers to settle accounts with the company by electronic invoices which allows to reduce paper consumption.
- Providing Employees with bicycle infrastructure (bicycle boxes and lockers) to encourage them to commute by bicycle.

In addition, the company educates its Employees and encourages a more ecological attitude through special stickers placed in different parts of the office, reminding them to turn off the lights, segregate waste or fill the dishwasher.



Similar solutions to those described above regarding Benefit Systems and VanityStyle are applied in other companies within the Group operating in an office environment.

In 2020, **our fitness clubs** were to undertake various environmental initiatives. Unfortunately, due to the pandemic, the necessity to close the facilities for many months and the very difficult business situation of the companies, these activities were suspended. Nevertheless, we managed to implement some solutions. We introduce waste segregation, successively replace lighting with the energy-saving one (LED lighting), and in selected facilities we have installed motion sensors that turn on the light which also allows to reduce electricity consumption. In some clubs there are special baskets only for plastic bottles and separate containers for caps which are donated to charity and then reprocessed. In addition, in selected clubs, we gave customers a discount on the purchase of shakes if they brought their own drink containers. In this way we try to reduce the consumption of plastic cups. In 2021, we will strive to introduce similar solutions on a larger scale. The elimination of plastic packaging used in our investment clubs is one of the challenges we face and which we included in the 2021-2024 Benefit Systems Group CSR Strategy updated at the turn of 2020 and 2021.

**In 2020 we did not receive any fines or non-financial sanctions for non-compliance with environmental laws and regulations.**

## ELECTRONIC INVOICE IS MORE ECO

For several years now we have been consistently encouraging our Clients, Partners and Suppliers to settle accounts with us by means of electronic invoices which reduces paper consumption. Every year Benefit Systems organises a special mailing campaign called "Together for nature – electronic invoice" addressed to the MultiSport Programme Clients in which we encourage them to resign from printed invoices, informing them that ecology and responsible business are important to us. Every year the number of Clients and Partners accepting electronic invoices increases, which makes us very happy.

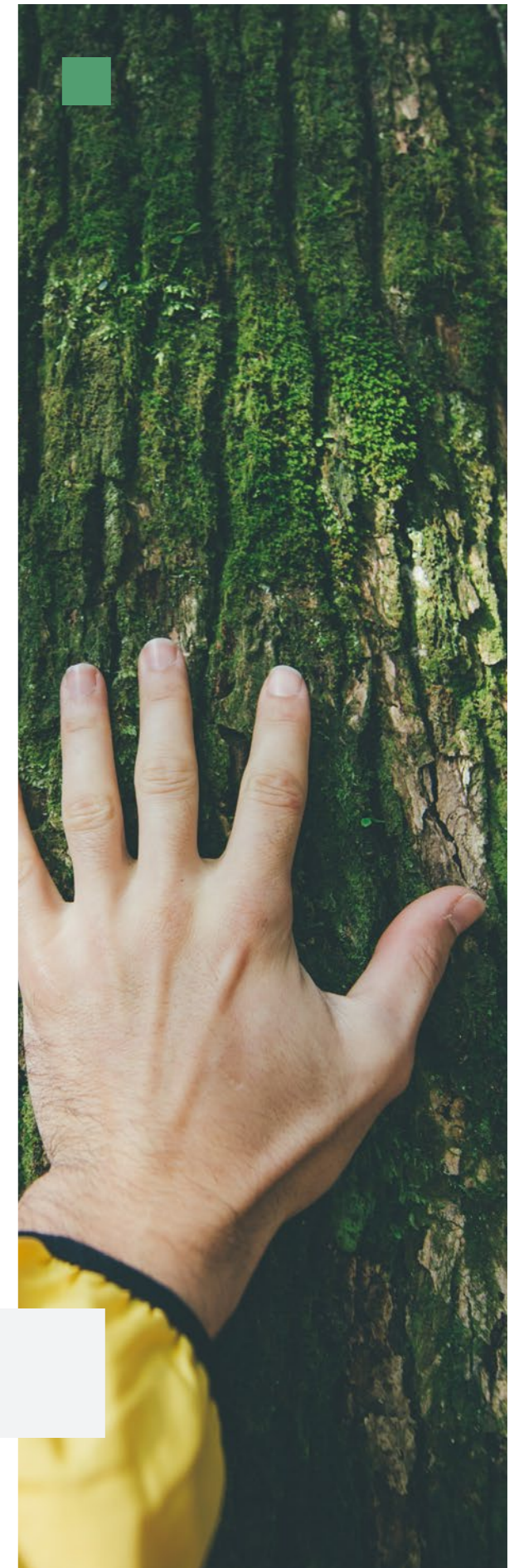
### DATA ON THE MULTISPORT PROGRAMME CLIENTS AND PARTNERS IN POLAND<sup>54</sup>, WHOM WE SETTLE ACCOUNTS WITH ON THE BASIS OF ELECTRONIC INVOICES

	2020	2019	2018
<b>CLIENTS</b>	79%	70%	49%
<b>PARTNERS</b>	93%	90%	85%

Other companies within the Group also prioritise the electronic form of cost documents, which is confirmed by the data below.

In the whole Benefit Systems Group **93% of Clients** settle their accounts with us using electronic invoices. Among Polish companies, the best result in this area was achieved by MyBenefit, where as many as **98% of Clients and 90% of Partners** accept the electronic form of cost documents without the need to exchange paper invoices. At the end of 2020, at VanityStyle electronic invoice was used by **88% Partners and 79% Clients**, which is an increase compared to the previous year by 10% and 3% respectively. In all companies within the Group that are responsible for running our fitness clubs in Poland and abroad, electronic invoices account for **89% of settlements with Suppliers**. At Benefit Systems Fitness Unit, which manages our investment clubs, this percentage is **74%**.

<sup>54</sup> Which Benefit Systems is responsible for.



## “FAIR PLAY WITH NATURE” PROGRAMME

Since 2017, as part of the signature, internal programme called “Fair play with nature”, we have been educating Benefit Systems Employees and Associates on how to act more ecologically, both at work and in private life. Since the inception of the programme, we have created two parts of the information campaign in which we show that even simple, everyday habits, such as turning off the lights, can have a positive impact on the environment and climate. In the campaign, we use such carriers as visually attractive posters and stickers placed in common areas of the office (kitchens, toilets, copy rooms). We also use communication on the company’s Intranet.

As part of the programme, in December 2019 we introduced a complete waste segregation into five fractions: plastic and metal, glass, paper, biowaste and domestic waste. In addition to increasing the number of waste containers in the kitchens, we have placed additional bins in the corridors (several sets on each floor). To facilitate proper segregation, we have prepared educational boards with instructions on what to put and what not to throw into containers for individual fractions. In the first half of 2020, compulsory waste segregation training for all Employees at the Benefit Systems headquarters was to take place but due to the pandemic, it was cancelled.

With the introduction of waste segregation into five fractions, we refreshed the “Fair play with nature” campaign. Its new version is maintained in a light, retro-comic style, which is designed to attract attention and educate with a grain of salt. We wrote more about the campaign in the Benefit Systems Group Non-Financial Report 2019.

One of the initiatives within the “Fair play with nature” programme was appointing **ECO Ambassadors**. They include Benefit Systems Employees who are interested in ecology and want to engage in activities in this field for our company with us. During regular meetings they discussed implemented initiatives and shared their ideas and opinions. In 2020, due to the pandemic and the freezing of pro-ecological activities in the company, the meetings of ECO Ambassadors were suspended.

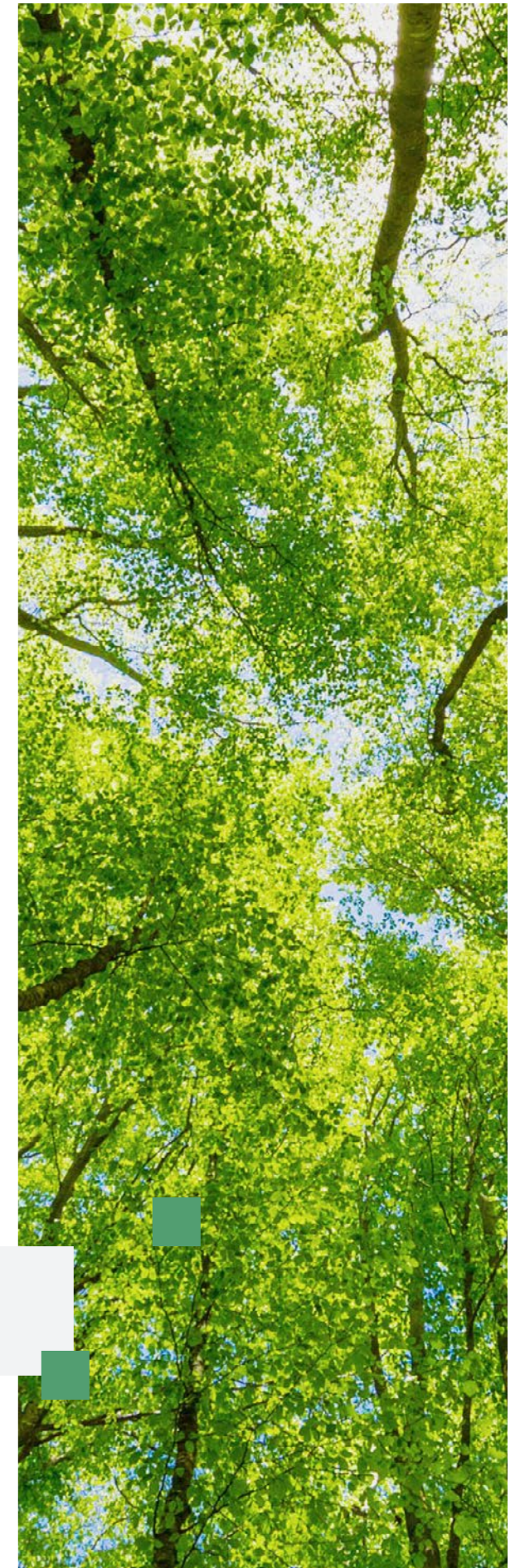


## CSR STRATEGY AND ECOLOGY

In December 2020, we initiated works on updating the Benefit Systems Group CSR Strategy which includes activities for 2021-2024. One of the strategy’s goals is respect for the natural environment and climate. As part of the above-mentioned goal, we are thinking about:

- implementing systemic and formal activities, including regular measurement of the Capital Group’s carbon footprint and compliance with policies and procedures that aims at minimising the harmful impact on the environment,
- striving to reduce office paper consumption and eliminating plastic packaging used in our offices and investment clubs,
- activating and educating Employees by raising their awareness and developing pro-ecological attitudes in the workplace as well as in private life,
- taking steps that bring us closer to achieving climate neutrality by 2030.

More information on the updated Benefit Systems Group CSR Strategy will be published in the non-financial report for 2021. Information on the current version can be found in Section 1.7. CSR Strategy.



# ABOUT THE REPORT

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6



## 6.1. SUMMARY

Benefit Systems report for 2020 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 data, 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 operations.

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 2020 and 31 December 2020 (unless a specific fragment states otherwise). The non-financial report for 2019 was published on 1 April 2020.

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 results connected with environmental, social responsibility and governance issues, with the main emphasis on the Poland operating segment, which is the core of the Group's operations. 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 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 2020 and their help in preparing this report. Our thanks go also to the Marketing Department of Benefit Systems, which took care of the graphic design of the Report

**REPORT AND CSR POINT OF CONTACT AT  
BENEFIT SYSTEMS: [csr@benefitsystems.pl](mailto:csr@benefitsystems.pl)**

## 6.2. METHODOLOGY AND INDEXES

The structure of the Benefit Systems Group Non-Financial Report 2020 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 2020 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 the 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 2019. The panel results along with key aspects have been described in Section 1.5. Our Stakeholders and the Benefit Systems Group Non-Financial Report 2019.

Below 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 2020.



**GRI STANDARDS INDICATORS TABLE**

Indicator number	Indicator description	Section in the report	Page
<b>PROFILE INDICATORS</b>			
<b>REPORTING ASPECT: ORGANISATIONAL PROFILE</b>			
102-1	Organisation name	1.1. History, business profile and business model	7
102-2	Description of the organisation's operations, main brands, products and/or services	1.1. History, business profile and business model	7
		1.3. Offer and products by segment	17
102-3	Location of headquarters	1.1. History, business profile and business model	7
102-4	Location of operations	1.2. The Group's structure and segments	12
102-5	Ownership and legal form	1.6. Business strategy and management standards	28
102-6	Supported markets	1.1. History, business profile and business model	7
		1.2. The Group's structure and segments	12
102-7	Scale of operations	1.2. The Group's structure and segments	12
		1.3. Offer and products by segment	17
102-8	Data regarding employees and other people providing services to the organisation	2.1. Employment structure	43
102-9	Delivery chain description	4.5. Cooperation with other suppliers	109
102-10	Significant changes in the reported period to the organisation's size, structure, ownership form or delivery chain	1.1. History, business profile and business model	7
		1.2. The Group's structure and segments	12
102-11	Explanation if and how the organisation applies the precautionary principle	1.6. Business strategy and management standards	28
102-12	External economic, environmental and social charters, principles and other initiatives adopted or supported by the organisation	1.6. Business strategy and management standards	28
		1.7. CSR Strategy	34
		4.2. Promoting the B Corp movement as an element of the CSR Strategy	98
102-13	Membership in associations and organisations	1.5. Our Stakeholders	22
		4.2. Promoting the B Corp movement as an element of the CSR Strategy	98
102-14	Senior management statement	1.6. Business strategy and management standards	28
		4.2. Promoting the B Corp movement as an element of the CSR Strategy	98
102-15	Description of key impacts, opportunities and risks	1.6. Business strategy and management standards	28
102-16	The organisation's values, code of ethics, principles and norms of behaviour	1.4. Mission, vision, values	21
		2.5. Employee rights and human rights	54
102-18	Governance structure	1.6. Business strategy and management standards	28

102-40	List of stakeholder groups engaged by the reporting organisation	1.5. Our Stakeholders	22
102-41	Employees covered by collective agreements	N/A	
102-44	Key topics and issues raised by stakeholders and the organisation's response, including reporting	1.5. Our Stakeholders	22
		1.6. Business strategy and management standards	28
		3.3. Programmes, services and campaigns: we listen to our Users	78
		4.4. Partners: our key Suppliers	105
102-45	Including in the report business entities included in the consolidated financial statement	1.2. The Group's structure and segments	12
102-46	Defining the report content	6.1. Summary	127
102-47	Key issues identified	6.2. Methodology and indexes	128
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)	N/A	
102-49	Significant changes in relation to the previous report regarding the scope, range or measurement methods used in the report	N/A	
102-50	Reporting period	6.1. Summary	127
102-51	Publication date of the previous report	6.1. Summary	127
102-52	Reporting cycle	6.1. Summary	127
102-53	Contact information	6.1. Summary	127
102-54	Indication whether the report has been prepared in accordance with the GRI Standards in the Core or Comprehensive option	6.2. Methodology and indexes	128
102-55	GRI Index, Table of GRI Indicators and Accounting Act Guidelines	6.2. Methodology and indexes	128
102-56	Policy and current practice with regard to external report verification	N/A	
205-2	Communication and training in the organisation's anti-corruption policy and procedures	1.6. Business strategy and management standards	28
		2.5. Employee rights and human rights	54
205-3	Confirmed corruption cases and undertaken actions	1.6. Business strategy and management standards	28
<b>AREA: ENVIRONMENT</b>			
<b>REPORTING ASPECT: ENVIRONMENTAL MANAGEMENT</b>			
103-1	Explanation of issues identified as important, including indication of restrictions	5.1. Impact on the environment and climate: our carbon footprint	113
		5.2. Ecology at the Benefit Systems Group	117
103-2	The management approach and its components	1.7. CSR Strategy	34
		5.2. Ecology at the Benefit Systems Group	117

103-3	The management approach evaluation	5.2. Ecology at the Benefit Systems Group	117
302-1	Energy consumption within the organisation	5.1. Impact on the environment and climate: our carbon footprint	113
305-1	Total direct greenhouse gas emissions: Scope 1/Scope 2	5.1. Impact on the environment and climate: our carbon footprint	113
305-2	Total indirect greenhouse gas emissions: Scope 2/Scope 2	5.1. Impact on the environment and climate: our carbon footprint	113
305-3	Other indirect greenhouse gas emissions: Scope 3/Scope 3	5.1. Impact on the environment and climate: our carbon footprint	113
307-1	The amount of significant fines and non-financial sanctions for non-compliance with laws and regulations regarding environmental protection	5.2. Ecology at the Benefit Systems Group	117
Own indicator	Percentage of Clients, Partners and Suppliers with whom we settle via e-invoice	5.2. Ecology at the Benefit Systems Group	117
<b>AREA: RELATIONS WITH THE SURROUNDINGS</b>			
<b>REPORTING ASPECT: RELATIONS WITH USERS</b>			
		1.4. Mission, vision, values	21
103-1	Explanation of issues identified as important, including indication of restrictions	1.6. Business strategy and management standards	28
		3.3. Programmes, services and campaigns: we listen to our Users	78
103-2	The management approach and its components	3.1. Model of cooperation with Clients	75
		3.3. Programmes, services and campaigns: we listen to our Users	78
103-3	The management approach evaluation	3.1. Model of cooperation with Clients	75
		3.3. Programmes, services and campaigns: we listen to our Users	78
Own indicator	Selected results of user satisfaction survey	1.8. Research and development	35
Own indicator	Results of helpline quality survey	3.4. Helpline	88
<b>AREA: WORKPLACE</b>			
<b>REPORTING ASPECT: EMPLOYMENT CONDITIONS AND RECRUITMENT</b>			
103-1	Explanation of issues identified as important, including indication of restrictions	2.1. Employment structure	43
103-2	The management approach and its components	2.1. Employment structure	43
103-3	The management approach evaluation	2.1. Employment structure	43
		2.4. Appraisals, employee engagement survey and internal communication	61
401-1	Total number and new hires index	2.1. Employment structure	43
401-2	Additional benefits for full-time employees	2.2. Attractive workplace and benefits	55
401-3	Parental leave	2.5. Employee rights and human rights	54
<b>REPORTING ASPECT: EMPLOYEE DEVELOPMENT</b>			

103-1	Explanation of issues identified as important, including indication of restrictions	2.3. Training and development	58
103-2	The management approach and its components	2.2. Attractive workplace and benefits 2.3. Training and development	55 58
103-3	The management approach evaluation	2.3. Training and development	58
404-1	Average number of training hours per employee	2.3. Training and development	58
404-2	Managerial skills development and continuing education programme	2.3. Training and development	58
404-3	Percentage of employees receiving regular reviews of their results	2.4. Appraisals, employee engagement survey and internal communication	61
<b>REPORTING ASPECT: DIVERSITY</b>			
103-1	Explanation of issues identified as important, including indication of restrictions	1.4. Mission, vision, values 1.6. Business strategy and management standards 2.5. Employee rights and human rights	21 28 54
103-2	The management approach and its components	1.6. Business strategy and management standards 2.5. Employee rights and human rights	28 54
103-3	The management approach evaluation	2.5. Employee rights and human rights	54
405-1	Composition of the management and workforce by age and gender	2.5. Employee rights and human rights	54
<b>REPORTING ASPECT: SOCIAL COMMITMENT AND PROMOTION OF A HEALTHY LIFESTYLE</b>			
		1.4. Mission, vision, values 1.7. CSR Strategy	21 34
103-1	Explanation of issues identified as important, including indication of restrictions	3.3. Programmes, services and campaigns: we listen to our Users 3.5. We educate and activate our Clients and Users 4.3. Community activation programmes	78 89 100
103-2	The management approach and its components	1.6. Business strategy and management standards 1.7. CSR Strategy 4.2. Promoting the B Corp movement as an element of the CSR Strategy	28 34 98
103-3	The management approach evaluation	3.3. Programmes, services and campaigns: we listen to our Users 3.5. We educate and activate our Clients and Users 4.3. Community activation programmes	78 89 100
Own indicator	Social activities spendings	3.3. Programmes, services and campaigns: we listen to our Users 4.3. Community activation programmes	78 100
Own indicator	Activities promoting health and an active lifestyle	1.8. Research and development 2.6. Health and safety during the pandemic 3.3. Programmes, services and campaigns: we listen to our Users 3.5. We educate and activate our Clients and Users 4.3. Community activation programmes	35 69 78 89 100
Own indicator	The number and circulation of magazines on health and motivating employees	3.5. We educate and activate our Clients and Users	89

## 6.3. THE SCOPE OF NON-FINANCIAL INFORMATION REQUIRED BY THE ACCOUNTING ACT

Scope of non-financial information	Section in the report	Page
Form of preparing non-financial information	6.1. Summary	127
Description of a business model	1.1. History, business profile and business model	7
Description of due diligence procedure	1.4. Mission, vision, values	21
	1.6. Business strategy and management standards	28
Description of significant risks and risk management methods	1.6. Business strategy and management standards	28
Description of policies adopted in social area	1.6. Business strategy and management standards	28
	2.5. Employee rights and human rights	54
	4.5. Cooperation with other suppliers	109
Description of policies adopted in employee area	1.6. Business strategy and management standards	28
	2.5. Employee rights and human rights	54
Description of policies adopted in respect for human rights area	1.6. Business strategy and management standards	28
	2.5. Employee rights and human rights	54
Description of policies adopted in environmental area	1.7. CSR Strategy	34
	5.2. Ecology at the Benefit Systems Group	117
Description of policies adopted in counteracting corruption area	1.6. Business strategy and management standards	28
	2.5. Employee rights and human rights	54
Description of the effects of policies adopted in social area	4.2. Promoting the B Corp movements as an element of the CSR Strategy	98
	4.3. Community activation programmes	100
Description of the effects of policies adopted in employee area	2.4. Appraisals, employee engagement survey and internal communication	61
	2.5. Employee rights and human rights	54
Description of the effects of policies adopted in respect for human rights area	1.6. Business strategy and management standards	28
	2.5. Employee rights and human rights	54
Description of the effects of policies adopted in environmental area	5.2. Ecology at the Benefit Systems Group	117
Description of the effects of policies adopted in counteracting corruption area	1.6. Business strategy and management standards	28
Information about adopted standards, principles, guidelines	6. About the report	125

## 6.4. KEY PERFORMANCE INDICATORS

Key non-financial efficiency indicators connected with the Company's operations include:

Indicator	Section in the report	Page
Employee engagement survey results	2.4. Appraisals, employee engagement survey i komunikacja wewnętrzna	61
Number of training hours	2.3. Training and development	58
Post parental leave retention indicator	2.5. Employee rights and human rights	54
Number of volunteers in the Dobry MultiUczynek Programme for Employees	4.3. Community activation programmes	100
Clients' satisfaction with service quality and relations with the company level	1.8. Research and development	35
Helpline complaints indicator	3.4. Helpline	88
Users' general opinion about the product (MultiSport card) level	1.8. Research and development	35
Partners' satisfaction with cooperation level	1.8. Research and development	35
	4.4. Partners: our key Suppliers	105
Number of sports card Clients	3.2. Clients and Users in numbers	77
Number of sports card Users	1.3. Offer and products by segment	17
	3.2. Clients and Users in numbers	77
Number of MultiSport Programme Partners	4.4. Partners: our key Suppliers	105
Percentage of contracting parties issuing electronic invoices	5.2. Ecology at the Benefit Systems Group	117
The Group's carbon footprint	5.1. Impact on the environment and climate: our carbon footprint	113

