



**Benefit  
Systems Group  
Non-Financial  
Report**

**2018**

# 01

## MANAGEMENT AND CORPORATE GOVERNANCE

1.1. History .....	06
1.2. Business profile and business model .....	08
1.3. The Group's structure and segments .....	09
1.4. Offer and products .....	12
1.5. Stakeholders dialogue .....	14
1.6. Investors .....	16
1.7. Supported markets and scale of operations .....	18
1.8. Mission, vision, values. BS_WAY Code of Ethics and Diversity Policy .....	19
1.9. Business strategy and management standards .....	23
1.10. Risk management .....	25
1.11. Data security .....	28
1.12. Research and development .....	30
1.13. We are socially responsible .....	32
1.14. Awards and distinctions .....	34

# 02

## EMPLOYEES

2.1. Employment structure .....	38
2.2. Recruitment .....	39
2.3. Training and development .....	40
2.4. Attractive workplace .....	42
2.5. Non-financial benefits .....	43
2.6. Health and safety .....	45
2.7. Employee appraisals .....	45
2.8. Employee engagement survey .....	46
2.9. Employee rights and human rights .....	48

# 03

## CLIENTS AND USERS

3.1. Model of cooperation with Clients .....	50
3.2. Clients' profile .....	51
3.3. Client surveys .....	52
3.4. Benefit monthly .....	53
3.5. Users .....	54
3.5.1. Users' profile .....	54
3.5.2. Helpline .....	55
3.5.3. User surveys .....	56
3.5.4. User Zone .....	57
3.5.5. Four Seasons activating programme .....	59

# 04

## COMMUNITY

4.1. Partners – our key Suppliers .....	62
4.2. Model of cooperation with Partners .....	62
4.3. Support programmes for Partners .....	63
4.4. Partner surveys .....	64
4.5. Other suppliers and delivery chain .....	65
4.6. Dobry MultiUczynek Programme .....	66
4.7. Aktywne Szkoły MultiSport Programme.....	69
4.8. MultiSport Senior Programme .....	71

# 05

## ENVIRONMENT

5.1. Environmental policy .....	74
5.2. Our office is ECO .....	75
5.3. Z Naturą Fair Play Programme .....	76
5.4. Energy and paper consumption .....	77

# 06

## ABOUT THE REPORT

6.1. Summary .....	80
6.2. Methodology and indexes.....	82
6.3. The scope of non-financial information required by the Accounting Act.....	88

*Dear Ladies and Gentlemen,*

*It is with great satisfaction that we publish the second non-financial report summarising operations of Benefit Systems Company and Group connected with sustainable development and corporate social responsibility. For many years we have been developing our flagship product – MultiSport card – because we believe that a healthy and active lifestyle has a positive impact on the span and quality of life. We are all the more pleased that for the last few years we have been able to implement a Polish solution, unique at European level, in other countries and in this way respond to one of global social problems – lack of activity. Our MultiSport Programme inspires us to support the society in being active and staying healthy even more. Therefore, last year we created a special programme for children, Active MultiSport Schools, which, through an engaging narrative and fun, creates a habit among children to be active and motivates parents to regular joint physical activity. In the second half of the year we also launched the MultiSport Senior Programme and we introduced a sports card dedicated to people over 60 years of age. We believe that our programmes will influence the quality of life among many generations in a tangible and positive way.*

*We also put every effort to make our business model sustainable and valuable for all stakeholders – Clients, who have healthy and motivated employees, Users, who can enjoy a diverse benefit offer, and Partners, whom we create our products for and build good, long-term relations with. Our organisation is made up of people and best solutions come from team work. Thus, we*

*implement new training programmes, extend the list of non-financial benefits and provide opportunities to get involved in volunteering as well as philanthropic initiatives. For a few years these efforts have been recognised in the Reliable Employer and Aon Best Employers programmes.*

*Last year social initiatives and business activities that we undertake were acknowledged by B Lab, which awarded Benefit Systems with the B Corp Certification. In this way we have joined a global community of socially responsible companies called “best for the world”. We have become the first listed company in Central and Eastern Europe and the only Polish one with the certification. Therefore, this year’s report has been prepared according to the structure created by B Lab for B Corporation organisations.*

*We are proud that, together with our Employees, Clients, Partners and Users, we can create a cooperation model and programmes which inspire others.*

**Benefit Systems Management Board**

Izabela Walczewska – Schneyder

Emilia Rogalewicz

Adam Radzki

Wojciech Szwarc



# 1 MANAGEMENT AND CORPORATE GOVERNANCE

- 1.1. History
- 1.2. Business profile and business model
- 1.3. The Group's structure and segments
- 1.4. Offer and products
- 1.5. Stakeholders dialogue
- 1.6. Investors
- 1.7. Supported markets and scale of operations
- 1.8. Mission, vision, values. BS\_WAY Code of Ethics and Diversity Policy
- 1.9. Business strategy and management standards
- 1.10. Risk management
- 1.11. Data security
- 1.12. Research and development
- 1.13. We are socially responsible
- 1.14. Awards and distinctions





Certified



Corporation

According to B Corp, the management element includes the assessment of an organisation's mission, ethics, responsibility and transparency. It allows us to measure how an organisation adopts its social and environmental mission as well as how it involves its employees, management and local community in order to accomplish this mission. Additionally, this element evaluates employees' access to information about their organisation's financial results, clients' possibility of providing feedback as well as diversity of this organisation's management body.



**MM**



## 2000

### Establishing the Company

In its first years of operation, Benefit Systems offers employee benefits in the financial services sector as well as incentives connected with sport and recreation as an addition to the main product.



## 2003-2005

### Introducing the MultiSport Programme to the market

Employers' growing interest in a sports programme is an important moment in the Company's life: it resigns from providing financial services and starts an intensive development of the **MultiSport Programme**. The product is an unconventional and original concept both on the Polish and European market.



## 2010

### Expansion to foreign markets

The Group starts to develop its MultiSport Programme also on foreign markets, the first one being the Czech Republic with 122,000 sports card Users by the end of 2018.



## 2006-2009

### Dynamic development of the MultiSport Programme; MultiKafeteria and MultiBilet programmes

During the first years of the MultiSport card being offered, Benefit Systems constantly extends the list of partner facilities as well as its offer of activities and disciplines. Introducing the **MultiKafeteria Programme** gives employees freedom of choice regarding products and services within the amount designated by the employer. **The MultiBilet Programme**, launched a few months later, extends the Company's offer to benefits connected with culture and entertainment.



## 2011

### Stock exchange début

In April 2011 Benefit Systems joins the group of listed companies. In the public offer the Company acquired nearly 100 million PLN for investments, mainly on the fitness market.



## 2013

### BenefitLunch Programme; MyBenefit Company

In 2013 the Company's portfolio is extended to **BenefitLunch – a dining subscription card** that can be used in restaurants and food venues across the whole country. In the same year Benefit Systems Capital Group is joined by the MyBenefit Company, which offers an integrated system to manage all benefits within a company.





## 2017

### Further market growth

In 2017 the Capital Group exceeded one million of MultiSport card Users in Poland and abroad. Benefit Systems activates more and more Poles. Its data shows that one in two people who chose the MultiSport offer had not used any sports facilities before.



## 2015

### More than half a million MultiSport card Users; Expansion to the Bulgarian and Slovak market

The Group starts to develop its MultiSport Programme on other foreign markets – **Bulgaria and Slovakia**. In 2015 the sports cards sale reaches the level of more than **613,000 within the whole Group**. In 2015 MyBenefit and MultiKafeteria cafeteria platforms have nearly 180,000 Users.

## 2018

# 2018

## BENEFIT SYSTEMS JOINS THE B CORP COMMUNITY

## TWO NEW FOREIGN MARKETS

Benefit Systems is the first public company in Central and Eastern Europe and the only Polish company to join B Corp – a community of companies responsible towards the world.

We start developing our business in Croatia and as of autumn 2018 – also in Greece.



## 1.2. BUSINESS PROFILE AND BUSINESS MODEL

**Benefit Systems Group operates on the non-financial benefits market and specialises in providing employers with efficient solutions regarding non-financial employee benefits connected with sport, recreation, culture and entertainment as well as tailored cafeteria programmes.**

The Group's primary objective is to promote an active and healthy lifestyle. Its unique business model consists in building and maintaining sustainable relations with Clients (companies that buy the Group's products for their employees) and Partners (sports facilities, fitness clubs, restaurants, etc.). Its objective is to offer MultiSport card Users a high quality of service. The main cooperation model within Benefit Systems Group is B2B (business transactions between two or more entities). The offer is addressed to employers and then to employees – of companies, government departments, non-profit organisations and other entities that hire more than five people. On the other hand, we cooperate with owners and managers of sports facilities – our Partners.

Benefit Systems Capital Group includes Benefit Systems S.A. (holding company), responsible for the sale of MultiSport cards, as well as entities operating on the non-financial employee benefits market and in the sports sector.

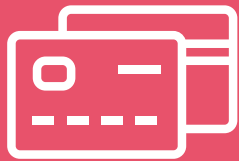
Benefit Systems S.A. has its headquarters located in Warsaw, with smaller branches in Kraków, Rzeszów, Lublin, Toruń, Gdańsk, Wrocław, Zielona Góra, Poznań and Katowice. Since 2010 we have been also operating on foreign markets – the Czech Republic (2010), Slovakia and Bulgaria (2015), as well as Croatia and Greece (2018). In the Fitness Segment within the Capital Group there are several companies operating in Poland and Europe. They have investment-based relations with the holding company to varying degrees. On 31 December 2018 the Group had 32 Benefit Systems S.A. subsidiaries and seven affiliated entities. In the Fitness Segment in Poland there are several dependant chains managing 144 fitness clubs. The Group also has minority interests in affiliated chains managing 46 clubs. Additionally, companies within the Group own 18 clubs in Bulgaria and the Czech Republic.

## 1.3.

# THE GROUP'S STRUCTURE AND SEGMENTS

Benefit Systems Group consists of Benefit Systems (holding company) as well as entities operating on the non-financial employee benefits market and in the sports sector.

Benefit Systems Capital Group operates in four segments:



### Sports Cards Segment

offers access to a wide range of sports and recreation facilities.



### Fitness Segment

is made up of sports club chains across Poland which Benefit Systems Capital Group has shares or interests in. These clubs provide infrastructure that supports the sports cards segment.



### Foreign Countries Segment

selling sports cards on foreign markets (Czech Republic, Slovakia, Bulgaria, Croatia, Greece) and managing own sports facilities on the Czech and Bulgarian market.



### Cafeteria Segment

a modern distribution channel both for non-financial benefits connected with culture and tourism as well as sports cards.

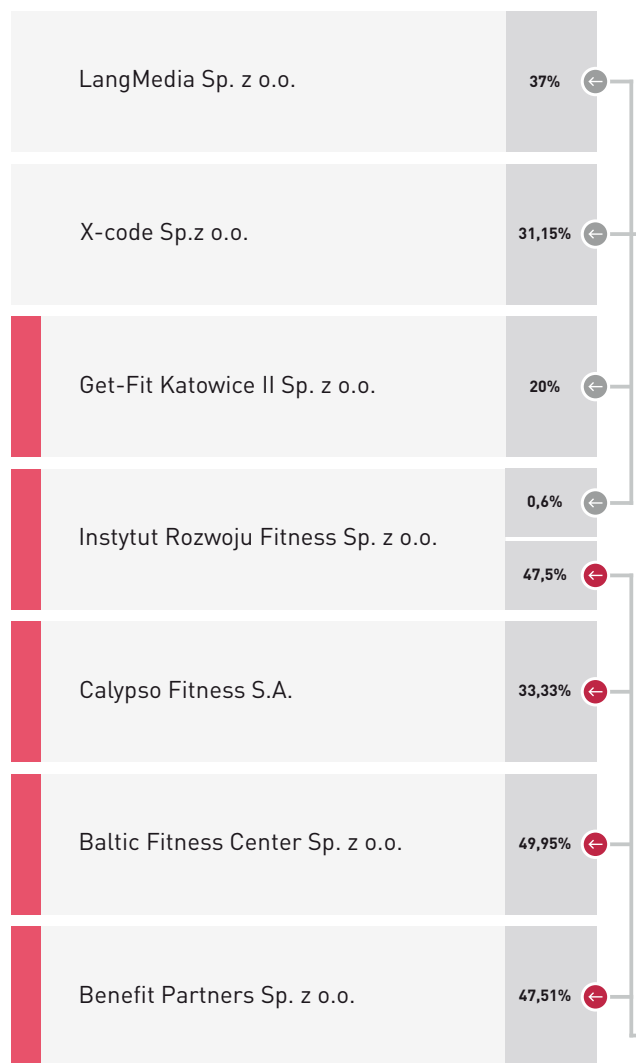
The Benefit Systems Group's flagship product is the **MultiSport Programme**. It offers access to more than **4,000** best and most popular sports facilities in approximately **650** towns and cities in Poland. The Group also offers other sports cards, including a FitProfit card. Investments on the fitness market aim at enhancing the MultiSport Programme and making it more attractive. By creating new locations of fitness clubs, the Group guarantees a growing number of sports card Users a reliable and attractive base as well as space to exercise. Surveys conducted by the Group show that half of the cards go to completely new users. This means that every year several thousands of people start using sports

facilities. By investing in companies which own fitness clubs, Benefit Systems Group guarantees sports card Users a possibility to use modern, well-equipped clubs offering a wide range of professional services.

Benefit Systems Group also offers **MyBenefit and MultiKafeteria cafeteria platforms** which give employees freedom to choose any non-financial benefit from the list approved by the employer. These systems offer Benefit Systems Group's own products, including MultiSport, MultiBilet, MultiTeatr, MultiMuzeum and BenefitLunch.

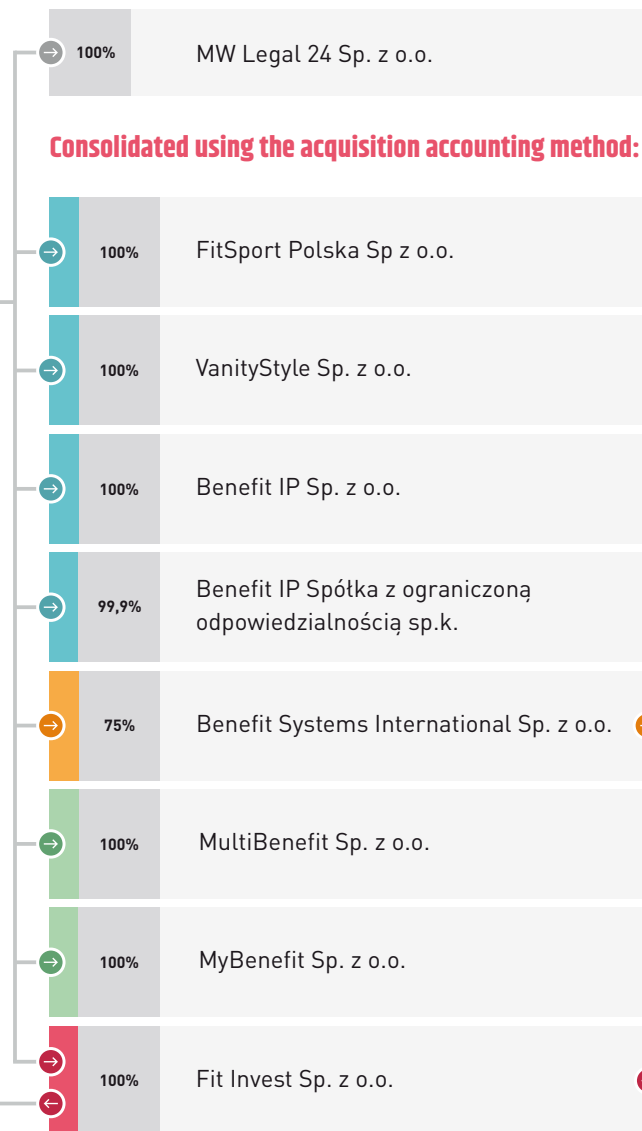
# SUBSIDIARIES AND AFFILIATED COMPANIES:

## Consolidated using the equity method:

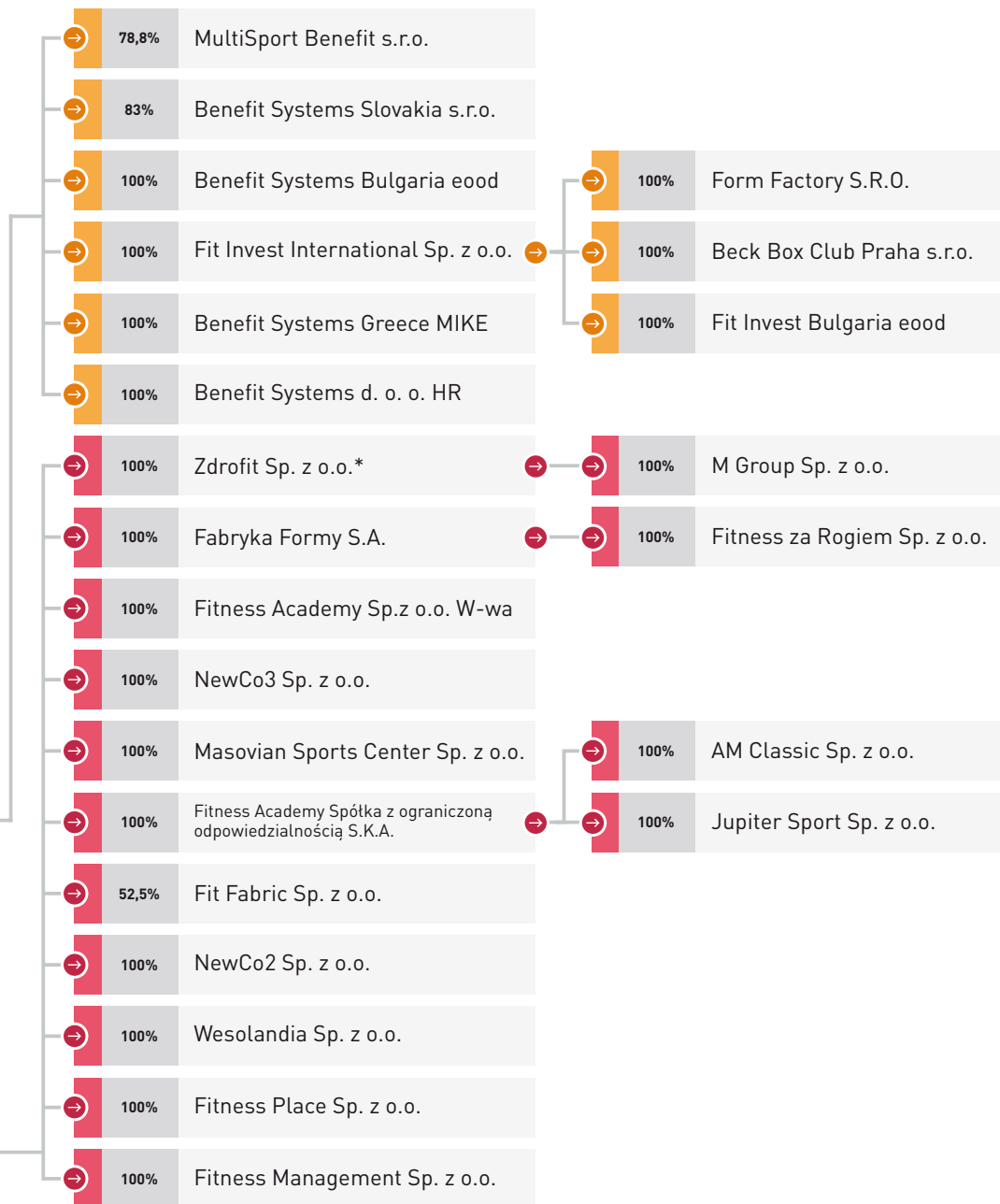


**Benefit Systems S.A.**

## Consolidated using the acquisition accounting method:







## In 2018 the Extraordinary General Meeting of Shareholders adopted a resolution to start the reorganisation of the Capital Group.

This process aims at simplifying the Group's structure by Benefit Systems S.A. taking over companies that manage fitness clubs on the Polish market. At the first stage of the process, Fit Invest Sp. z o.o. merged with Benefit Systems S.A. (on 14 January 2019). At the second stage of the reorganisation, other companies that are fully dependant on the holding company will also be merged. Simplifying the Group's structure as a result of the reorganisation is to improve the effectiveness of business processes within the Capital Group.

The Group believes that sports cards and fitness clubs are inseparable and complementary. Own fitness clubs enhance the attractiveness of the Group's flagship product and provide infrastructure for the Sports Cards Segment. Developing fitness infrastructure is crucial for the Group: it is estimated that approximately 50% of new sports card Users never had any form of fitness subscription before.

\* Tiger - 100% since 02.01.2018; merger with Zdrofit on 31.07.2018  
List of companies operating within the Benefit Systems Group as of 31 December 2018

## 1.4.

# OFFER AND PRODUCTS

Several years ago, by introducing the **MultiSport Programme**, Benefit Systems created an innovative business model in which employers can support employees and their families in living an active lifestyle. This is an added value for employees and employers with regard to health as well as social and economic aspects. It is also an important element of business operations of sports facilities in Poland. In the 21st century there can be no doubt that physical activity has a direct and positive impact on health and well-being. Benefit Systems flagship product, the MultiSport card, guarantees high quality that results from diversified offer. Apart from the standard offer of sports facilities, the MultiSport card provided by Benefit Systems also includes many other non-financial benefits connected with culture, entertainment, nutrition and much more.



### WHO?

- our Clients' employees
- fitness club members



### WHAT?

- sports cards
- cafeteria programmes
- fitness club services



### WHERE?

- Poland, the Czech Republic, Slovakia, Bulgaria, Croatia

## 1



### SPORTS CARDS

At the moment, within the **MultiSport Programme** Benefit Systems offers different types of sports cards as an employee benefit dedicated to employees and their families. These include: MultiSport Plus, MultiSport Classic, MultiActive, FitSport, FitProfit. There are also cards dedicated to specific age groups: MultiSport Plus Kids / MultiActive Kids, MultiSport Plus Dziecko / MultiActive Dziecko and MultiSport Senior. The difference between individual cards lies in the limited (or unlimited) access to the full (or partial) base of partnership facilities that cooperate with Benefit Systems or Vanity Style. Clients (employers) decide on the level of partial or complete financing of the cards that Users (our Client's employees) use at their own discretion.

## 2



### FITNESS SEGMENT

Within the Fitness Segment we offer access to our sports and recreation facilities to everyone interested, also outside the MultiSport Programme. People can use 144 facilities operating as a part of such chains as Fabryka Formy, Fitness Academy, Zdrofit, FitFabric, Fitness Place and Wesolandia as well as 18 clubs in Bulgaria and the Czech Republic. Additionally, there are 46 more clubs available, mainly those of the Calipso affiliated chain.

3



## CAFETERIA PLATFORMS

**MyBenefit** and **MultiKafeteria** cafeteria platforms give our Clients' employees freedom to choose any non-financial benefits within the budget and scope designated by their employer. Specific benefits can be selected through an online platform that only authorised employees have access to. The cafeteria programme includes offers connected with sport and health, tourism and culture as well as vouchers entitling employees to shop in brand store chains. These platforms also offer the Group's own products, such as:

**MultiBilet** – is the cornerstone of the Group's culture and entertainment programme with tickets to more than 200 partner cinemas across Poland (including: Cinema City, Helios and Multikino).

**MultiTeatr** – is a selected offer of vouchers for hundreds of performances staged in popular theatres in the biggest cities in Poland.

**BenefitLunch** – guarantees employees access to a lunch offer in nearly 600 food venues in dozens of towns and cities in Poland.



Several years ago, by introducing the MultiSport Programme, Benefit Systems created an innovative business model in which employers can support employees and their families in living an active lifestyle.

# 1.5.

# STAKEHOLDERS DIALOGUE

We attach lots of attention to reliable and straightforward communication with all groups of our stakeholders. We have an open and honest information policy regarding the company's financial results while following legal regulations regarding restricted periods and mode of disclosing confidential information to

security issuers at the same time. For Benefit Systems stakeholders' opinions and interests are crucial and we conduct a dialogue with each group in order to draw conclusions that are important for us. Our stakeholders include:

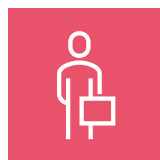
**Partners (Key Suppliers)** – we develop our business and our relations with the surroundings in a sustainable way by building mutual success for all market participants. We share our experience and possibilities with our Partners.



**Clients and Users** – we are a reliable business partner that looks after an ethical approach in the delivery chain and a guarantor of high quality of services.



**Employees** – we endeavour to be an attractive employer that offers robust and competitive non-financial benefit packages. We listen to Employees' needs and we run an elaborate incentive programme.



**Environment** – we promote pro-environmental attitudes among our Employees, Clients, our card Users and Partners (owners of sports facilities). We run pro-environmental programmes in our offices and we are a partner of pro-environmental organisations.



**Stakeholders** – we are transparent and we inform the market in a reliable way up to date. We are open to contacts with our shareholders, potential investors and analysts.



**Society** – we promote an active and healthy lifestyle. We constantly invest in developing the sports sector with regard to infrastructure and competencies. We get involved in social and charity campaigns.



# DIFFERENT FORMS OF STAKEHOLDERS DIALOGUE:

## Clients and Users

- Direct individual and group meetings
- Satisfaction surveys, opinion polls and other market researches
- Helpline
- Contact form
- MS Online User Zone
- Chat
- Dedicated websites and pages of companies operating within the Group
- Conferences, events
- Benefit monthly

## Investors

- Current reports, periodic reports (annual, semi-annual, quarterly)
- Individual and group meetings
- Quarterly conferences, teleconferences, roadshow, brokers conferences
- Annual General Meeting and Extraordinary Annual General Meeting
- 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

## Environment

- Reporting environmental indicators
- Cooperation with institutions, partnership with pro-environmental organisations on the implementation of various projects
- Pro-environmental events
- Pro-environmental training courses and workshops for employees

## Suppliers (including Partners)

- Direct individual and group meetings
- Telephone contact
- MultiSport Partner Online Zone
- Electronic mail
- Surveys
- Trade conferences
- Dedicated pages on websites of companies operating within the Group

## Employees

- "Empl" Intranet
- Work Council
- Company blogs
- Regular feedback, individual semi-annual sessions and appraisals
- Satisfaction and engagement surveys conducted by Aon
- Events (including integration outings)
- Social environment
- MultiSport Platform and other dedicated websites
- Social programmes (including Dobry MultiUczynek), partnership with social organisations
- Internship programmes
- Dedicated pages on websites

In 2017 Benefit Systems S.A. launched a Stakeholders Panel, which will be repeated once in two years as an element of non-financial reporting. Last year the panel was attended by 16 representatives of different Benefit Systems Group's stakeholder groups, four Company's representatives and consultants from an educational and consulting company, CSRinfo. Benefit Systems Group took the Stakeholders Panel results into consideration in the process of preparing non-financial reports for 2017 and 2018 as well as in planning its CSR activities.

**The trust that our shareholders put in us as well as the capital market integrity are of special importance to us.**

Therefore, our objective is to have reliable investor relations as well as transparent and substantive communication with the market which guarantees all its participants equal access to information.

## INVESTOR RELATIONS

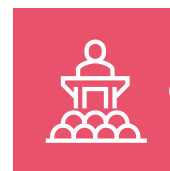
The company regularly meets with the capital market representatives – it organises conferences after publishing financial results where it discusses its parameters as well as answers questions from investors and analysts

Every time quarterly results are announced the Company organises teleconferences for foreign investors

The Management Board and the Investor Relations Department have individual meetings with the market representatives and meetings in small groups

The Company participates in local and international conferences organised by brokerage houses at which it meets with the capital market representatives

The Company answers investors' questions sent by electronic mail to the Management Board, the Investor Relations Department and the general investor relations mailbox ([IR@benefitsystems.pl](mailto:IR@benefitsystems.pl)) up to date





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



In 2018 the Company had numerous meetings and teleconferences with foreign investors (including USA, Canada, Singapore, United Arab Emirates, Hong Kong and many European countries); During the roadshow connected with the new issue of shares and selling own shares (May 2018) the Management Board had dozens of meetings with investors in Poland, Western Europe and United States



Benefit Systems publishes information, current and periodic reports in Polish and English (current reports, financial statements) both through the ESPI (electronic data transfer system) as well as the corporate website



The Company observes Good Practices of Companies Listed at the Warsaw Stock Exchange (excluding General Meeting transmission in real time, publishing records from the General Meeting and the period between granting share options within PM and the possibility of using them shorter than the recommended two years)



The Company has an Individual Reporting Standard (IRS) which defines how the Company identifies confidential information and how it communicates this information to the capital market



Investor relations are supported by an external company (CC Group)

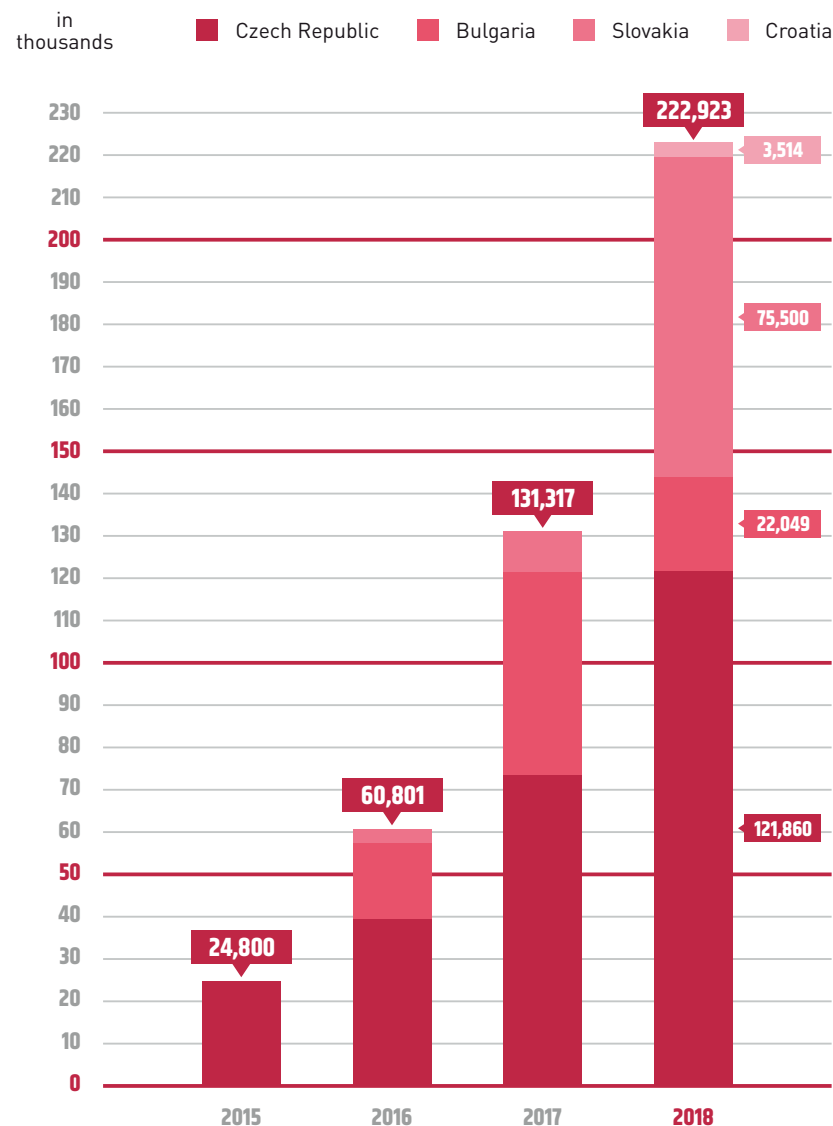
## 1.7. SUPPORTED MARKETS AND SCALE OF OPERATIONS

**The MultiSport Programme original concept was created several years ago in Poland, where it still grows dynamically. Since 2010 we have been also undertaking activities that aim at developing our business abroad.**

Since **2010** the Capital Group has been operating on the **Czech** market, since **2015** – in **Slovakia and Bulgaria** and since **2018** – in **Croatia**. Since **July 2018** we have been developing our business on the **Greek** market. Both the MultiSport Programme and business model are analogous to those functioning on the Polish market. Expansion to foreign markets aims not only at developing the Group's business but also at promoting an active lifestyle. Every year the number of physical activity enthusiasts among our neighbours abroad is growing, which makes us believe that our mission matters.

At the end of 2018 the number of Clients (companies) in the **Foreign Countries Segment** amounted to **6,692**, including Partners we cooperate with (3,194) and active sports cards (**222,923**). **The Company that manages** local companies and the owner of majority interests in foreign companies is **Benefit Systems International Sp. z o.o. (BSI)**, which is fully dependant on Benefit Systems S.A. BSI is the owner of companies that manage the card business in specific countries: MultiSport Benefit S.R.O. (Czech Republic), Benefit Systems Slovakia S.R.O. (Slovakia), Benefit Systems Bulgaria EOOD (Bulgaria), Benefit Systems D.O.O. (Croatia) and Benefit Systems Greece MIKE (Greece). In the Fitness Segment the company that oversees the development of own fitness clubs is Fit Invest International Sp. z o.o. Its subsidiaries include Fit Invest Bulgaria EOOD, Beck Box Club S.R.O. and Form Factory S.R.O.

## NUMBER OF SPORTS CARDS – FOREIGN MARKETS

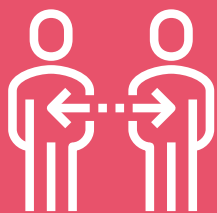




## 1.8.

# MISSION, VISION, VALUES. BS\_WAY CODE OF ETHICS AND DIVERSITY POLICY

The mission of Benefit Systems is to support an active and healthy lifestyle among all age groups as well as raise awareness of benefits coming from physical activity within the society. The Company operates according to the work-life balance principle and the main idea behind the B Lab organisation – To be the best for the world – by creating employer- and employee-friendly products. In all our operations, including business activities and corporate social responsibility, we attempt to implement values that would allow us to receive B Corporation certification. We are obliged to follow the rules connected with it and we constantly develop in this area by creating a friendly organisational structure for our employees, all stakeholders and the world<sup>1</sup>. In its operations the Company, together with its employees, follows the **win-win principle based on mutual benefits and long-term partnership**. For Benefit Systems relations with Clients, Users, Partners, Suppliers, Employees and shareholders are important.



### Identity

We want people in our company to be able to enjoy their work, feel comfortable and gladly identify with it.

## WHAT IS IMPORTANT FOR US?



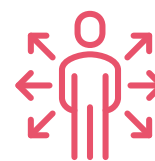
### Management

We are flexible and proactive, we operate in the spirit of development and changing reality.



### Innovations

We know how to operate differently and create new quality on the market. Within our organisation we want to introduce non-standard solutions that can be an example for others.



### Surroundings

Our people have an impact on the company's development as well as opportunities for personal development and sharing knowledge. We think in the long term. Helping others and supporting our environment is important for us.



### Values

We operate in a responsible way and with respect for all groups of our stakeholders.

<sup>1</sup> More information about B Corporation certification can be found in the We are socially responsible chapter, page 32



## BS\_WAY CODE OF ETHICS

•BS\_WAY is Benefit Systems Group's Code of Ethics which has been in place since 2017. It is a collection of values and norms paramount for the Group that support the achievement of business objectives and building proper relations with the surroundings. It contains a description of generally binding social principles as well as company standards which are not only important and characteristic for us but also, in our opinion, expected by our Clients, business partners and the Group's shareholders. The Code of Ethics applies at Benefit Systems S.A. as well as local companies directly dependant on the holding company. The Code of Ethics is communicated in the form of training courses and workshops (organised cyclically), Intranet communication and events. The Code of Ethics is available to all employees on the company Intranet and on the "About Us" page on our corporate website.

[www.benefitsystems.pl](http://www.benefitsystems.pl)

The Code of Ethics is also gradually implemented in direct subsidiaries and affiliated companies within the new segments: Fitness and Foreign Countries. With regard to specific elements of the Code of Ethics, there are documented due diligence procedures, including those which are being elaborated or updated, connected with:

- Respecting human rights (including counteracting mobbing and discrimination)<sup>2</sup>
- Anti-corruption procedures, accepting presents and benefits (from Clients, Partners or Contracting Parties)
- Procedures that aim at counteracting conflict of interests
- Procedures connected with informing about suspected malpractices as well as good practices of cooperation with Suppliers<sup>3</sup> and good practices of honest communication and advertisement.

<sup>2</sup> More information about human rights can be found on page 46

<sup>3</sup> More information about cooperation can be found on page 65

Apart from the BS\_WAY Code of Ethics and attached procedures, in order to counteract any forms of discrimination, Benefit Systems S.A. has defined and adopted its Diversity Policy. The idea behind managing diversity is to create equal opportunities in the recruitment process, access to professional development and promotion. While choosing the Company's authorities and its key Employees, decisive organs also aim at ensuring versatility and diversity, understanding these values as having a representation of different points of view resulting from diverse fields of education, age and professional experience among the Company's main bodies' members. Ensuring transparent employee appraisals criteria and implementing equal treatment principles is, according to Benefit Systems, one of the basic conditions for a socially responsible company's functioning.

## DIVERSITY POLICY

Benefit Systems Group operates in four segments, each of them having its own specifics and organisational culture. The Group's employees have different interesting skills and talents, they represent different ways of thinking and they have different personal and professional experiences. Thus, the Group's objective is to build the organisational culture that guarantees mutual respect and supporting one another in daily work. Activities promoting diversity within the organisation strengthen a diverse but efficient team in which differences are understood and appreciated and not nullified by principle. We believe that the greatest capital, which the Company's financial success depends on, is people who made up the team. Just like in the case of the BS\_WAY Code of Ethics, we endeavour to implement the Diversity Policy also in subsidiaries and affiliated companies operating within the Fitness and Foreign Countries segments.

Thanks to our Diversity Policy we can understand our Clients, Users and business partners better, which allows us to answer their needs accurately. It also stimulates our creativity and makes us constantly grow. **Therefore, the Diversity Policy at Benefit Systems includes the following values:**

# DIVERSITY POLICY

## Building an intergenerational dialogue

The number of people over 40 and 50 years of age among our employees is growing. The largest group is made up of people between 30 and 40 years of age as well as young people (21+) who are just entering the job market. All these groups cooperate on a daily basis, which allows us to learn and inspire one another to act through various personal and professional experiences.

## Mutual respect and freedom to achieve professional goals

Thanks to internal recruitment processes Benefit Systems employees have opportunities to develop and be promoted but also try their hand at working on new positions.

## Reconciling passions and work life

The Company supports its Employees in achieving life balance by offering flexible working hours and sports activities which are organised for Employees in the headquarters before or after work. Additionally, we enable Employees to create dedicated sports teams (running, football, volleyball, etc.) in which Employees can develop their individual passions while integrating and competing within or outside the company at the same time. We are also open to all social initiatives suggested by Employees and we support them with regard to internal communication to help them get as many people involved as possible.



## Caring for young parents

Some of our Employees are young parents. Benefit Systems offers them additional financing for child care, a parent with child room in the headquarters and, as an element of integration between Employees and their families, special events (including the annual Sports Picnic for employees and Santa Claus Day for whole families).

## Working atmosphere

An important element of our diversity policy is creating the right atmosphere at the workplace, which makes Employees feel respected and appreciated. They also have freedom to grow and realise their professional potential as well as express their opinions, views and needs.

## Equal treatment principle

Transparent criteria of employee appraisals and a consistent remuneration policy are the basic conditions for the functioning of a socially responsible company. Therefore, we have a consistent and transparent remuneration policy based on equal treatment and fair judgement with no traces of discrimination. All regulations connected with remuneration are included in the following documents:

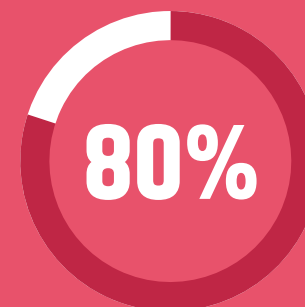
- Remuneration Regulations
- Work Regulations
- Social Fund Regulations
- Social Committee Regulations

#### Return to work and post-parental leave retention index by gender (Benefit Systems S.A.):

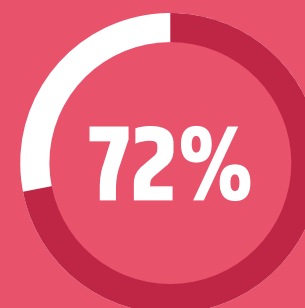
	WOMEN	MEN	TOTAL
Number of Employees entitled to a parental leave	25	16	41
Number of Employees who took a parental leave	25	0	25
Number of Employees who returned to work after a parental leave (2018)	5	0	5
Number of Employees who returned to work after a parental leave (2017) and continued working for the next 12 months	27	0	27

#### Relation of basic remuneration of men to women in 2018 (Benefit Systems S.A.):

	WOMEN	MEN	REMUNERATION OF MEN VS. REMUNERATION OF WOMEN
Junior management	34	21	105%
Middle management	6	10	90%
Senior management + Management Board	5	7	99%
Other employees	305	144	115%
<b>TOTAL</b>	<b>350</b>	<b>182</b>	<b>127%</b>



**80%**  
of Benefit Systems S.A. Employees believe that they work in the atmosphere of openness and acceptance of differences between people



**72%**  
of Employees believe that Benefit Systems appreciates diversity<sup>4</sup>

<sup>4</sup> Aon Satisfaction and Engagement Survey 2018 - More information about the survey can be found on page 46

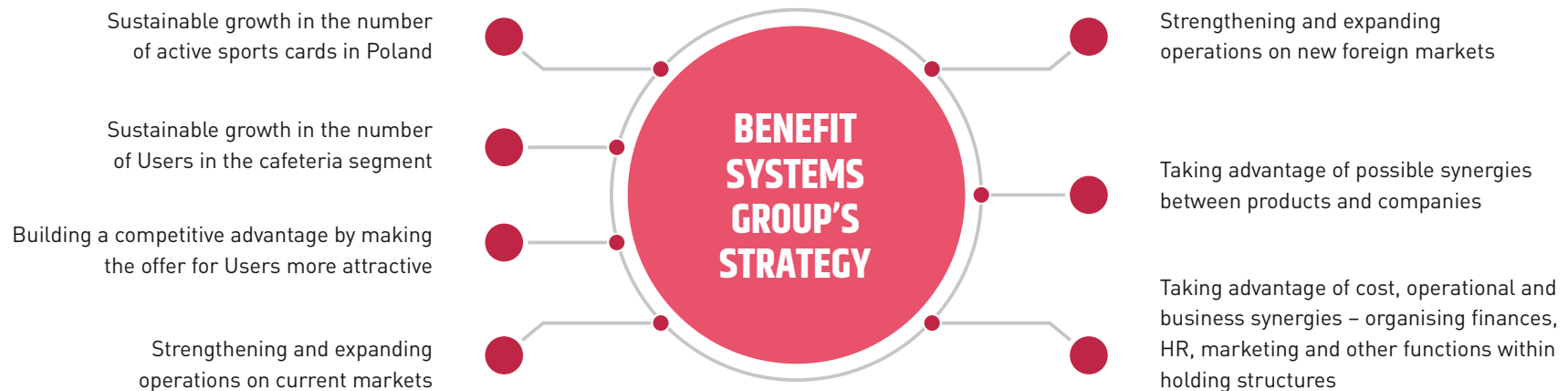


1.9.

## BUSINESS STRATEGY AND MANAGEMENT STANDARDS

### BUSINESS STRATEGY

The adopted strategic objectives are based on the organic growth of Benefit Systems Group in Poland and abroad. These activities are supported by acquisitions in the Fitness Sector in order to constantly improve and develop the offer. The sports cards infrastructure is a complementarity of sports cards and fitness clubs. Benefit Systems Group's strategy provides for:



Benefit Systems Group does not publish annual reports or short-term financial projections. General ways forward are expressed in the Benefit Systems S.A. prospectus of 2011 as well as materials connected with the issue of new shares and resale of own shares in May 2018. Current business plans as well as analysed risks and opportunities connected with the dynamic environment in which the Group

functions are presented in periodic reports (annual, semi-annual and quarterly financial statements of the Company or the Group) and current reports on an ongoing basis. They are also commented by the Management Board in the press during quarterly result conferences, capital market conferences and others.

## MANAGEMENT STANDARDS

For a few years now the operational management at Benefit Systems has been based on the division into operational segments. **It allows for more efficient reactions to specific challenges of each of them and improving decision-making processes within the Group.**

Responsibility for specific segments is assigned to management boards at key companies within these segments (Benefit Systems S.A. – Sports Cards Segment, Benefit Systems International Sp. z o.o. – Foreign Countries Segment, Fit Invest sp. z o.o. – Fitness Segment, MyBenefit sp. z o.o. – Cafeteria Segment). Management boards in the Foreign Countries, Fitness and Cafeteria segments are overseen by supervisory boards which include, among others, Management Board Members at Benefit Systems S.A. In 2019, in connection with the reorganisation of the Group's structure, the formal management of the Fitness Segment will be changed. Most subsidiaries in this segment will be merged with Benefit Systems S.A., thereby reflecting the actual business inseparability and complementarity of the Sports Cards Segment and Fitness Segment as well as creating a self-balancing branch at Benefit Systems S.A., which will maintain its operational freedom but will be formally reporting to the Management Board of the holding company.

Management and supervision over the segments are executed through preparing, monitoring and implementing multi-annual plans and detailed operational budgets which are verified and updated on an ongoing basis. The Company does not publish any projections or budgets but shares information about anticipated trends in each segment as well as projected risks and opportunities connected with achieving business and financial targets on many occasions.

Strategic targets translate into specific objectives set for directors and managers every six months. These objectives are then cascaded onto lower management levels and results are interrelated with remuneration in the form of semi-annual bonuses or commissions – according to the Remuneration Regulations. At Benefit Systems S.A. there is also an Incentive Programme addressed to senior management at the Company (or the Group). Within this programme entitled employees receive warrants exchangeable into shares of the holding company. The programme aims at creating an incentive system which will conduce to efficient



and loyal work oriented towards generating high financial results and long-term increase in the holding company's value. The programme is activated on the level that depends on the achieved gross profit threshold in a given financial year.

The management system that functions within the holding company translates into specific entities that form the Benefit Systems Capital Group in different ways. Some of them maintain their operational independence, while others remain under the ownership supervision. However, the Company endeavours to make every entity belonging to the Group meet demand for sustainable development by recommending appropriate policies as well as helping in their implementation and adjusting them to differences in the organisational culture between given segments and companies.

Corporate governance management within Benefit Systems Group allows for a different structure of management systems in specific companies within the Group and differences that come from the organisational culture of particular segments and companies. The main corporate governance of Benefit Systems Group is done directly or within Supervisory Board meetings at specific companies, if they have such an organ. Currently these include: Benefit Systems S.A., Benefit Systems International Sp. z.o.o., Vanity Style Sp. z o.o., MyBenefit Sp. z o.o., Fitness Academy SKA and Fit Invest Sp. z.o.o. Corporate governance is also executed by means of sharing human resources.



## 1.10.

# RISK MANAGEMENT

Since 2014 there has been an internal control unit operating at Benefit Systems. Its task is to undertake numerous activities that aim at systematising and documenting key processes as well as identifying and addressing risks connected with them. In 2017 the **Audit Committee** was appointed. Its composition considers independence criteria as well as other statutory requirements. Within an internal audit, an independent **Internal Auditor** as well as a **Compliance Officer** monitor implementation of applicable laws, recommendations, guidelines and instructions given by supervisory authorities as well as adopted good practices and market standards. We keep the key information base in the form of "risks and control matrix" in a dedicated application. We use this tool in current activities connected with efficient management and supervision of key processes within the company. Control functions have been organisationally and personally enhanced by creating a three-level risk identification and control system as well as efficient risk management. This system consists of three levels:

Such an allocation of tasks and internal control system organisation allow us to have a reasonable assurance of achieving the organisation's objectives in the following areas:

- Efficiency of undertaken activities
- Reliability of financial reporting
- Compliance

Being a listed company (since April 2011), Benefit Systems S.A. observes high standards connected with the Company's presence on the regulated market – not only with regard to legal regulations but also good practices. The Company is active in communication and open to contacts with shareholders, potential investors as well as other stakeholders who use available communication channels actively. The Company is a member of the **Polish Association of Listed Companies**. In 2018 its representatives regularly attended conferences organised by this organisation, using the opportunity to share knowledge with experts and other members of the association.



### LEVEL 1

#### Business owners

Responsible for identifying, accounting, evaluating, controlling and limiting the risk



### LEVEL 2

#### Internal control functions

Controlling, compliance, quality, security and legal function



### LEVEL 3

#### Internal audit

Strengthening and protecting Benefit Systems Group's values by monitoring the risk level, internal audits and counselling regarding the Group's functioning

## The precautionary principle at the Company is observed thanks to defined risks, which are updated every year by means of a thorough analysis done by internal audit units. Below we present non-financial risks identified at Benefit Systems between 01.01.2018 and 31.12.2018:

### 1 Risk connected with not adjusting the business model to the specifics of an agent on the sports services market

While deciding on the card price, companies within the Group look at their own estimations regarding the frequency of card Users visiting sports clubs. Benefit Systems Group's main cost are payments made to Partners for card Users' visits. The Group is exposed to the risk of underestimating the number of visits which can determine lower than expected profitability of single contracts. The impact is being limited by signing contracts with a short notice period and possibility of renegotiating unprofitable contracts.

The risk of the cards profitability decreasing is minimised by a constant growth in the number of cards that results from positive changes in the job market trends as well as a growing popularity of a healthy lifestyle both in Poland and other countries which the Group operates in.

### 2 Risk connected with managing a large capital group and difficulties in achieving projected operational efficiency

The Capital Group's size, anticipated development and increased number of clubs in the future has an impact on the growing complexity of Benefit Systems Group's operations and its management. Limiting this risk relates to the need to involve significant resources and incur additional costs connected with integrating new companies, introducing unified corporate governance rules, designing and implementing elements of the internal control system as well as managing sports clubs. Also, the process of reorganising the Capital Group's structure has started. This process will consist in simplifying the Capital Group's structure by Benefit Systems S.A. taking over most companies operating in the Fitness Segment in Poland.

### 3 Regulatory risk, including the risk connected with concentration and competition as well as legal and tax risk

Regulatory as well as legal and tax risks include the possibility of unfavourable decisions in ongoing or potential proceedings before administrative authorities, including the President of the Office of Competition and Consumer Protection or tax authorities.

Proceedings against Benefit Systems S.A. (and other entities) were initiated by the President of the Office of Competition and Consumer Protection on 22 June 2018 on suspicion of performing specific acts that potentially limit competition on the national market of sports and recreation packages as well as national market of fitness clubs or local fitness clubs market or other relevant markets.

On 28 November 2018 Benefit Systems S.A. received the decision of the President of the Office of Competition and Consumer Protection to extend the antitrust proceedings until 30 April 2019. The President of the Office of Competition and Consumer Protection explained that, due to the complex character of the proceedings and necessity to analyse the case further, ending the proceedings at this stage would not be possible.

The regulatory risk is properly managed and monitored as Benefit Systems Group attaches great importance to treating all stakeholders in the right way. However, unfavourable decisions made by consumer protection authorities cannot be excluded, especially regarding the past. The Company believes that potential decisions made by the President of the Office of Competition and Consumer Protection can have a limited impact on the future operations of Benefit Systems S.A., and hence the whole Group. Legal and tax risk applies particularly to regulations and interpretations of the tax law that governs economic activities. Many existing legislations have not been formulated in a sufficiently precise manner. There is often no unequivocal explanation of them, and interpretations of tax law provided by tax authorities and courts are often changed and not uniform.

### 4 Market risk – the risk of new competitors entering the market or the risk of current competitors expanding due to the lack of barriers while entering the non-financial benefits market and sports services market

Benefit Systems Group sees the risk of new competitors joining the game. This risk can come from organised entities offering sports and recreation services, from a new entity copying the Group's model or from large national and international entities offering services to corporate clients that have been absent in this area so far.

The Group sees a similar risk with regard to new products which, as innovative solutions on the market, can be copied by competitive companies in the future. In reaction to this risk, the Group undertakes appropriate actions, such as implementation of distribution platforms and investing in sports clubs.

**5****Risk connected with processing and protecting personal data, for example adjusting regulations to General Data Protection Regulation (GDPR) from a legal, organisational and technical perspective**

The risk comes from the necessity to adjust the Company's operations to new guidelines specified by the General Data Protection Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016. The dimension of necessary changes and adjustments to the requirements is done on different levels of the Company's operations, including legal, organisational and system solutions, with a focus on network resources and IT systems security. Benefit Systems S.A. has undertaken numerous activities that aim at adjusting to the requirements specified in the regulations, for example those connected with updating processes, adjusting IT systems and updating contracts with Clients with regard to entrusting them with personal data processing.

**6****Risk connected with running the business and expanding to foreign markets, including political and foreign currency risks**

As a part of the strategy assuming expanding its operations, the Group continues its expansion to foreign markets. On the Czech and Bulgarian market the Group notes further dynamic growth. On the remaining markets the business is being built. It is not certain, though, if the Benefit Systems S.A. business model, which proved successful on the Polish market, will be fully adopted on new markets, which have legal and cultural differences as well as differences in the level of sports activity and non-financial methods of motivating employees.

Not achieving the plans on any of the new markets may have a negative impact on the Benefit Systems Group's financial results. It should be noted, though, that before a decision to enter a market is made, the Group verifies its potential and analyses possible risks. Additionally, the Group has adopted the strategy of gradual capital expenditure that considers the current market situation, foreign currency risk and business growth observed in a given country.

**7****Risk of demographic situation changing in Poland and the countries which Benefit Systems Group operates in**

In the long term, the Benefit Systems Group's business can be influenced by the change in demographic structure in Poland as well as other countries which the Group operates in, particularly ageing societies. It cannot be ruled out that along with this trend, which also means a decreasing target group (professionally active people), products currently offered by the Group may become less popular. This can have a negative impact on the financial results in the long term. According to Benefit Systems Group, the impact of the above-mentioned risk will be limited due to the fact that, following the example of developed countries in Western Europe, we can observe an increase in physical activity among older age groups also in Poland. This may give us potential to enter a new segment of the market.

**8****Risk connected with implementing and maintaining IT systems and cybersecurity**

The Group manages IT systems risk by implementing proper procedures and control mechanisms that enable efficient prevention and limiting the effects of materialisation of risks. In particular, the Company develops procedures and mechanisms connected with systems development and maintenance, change management and information security. The Company applies redundant equipment and system solutions in order to minimise the risk of interruptions in the functioning of key IT systems. With regard to cybersecurity management, the Company continuously updates network security systems. The Group uses tried and tested solutions recognised by the market.

**9****Risk of acquiring and managing human resources, including the risk of losing key employees<sup>5</sup>**

The factors that have an impact on the Benefit Systems Group's operations include work and skills of key people, including the management as well as other teams and employees. Management Boards at companies that form Benefit Systems Group believe that the Group's development speed also depends on the ability to recruit and maintain highly qualified management staff and key employees. Losing a significant number of these people may have a negative impact on the Group's operations. Benefit Systems Group successfully acquires appropriate human resources, also thanks to the position of an appreciated employer and a positive working atmosphere. The Group has adopted a strategy of additional motivation in the form of an incentive programme for the management staff and key employees. The risk factors connected with human resources include changes on the job market connected with growing financial expectations among employees, which can have a negative impact on the increasing operational costs.

The Company analyses various market scenarios and the undertaken risk of testing new solutions or entering new markets is calculated in management decisions and does not pose a serious threat for the Group's financial security. In the following year we are going to continue identify new risks, improve management systems and design recovery plans. The Company is also going to expand this control onto the Capital Group's new segments efficiently.

<sup>5</sup>The risks have been described in the Benefit Systems Management Board Report for 2018



1.11.

## DATA SECURITY

**In connection with the applicable law as well as the achieved number of active cards and number of daily Users visits, the key matter for Benefit Systems is personal data protection.**

In 2018 we undertook many activities that aimed at increasing security of processed personal data, meaning personal data of our Employees, Partners, Clients and sports card Users, which make up the biggest group.

These activities resulted directly from the adopted (on 25 May 2018) strategy of strengthening data security and implementing the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (Official Journal of the European Union Legislation of 2016, No. 119, page 1). The Company exercises due diligence not only to comply with legal regulations connected with personal data protection but also set highest standards at every stage of processing data, treating this area as crucial for its business, raise employees' awareness, and hence respect the right to privacy guaranteed by the Constitution.

Every year we verify and, if necessary, update personal data security documentation approved by the Benefit Systems Management Board. These documents (together with related detailed procedures and instructions) define personal data protection guidelines in particular companies within the Benefit Systems Capital Group, regardless of their format and processing methods.

The person responsible for organising, updating and communicating personal data protection guidelines at Benefit Systems is **Benefit Systems S.A. Data Protection Officer** appointed by the Management Board. Every new Employee is trained in obligations with regard to data protection connected with the job during a training course organised several times a year<sup>6</sup>. There are also cyclical additional training courses organised, for example when an incident is identified, when procedures or regulations change and when an organisational unit feels such a need.

**Breach of personal data security procedure** defines potential situations and types of breaches as well as the rules for managing specific cases.

In the case of noticing or suspecting breach of personal data security rules at Benefit Systems, every Benefit Systems Employee, Associate, Supplier or Client is obliged to inform the Data Protection Officer as well as other, clearly specified people immediately. Every notification is analysed and assessed in order to verify its relevance, importance, responsibility and elimination of similar risks in the future. Notifications are analysed in order to decide if personal data protection rules were violated and if the Personal Data Protection Office has to be informed.

If an Employee, Associate, Supplier or Client does not inform about breach or suspicion of breach of personal data security at Benefit Systems deliberately, disciplinary measures can be taken.

Moreover, in order to prevent incidents, procedures to monitor security measures have been implemented. As the result of such actions and after identifying inconsistencies or loopholes in such security measures, appropriate changes are made. All incidents connected with potential and actual breach of data security rules are registered and analysed. If justified, a dedicated recovery plan is designed and then verified.

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<sup>6</sup>Or on the first day of work of a new employee



Every new IT system is designed according to the “privacy by design” principle and goes through a security audit before its is launched.



As Personal Data Administrator, Benefit Systems has implemented its Data Retention Policy in order to avoid processing personal data without a legal basis.



Partners (sports facilities) do not have access to Users' excess personal data and process this data only within a narrow range that results from the necessity to confirm MultiSport card User's ability to use the service.



Implemented security measures connected with the personal data security level are cyclically monitored (security audits).



## 1.12.

## RESEARCH AND DEVELOPMENT

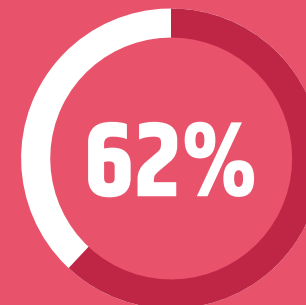
Benefit Systems regularly conducts numerous market researches and analyses in key areas of the Company's and Capital Group's operations. These researches aim at enhancing knowledge with regard to stakeholders' needs and expectations as well as identifying trends and market changes as well as possible. The main areas of research interests at our Company can be split into:

- Gaining and sharing knowledge with regard to monitoring social moods in Poland in the context of attitudes towards sport, healthy and active lifestyle as well as the market we operate on
- Monitoring the satisfaction level and collecting feedback in key areas of the Company's operations (Users, Clients, Partners)
- Analysing consumers' attitudes towards new services and improvements that we are testing

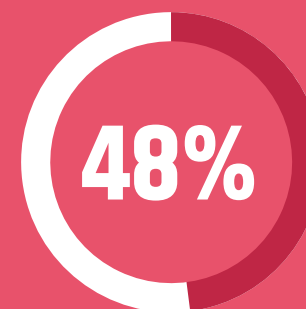
### MULTISPORT INDEX SURVEY

In 2018, together with an external partner, Kantar TNS, we conducted a survey on physical activity among Polish people, MultiSport Index, whose results were presented to general public. This comprehensive survey aimed at monitoring, identifying and analysing physical and sports activity as well as analysing a wide range of social factors that influence this activity. The survey showed, among others, that **62% of Poles** consider themselves active, with **48% of the population that can be considered active in sports**.

We also selected four main types of attitude towards physical activity demonstrated by the society. These were **"Recreation"**, **"Be FIT!"**, **"Sports ground buddies"** and **"Pro-amateur"**. They were characterised by different motivations, approach to health and nutrition and needs connected with sports. The biggest group is the "Recreation" type (7.4 million people), representatives of which exercise to stay healthy and most often choose cycling and gymnastics.



**62%**  
**of Poles  
consider themselves  
active**



**48%**  
**of the population that  
can be considered active  
in sports**

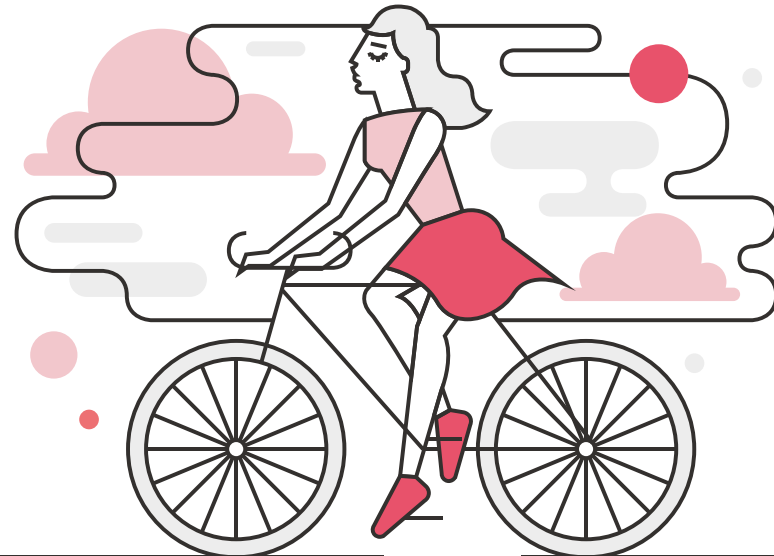
## MultiSport Index 2018:

according to Poles, the most popular activity type is running, while the most active people live in Warsaw and lubuskie province.



## 7.4 mln

Of Poles exercise to stay healthy and most often choose cycling and gymnastics.



We also constantly monitor our company's surroundings with regard to changes in the non-financial employee benefits market. We conduct internal surveys of attitudes towards employee benefit budgets and non-financial benefits. We then confront them with employees' expectations. Thanks to an annual survey conducted together with ARC research company we know that the benefits market is constantly growing (its estimated value in 2018 was 12.2 billion PLN) and that it will continue to grow.

As it was mentioned earlier, making sure that our Clients, Partners and Users are satisfied is a very important element of Benefit Systems operations. In order to monitor this satisfaction, we verify their opinions by collecting feedback from

current cooperation through regular Net Promoter Score (NPS) research as well as running large projects together with independent research institutes. This enables us to thoroughly analyse stakeholders' satisfaction level in a given year.

Surveys are an integral part of implemented innovations, such as promotional activities, additional services for Users and innovative facilities. In 2018 research projects enabled us to design improvements for MultiSport Summer Game<sup>7</sup>, verify the efficiency of our loan programme for Partners and involve potential target consumers in the process of designing innovative advisory facilities for MultiSport card Users.

<sup>7</sup> More information about the Holiday Game can be found on page 59

## 1.13.

# WE ARE SOCIALLY RESPONSIBLE

**Social responsibility and sustainable development are integral elements of the Benefit Systems Group's business operations.**

Apart from promoting our products and undertaking activities based on activating the society to live a healthy lifestyle, we attach great importance to CSR activities addressed to all our stakeholders. We believe that business can grow well only thanks to simultaneous activities connected with its social responsibility. The guiding principle of our operations is the **win-win** approach which we build all our relations with Clients, Partners, Employees, Associates and other stakeholders on. We also care for the sustainable development of sports and recreation market users, we have our share in building an attractive sports and recreation infrastructure in Poland, we support creation of interesting workplaces as well as events and communities connected with sports and recreation. We believe that influencing our surroundings in this way has an impact on the quality of life of individuals and the whole society. Coherence with this philosophy and ethical conduct allowed us to create the **CSR Strategy for the Group**, within which all sustainable business activities that we undertake for our stakeholders have been described and defined.



**In 2018 we joined the B Corporation movement** – an international organisation of socially responsible companies. We are the first public company in Central and Eastern Europe to receive the B Corp certification, which is a synonym of a company running a sustainable business. Our CSR Strategy is largely based on the structure of B Corporation, which we had cooperated with in the certification process for about two years before we received the certification. The certification, which we managed to receive, is granted to companies from all over the world that have corporate social responsibility inscribed into their business model – they get involved in solving most important social problems and the basis for their functioning is a partnership cooperation model adopted with all stakeholders

based on the “win-win” guiding principle. All over the world there are over 2,700 companies operating in 150 sectors which have met the conditions of the B Corp certification and received this distinction granted by an international non-profit organisation, **B Lab**. At the moment, Benefit Systems is the only Polish company to have received the B Corp certification.

One of Benefit Systems objectives regarding the CSR Strategy and B Corporation certification for the next three years is running projects in sustainable business, further growth and developing this part of the organisation’s operations which will allow us to extend the certification in the following years.





## B Corporation Certification

In 2018 Benefit Systems, as the first public company in Central and Eastern Europe, joined the international B Corp community. All over the world there are more than 2,700 companies operating in 150 sectors which received the B Corp certification granted by an international non-profit organisation, B Lab. B Corp aims at creating a new definition of success in business measured by social engagement. Among B Corp companies there are organisations that operate and get involved in solving most important social problems and their functioning is based on a partnership cooperation model adopted with all stakeholders based on the “win-win” guiding principle.



## Reliable Company 2018

In 2018 Benefit Systems received the Reliable Company title once again. The aim of this programme is to promote ethical principles in business, promote best companies as partners for consumers, business entities and government departments as well as raise awareness of shared responsibility for the environment by promoting pro-environmental and pro-social activities. Benefit Systems also received the Reliable Company title in 2008, 2009 and 2017.

**In 2018 Benefit Systems Group received awards and distinctions connected not only with its business but also its social responsibility. We had the honour to join the group of laureates of such awards and distinctions as:**



## Aon Best Employers 2018

In November Benefit Systems received its second Aon Best Employer 2018 title in “large companies” category (between 250 and 1,000 employees), joining a group of companies that can boast about the best results of the Aon satisfaction and engagement survey.

Aon Best Employers Programme is the biggest and most objective survey as well as a company’s diagnosis from the point of view of employee engagement in Poland. So far, there have been 570,000 employees from companies with different level of operations and employment surveyed in 13 editions. Assessment criteria include four indicators:

- employee engagement
- engaging leadership
- high performance culture
- reliable employer brand

A company receives the Best Employer title when all these indicators of engaging work environment are on a sufficiently high level defined by the survey methodology. The Best Employers Programme is the only competition on the market in which the title is based on an objective employee survey.





## Reliable Employer 2018

In August 2018 Benefit Systems received the Reliable Employer 2018 title in the national category once again. Benefit Systems was recognised for its activities addressed to Employees, including general working conditions, incentive system, career path and activities supporting a healthy and active lifestyle on a daily basis. The Company received highest marks in the following categories: working conditions, timeliness of payments, social conditions, career path, recruitment dynamics and CSR.

## Listed Company of the Year (mWIG40 index)

On 21 March 2018 the Company received the Bulls and Bears Award for the best company with the mWIG40 index. In the award justification, Parkiet, a stock exchange and investors paper, emphasised that the award was granted for the company's excellent results and efficient development of its flagship product.



Gieldowa  
Spółka Roku  
2018

## Listed Company of 2018

In March 2018 Puls Biznesu awarded best listed companies for the 19th time. Benefit Systems came third in the "Development perspective" category and seventh in the main ranking of listed companies of the year (13th place in 2016), in which 10 best companies out of 400 companies listed at the Warsaw Stock Exchange are awarded.





# 2

## EMPLOYEES

- 2.1. Employment structure
- 2.2. Recruitment
- 2.3. Training and development
- 2.4. Attractive workplace
- 2.5. Non-financial benefits
- 2.6. Health and safety
- 2.7. Employee appraisals
- 2.8. Employee engagement survey
- 2.9. Employee rights and human rights





Certified



Corporation

According to B Corp, the employees element evaluates a company's relations with its employees. It includes information on how a company treats its employees, for example through benefits, training and other profits. This category also focuses on the general working environment at a company, evaluating communication between the management and employees, employment flexibility, corporate culture as well as health and safety practices.

3

## 2.1.

# EMPLOYMENT STRUCTURE

At the end of 2018<sup>9</sup> Benefit Systems Group had **1,296 Employees**. The employment structure is dominated by women who constitute 64% of all Employees. In the holding company, Benefit Systems S.A., contracts of employment constitute 91.7% of all forms of employment. The number of the Group's Employees and Associates working under a different contract than a contract of employment was 3,886 people, of which 63% are women.

The big difference between the number of Employees working under a contract of employment and people working under a different form of employment results from the specific character of companies operating in the Fitness Segment<sup>10</sup>. These are companies that run fitness club chains and hire mainly fitness instructors and trainers. These people usually do not work full time, they have classes in a few clubs and their working hours are often irregular. Such a form of employment is closely connected with the specifics of this sector.

### Number of Benefit Systems Group Employees working under a contract of employment by gender (as per 31 December 2018)

YEAR	WOMEN	WOMEN %	MEN	MEN %	TOTAL
2018	830	64%	466	36%	1,296
2017	741	63.4%	429	36.6%	1,170

### Number of Benefit Systems S.A. Employees working under a contract of employment by gender (as per 31 December 2018)

YEAR	WOMEN	WOMEN %	MEN	MEN %	TOTAL
2018	350	65.8%	182	34.2%	532
2017	312	64.7%	170	35.3%	482



### Number of Benefit Systems Group Employees by contracted working hours (as per 31 December 2018)

CONTRACTED WORKING HOURS	WOMEN	MEN	TOTAL
Full time	720	395	1,115
Part time	110	71	181
<b>TOTAL</b>	<b>830</b>	<b>466</b>	<b>1,296</b>

### Number of Benefit Systems Group Employees and Associates working in companies from the Fitness Segment by gender (as per 31 December 2018)

CONTRACT TYPE	WOMEN	MEN	TOTAL
Contract of employment	68	40	108
Civil law contract	2,232	1,294	3,526
<b>TOTAL</b>	<b>2,300</b>	<b>1,334</b>	<b>3,634</b>

CONTRACTED WORKING HOURS	WOMEN	MEN	TOTAL
Full time	64	37	101
Part time	4	3	7
<b>TOTAL</b>	<b>68</b>	<b>40</b>	<b>108</b>

<sup>9</sup> Working under a contract of employment

<sup>10</sup> The list of companies can be found on page 81



## 2.2.

## RECRUITMENT

**The Company is made up of people who are the organisation's primary capital. Together we work for our success, which comes with knowledge, skills, experience and engagement of our Employees.**

Therefore, human resources policy at Benefit Systems Group concentrates around building an attractive workplace both for existing and potential employees.

In the process of recruiting and shaping one's career path we choose efficient, highly-motivated people who support our goals. We look for people with high potential who will fit in our team. People who have values and principles like those we profess in our organisation.

**Starting at the recruitment stage, we make every effort for employee rights and human rights to be respected:**

- we take care to ensure equal opportunities both in the internal and external recruitment process as well as the recruitment process secrecy,
- we take care to protect personal data at every stage of the recruitment process,
- we take care to provide every candidate with an access to information about the recruitment status,
- we take care to introduce a selected candidate to new responsibilities and new surroundings through *onboarding*<sup>11</sup> - an all-day meeting for new employees at which they receive basic knowledge about our company and our products, useful information from the company's life as well as health and safety training,
- we take care to make a new employee simply feel good from the very first day of working at our company.



In the recruitment process we use sophisticated recruitment tools such as competency tests, case study or Assessment Centre in order to make sure that a candidate fits into a given job which results in mutual benefits. Small turnover in given departments and on key positions is the objective of policies in the employment area. It is based on the right recruitment.

Every year we attend job and internship fairs for students and graduates where we encourage people to take an internship at Benefit Systems, which may result in a full-time job offer. At our stand everyone interested can learn about the company's specifics, take part in a game to win gadgets and, which is most important – leave an application.

We also run an internal programme called **“Recommendation Action”**, in which our Employees can recommend their friends for work at Benefit Systems. If a candidate recommended by an Employee is hired, the Employee receives a bonus.

### Recruitment at Benefit Systems Group in 2018<sup>12</sup>

YEAR	<30 YEARS OF AGE	30-40 YEARS OF AGE	40-50 YEARS OF AGE	>50 YEARS OF AGE	TOTAL
2018	334	148	45	3	530
2017	216	111	30	5	362

<sup>11</sup> Refers to Employees working at Benefit Systems S.A., Benefit IP, MultiBenefit and Benefit Systems International with their headquarters in Warsaw

<sup>12</sup> Number of new hires (Contract of employment)



## 2.3.

## TRAINING AND DEVELOPMENT

### At Benefit Systems Group we focus on development and constant improvement.

We take care to make our Employees have proper conditions to acquire knowledge, new competencies, skills and experience. We want them to develop their potential. We enable employees within the Company and the whole Group to develop their career paths within the organisation, putting competencies and an objective fulfilment of requirements necessary to take on a given job in the first place. In this way we ensure equal opportunities for internal and external candidates. At the same time, we support the process of building these competencies and shaping career paths.

Among the Management Board Members and the team of key directors at Benefit Systems Group there are people who have been connected with the company from its beginning – employees whose development and professional success went along with the Group's success.

Training and development programmes for Employees are comprehensively designed for the whole year according to the competencies that need strengthening reported by particular departments (in a given department and level within the organisation). At every stage the training planning process is supported by trainers and experts from the HR department. In no way it is connected with gender, age or belief criteria. Every employee within the organisation has the right to receive a well-tailored training, regardless of his or her function.

While planning training courses, we use offers of best training companies, recognised trainers and certification institutions. These include such brands as Sandler Training Polska sp. z o.o., Kontrakt OSH, Maroney, ICAN, CIMA, MBA Koźmiński, Deloitte, PWC, E&Y, SEG and others. Training is usually done in the form of workshops focused on practising actual cases. Some training courses are continued in a very specific manner. Apart from training courses and workshops, Employees also use such forms of enhancing their competencies as mentoring and coaching.

We realise many development programmes **internally**, adjusting their content and formula to a selected group of addressees. The most important training subjects in 2018 included such courses as What motivates us?, Emotional Intelligence, Feedback Workshops, Cooperation that builds relations as well as focus workshops on team building, motivation, efficiency, etc.

While choosing **internal training courses** for our Employees, we mainly look at their needs on every level (basis, knowledge, skills) and a trainer's experience. The most popular internal training courses in 2018 included management workshops (e.g.: Team building, Engaging leader, Boss psychology, Boss as a coach), general training courses and workshops (e.g.: Appreciate cooperation, Memory booster, Self-presentation) as well as workshops focused on the competencies connected with specific job positions (e.g.: Psychology of selling, Effective negotiations and presentations, Advanced communication with a strategic client).

Additionally, people from the Helpline Team at Benefit Systems can work with a trainer who takes care of every consultant's individual development. **Consultant Academy** – a series of training courses in service quality, communication and

## Training courses at Benefit Systems S.A. in 2018

difficult conversations – has also been organised for this group of Employees. Additionally, our consultants took part in a workshop during which improvements in the Helpline work and cooperation within the team as well as changes which will make Employees feel good at their work have been developed.

Moreover, in 2018 we introduced new forms of skills development, such as:

- **Talents League** whose aim was to identify most talented Employees from the department dealing with sports cards Clients<sup>13</sup> and ensure their further development. Within this programme qualified Employees took part in cyclic workshops, both those enhancing their general skills as well as those connected with selected, individual expert paths. Every participant had a dedicated trainer as well as access to training courses, conferences and workshops tailored to those competencies they wanted to develop;
- Training in the form of webinars;
- Workshops in English (Presentations Skills, Negotiation Skills, Writing Skills);
- Series of well-being workshops and TRE Workshop – Tension & Trauma Releasing Exercises;
- Safe Driving Academy for drivers.

### Training courses at Benefit Systems Group<sup>14</sup>

YEAR	TOTAL NUMBER OF TRAINING HOURS	NUMBER OF EMPLOYEES <sup>15</sup>	AVERAGE NUMBER OF TRAINING HOURS PER ONE EMPLOYEE
2018	53,9k	1,296	41.6
2017	46,8k	1,170	40.0

<sup>13</sup> Refers to Benefit Systems S.A. holding company

<sup>14</sup> Including language courses (group and individual)

<sup>15</sup> Working under a contract of employment as per 31 December 2018



**1,801**  
trainees,  
including:



**1,314**  
trainees participating  
in external courses



**487**  
trainees participating  
in internal courses



**409**  
trainees participating  
in language courses



**44,125**  
training hours  
in total

## 2.4.

## ATTRACTIVE WORKPLACE

**Our objective is not only to promote a healthy and active lifestyle as well as provide sports cards Clients and Users with ready solutions in this area but also to take care of our Employees, their health and well-being.**

We create a friendly and attractive workplace by offering favourable employment conditions and **one of the most diversified non-financial benefit packages on the market**<sup>16</sup>. We invest in enhancing professional competencies among our Employees and we give them a chance to develop their career path within the Group<sup>17</sup>. We also take care of good working atmosphere – we celebrate different occasions together and we integrate during company events as well as departmental meetings. We are kind towards one another, we respect one another, and we help one another. We work according to the *work-life balance* philosophy.

The fact that Employees appreciate working at Benefit Systems is demonstrated in their opinions expressed in the annual Aon Satisfaction and Engagement Survey<sup>18</sup> and **the Best Employer title**<sup>19</sup>, which we received in 2018 for the second time. This title is based on Employees' opinions expressed in the above-mentioned survey and the general engagement assessment which in 2018 achieved the level of 73%<sup>20</sup>. It is a very good result compared to the results achieved by other employers on the Polish market (in 2018 the average employee engagement index for Polish companies was 50%).

Such a high level of satisfaction and engagement is not random but results from numerous activities undertaken by the Management Board at Benefit Systems and the management at companies within the Group in the last few years as the answer to the Employees' needs and opinions. The turnout in this cyclical survey is usually

above 90% (91% in 2018), which confirms that the Employees are willing to take part in the dialogue about working environment and see actual effects of expressing both approving and critical comments.

### Aon Satisfaction and Engagement Survey 2018 - selected aspects, results for Benefit Systems (percentage of positive answers)

QUESTION	RESULT
I would recommend our company to a friend looking for a job without hesitation.	79%
Given the opportunity, I tell others about the advantages of working at this company.	79%
I would have to have an important reason to give up working at this company.	74%
I maintain the right balance between work and personal life.	79%
There is atmosphere of openness and accepting differences between people at our company.	80%
In our daily external and internal relations, we treat one another with respect.	91%
Generally, I'm satisfied with working at our company.	84%

<sup>16</sup> More information about the benefits can be found on page 43

<sup>17</sup> More information can be found on page 40

<sup>18</sup> More information about the survey can be found on page 46

<sup>19</sup> More information can be found on page 34

<sup>20</sup> Refers to Benefit Systems S.A. holding company

## 2.5.

## NON-FINANCIAL BENEFITS

As a leading non-financial benefits provider, we offer one of the biggest and more diversified benefit packages available on the market also to our Employees. The package depends on the company and includes benefits connected with:



### PHYSICAL ACTIVITY

MultiSport card, well-equipped exercise rooms, free sports classes in the headquarters (e.g.: yoga, healthy back, callisthenics, running sessions), additional financing for training and sports uniforms (volleyball, football), full reimbursement of costs connected with the participation in various running events, generally accessible table tennis facilities, table football, darts<sup>21</sup>



### FOOD

BenefitLunch card, fresh fruit once a week, additional financing for breakfast take away offer (50% off on sandwiches, yoghurts, salads, scrambled eggs, smoothies, etc.), additional financing for fresh juices, generally available coffee, tea, herbs, milk (also lactose-free)



### HEALTH

free medical care, optional life insurance, additional financing for glasses



### CULTURE, ENTERTAINMENT AND LEISURE

cafeteria programme (for example, points can be exchanged for a tourist offer), cheaper cinema and theatre tickets



### EDUCATION

additional financing for studies, training courses, language courses, generally accessible library with specialist literature



### PARENTHSHIP

additional financing for school starter kits, additional financing for kindergarten and nursery, a mother and child room in the Company's headquarters, Santa Claus Day presents for Employees' children, Children's Day gift cards for parents



### FINANCES

preferential employee loans, cafeteria programme in which once in six months Employees receive additional points to buy various benefits (e.g.: shopping for clothes and shoes or household and electronic goods, in hypermarkets, and even for fuel), additional financing for public transport, gift cards on the occasion of a wedding or having a baby



### WORKING TIME

flexible working hours, shorter working time on Fridays (by half an hour), lunch break included in the working hours<sup>22</sup>



### HELP WITH EVERYDAY MATTERS

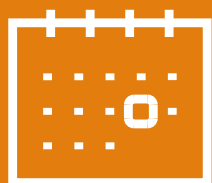
AskHenry.pl assistance service which employees can use to have a dedicated assistant from an external company deal with their everyday matters (e.g.: having their shoes repaired, picking something up or even looking for holidays).

<sup>21</sup> Available to Employees in the Benefit Systems S.A. headquarters

<sup>22</sup> Applies to Employees working in the Benefit Systems S.A. headquarters



## The benefit package is constantly enriched.



### SENIORITY HOLIDAY

In 2018 we introduced so-called seniority holiday – additional vacation days available to Employees who have been working at our company for more than three years<sup>23</sup>. The number of additional vacation days depends on the number of years of service (three years means three additional days, four years – four days, etc.).

Such a wide and diverse scope of non-financial benefits is highly evaluated by Benefit Systems Employees in the Aon Satisfaction and Engagement Survey.

#### Aon Satisfaction and Engagement Survey 2018 results – positive assessment of benefits

Non-financial benefits that I receive meet my and my family's needs

**71%** BENEFIT SYSTEMS

**69%** AVERAGE FOR BEST EMPLOYERS POLAND COMPANIES



<sup>23</sup> Applies to Benefit Systems S.A., Benefit IP Sp. z o.o. sp. k., Benefit Systems International Sp. z o.o. and Fit Invest International Sp. z o.o.





## 2.6.

## HEALTH AND SAFETY

Motivating people of all ages to live an active and healthy lifestyle is our mission. Not only with regard to our sports cards Clients and Users but also our Employees. Apart from a free MultiSport card, which enables using sports facilities across Poland, we also offer them sports classes in the office (holding company's headquarters) and additional financing for other sports activities, healthy food suppliers and a fresh juice machine.

Within non-financial benefits Employees also have access to **medical care**. In Benefit Systems S.A. holding company as well as Benefit IP, MultiBenefit, FitInvest, Benefit Systems International, VanityStyle and MyBenefit it is fully financed. In a few other companies operating within the Group in Poland medical care is co-financed by the employer or can be purchased by employees at a preferential price.

In 2018 **free medical tests** were done in the holding company's headquarters. For three days Employees could have prophylactic tests done and seek specialists' advice. There were 500 tests and consultations done. Out of concern for the health of women working at our Company, every woman over 35 years of age could receive Braster – **an in-home breast examination device**. Moreover, in autumn each year there are **free flue vaccinations** offered to Employees in Benefit Systems S.A. headquarters.

By their very nature, operations of companies within the Benefit Systems Capital Group do not expose Employees to serious damages to health (contrary to production, for example). They do a typical office work which poses a threat to their health and life to a negligible extent. To have their safety ensured, every new Employee completes an obligatory **health and safety training**. Our offices are equipped with **first aid kits**. We also organise **first aid training courses** for Employees. In 2018 there were two such courses organised in the holding company's headquarters. Additionally, employees of fitness club chains dependant on Benefit Systems have specialist training connected with sports equipment.

## 2.7.

## EMPLOYEE APPRAISALS

**Within our organisation there is a periodic performance appraisal programme in place.**

Appraisals are done every six months (in January and July) and based on achieved targets set for a given half-year together with Employees (individually).

In 2018 appraisals applied to Employees on all levels of the organisation in the Sports Cards and Cafeteria Segment<sup>24</sup>. Appraisals were done with all Employees, excluding those on a probation period.



# 100%

**In 2018 100% of Benefit Systems S.A. Employees were subject to periodic appraisals**

The appraisal system is directly connected with regulation bonuses paid in the period following the appraisal. The bonus is calculated depending on the target achievement level measured in percentages. We put every effort to make the appraisal system fair, clearly communicated and comprehensible as all as to motivate employees to be engaged in their work.

Employees can evaluate all the important aspects of their working environment, such as the management, influence on decision-making processes and work organisation. This evaluation is done within the annual Aon Satisfaction and Engagement Survey discussed in the next subchapter.

<sup>24</sup> The list of companies can be found on page 81

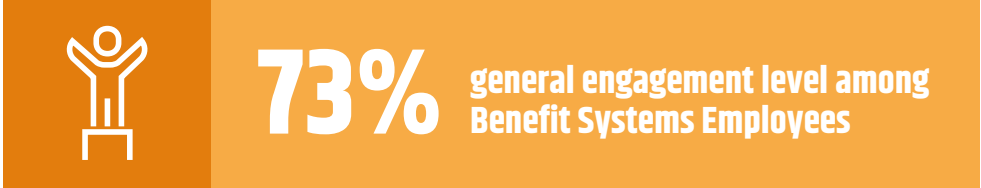
# Aon Satisfaction and Engagement Survey 2018 overall result

## 2.8. EMPLOYEE ENGAGEMENT SURVEY

Our Employees' opinion is very important for us. Therefore, for seven years we have been conducting the Aon Satisfaction and Engagement Survey. This is the biggest and most objective survey demonstrating an organisation's diagnosis from the point of view of employee engagement in Poland. In the survey Employees evaluate their employer in terms of numerous aspects. The survey is anonymous, which guarantees credibility and sincerity of given answers.

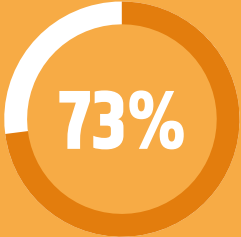
The survey results are analysed for the whole Group and for the holding company. Benefit Systems S.A. achieves one of the best employee satisfaction and engagement survey results in Poland, situating itself among the laureates of the Aon Best Employer awards<sup>25</sup>.

**The survey conducted in November 2018 showed that the general engagement level among Benefit Systems Employees was 73%.** It was based on the results in particular areas included in the survey. This result is slightly lower than in the previous year (80%) but it is still on a very high level, especially if compared to other companies that conduct this survey among their employees (131 companies in 2018). In 2018 the average engagement index in Poland was 50%, and for companies running similar operations to Benefit Systems (professional services segment) – 57%. The turnout in this cyclical survey conducted at Benefit Systems is usually 90% (in 2018 it was 91%, and in 2017 – 92%).



In 2018 the Aon Satisfaction and Engagement Survey result for the whole Group was 60%. This result is lower than the one achieved by the holding company, but still 10% higher than the average result for companies in Poland.

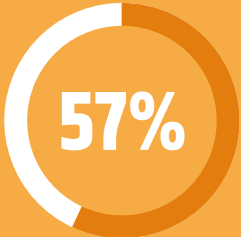
<sup>25</sup> More information can be found on page 34



**Benefit Systems**



**Benefit Systems Group**



**Average for companies in Poland - professional services segment**

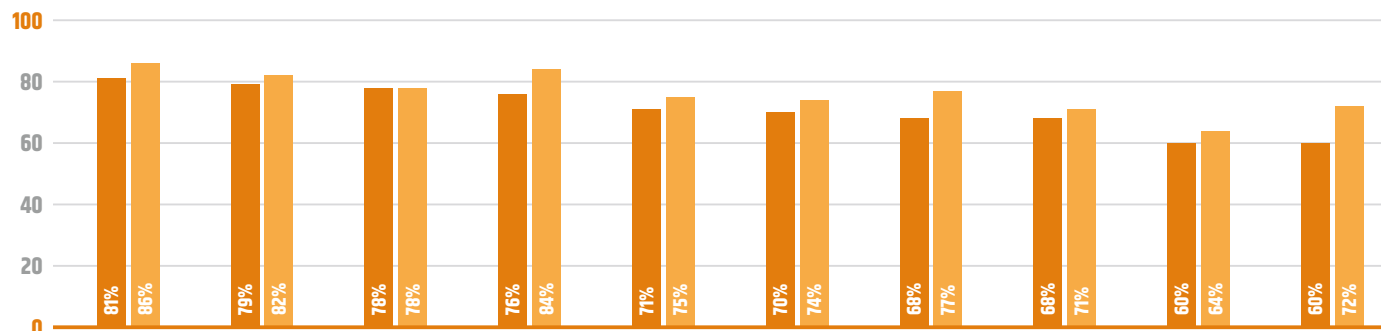


**Average for companies in Poland**

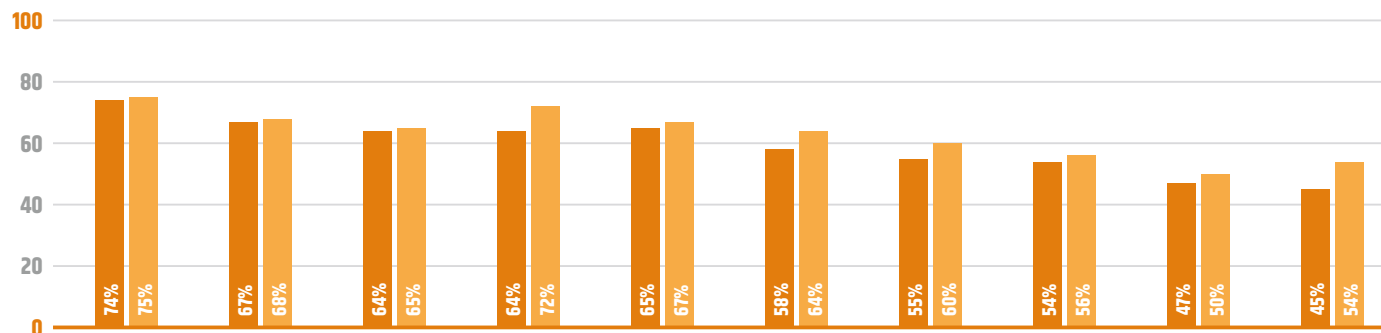
■ 2018 ■ 2017



**Aon Satisfaction and Engagement Survey 2018 detailed results for Benefit Systems**



**Aon Satisfaction and Engagement Survey 2018 detailed results for Benefit Systems Group**



Even though the above-mentioned results for 2018 are mostly high, they are slightly lower than in the previous year. The Management Board and the management staff are carefully analysing these results in order to come up with solutions that would increase the employee satisfaction level.

Employees' opinions expressed in the survey are not only analysed and appreciated by the Management Board and the management staff, but they also translate into specific, positive solutions in the future (e.g.: career development programmes for specific business areas or introducing free medical care).

The differences between the holding company and the whole Group come mainly from companies' maintaining autonomy and adopting an individual approach to different areas, both employee- and management-related.



## 2.9.

# EMPLOYEE RIGHTS AND HUMAN RIGHTS

**Respecting human rights, including the rights of our Employees, is very important for us.**

Respecting human rights, including the rights of our Employees, is very important for us. Within the Group we follow the general framework of the Universal Declaration of Human Rights, International Labour Organisation convention and UN Guiding Principles on Business and Human Rights.

As Benefit Systems Group, we do not have a general Human Rights Policy, but we have developed and implemented numerous sets of guidelines and documents connected with such aspects as employee rights, respect for diversity, anti-mobbing and anti-corruption activities. These policies apply both to the internal environment of our companies, meaning Employees, as well as the external environment, which includes all groups of stakeholders (Clients, Partners, Suppliers and Users).

We aim at creating such a work environment that would answer different needs of every person to give them an opportunity to fully realise their potential in their

private and professional life. We are tolerant and we respect one another. We believe that respect for diversity is one of the basic human rights and freedoms.

**Our internal documents, which refer to employee rights and general human rights, include:**

- **Diversity Policy** – we commit ourselves to treat every Employee equally, regardless of his or her gender, age, ethnic origin, religion, sexual orientation or family status. By diversity we understand recognising every person's uniqueness, exceptional predispositions and competencies, regardless of the differences between us. Adherence to Diversity Policy is watched over by the Diversity Committee which meets once a quarter in order to verify its objectives and monitor its activities<sup>26</sup>.
- **BS\_WAY Code of Ethics** – describes basic ethical principles and commitments that should be adhered to in our company, both in the relations between Employees as well as in the relations with our Clients, Partners, Suppliers and Users. The Code of Ethics has the following attachments: Anti-corruption policy, Procedure on receiving presents/benefits, conflict of interest and reporting malpractices as well as Procedure on confidential notification of suspected malpractices<sup>27</sup>.
- **Good practices in the case of mobbing and discrimination** – this document includes an instruction for Employees that tells them what to do and whom to turn to within the Company when they notice or become the object of these alarming behaviours<sup>28</sup>.
- **Work regulations** – include Employer's and Employee's basic rights and obligations.
- **Remuneration regulations** – a document defining rules of remunerating Employees for their work (including a minimum basic remuneration for employees on and after a probation period) as well as other benefits, such as bonuses, commissions and rewards for Employees.
- **Working time registration** – the procedure of adding and calculating overtime, undertime, interrupted or accumulated working time.

Moreover, in the holding company there is **Employee Board**, whose role is to represent Employees, for example by presenting their ideas to the Management Board as well as consulting various subjects and anticipated changes within the company.

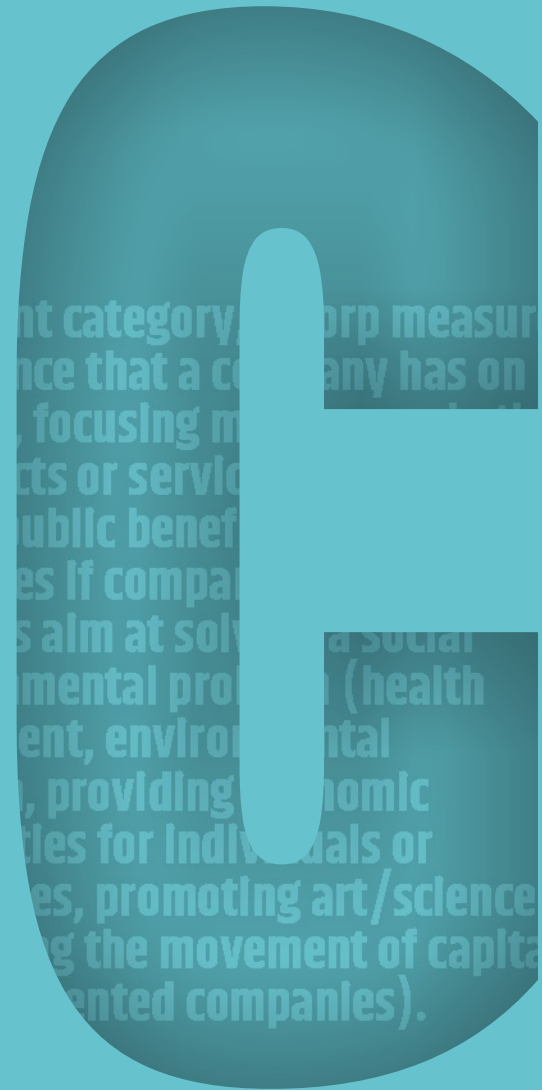
<sup>26</sup> More information about the Diversity Policy can be found on page 19

<sup>27</sup> Detailed description of the BS\_WAY Code of Ethics can be found on page 19

<sup>28</sup> More information can be found on page 20

# 3 CLIENTS AND USERS

- 3.1. Model of cooperation with Clients
- 3.2. Clients' profile
- 3.3. Client surveys
- 3.4. Benefit monthly
- 3.5. Users
  - 3.5.1. Users' profile
  - 3.5.2. Helpline
  - 3.5.3. User surveys
  - 3.5.4. User Zone
  - 3.5.5. Four Seasons activating programme





Certified



Corporation

In the client category, B Corp measures the influence that a company has on its clients, focusing mainly on whether the products or services it sells promote public benefit. This section also defines if company's products or services aim at solving a social or environmental problem (health improvement, environmental protection, providing economic opportunities for individuals or communities, promoting art/science or increasing the movement of capital to target-oriented companies).



3

# 3.1.

# MODEL OF COOPERATION WITH CLIENTS

As Benefit Systems Group, we give our Clients ready-made and comprehensive solutions regarding non-financial benefits, which can make their offer and image on the job market as an employer who takes care of its (existing and potential) employees' health, fitness and well-being more attractive. We offer them numerous benefits that they can flexibly adjust to their employees' needs.

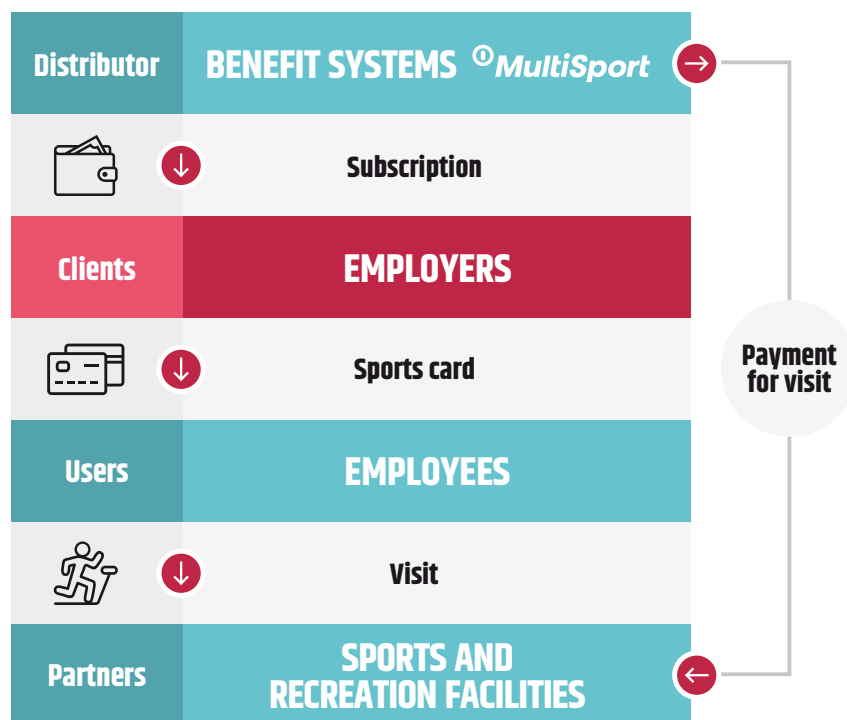
The entity responsible for selling our flagship product – **MultiSport card** – is the holding company, Benefit Systems S.A. This offer is addressed mainly to employers that hire more than five people. They include companies of different sizes, businesses, government departments, associations and other entities.

Our model of cooperation with Clients is thus based on the B2B relation. Through the MultiSport Programme, Benefit Systems connects Clients (companies) and their employees (MultiSport card Users) with the owners of sports facilities – our Partners. Due to the above model of cooperation, the Company does not have full impact on the quality of service<sup>29</sup>, which the final addressee (MultiSport card User) receives. However, its objective is to support the whole delivery chain in this process by generating benefits for the whole sector and the Users<sup>30</sup> as well as provide elements of the service done in the Company and in the Group with utmost care and in constant dialogue with the Client and the final User.

### In order to provide highest-quality services, we undertake the following steps:

- we make a responsible and deliberate choice of suppliers to join our partner facilities,
- we provide reliable marketing information while providing sale and post-sale services,
- we conduct regular surveys of our surroundings (Clients, Users and Partners) as well as market researches,
- we adjust our offer to its addressees' individual needs,
- we communicate in an accessible and open way understandable for all addressee groups.

Cooperation with Clients within the **Cafeteria Segment**, overseen by MyBenefit and MultiBenefit, is also based on the B2B relation. Cafeterias give our Clients (employers) a full control over the amount and way of spending money given to employees and simple calculations of realised benefits. These benefits can be financed by Clients from the Company Social Fund or current assets. They are provided directly or indirectly by tried and tested suppliers whose chain consists of a few thousand entities and it is still being developed – both as new suppliers as well as new types of benefits are concerned.

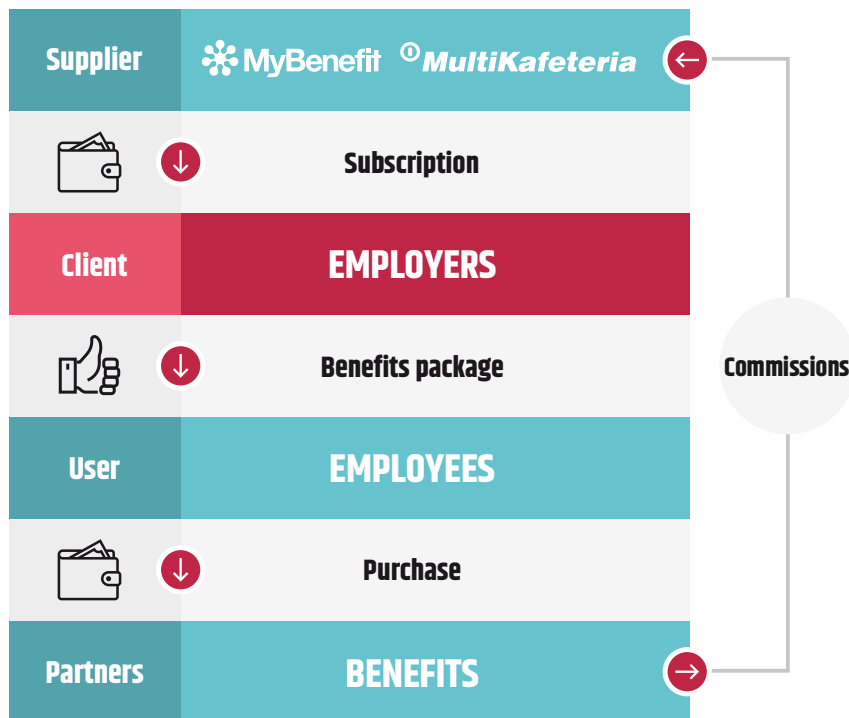


<sup>29</sup> Except for our own clubs

<sup>30</sup> More information can be found on page 62



## 3.2. CLIENTS' PROFILE



The biggest group among Benefit Systems Group's Clients are our sports cards addressees<sup>32</sup>.

At the end of 2018 their number amounted to 15,000 in Poland and nearly 7,000 abroad. They include companies of different sizes, government departments, associations and other entities with minimum five employees.



Clients in the Cafeteria Segment, managed by MyBenefit and MultiBenefit, are businesses of different sizes, institutions and other entities, including manufacturing plants, service and trade companies as well as financial and government institutions that have between several up to a few thousand employees.

We endeavour to approach every Client individually and adjust our offer and cooperation conditions to its needs flexibly, according to the **win-win principle**. We constantly monitor Clients' opinions by conducting regular satisfaction surveys<sup>31</sup>.

<sup>31</sup> More information about the surveys can be found on page 52

<sup>32</sup> Refers to MultiSport, FitProfit and FitSport cards

## 3.3.

## CLIENT SURVEYS

The quality of provided services is very important for us and thus it is regularly verified in surveys,

which we conduct ourselves (among Clients and Users) as well as through renowned research companies.

A comprehensive Client satisfaction survey conducted by Ipsos Loyalty in 2018 showed that the general level of satisfaction with cooperation with Benefit Systems is on a very high level, similar to the result of the survey conducted a year earlier.

98%

As many as 98% of Clients are satisfied with relations with our Company and with the quality of service.

With regards to our Clients, we maintain a high result in the NPS (Net Promoter Score) survey every year. In 2018 it was 69 points. The percentage of respondents willing to recommend Benefit Systems to another company (promoters) was 72%.

Top rated areas of cooperation with Benefit Systems **include current cooperation, efficiency of having things done, scope of services offered within the cooperation as well as timeliness and correctness of issuing invoices.** On the scale from 1 to 5, all these aspects were rated at 4.5 or higher.



90%

Surveys also showed that if Clients were to choose a non-financial benefits provider again, more than 90% would choose Benefit Systems.

It translates into their plans regarding future cooperation – one in ten respondents is going to extend its cooperation with Benefit Systems and nearly 90% are going to continue their cooperation under current conditions.

In the survey we also asked about the cooperation with Clients' dedicated account managers. About 60% of respondents know their Benefit Systems account manager and 94% of them rate their cooperation with the account manager positively. The NPS index for account managers was 71 points and growing (in 2017 it was 64 points, and in 2016 – 54 points). **Percentage of promoters willing to recommend our account managers to another company was 78%.**

We are very happy with these results – they motivate us to continue our work and confirm that implemented solutions and procedures give real and measurable results in the form of improved satisfaction of our Clients.

## 3.4.

## BENEFIT MONTHLY

Since January 2012 we have been publishing Benefit monthly, which is addressed mainly to our Clients, but not only.

It is sent directly to employees in HR and payroll departments, managers as well as people interested in management, personal development and an active lifestyle.

From the very beginning, the monthly had one objective – educate Clients (employers) and employees about non-financial employee benefits, management trends, leadership, development, HR and job market good practices as well as a healthy and active lifestyle. Benefit monthly publishes articles written by experts and specialists in the above-mentioned fields.

Since the very beginning the cover has featured renowned and popular representatives of the culture, sport, politics and business world, including Lech Wałęsa, Maciej Orłoś, Maryla Rodowicz, Zbigniew Wodecki, Jurek Owsiak, Marek Kamiński, Anna Dymna, Dorota Wellman, Adam Małysz and Professor Jacek Santorski. In 2018 the cover presented Iwona Guzowska, Urszula Dudziak, Dr Joanna Heidtman, Katarzyna Dowbor and Kayah, to mention just a few.

The monthly has a national character. It is printed and distributed in 8,000 copies. Free subscription can be ordered on the website: [www.miesiecznik-benefit.pl](http://www.miesiecznik-benefit.pl). It is also published in the electronic version and sent to nearly 10,000 online subscribers.



## 3.5.

## USERS

### 3.5.1.

### USERS' PROFILE

**Benefit Systems Capital Group's Users are people who receive our products from their employers, meaning our Clients.**

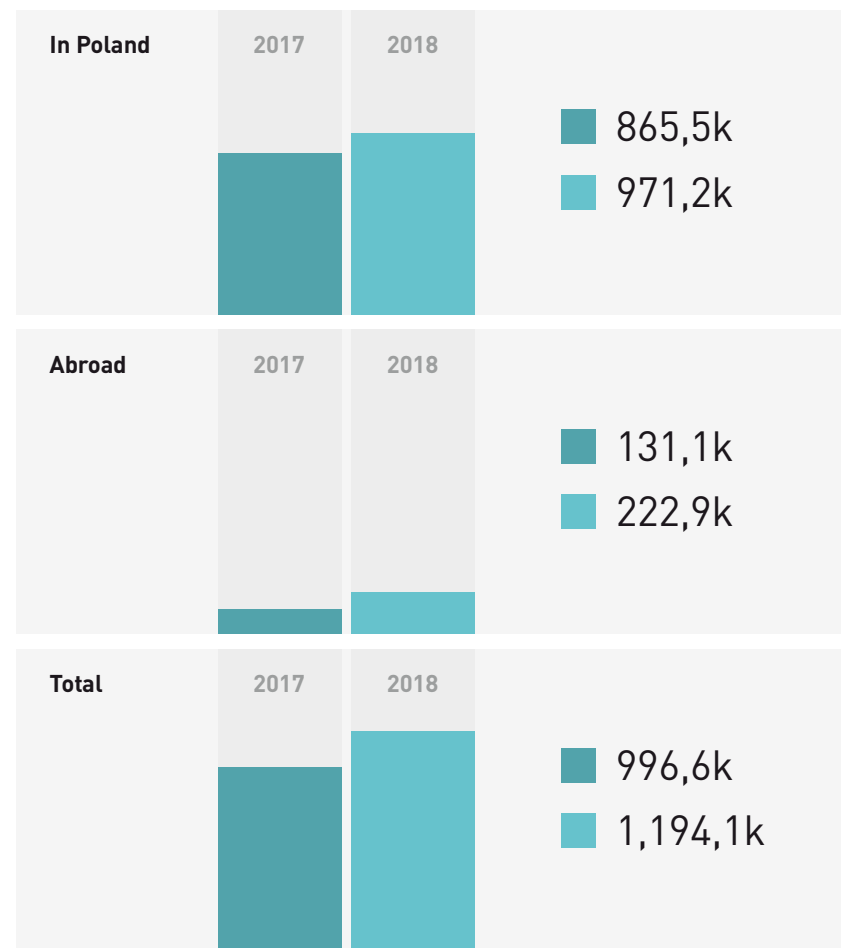
Operating within B2B business model, we do not have a direct contact with Users on the sale stage. We reach them through platforms dedicated to sports cards (MultiSport Zone and FitHero.pl platform) as well as by means of electronic communication and newsletters.

#### Users of our main product, MultiSport cards, include:

- **“employee” type card holders** – employees working in companies, government departments, associations and other entities that are our Clients, who receive sports cards from their employers as a non-financial benefit;
- **“plus one” type card holders** – people connected to owners of “employee” type cards who make the card available to them (most often family members, partners or close ones);
- **“kids” and “child” type card holders** – people who have “employee” type cards and can order additional cards for their children;
- **“senior” type card holders** – people over 60 years of age connected to people who have “employee” type cards and make the card available to them (most often family members, parents or grandparents).

At the end of 2018 the number of Users of all sports cards managed by companies within Benefit Systems Group was nearly **1,200,000**, including more than **970,000** in Poland and **223,000** on foreign markets.

#### Number of active sports cards (Users)





## 3.5.2.

## HELPLINE

**We attach special attention to another communication channel, Helpline, which allows people to contact us 7 days a week<sup>33</sup>.**

The majority of people who contact Benefit Systems Helpline (calls and e-mails) are MultiSport Programme Users – about 90% of all contacts.

The high quality of our offer and services is proven by a **very low complaints ratio** – the average number of complaints that we receive through the Helpline is 20 a month, which is only 0.002% of all contacts. As many as 90% of complaints is dealt with in a very short time: within less than 48 hours. We also make sure that people who call us do not wait for being connected with a consultant for too long – as many as 84% of calls are answered within 20 seconds.

People working in the Benefit Systems Helpline Team have an internal trainer who takes care of every Consultant's development at their disposal. Consultant Academy has also been implemented for this group of employees. It is a series of training courses in quality of service, communication, difficult calls and others. In 2018 our Consultants also took part in the workshop called "My ideal helpline, my ideal consultant, my ideal boss" during which improvements in the Helpline operations and cooperation within the team were developed. The workshop also resulted in changes thanks to which our Consultants will feel good performing their everyday work.

In order to maintain high standards of service, in 2018 we introduced the **Code of Good Practices**, whose aim is to increase the security of personal data of Users, Clients and Partners. Moreover, we implemented Helpline Team monthly meetings system. During these meetings Consultants receive information about the company's current results, different actions and events for the Users as well as expected changes in order to provide them with complete knowledge about what is going on so they could give complete information to people they talk to, if necessary.

<sup>33</sup> Excluding public holidays

## Benefit Systems Helpline results in 2018



**159,768**  
Number of  
telephone calls



**64,293**  
Number  
of e-mails



**20**  
Average number of  
complaints per month  
(0.002% of all contacts)



**90%**  
Number of complaints  
solved within < 48 hours



**84% of calls**  
Average time of waiting for  
the connection < 20 seconds



### 3.5.3.

## USER SURVEYS

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

#### The areas we survey include:

- **Satisfaction of Users after they contact our Helpline** – we regularly verify the quality of this integral part of our post-sale service, aiming at being a leader in this area. Every year the results of surveys conducted among people calling the Benefit Systems Helpline situate us among the best. In 2018 the NPS (Net Promoter Score) result in this area was 73 points and as many as 98% of Users rated their satisfaction with contacts with our Consultants positively.
- **Satisfaction of MultiSport Zone Users** – through online surveys we monitor satisfaction of our sports cards Users who can use the MultiSport Zone. Their NPS results oscillate between 55 and 57 points, depending on the quarter of 2018. Additionally, we verify how Users rate their experiences in sports clubs they had a chance to visit thanks to our sports card – as many as 94% of surveyed Users rate their visit positively.
- **Satisfaction of e-MultiSport and MultiKafeteria platform Users** – conducted online, after using a given platform and making an order. The NPS result for the first platform was 58 points, and for the cafeteria platform – 21 points.

Apart from internal surveys, similarly to Clients and Partners, we have implemented the annual MultiSport user satisfaction survey conducted by an external research agency. Thanks to the survey conducted together with Kantar TNS we managed to find out that MultiSport card Users have a strong relation with the product. The card owes this level of satisfaction mainly to a high general rate for the product – 92% of Users evaluate it positively.

Apart from a positive opinion about the product, Users' inclination to recommend the MultiSport card to their friends or family is also on a high level. The NPS rate on the level of 29 points with 48% of promoters proves a high opinion about the benefits that Users get by using the card. Users' loyalty is also confirmed by a declarative inclination to remain the card User, which is over 80%.

Among different features of the MultiSport card, which are analysed, the most important and best scored aspects include: terms of use, quality of services provided, availability of services and changing with the times. This is a positive sign from the Users – they appreciate the card in those areas that build a strong relation with the product to the largest extent.

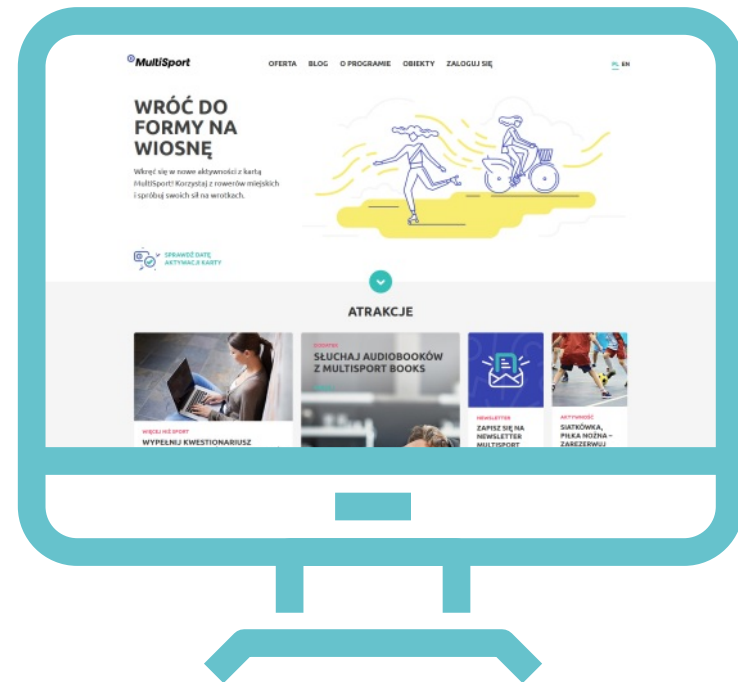


### 3.5.4.

### USER ZONE

MultiSport Programme Users can use the **MultiSport Zone communication platform**, which is available on [www.kartamultisport.pl](http://www.kartamultisport.pl). This service is dedicated mainly to people who have MultiSport and MultiActive cards. It provides interesting and useful information about active lifestyle and healthy diet as well as motivation and support.

The service is publicly available. Its full content can be accessed by registered MultiSport Programme Users. Selected content is available to unlogged users and people who are not Programme Users and do not have our sports card. In this way we give a wide access to numerous articles and pieces of advice which can motivate people and encourage them to start living a healthy and active lifestyle.



### Every User that sets an account in the Zone also can:

- use **free benefits**, including MultiSport Books, MultiSport Diet, MultiSport Bike;
- take part in **challenges** like “30 days without sugar”, “4 weeks with vegetables”;
- take part in competitions and win prizes;
- receive **rewards** in the “Support from the start” motivational programme;
- check **the number of visits** in sports facilities (in the case of the MultiActive card with a limited number of visits).

**MultiSport Diet** is an innovative online diet that supports MultiSport Programme Users in achieving their goals connected with nutrition. Thanks to a comprehensive support from dieticians and daily plans, it shows how to change our nutrition consciously and wisely. Depending on their preferences or health, Users can choose from 12 types of diet, including vegetarian, high-protein or gluten-free diet as well as a diet for diabetics and Hashimoto’s disease patients. The offer has already been used by 100,000 of Users registered in the MultiSport Zone.

Taking care also of our Users’ intellectual development, we created **MultiSport Logic**. It is a set of games designed by specialists in intellectual development and cognitive training. There are 6 training plans to choose from, including those connected with memory and concentration and a training for seniors. Before starting the game, there are four cognitive skills tests to be done. Depending on the results, the system suggests a set of trainings. After 20 training sessions/or four weeks the tests can be taken again to verify one’s progress. This offer has been used by 23,000 Users registered in the MultiSport Zone.

Users who use the free **MultiSport Books** benefit can download vouchers for free audiobooks on Audioteka.pl. Depending on the promotion, a User can download two or three vouchers for audiobooks from among a specially prepared list of titles (bestsellers, for kids, motivation, etc.). In 2018 the offer was used by 70,000 Users.

**MultiSport Bike** is a system of city bikes in which Users can ride a city bike for 60 minutes for free every day. In 2018 this offer was used by more than 110,000 registered Users.

## There are more than 280,000 unique Users logging in to the Zone every month.

At the end of 2018 the number of all registered Users of the Zone exceeded 338,000. It means that **nearly 1/3 of the MultiSport Programme Users in Poland have an account in the MultiSport Zone.**

To respond to the expectations of our Users, in 2018 we started working on a new version of the **MultiSport Mobile Application**, which plays a role of an extensive sports facilities search engine with an option to personalise the search criteria (by location and sports activities) as well as finding details of a selected sports facility.

Out of concern for our Users’ comfort, we are also working on the **MultiSport Virtual Card**, a mobile application thanks to which MultiSport Programme Users will be able to use sports facilities without having to show the actual sports card. The application is to be launched in 2019.

FitProfit card Users can use a dedicated mobile application with such functionalities as sports facilities and discounts search engine, body measurements records, personalised diets, tasty and healthy recipes, FitHero.pl healthy lifestyle blog access and a section with motivational texts, challenges and coaching materials.

VanityStyle, which offers FitProfit and FitSport cards, runs **the FitHero.pl blog**. This platform is addressed to everyone interested in sports and healthy lifestyle. Variety of subjects discussed in the blog allows its readers to gain knowledge and find out interesting facts connected with motivation, diet, training and health. By publishing regular, weekly articles prepared together with trainers and sportsmen, experts in their fields, the blog enables effective FitProfit and FitSport cards positioning, encouraging existing and potential Users to become interested in the offer of facilities available within the programmes. In 2018 the number of people visiting the FitHero.pl platform amounted to over 121,000.



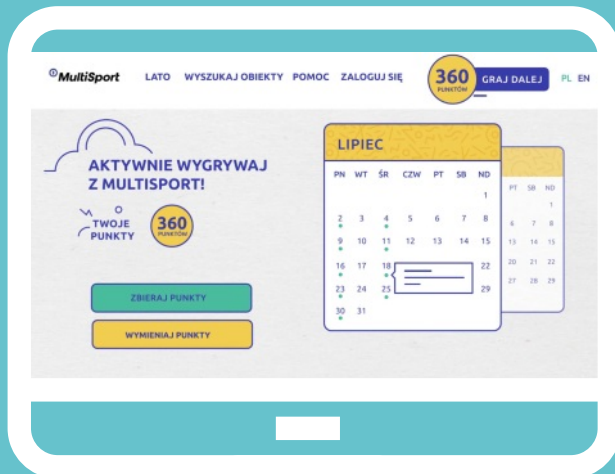
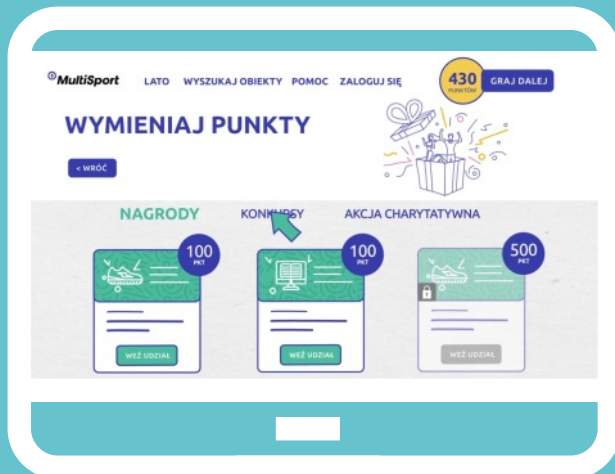
### 3.5.5. FOUR SEASONS ACTIVATION PROGRAMME

We want our Users to look after their health and fitness throughout the year. Four seasons is a programme that aims at increasing their activity and encouraging them to use the MultiSport Programme.

It completes the basic offer with additional, mainly seasonal elements, also connected with sports and personal development.

The programme is divided into four periods, depending on the season. In each of them we implement new additional services (e.g.: various outdoor activities in the summer) and organise special actions. We create them according to our Users' needs and expectations expressed in the surveys. We offer most activities in summer and winter.

In the summer season, within the MultiSport Programme Users can use such additional facilities as outdoor swimming pools, trampoline parks, rope courses, badminton, fitness for kids or city bikes. Moreover, in 2018, for the first time, we prepared a holiday game for our Users - **MultiSport Summer Game** (gamification). The objective of the game was to collect points for specific activities. The points could be exchanged for prizes. They included cinema and museum tickets, sports shop or bookshop vouchers and holiday coupons. The action was organised through the MultiSport Zone and enjoyed great interests confirmed by the number of visits in the Zone - **81% higher** compared to the number of visits during the summer action in 2017. There were 100,000 active Users who participated in the action. They collected 185k prizes in total.



Because we want to involve our Users in helping others, the game had an additional **CSR aspect and supported a charity project**. Users who got involved in it could give any number of points to charity. In this way Benefit Systems bought and delivered more than 100 sports kits to the poorest schools in Poland.

In winter, within the MultiSport Programme, Users have such additional attractions at their disposal as an ice rink, ice hill or curling. Moreover, within the Winter National (Zimowy Narodowy) programme we created a special sports and education zone for whole families in the main pitch of the National Stadium in Warsaw called **MultiSportLab**.



In the zone visitors can use, among others, a dietician's, trainer's and physiotherapist's advice, check their body composition on special scales, have their body posture checked by a computer, have their blood pressure measured and find out more about a healthy lifestyle. Within Active MultiSport Schools Programme we prepared sports activities for kids<sup>34</sup>.

We will provide information about the attractions available within the Four Seasons Programme far in advance. Communication is multifaceted: newsletters sent to the Users, direct contact with the Clients who pass the information onto their employees, promotional actions on public transport, our websites and *Benefit* monthly.



# 4 COMMUNITY

- 4.1. Partners – our key Suppliers
- 4.2. Model of cooperation with Partners
- 4.3. Support programmes for Partners
- 4.4. Partner surveys
- 4.5. Other suppliers and delivery chain
- 4.6. Dobry MultiUczynek Programme
- 4.7. Aktywne Szkoły MultiSport Programme
- 4.8. MultiSport Senior Programme

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Certified



Corporation

**As a part of the B Corp assessment, the community area includes the evaluation of partner relations organisation, its diversity and connections with a local community. It also includes practices and policies in aid of these communities as well as charity actions, including products or services created with social matters in mind as access to basic services, health, education, economic opportunities or art.**

3

## 4.1. PARTNERS - OUR KEY SUPPLIERS

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

Indisputable business experience and transparency policy for all Benefit Systems operations allow us to build cooperation and maintain good relations with a wide network of Partners which honour MultiSport cards for years. Operating within B2B model, Benefit Systems attaches great importance to its relations with Suppliers, enjoying the reputation of a trusted partner aiming at a mutual success. High quality of offered services, innovative solutions and sensitivity to market needs make this number constantly grow, which translates into benefits for the whole supply chain.



**In 2018, within the MultiSport Programme, Benefit Systems cooperated with 3,225 Partners, enabling Users to spend their time actively in 4,263 sports and recreation facilities.**

## 4.2. MODEL OF COOPERATION WITH PARTNERS

According to the B2B model, Benefit Systems, together with its Partners, plays a role of an intermediary, attaching special importance to the level of services and products provided through the MultiSport partner facilities chain. Sports services providers are constantly verified with regard to:



Reliability of the accounts on the basis of the number of visits registered in the Benefit Systems system;



Offer that a target User (Client's employee) uses – if it is compliant with the cooperation agreement, if it does not discriminate sports card Users, if it does not include additional fees not compliant with the agreement.

Ongoing verification and malpractice prevention are done with the use of high-class statistical and analytical tools. Benefit Systems also runs periodic controls in the form of mystery shopping. Cases of potential inconsistencies in the scope of sports services compared to marketing information provided by Benefit Systems – especially through the facilities base – are constantly verified and eliminated thanks to Users' notifications through the Helpline. A negative opinion regarding meeting ethical standards can eliminate a Partner/Supplier from future or potential cooperation.



## 4.3. SUPPORT PROGRAMMES FOR PARTNERS

Long-term cooperation and built trust allow us to offer to a growing number of our Partners not only attractive payment conditions but also programmes that support development of their facilities and competencies of people who manage these facilities, including:



**Loans** for opening a new or modernising an existing venue (over 30 million PLN in 2017 and 2018).



**Business training courses organised with ICAN Institute** – enhancing management competencies among sports facilities staff.



**GO ON music programme** – music sets to be played in sports and recreation facilities (including a music set available free of charge).



**Promoting physical activity** among local communities by supporting events organised at the initiative of sports clubs.



**MultiSport Academy** – a series of training courses dedicated to Partners which help them in daily business in the sports sector. Subjects discussed during training courses include: team building and management, effective selling of products and services, marketing, operational management, legal and financial aspects, customer service).



**Promoting ethical attitudes and “Partner Support” code of ethics**, which directly translates into the quality of sports facilities.



**Developing infrastructure and accessibility of sports facilities** that not only sports card Users use, because the facilities within the partner chain are publicly available, regardless of the Group’s capital involvement.



**First aid programme** – in 2018 we launched a training programme for our Partners in which they could take part in free first aid workshops. The aim of the training was to draw Partner’s attention to safety of people using sports facilities. At the pilot stage there were 10 training sessions organised. They were attended by 115 people. In the questionnaire, 113 out of 115 participants confirmed that the training significantly raised their competencies in first aid.

A very important aspect of taking care of cooperation with our Partners is financial liquidity – we guarantee regular and reliable clearing of accounts based on the monthly number of sports card Users’ visits. We not only make payments before the formal deadline stated in the sale document, which is an unusual market practice, but we settle the majority of our liabilities towards our Partners on the first working day. At the same time – with the exception of extraordinary situations – we never exceed the 7-day payment deadline. The payment system was also simplified by introducing a special platform called Partner Zone. This dedicated service enables our Partners do everything connected with their cooperation with Benefit Systems using one tool. This tool and its functionalities are going to be developed in the upcoming years.





## 4.4.

## PARTNER SURVEYS

**One of the dimensions of Benefit Systems taking care of its relations with Partners is taking their opinion about cooperation within the MultiSport Programme into consideration.**

In order to achieve this objective, we regularly conduct surveys and analyses connected with our Partners' opinions about the quality of Benefit Systems operations. These include:

- Internal surveys – conducted throughout the year; they verify our Partners' experiences connected with ongoing cooperation (among different categories of Partners, using the NPS (Net Promoter Score) methodology).
- Annual Partner satisfaction survey – conducted together with the Ipsos research institute, it enables verification of our Partners' general satisfaction and loyalty.

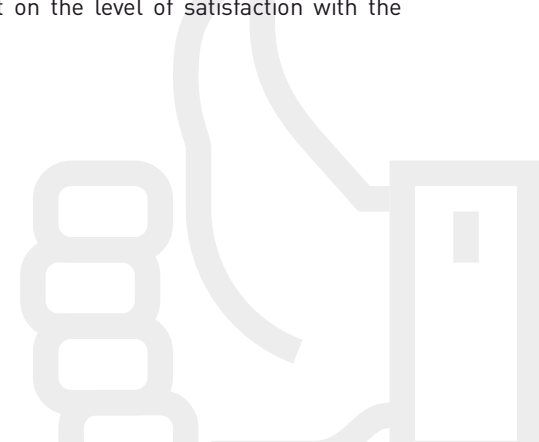
- Apart from verifying the general level of satisfaction with cooperation with our company, the annual independent satisfaction survey enables our Partners express their opinion about the quality of services provided by our account managers and evaluate specific aspects of the cooperation. The 2018 results show that the general level of satisfaction with the cooperation with Benefit Systems is high – 94% of Partners are satisfied with the cooperation with our company. Comparing the result year after year, we can observe that the satisfaction level is constantly growing – in 2017 we had 93% of satisfied Partners and in 2016 – 91%. Unchangingly, the most satisfied with the cooperation are swimming pools (100%) and the least satisfied – facilities that offer martial arts, dancing and yoga classes (88%). Compared to the previous surveys, willingness to recommend Benefit Systems has grown – the current NPS score is 64 points (compared to 59 points in 2017). Most loyal are swimming pools employees (NPS: 79) and least loyal – representatives of facilities offering martial arts, yoga and dancing classes (NPS: 43) – a low score in this group of Partners was also recorded in 2017.

Elements that build satisfaction with the cooperation have not changed. Those that have the biggest impact on the satisfaction level include:

- Current cooperation,
- Having things done efficiently,
- Financial conditions,
- Flexibility – possibility to negotiate terms of contract and prices.

Partners are very satisfied with the cooperation with their dedicated account manager – the results can be compared to the one achieved in 2017 (92% in 2018 versus 93% in 2017). The level of satisfaction with the cooperation with account managers is similar among Partners offering different types of physical activity. The following factors have the biggest impact on the level of satisfaction with the cooperation with an account manager:

- Engagement /willingness to help
- Easy contact
- Knowledge and competencies
- Frequency of contacts





## 4.5.

# OTHER SUPPLIERS AND DELIVERY CHAIN

**Apart from our Partners we cooperate with within the MultiSport Programme, we also cooperate with suppliers from the Cafeteria Segment and Fitness Segment.**

To make cooperation with our partners from both segments as optimal 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 conditions, while maintaining the highest quality of products and services as well as ethical principles and values that companies within the group adhere to. The main rules of selecting suppliers include:

- Respect for competitiveness principles – in the process of selecting a Supplier we evaluate such a number of offers that enables us to choose the best offer on the market in order to guarantee high effectiveness of incurred costs.
- Effective strengthening of cooperation, building and maintaining relations with existing Suppliers while providing the organisation with the opportunity to acquire new Suppliers according to the needs at the same time.
- Orientation on supporting small, local businesses and family companies in the process of selecting suppliers.
- Objective assessment of price and quality conditions while analysing ethical principles that Suppliers adhere to. In particular, companies within the group eliminate Suppliers which operate contrary to the principles described in the BS\_WAY Code of Ethics.
- Basing business relations on mutual fair treatment and cooperation according to the win-win principle.

**Based on the procurement policy, we follow the rule of managing the supply chain for our key partners. These include:**

## DELIVERY CHAIN

**All types of MultiSport card and BenefitLunch card suppliers**



**IT equipment suppliers**



**Office articles and equipment as well as food products suppliers**



**Sports equipment suppliers**

In 99.9% of cases the goods we order are delivered by courier companies. The remaining 0.1% are transported by suppliers which have their own fleet of cars. Most of our suppliers are companies which make their products in Poland or Europe.



Dell computers, which we use, are made in Poland and Hungary – this is one of the reasons why we chose this particular brand.



In our breakfast supplier's offer there are no plastic straws added to cocktails, smoothies and juices.



Fruit for employees in the headquarters are delivered in ecological wooden boxes.



We use recycled paper and our printers have energy efficiency certificates.

## 4.6.

# DOBRY MULTIUCZYNEK PROGRAMME

Making local communities active and sensitive to volunteering activities is a part of Benefit Systems mission. As mentioned in the last year's non-financial report, being a socially responsible company, since 2015 we have been running our own philanthropic and volunteering programme called **Dobry MultiUcznynek**, in which Employees submit projects in aid of various institutions, establishments and non-profit organisations. These projects are dedicated mainly to children and teenagers in difficult life situations, people with disabilities, seniors, and the homeless but also to animals and the environment. From the very beginning our Dobry MultiUcznynek Programme has been supported by the Volunteer Centre Association. The President of the Association in Warsaw, Dariusz Pietrowski, is a member of the Chapter that selects projects to be carried out.

Dobry  
MultiUcznynek



Since 2015 we have been organising two stages of the Dobry MultiUcznynek Programme, in which employees submit their ideas for different projects. After employees' applications are submitted, the Chapter selects three large and 10 small projects which are then finalised and realised. So far, we have realised **more than 80 different projects** which involved **over 200 Employees (volunteers)**. The total value of projects so far has exceeded **1 million PLN**.

Dobry MultiUcznynek is particularly important for us because through this programme we can not only provide financial and non-financial help to people and institutions in greatest need, but we also inspire our Employees to help others.

The employee volunteering initiative also has an impact on the integration with the working environment and strengthening bonds within the organisation. Thanks to Dobry MultiUczynek our Employees can not only help people in need but also get involved in the company's life and inspire one another to volunteering work. Additionally, within the programme we also inspire local communities. Employees involve their families and friends in the projects, which makes Benefit Systems Dobry MultiUczynek Programme become more important and recognisable initiative every year.

We realise all Dobry MultiUczynek projects remembering that **"We are socially responsible"**.



Dobry MultiUczynek at the stray animal shelter in Korabiewice, 2017



More  
than 80  
different  
projects



Over 200  
volunteers



Dobry MultiUczynek at the stray animal shelter in Chorzów, 2018

So far, thanks to our Employees' initiative, we have helped the following organisations: Gajusz Foundation, the Children's Memorial Health Institute, Children's Hospital in Niekłańska street in Warsaw, Alaska Foundation, Amp Futbol Polska Association, Special Purpose School and Education Centre in Leszno, Everest Foundation, Saint Albert Chmielowski Relief Society, SOS Children's Villages, Children's Friend Society Adoption Centre in Warsaw, Viva! animal shelter, stray animal shelter in Żyrardów and Chorzów and many, many others.

From the very beginning Dobry MultiUczynek has enjoyed great interest among Employees, and hence in 2018 we decided to launch a similar programme for MultiSport card Users.



**6** final projects



**33 994** votes of Internet users

## **dobry MultiUczynek**

In September we started the first phase in which all employee-type sports card Users could submit philanthropic and volunteering initiatives connected with sports and physical activity. Similarly to the Dobry MultiUczynek Programme for Employees, projects had to be addressed to any institution, establishment or non-profit organisation. Project leaders (Users) submitted their projects through a special platform:

[www.kartamultisport.pl/dobry-multiuczynek](http://www.kartamultisport.pl/dobry-multiuczynek)



Benefit Systems S.A. Management Board presenting symbolic cheques to Dobry MultiUczynek Programme Leaders, 5 December 2018

We received **nearly 100 projects** connected with sports and physical activity dedicated to different types of establishments or non-profit organisations. After a careful analysis, the Chapter consisting of the representatives of Benefit Systems and the programme's partner, Volunteer Centre Association, selected 10 most interesting projects compliant with the regulations which took part in the semi-final – Internet users' voting. Votes were collected for three weeks and allowed us to select **six final projects** with the biggest number of votes. In total, there were **33,994 votes** cast on all projects and the budget for realising the projects amounted to 166,000 PLN. On 5 December 2018, on the occasion of the International Volunteer Day, symbolic cheques for project leaders and representatives of beneficiaries of winning projects took place in Benefit Systems headquarters. After the ceremony everyone took part in an educational workshop for future volunteers of the Dobry MultiUczynek Programme organised by the Volunteer Centre Association.

Between January and end of June 2019 the winning projects are being realised according to the budget and schedule prepared by the Leaders (Users) and representatives of the beneficiaries. Laureates included sport- and recreation-related projects for: Primary School and Nursery Unit No. 21 in Wrocław, Orphanage No. 9 in Warsaw, Primary School in Rychnow, Family Challenge Foundation, Kluboteka for Mature People Foundation and Primary School with an Integration Unit No. 43 in Wrocław.

Due to a great interest in the programme, after the first phase is completed, we are going to continue the programme in autumn 2019 by opening the second stage of the Dobry MultiUczynek Programme for MultiSport card Users.



## 4.7. AKTYWNE SZKOŁY MULTISPORT PROGRAMME

**Active MultiSport Schools is a project that was created in response to a growing problem of lack of activity among Polish children.**

Within this initiative, Benefit Systems, together with V4Sport Foundation, educates and inspires parents, teachers, children and representatives of local authorities to design solutions supporting physical activity which would answer the young generation's needs. According to the recommendations of the World Health Organisation (WHO), children (5-17 years old) should participate in planned physical activity for minimum 60 minutes every day. Daily dose of physical activity among children:

- Supports development of bone and muscle structure;
- Improves concentration and enhances acquisition of knowledge by supporting brain activity;
- Develops motor coordination;
- Supports circulatory, respiratory and immune system;
- Has a positive impact on sleeping;
- Improves well-being and self-esteem;
- Develops social competencies (dealing with failure and fatigue, overcoming difficulties and learning how to accept successes).

The latest HBSC (Health Behaviour in School-aged Children, 2018) research proves that only 21% of girls and 24% of boys at the age of 11 in Poland have guaranteed the appropriate amount of activity. Today 31.2% of eight-year-old children in Poland are overweight and 12.7% of them are obese. One in ten second graders have abnormal blood pressure (connected with being overweight and obese) (COSI 2016). We launched the first edition of the project at the end of 2017, involving almost 10,000 children from 35 schools in dolnośląskie province in two-stage physical activity.



**Aktywne Szkoły  
MultiSport**

## Within the Active MultiSport Schools programme:



### WE EDUCATE

We organise workshops on the importance of physical activity and healthy diet for children, parents, teachers and representatives of local authorities.



### WE CREATE

Together with the school and parents we develop ideas to implement more activity in school daily routine, e.g.: active breaks, lessons on the move or sports road to school.



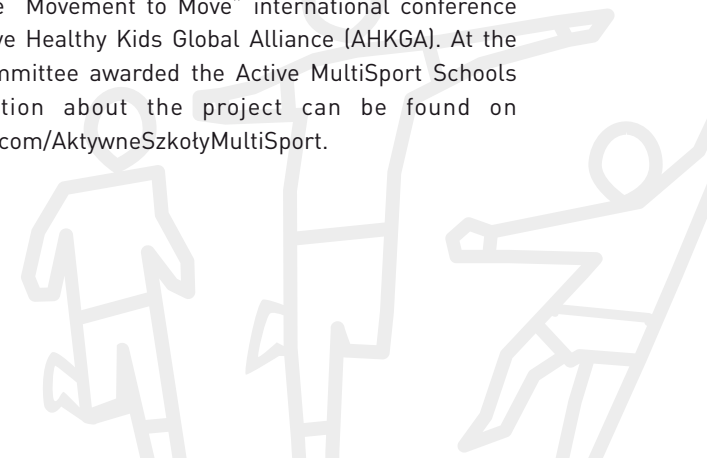
### WE CHECK

Twice a year we measure the level of physical activity among children in fourth, fifth and sixth grade (optionally 1-3) in a specially designed space that we bring to schools. These are nine stations with EuroFit+ physical exercises such as long jump, stamina test or pole hang. Thanks to this test teachers and parents can find out the initial level of physical activity among children and the results of introduced training plans.

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

The results from the EuroFit+ test are calculated into points in an interschool tournament. Schools, which implemented most interesting projects of activating pupils or made the biggest progress in physical activity among pupils, received grants to buy sports equipment worth 85,000 PLN in total.

Additionally, in 2018 the Active MultiSport Schools Programme became a part of the National Sports Day and Winter National (Zimowy Narodowy). In 2018 the initiative was presented at the "Movement to Move" international conference organised in Australia by Active Healthy Kids Global Alliance (AHKGA). At the conference the organising committee awarded the Active MultiSport Schools Programme. More information about the project can be found on [www.aktywneszkoly.pl](http://www.aktywneszkoly.pl) and [fb.com/AktywneSzkolyMultiSport](https://fb.com/AktywneSzkolyMultiSport).







## 4.8.

## MULTISPORT SENIOR PROGRAMME

According to the UN prognoses, by 2050 global population of people over 60 years of age will double, and in developing countries – increase four times. In the 32-year perspective seniors are to constitute 21% of people on Earth, which means nearly 2 billion people. Although longevity is growing, the quality of life is not improving and one of the reasons is lack of physical activity among seniors. According to the MultiSport Index 2018 report, the factor that determines physical activity most is age – the older a person, the higher the probability of being less active. Therefore, the biggest group among inactive Poles (38%) are pensioners (59%) and people over 60 years of age (56%)<sup>35</sup>.

<sup>35</sup> Wojciech Nowiak, Ageing and migration - Europe's main challenges for the second decade of the 21st century. Are we ready for changes?

Lack of activity lowers the fitness level and increases the probability of serious cardiovascular diseases. Active lifestyle is recommended to every age group and in the case of seniors it is one of the most important factors that have a positive impact on their psychophysical health. With age it is more and more difficult to change one's habits connected with activity and thus initiatives activating older people and raising their awareness of safe forms of recreation are necessary. With this in mind, Benefit Systems has created the **MultiSport Senior Programme**. Its main objective is to encourage older people to undertake various activities adjusted to their needs. We also offer the **MultiSport Senior card** – the first sports card in Poland dedicated to **people over 60 years of age**. The MultiSport Senior card can be ordered by everyone who has an employee-type MultiSport or MultiActive card through the HR Department or the eMultiSport platform (depending on the card ordering method selected by the employer). The pilot stage of the programme was launched in 2018 and was participated by 1,500 seniors from across Poland who tested various services within the MultiSport package. At the end of 2018 seniors could use 2,511 sports facilities across Poland and all services available to MultiSport card Users (one visit a day before 16:00). In 2019 the programme will be developed.

#### Regular physical training:

- decreases the risk of modern-age diseases,
- improves motor coordination,
- has a positive impact on cardiovascular system,
- supports intellectual activity,
- lowers blood pressure,
- improves quality of sleeping,
- slows dementia and Alzheimer's disease,
- improves well-being and quality of life.

<sup>36</sup> MultiSport Index 2018 Report

<sup>37</sup> Wojciech Nowiak, Ageing and migration - Europe's main challenges for the second decade of the 21st century. Are we ready for changes?

<sup>38</sup> Institute for Structural Research and the Ministry of Sport and Tourism Report, Evaluation of benefits

**38% of Poles are inactive, of which 56% are seniors**<sup>36</sup>

**In 2050 seniors will constitute 21% of people on Earth, which means nearly 2 billion people. In Poland it will be almost 12 million people**<sup>37</sup>.

**If one in two inactive Poles started to exercise, per annum**<sup>38</sup>:



**440 million PLN**  
the expenses for medical care would have decreased



**11,000**  
the number of people suffering from heart failure would be reduced



**3 billion PLN**  
this would reduce the costs of employers associated with lower absences at work



**25,000**  
this would reduce the number of all deaths

# 5 ENVIRONMENT

- 5.1. Environmental policy
- 5.2. Our office is ECO
- 5.3. Z Naturą Fair Play Programme
- 5.4. Energy and paper consumption





Certified



Corporation

According to B Corp, the environment area evaluates company's results with regard to the environmental protection considering such aspects as devices, materials, emissions as well as resources and energy consumption. It also focuses on transport, distribution channels and the supply chain's impact on the environment. It estimates if products and services offered by a company aim at solving the environmental problem, including products that help in providing renewable energy, protect resources, limit waste, promote wildlife conservation or educate in order to solve environmental problems.







## 5.1.

## ENVIRONMENTAL POLICY

**The main objective of Benefit Systems S.A. is to promote an active lifestyle. We believe that being more active means more energy, health, well-being and, as a result – a better life. Better life is also connected with looking after the environment which we all live in. Therefore, we believe that it is Benefit Systems responsibility to undertake activities that contribute to the protection of the environment and consider our impact on the surroundings as well as promote pro-environmental attitudes among our Employees and Associates<sup>39</sup>.**

**Benefit Systems Group's operations do not have a production character and so they do not have a significant negative impact on the environment. Nevertheless, we endeavour to minimise any, even smallest, harmful (from the point of view of the environment) effects of our operations and we look for pro-environmental solutions.**

One of our goals in this area is to shape our Employees' sensitivity to environmental issues, not only in the context of their work but also their private life. We initiate various pro-environmental activities and we educate Employees in this matter. We follow our Environmental Policy, which defines our actions and commitments that we undertook in order to decrease negative impact on the environment. These include:

- looking for new solutions in order to decrease our impact on the environment, including lower energy and water consumption as well as less waste;
- making purchase with the environmental impact in mind;
- cooperating with institutions and organisation whose operations are connected with sustainable development, environmental protection and pro-environmental education;
- involving our employees and associates in our pro-environmental activities;
- adhering to legal regulations with regard to the environmental protection;
- reporting pro-environmental activities and their effects in the company's annual non-financial reports.



## 5.2. OUR OFFICE IS ECO

For the Benefit Systems headquarters we chose an office building<sup>40</sup> which combines modern technologies, comfort of work and care for the environment. This office building has the BREEAM Certificate (Excellence level) and is equipped with innovative technological solutions that aim at limiting energy and water consumption. At the same time, it has a convenient location with good access to public transport as well as extended infrastructure and facilities for bikers (a large city bike station nearby; parking and changing rooms).

**100% of electric energy that we use in our headquarters come from renewable sources** (hydroelectric power plants). There are motion detectors installed in corridors and toilets. They make lights switch on only when they detect movement. Air conditioning is controlled by zones, rooms and individual needs. It switches off if a window is opened in a given zone. Thanks to motion detectors installed in toilets (faucets and urinals) we prevent excessive water consumption. 90% of paper we use for office purposes is recycled paper. We limit paper consumption by double-side printing and using an electronic document circulation. In every copy room there is information reminding Employees the rules of pro-environmental printing.



90% of paper we use for office purposes in Benefit Systems headquarters is recycled paper

In our offices we use energy saving devices such as printers, computers and refrigerators. We use LED lights which are most energy saving and environmentally friendly. Our office equipment (e.g.: printers) switch off automatically, if not used.

We manage waste according to the requirements provided by appropriate local authorities and we encourage our Employees to sort waste consciously both in the office as well as at their homes. In Benefit Systems headquarters **we sort plastic, glass and aluminium**. We also have special containers for paper. We utilise hazardous waste according to the environmental requirements.

Both in the holding company's headquarters as well as in most of our fitness clubs we collect plastic caps as a part of charity campaigns. It also has a pro-environmental aspect and enables processing and recycling plastic.

The holding company's headquarters in Warsaw have **the Green Office Certificate** awarded by the Environmental Partnership Foundation. This certificate is granted to institutions, companies, non-profit organisations and local authorities that want to constantly improve, undertake new pro-environmental initiatives and strengthen their pro-environmental image. Getting the certificate was a multi-stage process which ended with a certifying audit. Within the certification process we organised pro-environmental workshops for Employees, we created the Environmental Policy and we introduced biodegradable detergents. In 2019 we plan to get the Green Office certificate granted by the international Foundation for Environmental Education.

<sup>40</sup>Warsaw Spire Office Building in Warsaw

## 5.3. FAIR PLAY WITH NATURE PROGRAMME

In 2018 we continued our own pro-environmental programme called "Fair play with nature" which is addressed mainly to Employees in Benefit Systems headquarters but also to entities we cooperate with. By means of visual information (stickers and posters) in different parts of the office we educate our Employees and we tell them how to be more ECO (e.g.: switch off the lights, print only if you have to).







## 5.4.

# ELECTRIC ENERGY AND PAPER CONSUMPTION

**Energy audit conducted in the headquarters in September 2017 showed that our energy consumption is optimal and that there are no better solutions that could significantly improve the current status.**

However, we do not stop to make small gestures in aid of the environmental protection and by shaping good habits we also transfer them onto other places we frequent.

In 2018 electric energy consumption within Benefit Systems Group amounted to **27 403,28 MWh**. Comparing the Group's consumption to last year is impossible due to the lack of complete data (year on year comparison will be presented in the 2019 report). Electric energy consumption in Benefit Systems S.A. headquarters was slightly higher than in 2017 due to a larger number of Employees.

ELECTRIC ENERGY CONSUMPTION IN BENEFIT SYSTEMS S.A. HEADQUARTERS <sup>41</sup>	2018	2017
Consumption in MWh	416,76	378,65
% of total consumption at Benefit Systems S.A.	96,6%	92,7%

<sup>41</sup>Where Benefit Systems S.A., Benefit IP, MultiBenefit and Benefit Systems International




**Amount of paper used in Benefit Systems headquarters:**

PRINT TYPE	NUMBER OF PAGES IN 2018	NUMBER OF PAGES IN 2017
Black-and-white print	721,304	636,361
Colour print	579,343	535,624
<b>TOTAL</b>	<b>1,300,647</b>	<b>1,171,985</b>

We effectively encourage our contracting parties to accept or issue electronic invoices. At the end of 2018, 85% of Benefit Systems S.A. Partners used an electronic invoice in their accounts with Benefit Systems. At the same time, 46% Clients accepted an electronic invoice from Benefit Systems.

Moreover, it should be emphasised that the very concept of Benefit Systems being an intermediary by a centralised system of accounting of Users' visits in different sports facilities is very beneficial for the environment thanks to limiting the number of documents that Clients would send directly from sports facilities instead of one document accounting for all Benefit Systems subscribed benefits.



**Number of Benefit Systems Clients and Partners accounted for on the basis of an electronic invoice:**

**6739 in 2018**  
**6519 in 2017**

We also aim at eliminating physical (paper and plastic) benefit carriers offered within the Cafeteria Segment by replacing them with electronic benefits (e.g.: cinema codes). In the case of MyBenefit, giving up the material form of benefit carriers refers almost to the whole offer.

A few dozens of Employees use the infrastructure created for those who commute to work by bike (their own or city bikes)



**0 PLN**

**The amount of significant fines and non-financial sanctions related to not complying with the environmental protection law and regulation for Benefit Systems in 2018.**

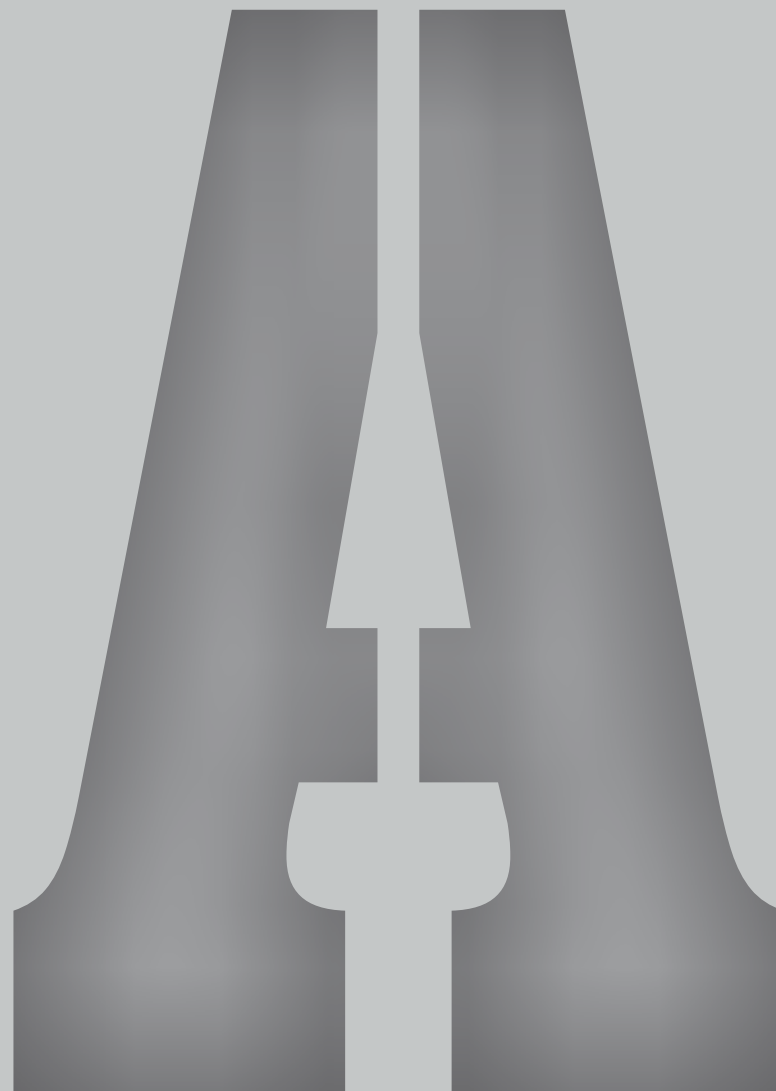
In the following years we will be undertaking further pro-environmental activities involving our Employees and Associates, as well as Clients and Partners.

We will report undertaken pro-environmental activities and their effects in the company's annual non-financial reports.

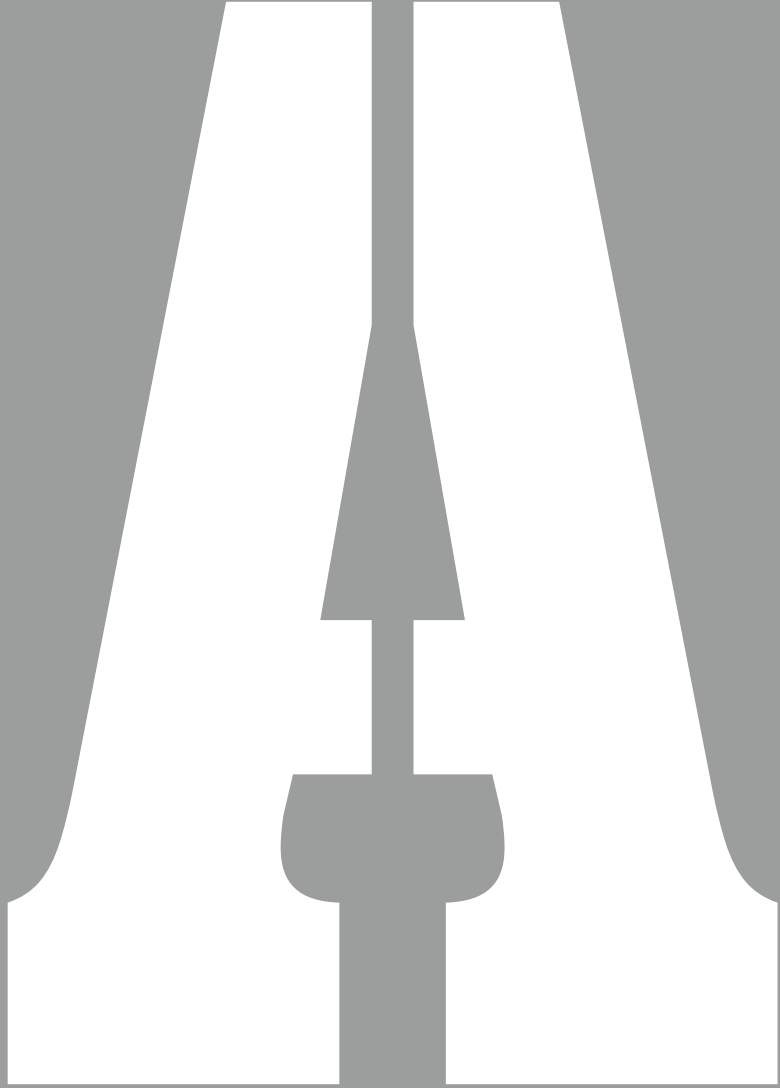


# 6 ABOUT THE REPORT

- 6.1 Summary
- 6.2 Methodology and indexes
- 6.3 The scope of non-financial information required by the Accounting Act







## 6.1.

## SUMMARY

This report 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 an aggregate and separate statement of an entity and capital group regarding non-financial information. The report reveals significant details concerning the policy 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 efficiency 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 2018 and 31 December 2018 (unless stated otherwise).

The report contains a brief description of the entity's business model as well as a description of the Benefit Systems Group's particular operational segments: Sports Cards Segment, Foreign Countries Segment, Cafeteria Segment and Fitness Segment. It also presents the Group's social, environmental and economic results with the emphasis on the Sports Cards operational segment which has been the core of the Group's activities from the very beginning. The Cafeteria Segment represents much smaller scale of employment, revenues and assets but, being an important distribution channel for sports cards and extension of the holding company's non-financial benefits offer, it has been complementary to the Company's and the Group's flagship product practically from the start. The Fitness Segment, despite a growing number of Employees (and Associates) connected with it and growing revenues resulting from, among others, activating new entities expanding this business category, is a strategic investment in the delivery chain of the main product.



Due to a large variety of entities within the Group and a large number of entities which have joined the Fitness and Foreign Countries segments in recent years, we undertake activities that aim at unifying policies and good practices followed within particular segments.

This report has been verified internally by key Employees.

We would like to thank all Employees of companies within the Benefit Systems Group for their involvement in the process of reporting non-financial information for 2018 and their help in preparing this report.



Report and CSR point of contact  
at Benefit Systems:

[csr@benefitsystems.pl](mailto:csr@benefitsystems.pl)

**LIST OF COMPANIES OPERATING WITHIN THE BENEFIT SYSTEMS GROUP INCLUDED IN THIS REPORT:**

OPERATING SEGMENT	COMPANY NAME	SHARE IN THE CAPITAL AS OF 31.12.2018
<b>Sports Cards Segment</b>	Benefit Systems S.A.	100%
	VanityStyle Sp. z o.o.	100%
	FitSport Polska Sp. z o.o.	100%
	Benefit IP Sp. z o.o.	100%
	Benefit IP Spółka z ograniczoną odpowiedzialnością sp. k.	100%
<b>Fitness Segment</b>	Fit Invest Sp. z o.o.	100%
	Fitness Academy Sp. z o.o.	100%
	Fitness Academy Spółka z ograniczoną odpowiedzialnością SKA	100%
	AM Classic Sp. z o.o.	100%
	Jupiter Sport Sp. z o.o.	100%
	Fitness za Rogiem Sp. z o.o.	100%
	Fabryka Formy S.A.	100%
	Fitness Place Sp. z o.o.	100%
	Wesolandia Sp. z o.o.	100%
	Zdrofit Sp. z o.o.	100%
	M Group Sp. z o.o.	100%
	Fitness Management Sp. z o.o.	99.99%
	Masovian Sports Center Sp. z o.o.	100%
	NewCo2 Sp. z o.o.	100%
	Fit Fabric Sp. z o.o.	52.50%
NewCo3 Sp. z o.o.	100%	
<b>Foreign Countries Segment</b>	Benefit Systems International Sp. z o.o.	100%
	Benefit Systems Bulgaria EOOD	100%
	Benefit Systems D.O.O.	100%
	Benefit Systems Greece MIKE	100%
	Benefit Systems Slovakia S.R.O.	83%
	MultiSport Benefit S.R.O.	78.80%
	Form Factory S.R.O.	100%
	Fit Invest Bulgaria EOOD	100%
	Beck Box Club Praha S.R.O.	100%
	Fit Invest International Sp. z o.o.	100%
<b>Cafeteria Segment</b>	MyBenefit Sp. z o.o.	100%
	MultiBenefit Sp. z o.o.	100%



## 6.2.

## METHODOLOGY AND INDEXES

**The structure of the Benefit Systems Group Non-Financial Report 2018 is based on five main areas of an organisation's evaluation which are taken into consideration in the B Corp certification process. The report includes Global Reporting Initiative international standards recommendations (GRI Standards).**

In the report we place greatest emphasis on these issues that are particularly important for our sector and its surroundings and constitute a significant part of our business at the same time. The starting point for the content of this report was analysing the needs and expectations of our stakeholders as well as our Employees' and the management's perspective. The content of the report has been developed on the basis of knowledge gained, among others, during the Stakeholders Panel organised within the first reporting process for 2017. Apart from the invited guests (representatives of stakeholders), the panel was attended by independent external CSR consultants (CSRinfo) and people responsible for reporting CSR activities at the Company.

While preparing this report, we used Global Reporting Initiative international standards recommendations. The report for 2018 has been prepared according to the GRI Standards latest version, on the level of CORE application.

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 an organisation's significant economic, environmental and social impact or significantly affect stakeholders' opinions and decisions.



The table below presents key aspects (subjects) of the Benefit Systems Group's non-financial reporting defined on the basis of, among others, conclusions from the Stakeholders Panel organised for the purpose of the 2017 report which we also used in the process of reporting 2018.

AREA	KEY ASPECTS	DEGREE OF SIGNIFICANCE
<b>Relations with the surroundings</b>	Relations with Partners	High
	Relations with Clients	High
	Relations with Users	High
<b>Management and business ethics</b>	Compliance with the law	High
	Non-financial risks management	High
	Transparency and stakeholders dialogue	High
<b>Workplace</b>	Employee engagement	High
	Recruitment	High
	Employment conditions	High
	Diversity	High
	Employee development	High
	Employee volunteering	High
<b>Human rights</b>	Respect for human rights	High
<b>Social engagement</b>	Promoting physical activity and healthy lifestyle	High

Aspects of the Benefit Systems Group's non-financial reporting that have been defined as areas of average or lower significance are presented in the table below. Aspects with the lowest significance are those aspects that have not been considered significant but still refer to the Benefit Systems Group's operations.

AREA	ASPECTS OF AVERAGE AND LOW SIGNIFICANCE	DEGREE OF SIGNIFICANCE
<b>Relations with the surroundings</b>	Relations with Suppliers	Average
	Personal data protection	Average
	Marketing communication	Average
<b>Management and business ethics</b>	Company's business strategy and plans for the future	Average
	Ethics, counteracting corruption and malpractices	Average
	Internal communication	Average
<b>Workplace</b>	Employment scale	Average
	Counteracting mobbing	Average
	Cooperation with social organisations and charitable activity	Average
<b>Social engagement</b>	Environmental management	Average
<b>Environment</b>	Health and safety in the workplace	Low
<b>Workplace</b>	Resources consumption: energy, water and others	Low
<b>Environment</b>	Ecological education of employees	Low
	Emission into the air, waste and sewage	Low

The table below presents GRI Standards included in the report as well as own indicators selected for the Group's non-financial reporting for 2018.

## TABLE OF GRI INDICATORS AND STANDARDS

INDICATOR NO.	INDICATOR DESCRIPTION	SECTION IN THE REPORT	PAGE
<b>PROFILE INDICATORS</b>			
<b>REPORTING ASPECT: ORGANISATIONAL PROFILE</b>			
102-1	Organisation name	1.1. History	06
102-2	Description of the organisation's operations, main brands, products and/or services	1.2. Business profile and business model	08
102-3	Location of headquarters	1.3. The Group's structure and segments	09
102-4	Location of operations	1.3. The Group's structure and segments	09
102-5	Ownership and legal form	1.3. The Group's structure and segments	09
102-6	Supported markets	1.7. Supported markets and scale of operations	18
102-7	Scale of operations	1.7. Supported markets and scale of operations	18
102-8	Data regarding employees and other people providing services to the organisation	2.1. Employment structure	38
102-9	Delivery chain description	4.5. Other suppliers and delivery chain	65
102-10	Significant changes in the reported period to the organisation's size, structure, ownership form or delivery chain	1.3 The Group's structure and segments	09
102-11	Explanation if and how the organisation applies the precautionary principle	1.10. Risk management	25
102-12	External economic, environmental and social charters, principles and other initiatives adopted or supported by the organisation	1.9. Business strategy and management standards 1.10. Risk management	23 25
102-13	Membership in associations and organisations	1.9. Business strategy and management standards 1.10. Risk management	23 25
102-14	Senior management statement	1.10. Risk management	25
102-15	Description of key impacts, opportunities and risks	1.10. Risk management	25
102-16	The organisation's values, code of ethics, principles and norms of behaviour	1.8. Mission, vision, values. BS_WAY Code of Ethics and Diversity Policy	19
102-18	Governance structure	1.9. Business strategy and management standards	23
102-40	List of stakeholder groups engaged by the reporting organisation	1.5. Stakeholders dialogue	14
102-41	Employees covered by collective agreements	Not applicable	-
102-44	Key topics and issues raised by stakeholders and the organisation's response, including reporting	1.5. Stakeholders dialogue	14
102-45	Including in the report business entities included in the consolidated financial statement	6.1. Summary	80
102-46	Defining the report content	6.1. Summary	80

INDICATOR NO.	INDICATOR DESCRIPTION	SECTION IN THE REPORT	PAGE
102-47	Key issues identified	6.2. Methodology and indexes	82
102-48	Explanations regarding the effects of any restatements of information provided in previous reports, including the reasons for such restatements and their impact (e.g.: mergers, acquisitions, change of the base year/period, nature of business, measurement methods)	Not applicable	-
102-49	Significant changes in relation to the previous report regarding the scope, range or measurement methods used in the report	Not applicable	-
102-50	Reporting period	6.1. Summary	80
102-51	Publication date of the previous report (if published)	6.1. Summary	80
102-52	Reporting cycle	6.1. Summary	80
102-53	Contact information	6.1. Summary	80
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	82
102-55	Table of GRI Index, GRI Indicators and Accounting Act Guidelines	6.2. Methodology and indexes	82
102-56	Policy and current practice with regard to external report verification	6.1. Summary	80
205-2	Communication and training in the organisation's anti-corruption policy and procedures	1.8. Mission, vision, values. BS_WAY Code of Ethics and Diversity Policy	19
205-3	Confirmed corruption cases and undertaken actions	1.8. Mission, vision, values. BS_WAY Code of Ethics and Diversity Policy	19
<b>AREA: ENVIRONMENT</b>			
<b>REPORTING ASPECT: ENVIRONMENTAL MANAGEMENT</b>			
103-1	Explanation of issues identified as important, including indication of restrictions	5.1. Environmental policy	74
103-2	The management approach and its components	5.2. Our office is ECO 5.3. Fair Play with Nature Programme	75 76
103-3	The management approach evaluation	5.4. Energy and paper consumption	77
302-1	Energy consumption within the organisation	5.4. Energy and paper consumption	77
307-1	The amount of significant fines and non-financial sanctions related to not complying with the environmental protection law and regulations	5.2. Our office is ECO	75
<b>Own indicator</b>	Number of electronic invoices used in clearance	5.4. Energy and paper consumption	77
<b>Own indicator</b>	Number of printouts	5.4. Energy and paper consumption	77

INDICATOR NO.	INDICATOR DESCRIPTION	SECTION IN THE REPORT	PAGE
<b>AREA: RELATIONS WITH THE SURROUNDINGS</b>			
<b>REPORTING ASPECT: RELATIONS WITH PARTNERS</b>			
103-1	Explanation of issues identified as important, including indication of restrictions	1.8. Mission, vision, values. BS_WAY Code of Ethics and Diversity Policy 1.13. We are socially responsible 4.1. Partners – our key Suppliers	19 32 62
103-2	The management approach and its components	4. Community	61
103-3	The management approach evaluation	4.4. Partner surveys	64
<b>Own indicator</b>	Selected results of partner satisfaction survey	4.4. Partner surveys	64
<b>REPORTING ASPECT: RELATIONS WITH CLIENTS</b>			
103-1	Explanation of issues identified as important, including indication of restrictions	1.8. Mission, vision, values. BS_WAY Code of Ethics and Diversity Policy 1.13. We are socially responsible 4.1. Partners – our key Suppliers	19 32 50
103-2	The management approach and its components	4. Community	50
103-3	The management approach evaluation	4.4. Partner surveys	52
<b>Own indicator</b>	Selected results of partner satisfaction survey	4.4. Partner surveys	52
<b>REPORTING ASPECT: RELATIONS WITH USERS</b>			
103-1	Explanation of issues identified as important, including indication of restrictions	1.8. Mission, vision, values. BS_WAY Code of Ethics and Diversity Policy 1.13. We are socially responsible 3.5. Users	19 32 54
103-2	The management approach and its components	3.5. Users 3.5.5. Four Seasons activating programme	54 59
103-3	The management approach evaluation	3.5.3. User survey	56
<b>Own indicator</b>	Selected results of user satisfaction survey	3.5.3. User survey	56
<b>Own indicator</b>	Results of helpline quality survey	3.5.2. Helpline	55



INDICATOR NO.	INDICATOR DESCRIPTION	SECTION IN THE REPORT	PAGE
<b>AREA: WORKPLACE</b>			
<b>REPORTING ASPECT: EMPLOYMENT CONDITIONS AND RECRUITMENT</b>			
103-1	Explanation of issues identified as important, including indication of restrictions	1.8. Mission, vision, values. BS_WAY Code of Ethics and Diversity Policy 2. Employees	19 37
103-2	The management approach and its components	2. Employees	37
103-3	The management approach evaluation	2. Employees	37
401-1	Total number and new hires index	2.2. Recruitment	39
401-2	Additional benefits for full-time employees	2.5. Non-financial benefits	43
401-3	Parental leave	1.8. Mission, vision, values. BS_WAY Code of Ethics and Diversity Policy	19
<b>REPORTING ASPECT: EMPLOYEE ENGAGEMENT</b>			
103-1	Explanation of issues identified as important, including indication of restrictions	1.8. Mission, vision, values. BS_WAY Code of Ethics and Diversity Policy 2. Employees	19 37
103-2	The management approach and its components	2. Employees	37
103-3	The management approach evaluation	2. Employees	37
404-1	Average number of training hours per employee	2.3. Training and development	40
404-2	Managerial skills development and continuing education programme	2.3. Training and development	40
404-3	Percentage of employees receiving regular reviews of their results	2.7. Appraisals	45
<b>Own indicator</b>	Selected results of employee engagement survey	2.8. Employee engagement survey	46
<b>REPORTING ASPECT: DIVERSITY</b>			
103-1	Explanation of issues identified as important, including indication of restrictions	1.8. Mission, vision, values. BS_WAY Code of Ethics and Diversity Policy	19
103-2	The management approach and its components	2. Employees	37
103-3	The management approach evaluation	2.8. Employee engagement survey	46
405-2	Relation of basic salary and remuneration of men to women	1.8. Mission, vision, values. BS_WAY Code of Ethics and Diversity Policy	19

INDICATOR NO.	INDICATOR DESCRIPTION	SECTION IN THE REPORT	PAGE
<b>REPORTING ASPECT: SOCIAL ENGAGEMENT AND PROMOTING HEALTHY LIFESTYLE</b>			
103-1	Explanation of issues identified as important, including indication of restrictions	1.8. Mission, vision, values. BS_WAY Code of Ethics and Diversity Policy 1.13. We are socially responsible. CSR strategy and B Corp	19 32
103-2	The management approach and its components	1.13. We are socially responsible. CSR strategy and B Corp	32
103-3	The management approach evaluation	1.13. We are socially responsible. CSR strategy and B Corp 2.8. Employee engagement survey	32 46
<b>Own indicator</b>	Expenditure on social activities, number of projects conducted within employee volunteering	4.6. Dobry MultiUczynek Programme	66
<b>Own indicator</b>	Activities promoting health and active lifestyle	2.5. Non-financial benefits 3.5.4. User Zone 3.5.5. Four Seasons activating Programme 4.7. Active MultiSport Schools Programme 4.8. MultiSport Senior Programme	43 57 59 69 71
<b>Own indicator</b>	Number and circulation of magazines connected with health and motivating employees	3.4. Benefit monthly	53

## 6.3. 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	80
Business model description	1.2. Business profile and business model	08
Description of due diligence procedure	1.8. Mission, vision, values. BS_WAY Code of Ethics and Diversity Policy 1.11. Data security	19 28
Description of significant risks and risk management methods	1.10. Risk management	25
Description of policies adopted in social area	1.8. Mission, vision, values. BS_WAY Code of Ethics and Diversity Policy 4.5. Other suppliers and delivery chain	19 65
Description of policies adopted in employee area	1.8. Mission, vision, values. BS_WAY Code of Ethics and Diversity Policy 2.9. Employee rights and human rights	19 48
Description of policies adopted in respect for human rights area	1.8. Mission, vision, values. BS_WAY Code of Ethics and Diversity Policy 2.9. Employee rights and human rights	19 48

SCOPE OF NON-FINANCIAL INFORMATION	SECTION IN THE REPORT	PAGE
Description of policies adopted in environmental area	5.1. Environmental policy	74
Description of policies adopted in counteracting corruption area	1.8. Mission, vision, values. BS_WAY Code of Ethics and Diversity Policy	19
Description of the effects of policies adopted in social area	1.13. We are socially responsible. CSR strategy and B Corp 4.4. Partner surveys	32 64
Description of the effects of policies adopted in employee area	1.13. We are socially responsible. CSR strategy and B Corp 2.8. Employee engagement survey	32 46
Description of the effects of policies adopted in respect for human rights area	1.13. We are socially responsible. CSR strategy and B Corp 2.8. Employee engagement survey	32 46
Description of the effects of policies adopted in environmental area	5.2. Our office is ECO 5.3. Fair Play with Nature Programme 5.4. Energy and paper consumption	75 76 77
Description of the effects of policies adopted in counteracting corruption area	1.8. Mission, vision, values. BS_WAY Code of Ethics and Diversity Policy	19
Information about adopted standards, principles, guidelines	6. About the report	79

#### KEY NON-FINANCIAL EFFICIENCY INDICATORS CONNECTED WITH THE COMPANY'S OPERATIONS:

SCOPE OF NON-FINANCIAL INFORMATION	SECTION IN THE REPORT	PAGE
Employee satisfaction and engagement survey results	2.8. Employee engagement survey	46
Number of training hours	2.3. Training and development	40
Post parental leave retention indicator	1.8. Mission, vision, values. BS_WAY Code of Ethics and Diversity Policy	19
Number of volunteers in the Dobry MultiUczynek Programme for Employees	4.6. Dobry MultiUczynek Programme	66
Number of applications for the Dobry MultiUczynek Programme for Users	4.6. Dobry MultiUczynek Programme	66
Clients' satisfaction with service quality and relations with the company level	3.3. Client surveys	52
Helpline complaints indicator	3.5.2. Helpline	55
Users' general opinion about the MultiSport card level	3.5.3. User surveys	56
Partners' satisfaction with cooperation level	4.4. Partner surveys	64
Number of sports cards Clients	3.2. Clients' profile	51
Number of sports cards Users	3.5.1. Users' profile	54
Number of MultiSport Programme Partners	4.1. Partners – our key Suppliers	62
Number of contracting parties issuing electronic invoices	5.4. Energy and paper consumption	77
Using recycled paper for office purposes	5.2. Our office is ECO	75

# **Benefit Systems Group Non-Financial Report**

# **2018**

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