

# Report of Cyfrowy Polsat Group on non-financial information for the year 2019





## #DigitalResponsibility

- How we understand our corporate social responsibility mission
- What technological opportunities we offer
- How we care for safety and security, our customers and the environment
- What thrills we offer to our customers
- How long the employees stay with us and what is distinctive about our organization
- How we help others

We have the pleasure of presenting to you the Report of Cyfrowy Polsat S.A. Capital Group and Cyfrowy Polsat S.A. on non-financial information which describes our activities in 2019. This publication has been developed in compliance with the Global Reporting Initiative Standard (the Core option) as well as in line with the amended Polish Accounting Act. Our report covers the information on Cyfrowy Polsat Capital Group, and in particular the data related to the following companies:

- Cyfrowy Polsat S.A.
- Polkomtel Sp. z o.o.
- Telewizja Polsat Sp. z o.o.

This report does not include non-financial information for Netia S.A. which, in spite of having been part of Cyfrowy Polsat Capital Group since May 22, 2018, as a listed company has published a separate Report of Netia S.A. and Netia S.A. Capital Group on non-financial information for 2019.

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## TABLE OF CONTENTS

<b>1. DIGITAL RESPONSIBILITY .....</b>	<b>7</b>
1.1. Our attitude and philosophy #CyfrowaOdpowiedzialnosc .....	7
1.2. Technological opportunity .....	16
1.3. Concern for safety .....	17
1.4. Care for children's health .....	20
1.5. Health and sports thrills .....	25
1.6. Aid measured by smiles.....	29
<b>2. OUR BUSINESS .....</b>	<b>33</b>
2.1. Key figures .....	33
2.2. Sector context and business model of the CP Capital Group   Television, telephony, Internet. For everyone. Everywhere. ....	34
2.3. What we offer to our customers? .....	37
2.4. We operate strategically .....	41
2.5. Opportunities and risks .....	43
<b>3. CARE FOR THE NEEDS OF OUR CUSTOMERS AND VIEWERS .....</b>	<b>51</b>
3.1. Exceptional customers .....	51
3.2. Key figures .....	53
3.3. Availability– television and Internet for everyone, everywhere .....	54
3.4. Safety – DNA of our operations .....	56
3.5. High quality service .....	59
3.6. We set standards.....	61
<b>4. SUCESS THANKS TO THE PEOPLE .....</b>	<b>68</b>
4.1. Key facts and figures .....	68
4.2. Our culture of work .....	70
4.3. Motivation and development of employees .....	73
4.4. We constantly improve occupational health and safety .....	79
<b>5. ENVIRONMENT-FRIENDLY GROUP .....</b>	<b>84</b>
5.1. Key figures .....	84
5.2. We control our influence on natural environment .....	84
5.3. Waste and recycling .....	88
5.4. Power consumption .....	91
5.5. Consumption of raw materials .....	95
5.6. Environmental impact of base transceiver stations .....	97
<b>6. OUR CORPORATE SOCIAL RESPONSIBILITY AND COMMUNICATION MANAGEMENT APPROARCH DISCLOSURES.....</b>	<b>99</b>
6.1. Key regulations .....	99
6.2. Transparent communications .....	99
6.3. Compliance with regulatory requirements .....	101
<b>GRI INDEX .....</b>	<b>110</b>



## Letter of the President of the Management Board

[GRI 102-14, GRI 102-15]

Dear Sirs,

We present the third “**Report of Cyfrowy Polsat Capital Group on non-financial information**,” which not only fulfills the obligations of a relevant directive, but – most of all – summarizes the sustainable approach to managing our companies on a daily basis.

As we feel responsible for our impact on the immediate environment, we would like to develop not only high quality products and services, but also an exceptional value for the society. This is why we consistently pursue our social mission in the area of **safety, aid for children and sports promotion**. At the same time we strive to make sure that our activities are performed in response to the selected **Sustainable Development Goals** defined by the UN. Given the role of business in the accomplishment of the goals set out in Agenda 2030, in this year's edition of this report we decided to present our good practices through selected goals – so as to enable their analysis also in this context. In the following study, we present **25 good practices** in total, 19 of which are continued practices and 6 are completely new projects.

While taking into account **the needs of our stakeholders** and promoting goods practices, most important information and financial indicators, related to our business activities, are presented with the use of international guidelines of **Global Reporting Initiative (GRI)**.

When thinking about the **year 2019**, our key achievements look as follows:

- **2 million members** of our **smartDOM program** which enables customers to create service bundles,
- expansion by **Cyfrowy Polsat** of its offer of TV services by adding:
  - **IPTV cable TV** which enables the reception of TV programs via a broadband Internet connection (offered among others by Plus and Netia)
  - **OTT web TV with a set-top box**, enabling customers to enjoy their favorite channels over an Internet connection from any provider, without long-term commitments,
- most important successes of **Plus**:
  - **being the leader in mobile number porting**,
  - and **the telecommunication network which has been most frequently chosen by customers**,
- effective **development of the premium sports offer**, including by:
  - **signing an agreement with CANAL+**, thanks to which our subscribers - apart from being able to watch UEFA Champions League and UEFA Europa League football matches and the matches played in major European leagues via the Eleven Sports channels – **can also watch all matches of PKO BP Premiership**,
  - using latest technological solutions and **implementing the virtual interviews technology**, thanks to which viewers had the impression that the journalist and the interviewed person are standing next to each other while in reality they are nearly 300 kilometers apart,
- strategic **business cooperation with Asseco**, the leading provider of IT solutions.

While our involvement in conservation of natural environment includes:

- establishment, by the founder and main shareholder of our Group, of **Stowarzyszenie Program Czysta Polska (Clean Poland Program Society)** whose goal is to indulge in efforts which are aimed at ensuring life in a healthy and clean environment for Poles,



- publication of a **special issue of “Brawo Ty” magazine for the Group’s Subscribers**, in which we addressed the very important challenge associated with ecological education of our community.
- consistent **control of consumption of raw materials** and **electricity saving efforts**,
- **effective waste management** and transferring waste for recycling to specialized firms,
- **examination of the influence that our base transceiver stations have on the environment.**

Moreover, just before the publication of this report our company, **as the first from outside the financial sector, issued PLN-denominated green bonds**. The proceeds from these bonds, in the amount of PLN 1 billion, will be used fully for refinancing pro-environmental investments which include the improvement of the Group’s energy efficiency or reducing the carbon footprint associated with the electronic devices that are manufactured by Cyfrowy Polsat Group.

In 2020, **we plan ambitious improvements in the area of social responsibility**. We would like **to develop all social projects and charity initiatives** (in particular under the patronage of Polsat Foundation and other public benefit organizations), **educational activities** (mainly in TV Polsat, in the Cyfrowy Polsat Subscribers Magazine as well as among the employees of Cyfrowy Polsat Group), and **continuously support sport activities**, thus promoting a good lifestyle among Poles and regularly cooperate with rescue services.

I believe that thanks to this report, you will have an opportunity to learn more about our activities, in particular from the point of view of the **ESG factors**, that is in the area of environmental concerns, general relations with the environment and stakeholders as well as the quality of management.

On my own behalf as well as on behalf of a few dozen people involved in the preparation of this report, I would like to wish you a pleasant read. I also hope that it will become a center of reliable information for our customers, contractors and partners, capital market players or people who are simply interested in our operations, as well as the source of valuable inspirations for original challenges for employees.

Sincerely yours,

Mirosław Błaszczyk

President of the Management Board

Cyfrowy Polsat S.A.



# Chapter 1

## Digital Responsibility





## 1. DIGITAL RESPONSIBILITY

### 1.1. Our attitude and philosophy #CyfrowaOdpowiedzialnosc

We pursue our social mission (#DigitalResponsibility) in the fields of **safety and security**, **aid to children** and **promotion of sports**.

Figure 1. Corporate Social Responsibility in Cyfrowy Polsat Group



Through our efforts we strive to make sure that, on the one hand, the implementation of respective projects is consistent with the **list of topics which are of key importance for Cyfrowy Polsat Group** (as indicated by the external and internal stakeholders), and on the other that it is a response to the selected **UN Sustainable Development Goals (SDG's)**.



[GRI 103-1]

Figure 2. List of key topics for Cyfrowy Polsat Group in respective areas

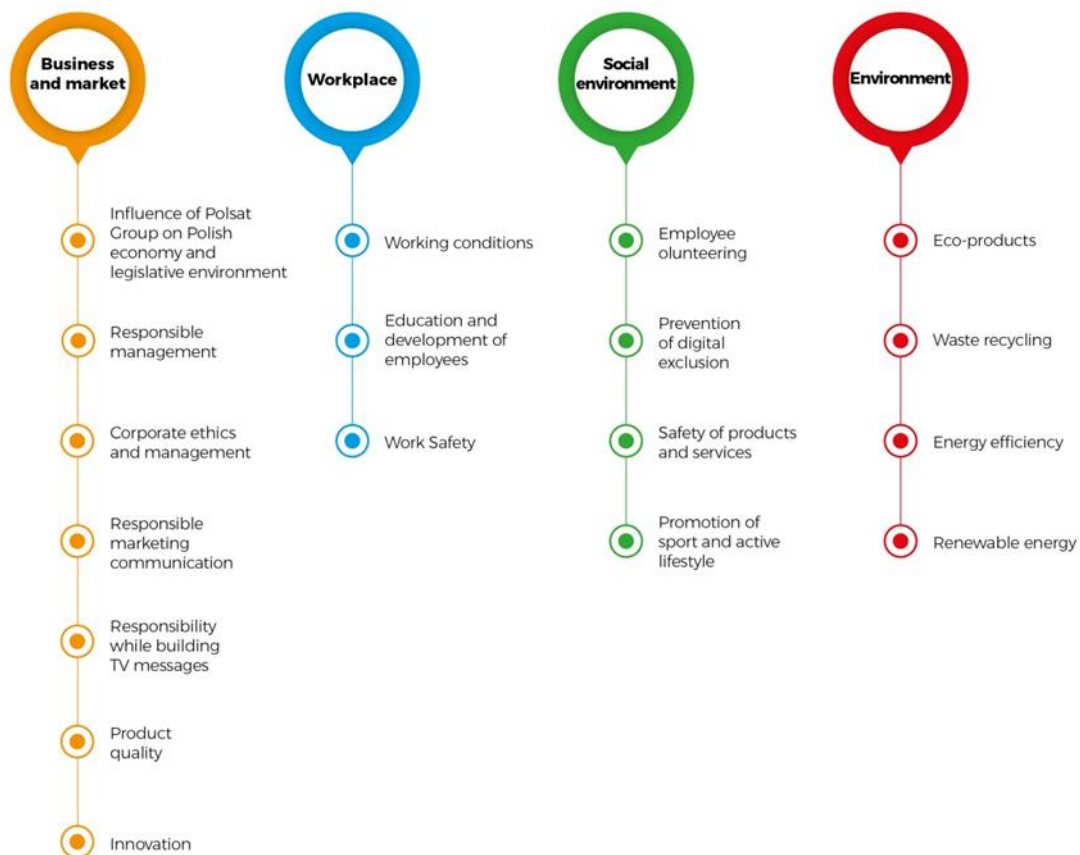







Figure 3. UN Sustainable Development Goals

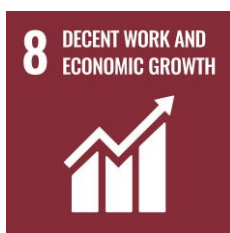


By analyzing all the Sustainable Development Goals we have decided to choose the ones which are most important from our point of view, i.e. the ones which we pursue as the elements of our best practice and other business projects.

Table 1. Sustainable Development Goals which are being implemented in Cyfrowy Polsat Group

	<p><b>GOAL 1. END TO POVERTY</b></p> <ul style="list-style-type: none"> <li>involvement in charity actions whose mission is to combat poverty and social exclusion (employee volunteering activities).</li> </ul>
	<p><b>GOAL 3. GOOD HEALTH AND GOOD QUALITY OF LIFE</b></p> <ul style="list-style-type: none"> <li>Polsat Foundation's mission (it includes big nationwide campaigns, with the income from such campaigns being used for medical treatment and rehabilitation of children),</li> <li>purchase by Polsat Foundation of medical equipment for hospitals and other institutions providing healthcare to children,</li> <li>promotion of sports and healthy lifestyle (including by broadcasting coverage of sports events in TV Polsat, dedicated educational programs and participation of Polsat Biega track team in key running events).</li> </ul>
	<p><b>GOAL 4. GOOD QUALITY EDUCATION</b></p> <ul style="list-style-type: none"> <li>permanent cooperation of Plus network with the Copernicus Science Centre,</li> <li>educating on safety in the mountains and by the water during summer and winter vacation events,</li> <li>charity actions with an aim to support the development of disabled children – carried out as part of the employee volunteering activities,</li> <li>know-how transfer and exchange of experience among our employees during big projects carried out in various Cyfrowy Polsat Group companies.</li> </ul>





#### GOAL 8. ECONOMIC GROWTH AND DECENT WORKING CONDITIONS

- respect for human rights,
- diversity in the workplace,
- development of employees' skills,
- stable workplace, employees with long track record in the organization,
- Company Social Benefits Fund (ZFŚS), fringe benefits, promotion of healthy lifestyle,
- corporate volunteering,
- communication of the non-financial report (inside and outside the organization).



#### GOAL 9. INNOVATION, INDUSTRY, INFRASTRUCTURE

- Crowd+ Program
- a vision of transformation of Polish economy and encouragement for all Poles to act for the benefit of the natural environment (Clean Poland Program Society),
- improving the energy efficiency and avoiding unnecessary electricity consumption,
- regular development of the Internet with the use of state-of-the-art technologies,
- Corporate Social Responsibility (CSR) activities.



#### GOAL 12. RESPONSIBLE CONSUMPTION AND PRODUCTION

- environment-friendly products (minimal use of raw materials during production, elimination of unnecessary packaging, efficient distribution and effective recycling of the products once their lifecycle ends),
- ISO 9001:2015 and ISO 14001:2015 certificates (in the field of electronic equipment design and manufacturing) as well as Polish PN-N-18001:2004 certificate (in the field of electronic equipment design and manufacturing) awarded to InterPhone Service factory,
- ISO 9001:2015 certificate (care for the high quality of the services offered) and ISO 14001:2015 (corporate ecological responsibility in the areas of sale of telecommunication products and services as well as sale of electricity, customer service and customer retention) awarded to Polkomtel.



#### GOAL 13. CLIMATE-RELATED ACTIVITIES

- joint care for the natural environment, air, water and nature (Clean Poland Program Society / Stowarzyszenie Program Czysta Polska),
- identification of essential areas of environmental impact,
- on-going control of raw materials consumption,
- electricity saving,
- waste management and delivery of waste materials to specialized recycling firms,
- testing the influence that radio transmitters have on the environment,
- promotion of pro-ecological attitudes among employees



When designing and implementing our CSR activities, we listen to the voices from our business environment. That is why we have identified our key stakeholders so as to exploit fully the potential benefits that we can derive from the proper relations with the respective stakeholder groups.

**[GRI 102-40]**

**Figure 4. Polsat Group's Stakeholders**





[GRI 102-40, GRI 102-42, GRI 102-43]

Table 2. Stakeholders map and forms of dialogue

Stakeholder group	Some entities belonging to the stakeholder group	Approach and type of engagement of stakeholder group (e.g. questionnaires, satisfaction surveys, dialog sessions, etc.)	Frequency of engagement by type	Key topics and concerns raised by stakeholders
Shareholders and investors, analysts, financing institutions	<ul style="list-style-type: none"> <li>capital market players</li> <li>brokerage house analysts</li> <li>shareholders</li> <li>bondholders</li> <li>institutional and individual investors</li> <li>rating agencies</li> </ul>	<ul style="list-style-type: none"> <li>financial reports</li> <li>current reports</li> <li>corporate website</li> <li>individual meetings</li> <li>conferences and video conferences</li> <li>General Shareholders' Meetings</li> <li>Examining of shareholding structure – perception study</li> </ul>	<p>According to requirements resulting from the Company's presence on the Warsaw Stock Exchange:</p> <ul style="list-style-type: none"> <li>financial reporting once a quarter</li> <li>on-going communication</li> <li>General Shareholders' Meeting at least once a year</li> <li>dialog and meetings, if necessary</li> </ul>	<ul style="list-style-type: none"> <li>economic situation of the Group and financial policy</li> <li>strategy and development</li> <li>competitive environment</li> <li>risks and opportunities of operations</li> <li>company's value</li> <li>transparency of activities</li> <li>future investments</li> </ul>
Customers	<ul style="list-style-type: none"> <li>natural persons and companies</li> <li>subscribers of pay TV and telecommunications services</li> <li>viewers</li> <li>IPLA users</li> </ul>	<ul style="list-style-type: none"> <li>website (questionnaires)</li> <li>customer service points and call center (dialog, questionnaires)</li> <li>opinion and satisfaction surveys, including User Experience and NPS</li> </ul>	<p>On-going – continuous activities, opinion survey – on as-needed basis, NPS satisfaction survey – at least once a year.</p>	<p>Examined areas:</p> <ul style="list-style-type: none"> <li>general customer satisfaction with the operator, propensity to recommend the brand, relations stability, propensity to select the operator again and satisfaction. Areas: <ul style="list-style-type: none"> <li>offer</li> <li>customer service points</li> <li>telemarketing</li> <li>call center</li> <li>website</li> <li>Internet service centers</li> <li>financial benefits</li> <li>invoice</li> </ul> </li> </ul>
Employees	<ul style="list-style-type: none"> <li>present employees and their families</li> <li>potential employees</li> <li>associates</li> <li>trainees</li> </ul>	<ul style="list-style-type: none"> <li>employee satisfaction survey and periodic assessment</li> <li>trainings and development</li> <li>Intranet, newsletter and in-house surveys</li> <li>teambuilding events</li> <li>benefit programs</li> <li>volunteer programs</li> <li>social media</li> </ul>	<p>Ongoing and regular communication</p>	<ul style="list-style-type: none"> <li>stability and attractiveness of employment</li> <li>family friendly HR policy</li> <li>friendly place of work</li> <li>development opportunities</li> </ul>



Stakeholder group	Some entities belonging to the stakeholder group	Approach and type of engagement of stakeholder group (e.g. questionnaires, satisfaction surveys, dialog sessions, etc.)	Frequency of engagement by type	Key topics and concerns raised by stakeholders
<b>Regulators and state institutions</b>	<ul style="list-style-type: none"> <li>KRRiT (National Broadcasting Council), UKE (Office of Electronic Communication), UOKiK (Competition and Consumer Protection Office)</li> <li>UODO (Personal Data Protection Office)</li> <li>GIOŚ (Chief Inspectorate for Environmental Protection), Marshal's Offices</li> <li>GUS (Main Statistical Office), KNF (Financial Supervision Authority), KRS (National Court Register)</li> <li>Council of Ministers</li> <li>Parliament and Senate</li> <li>European Commission, European Parliament and European Council</li> <li>BEREC</li> <li>National Media Council</li> <li>Digitization Council</li> </ul>	<ul style="list-style-type: none"> <li>public consultations</li> <li>meeting of reporting obligations</li> <li>direct meetings</li> <li>joint initiatives and activities</li> <li>participation in industry conferences</li> </ul>	<ul style="list-style-type: none"> <li>ongoing communication resulting from the reporting obligations</li> <li>on as-needed basis</li> </ul>	<ul style="list-style-type: none"> <li>impact on the national economy</li> <li>market development</li> <li>service availability</li> <li>activities in compliance with standards and law</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>content providers, including TV stations and producers</li> <li>suppliers of end-user equipment</li> <li>suppliers of components for production of our own end-user equipment</li> <li>suppliers of network and other infrastructure elements</li> <li>service providers</li> </ul>	<ul style="list-style-type: none"> <li>direct relations</li> <li>contracts</li> <li>cooperation within the industry organizations</li> <li>integration events</li> <li>industry conferences and workshops</li> </ul>	As needed – ongoing and regular	<ul style="list-style-type: none"> <li>terms of cooperation</li> <li>transparent rules of tenders and cooperation</li> <li>good, long-term relations</li> <li>cooperation within the framework of industry initiatives</li> </ul>
<b>Community organizations</b>	<ul style="list-style-type: none"> <li>foundations</li> <li>social and environmental organizations</li> <li>cultural institutions</li> <li>mountain rescue units (GOPR, TOPR)</li> <li>water rescue units (MOPR, WOPR)</li> </ul>	<ul style="list-style-type: none"> <li>partnerships and joint initiatives</li> <li>employee volunteering</li> <li>sponsoring</li> <li>direct dialog (environmental organizations)</li> <li>scientific reports</li> <li>debates</li> </ul>	According to the needs of stakeholders and Group's capabilities	<ul style="list-style-type: none"> <li>openness to dialog</li> <li>financial support and human involvement</li> <li>understanding values on which the company is based</li> <li>dispelling possible concerns/doubts regarding technological development</li> </ul>



Stakeholder group	Some entities belonging to the stakeholder group	Approach and type of engagement of stakeholder group (e.g. questionnaires, satisfaction surveys, dialog sessions, etc.)	Frequency of engagement by type	Key topics and concerns raised by stakeholders
<b>Competitors</b>	<ul style="list-style-type: none"> <li>media market players</li> <li>telecommunication market players</li> <li>digital services market players</li> </ul>	<ul style="list-style-type: none"> <li>cooperation within industry organizations</li> <li>industry conferences, debates and workshops</li> <li>joint initiatives (e.g. market reports)</li> </ul>	Ongoing communication depending on the market situation	<ul style="list-style-type: none"> <li>market development</li> <li>appropriate market regulation</li> <li>standards</li> </ul>
<b>Business partners</b>	<ul style="list-style-type: none"> <li>distributors</li> <li>advertisers and advertising brokers</li> <li>scientific institutions</li> <li>industry organization and chambers of commerce</li> <li>sport associations</li> </ul>	<ul style="list-style-type: none"> <li>direct communication channels (e.g. website for distributors)</li> <li>ongoing and regular meetings</li> <li>contracts</li> <li>Codes of Best Practice and self-regulation</li> <li>conferences and workshops</li> <li>reports and reporting</li> <li>holding of positions in the authorities of industry organizations and chambers</li> <li>active involvement in joint projects and activities (e.g. within respective chambers of commerce, consultations and positions)</li> </ul>	<ul style="list-style-type: none"> <li>communication depending on the needs of stakeholders</li> <li>pro-active activities depending on the market situation</li> </ul>	<ul style="list-style-type: none"> <li>Group's involvement in shaping of the market</li> <li>solving problems of the market and promoting innovations</li> <li>transparency of activities</li> <li>observing standards and rules</li> <li>openness to dialog</li> </ul>
<b>General national media and industry media</b>	<ul style="list-style-type: none"> <li>the press</li> <li>the Internet</li> <li>radio</li> <li>TV</li> </ul>	<ul style="list-style-type: none"> <li>conferences and events</li> <li>information in the press</li> <li>individual meetings with media representatives</li> <li>statements, comments and opinions</li> <li>corporate website</li> <li>social media</li> </ul>	On-going communication, depending on the market situation and current developments in the organization	<ul style="list-style-type: none"> <li>the Group's economic standing</li> <li>new offers</li> <li>development plans</li> <li>new programs</li> <li>sports events</li> <li>product testing</li> </ul>



## BEST PRACTICE: DIALOGUE WITH THE STAKEHOLDERS



### [GRI 102-44]

While preparing for the publication of the first report on non-financial information, we organized a dialogue session with the key stakeholders of Cyfrowy Polsat Capital Group. Expectations regarding our CSR activities included among others:

- a strategic approach to business responsibility,
- activities related to the development of a responsible message,
- transparent and detailed communication regarding the social involvement of the company,
- monitoring of environmental impact.

In 2019 there were no substantial changes in our dialogue with individual groups of stakeholders and the channels used to communicate with them, therefore when defining the key areas of our impact last year the following elements were used: results of the most recent dialogue session, current talks with stakeholders and the knowledge of management supported by long-term experience (in the Group's opinion, there was no need to carry out a new dialogue session in order to prepare this report). As a result of the Group's growing interest in the issues related to environmental impact, energy efficiency and use of renewable energy sources have been added to the list of key topics.

### [GRI 102-12, GRI 102-13]

#### How do we shape our market environment?

Apart from direct contacts with stakeholders, we shape our market environment also through membership in industry associations. We are members of, among others:

- Polish Chamber of Information Technology and Telecommunications
- Polish Chamber of Commerce for Electronics and Telecommunications
- Polish Chamber of Digital Broadcasting
- IAB Poland
- Association of TV Programs Distributors SYGNAŁ
- Polish Internet Research
- Advertising Council
- Creative Poland Association
- Polish Association of Listed Companies

#### How do we respond to the expectations of the stakeholders and of our market environment?

## BEST PRACTICE: NON-FINANCIAL REPORT



In March 2020 we published the third Report of Cyfrowy Polsat Group on non-financial information. The publication is not only a response to the formal requirements, but also an expression of our transparency and the response to the expectations of our stakeholders and our market environment. Similarly as in the past years, the document was prepared in compliance



with the legal requirements (the Accounting Act) and based on international guidelines issued by the Global Reporting Initiative (GRI). This year's publication also makes reference to the UN's Sustainable Development Goals (SDG's).

The report contains **67 GRI indicators** (numerical and descriptive) which are used to discuss the basic information, profile information and our approach to management as well as the detailed thematic indicators from the ESG area – Economic, Environmental and Social.

The publication also presents **25 best practice efforts, reflecting the SDG's**, 19 of which are **continued from the preceding year** while **6** are totally **new projects**.

Our CSR **best practices concern above all** activities addressed to **employees, customers and the society**. If the role of business (and ours) is taken into account in the implementation of **UN's Sustainable Development Goals (SDG's)**, then a goal selected from the list of 17 SDG's will be assigned to every best practice.

The report is available in two versions – **PDF** (the extended version which complies with the requirements and standards) and the interactive web page (a shorter, reader-friendly **WWW** version which has been developed in response to the needs of demanding users). Both, the PDF and the WWW versions are available in two language versions – **Polish and English**.

## 1.2. Technological opportunity

Digital services offered by our companies are available nationwide and they can be enjoyed by practically every Pole. The extensive coverage of our services offers us an opportunity for taking actions with non-standard impact which comprehensively change many aspects of life of every Pole. We know how to exploit this opportunity in a wise and prudent manner, and we have been proving this every day for many years.

### BEST PRACTICE: COOPERATION WITH THE COPERNICUS SCIENCE CENTER



For many years we have been supporting the **Copernicus Science Center**, one of the most modern European institutions combining promotion of science and culture. Thanks to **Polkomtel**, since autumn 2017 the guests of the Center may enjoy **free Wi-Fi** in the Center's building as well as in the adjacent Park Odkrywców (*Discovery Park*). We were an exclusive partner of the **Family Workshops** organized in the Copernicus Science Center – together with the Center we have developed the workshop concerning communications, to acquaint the youngest visitors with the modern and the old ways of communication. Plus network also developed **an application for mobile phones** which enables visitors to learn more about the most interesting exhibits as well as receive information about science exhibitions organized in the Center. In 2019, jointly with the Copernicus Science Center, we organized **"Visit the Copernicus Science Center After Hours"** program which was attended by several hundred Plus network subscribers. During the past year our employees also had numerous opportunities of winning tickets to various exhibitions and workshops, including **the Change Festival**, during which they could learn about **scientific, environment-oriented, technological and social viewpoints on changes related to food and human nutrition**. Our plans include further development of the cooperation and in 2020 we will be celebrating **the 10<sup>th</sup> anniversary of cooperation with the Copernicus Science Center**.

Entering into cooperation with **iWylecz24.pl** web service is an example of Cyfrowy Polsat Group's activities in the field of development of digital society, which at the same time offers improved access to telemedicine services for Plus customers.



## BEST PRACTICE: COOPERATION WITH iWylecz.24.pl SERVICE



iWylecz24.pl service is a “digital medical center.” The platform’s main purpose is to **offer access to telemedicine solutions** for Polish families – both in Poland and abroad. The portal offers access to medical aid round-the-clock (both via the Internet and over the phone), while Plus customers are able to request access to the service in a convenient way by using Direct Carrier Billing, with the related cost charged to their phone bills.

Benefits of the service:

- **A personal medical consultant online** – a professional Medical Call Center dedicated to Plus customers enabling them to make appointments, enjoy support in the process of organizing their treatment, and get preliminary analysis of the results of their medical tests. Patients have contact with certified nurses and medical rescuers who in 2019 served 1.7 million inquiries.
- **Instantaneous access to schedules of 15 000 doctors** – thanks to this feature patients have even faster access to making private appointments and getting professional support for their treatment.
- **Access via NFZ (National Health Fund)** – there is also a possibility of checking the mean waiting time for visits to selected specialists in NFZ state-operated clinics all over Poland.
- **Symptom Tester** – a medical AI which verifies the symptoms and informs of potential ailments, based on a patient’s self-examination (it is solution used e.g. by the military in a battlefield). Upon conducting a self-examination, the patient gets a report, in pdf format, in Polish and English. What is important, everything is carried out in a secure, private environment, without leaving any traces of one’s inquiries regarding any diseases or symptoms in the Internet in any classical web browsers.
- **Wideo Wizyta (Video Visit) medical diagnosis online** – such a consultation offers the possibility of discussing the symptoms, the required scope of tests to be done or providing a diagnosis based on the results of medical tests, while in the case of chronic diseases it even offers the option of getting an e-prescription for medications. The service also offers the option of getting the so-called “second diagnosis,” i.e. the possibility of having the results of medical tests discussed and an opinion on one’s health condition issued by another doctor.
- **Database of medical labs** – the possibility of searching where respective tests can be performed in the network of the three biggest medical lab groups in Poland, along with pricing and available examination dates.
- **On-line medical documentation** – securely stored medical data and remote access to the data whenever a client needs it.

The service includes extensive functions which enable management of the medical treatment process – **Cyfrowe Centrum Medyczne dla Każdego (Digital Medical Center for Everyone)**. Plus customers are guaranteed the possibility of testing the full version of the service, which is available on all devices with Internet access (e.g. smartphones, tablets and PC computers) for free during the first month. The service operates as an application available from Google Play and AppStore, as well as a responsive [www.iWylecz24.pl](http://www.iWylecz24.pl) website.

### 1.3. Concern for safety

In Cyfrowy Polsat Group we are convinced that state-of-the-art technology may not only improve daily life, but above all save human lives. We are particularly proud of the close cooperation with rescue services operating in Polish mountains and by the water. For a number of years now Plus has been supporting rescuers in their activities, financing their training and donating funds for the purchase of specialized equipment. The year 2019 marks the 17<sup>th</sup> anniversary of our cooperation with **WOPR**, **MOPR** as well as **TOPR** and **GOPR** rescue units.

**However, above all, thanks to our technology we have created a rescue system which has saved the health and life of many people in recent years.** For 17 years now Plus has been supporting the Rescue Coordination Centers and their auxiliary units which jointly create a globally unique Integrated Rescue System. Thanks to the efforts undertaken jointly with rescuers, all Poles may use an instant, precise and simple emergency call system in health and life-threatening situations by the water and in the mountains. The solutions introduced by Polkomtel enable effective communication between rescuers and victims. Our rescue system has made it possible to shorten the time required to reach a person in danger **by even 20 minutes**. As experience shows, this time is often a thin line between effective help and human tragedy.





The two toll-free emergency lines launched by Plus – 601 100 100 (lifeguard rescue services) and 601 100 300 (mountain rescue services) – are easy to remember. We remind of these numbers in all these places where the knowledge of these numbers may save lives (e.g. in mountain shelters, on beaches, in marinas and tourist information points) and we convey our message via various media (including information boards at the entrances to beaches, on banners and information leaflets).



#### GOOD PRACTICE: INTEGRATED RESCUE SYSTEM and "RESCUE" APPLICATION.



Thanks to the efforts undertaken jointly with the rescue units (WOPR, MOPR, GOPR, TOPR), Plus launched the **Integrated Rescue System**. The two emergency numbers: **601100100** (for emergencies by the water) and **601100300** (for emergencies in the mountains), which can be accessed from all mobile and fixed-line networks in Poland, operate **all-year-round and round-the-clock all over Poland**. The system monitors the most popular tourist regions while watching over the safety of hundreds of thousands of people and enabling efficient communication with rescue units.

The system is supplemented by the free **Ratunek (Rescue) application**. Its key advantage is the location functionality which substantially shortens the time required to locate the injured person (by even up to 20 minutes). The application supports connection to the nearest rescue units' station and while a call with the rescue unit is in progress it sends an SMS with the caller's location to the rescuers.

#### Four simple steps is all that is needed to call help:

1. Select your location – by the water or in the mountains.
2. Call help – by pressing the button three times (the application will either connect with the number for emergencies in the mountains - 601 100 300 or the number for emergencies by the water - 601 100 100).
3. Send your location by SMS (the application automatically sends the caller's location by SMS while a call is in progress).
4. Confirm your request for help (if a request is confirmed, either by SMS or by a voice call, the rescuers will have no doubt as to whether to start the rescue action, or not).

**RESCUE application is the only approved application and it is an element of the system for notifying of an accident which is used by the voluntary rescue units.** At the end of 2019 the Rescue application had over **87 371 active users** in Android version and **36 872 users** in iOS version.



Take care of your safety in the mountains.



Download Ratunek  
(Rescue) application

plus

The fee for the call is charged at your operator's rate. For Plus customers calls to the emergency number are free.

Examples of successful rescue actions initiated by calls to emergency numbers and use of Rescue application in 2019:

- Jastrzębia Góra – a notification about a 16-year-old drowning. Quick and efficient response by rescue units, as well as help from third parties in getting the boy out of the water, led to quick start of CPR (cardiopulmonary resuscitation). The boy, breathing on his own but unconscious, was taken to a hospital by an Air Ambulance unit.
- Władysławowo – a notification about a drowning person whom two beachgoers were trying to save. The rough seas resulted in the two persons also starting to drown. The rescue action involved five various rescue units and thanks to their cooperation all the victims could be released following some medical treatment on site and did not require hospitalization.
- Kisajno Lake – a notification about an unconscious 16-year-old girl at a sailing training camp after being hit on the head by a boom. A water ambulance was dispatched to the site of accident. Upon reaching the place of the accident and providing first aid to the injured girl, a decision was made to transport her by an LPR ambulance helicopter to a hospital in Olsztyn.
- Świątajty Lake – a notification about a training sailboat capsizing and a 14-year-old trainee being trapped under the hull. The rescuers dived underwater and found the unconscious girl. Her blood circulation was restored after 40 minutes of CPR. The accident's victim was flown to a specialized hospital in Suwałki. A week later she regained consciousness. She will require long rehabilitation but there was no brain damage.
- Głazisty Żleb mountain trail – a tourist descending to Mała Łąka tripped and fell down a steep slope. Thanks to a notification sent with the use of the Rescue application and comparison of the location of the injured person with the locations of TOPR Tatra Mountains rescuers, the accident's victim was reached in less than a minute from the notification time!
- Orla Baszta Peak – while ascending the peak, a tourist fell off the safety chains and after falling a dozen or so meters finally stopped on a flat stretch of grassy terrain. The rescuers went by helicopter to the place indicated to them by the Rescue application. A rescuer was dropped near the place where the tourist was. The tourist suffered some minor injuries and bruises. After receiving first aid and once the weather improved, he was transported by helicopter to a hospital.

In 2019 we celebrated an anniversary of establishing of Tatra Mountains Voluntary Rescue Service (TOPR). For 110 years now victims of accidents in the mountains can count on the support of TOPR rescuers.

### Interesting facts

#### Some interesting facts from the 110-year history of TOPR

***TOPR Tatra Mountain Rescue Service*** was established in 1909 by General Mariusz Zaruski and composer Mieczysław Karłowicz. The oath that TOPR rescuers take when joining has not changed since the beginning of the unit's history TOPR: ***Carry help to all in need at every call from the Chief of TOPR, regardless of time of day and weather conditions.*** The oath has never been broken for 110 years!. When in August 2019 lightning killed four people, and injured several dozen on Giewont Mountain, the rescuers did not hesitate to go up the slope, disregarding the storm that was only gaining strength.

Today TOPR is ***a modern, professional rescue unit which hires top class mountain rescue specialists who are supported by well-trained volunteers.*** The specific nature of TOPR is that it carries out all forms of mountain rescue operations, i.e. for skiers/snowboarders on slopes, in caves (including actions which require diving in water or using explosives), for climbers on mountain walls and peaks, avalanche searching (which includes use of trained dogs) as well as actions carried out from the air. Every year the rescuers have more than 700 interventions. In many cases human life is at stake, sometimes the rescuers' own lives are at risk as well.



Lifeguards are watching over the people spending their leisure time by and on the water. Thanks to their work the number of drowning cases and other accidents has decreased significantly.

## Interesting facts

### "Life Chain" – what is it and how is it created?

**"Life chain"** is a conventional term used for an atypical rescue action which also involves tourists who are on a beach. The chain is created when somebody suddenly starts drowning or there is risk that somebody could have disappeared underwater. In such situations it is not only the response time but also the ability to quickly search a wide stretch of water that counts.

Beachgoers are then involved in the action. Usually these are adult males who go into the water while holding each other by the arms and move from one search spot to another and then back, thus combing the area pinpointed by the lifeguards. The "net" created this way increases the chances of rescuing the lost person from under the water. Even as many as several dozen people may participate in such rescue actions. They move across the water in a specific sequence under the watchful eyes of the lifeguards.

## 1.4. Care for children's health

[GRI 203-1, GRI 203-2], [Accounting Act – Key Performance Indicators]

Children occupy a special spot when looking at the social impact of Cyfrowy Polsat Group. For more than 23 years, in line with its mission: "We are here to save the health and the lives of the youngest," Polsat Foundation has incessantly worked for improving the health of the youngest patients in Poland.



### During 23 years (key figures):

Aid provided to over <b>36 thousand</b> children	Support for over <b>1 222</b> hospitals and medical centers
<b>PLN 239 million</b> allocated for financing statutory goals	Over <b>PLN 20 million</b> collected from the St. Nicholas Day Commercial Block
Over <b>PLN 22.8 million</b> donated from 1% of Personal Income Tax	



**[GRI 203-1, GRI 203-2]**

**The superior goal of the Foundation is support for the most needy.** An illness of a child is for many Polish families not only an emotional drama but also a drama in the financial dimension. Specialized treatment, newest pharmaceuticals, or complex operations mean costs which often exceed the parents' financial possibilities, while financing by the state healthcare system is for many reasons insufficient. For that reason the Foundation **has created a system of quick and effective response to requests for aid.** Information received from parents is verified and then their applications are reviewed according to strictly defined criteria.

**“Jesteśmy dla dzieci” (We are here for the children)** campaign is Polsat Foundation's most recognizable project. The goal is to collect funds for treatment and rehabilitation of children (the ones registered with Polsat Foundation). In dedicated commercial spots the children who are under the Foundation's care – the heroes of the **“Jesteśmy dla dzieci”** campaign – appeal for help not only for themselves but also for other ill children.

Since the autumn of 2019 the Foundation has been involved in a special pilot **TV program** which is televised in **Polsat News** channel. **“#JesteśmyDlaDzieci”** program presents, in the form of real life-based episodes, the stories of children who struggle with various illnesses, birth defects and other serious problems. The viewers can see the challenges that these children and their parents or guardians have to cope with every day. The program includes interviews with invited guests (medical experts) who explain to the viewers the most important details of the presented cases. The program also presents the to-date achievements of Polsat Foundation, including the completed repair works at hospital wards, money collection actions aimed at financing the purchase of specialized equipment as well as the aid associated with the treatment and rehabilitation of ill children.

In 2019 funds were donated to support operations, treatment and rehabilitation of **2 121 children**. Financial support was given to **8 medical centers** which provide treatment and rehabilitation of children.

**In 2019 Polsat Foundation allocated:**

- PLN 1 255 873.80 to treatment of 352 children,
- PLN 3 519 116.46 for the rehabilitation of 1 523 children,
- PLN 217 120.68 for the purchase of medical equipment for 74 children,
- PLN 414 985.08 for the purchase of assistive devices for 172 children,
- PLN 1 931 178.10 for repairs of the facilities and purchase of specialized medical equipment for 8 medical centers and hospitals, including:
  - purchase of an integrated heart monitoring system for children for the Neonatology Ward of Nowodworskie Medical Center in Nowy Dwór Mazowiecki near Warsaw,
  - purchase of an anesthetic machine for the Anesthetics and Intensive Care Clinic of Children's Memorial Health Institute in Warsaw,
  - purchase of a cardiac monitor for the Children's Ward of a health care institution in Łęczyca,
  - repair works at the Maternity and Neonatal Ward of the Independent Public Healthcare Center in Lubartow as well as purchase of a USG scanner and a vein scanner for this institution,
  - purchase of assistive devices for the children taken care of by the Special Educational Facilities Unit in Nowy Dwór Mazowiecki near Warsaw,
  - repair works in the rehabilitation rooms of the Neurology Clinic at Children's Ward of the Central Clinical Hospital, part of the University Clinical Center of Medical University of Warsaw (WUM) in Warsaw,
  - purchase of a car for Pomorze Dzieciom Hospice for Children in Gdańsk,
  - purchase of a car for Promyczek Home Hospice for Children in Otwock near Warsaw.



The teams of "Wydarzenia" news program, Polsat News and Polsat Sport channels jointly organized **money collection actions for children**:

- for Antos, a boy suffering from the Apert syndrome – the collected money was used for a life-and-health-saving operation in the USA. The operation offers a chance of improving the boy's quality of life and health, while also leading to minimization and correction of birth defects so as to enable a relatively proper development of the child.
- for Mateusz, a boy who remained in a coma for a long time and suffers from heavy burns – the money will be used for the treatment and rehabilitation of the boy who is the sole survivor of the dramatic fire which took the lives of the boy's parents and two of his siblings.
- Antoś T., a boy in whose case a heart defect called the Tetralogy of Fallot was diagnosed during prenatal examination with additional pulmonary artery hypoplasia, lack of pulmonary trunk and inborn liver defect in the form of Alagille Syndrom having been additionally diagnosed after birth – the money was used for a life-saving operation in the USA.

In 2019 other key events for Polsat Foundation included:

- **"Fortuna Gdy Pełna Trybuna" (Full Stands Mean Fortune)** charity actions for Oliwia and Łukasz – during the 12<sup>th</sup> and the 13<sup>th</sup> rounds Fortuna First Division football matches, the titular sponsor of the First Division of Polish football clubs promised to donate 1 zloty to Polsat Foundation's account for every fan who came to the stadium. During round 13 some matches were postponed to a later date and that is why Fortuna decided to double the payments for the audiences at the matches played on schedule. The ultimate amount was rounded off to **PLN 40 000** and donated for the treatment and rehabilitation of the siblings who suffer from cerebral palsy, impaired hearing as well as heart and kidney defects.
- **Children's Day with Polsat Foundation** in Lubartów – the charity concert, which was organized by TV Polsat and Lubartów County Office, could be watched not only live by the town's inhabitants but also by TV Polsat viewers. The venue of the concert was not accidental. Lubartów was chosen since the local hospital's Maternity and Neonatal Ward received **PLN 1 million** from Polsat Foundation, supported by the Pampers brand, for repair works. The Foundation has been supporting the hospital since 2003. During that time the Foundation donated medical equipment worth **PLN 400 thousand** to the hospital. The Foundation also supports small, local organizations in other parts of Lublin Province. Nearly **PLN 4 million** has been donated so far for the purchase of specialized equipment, repair works in hospitals as well as for rehabilitation of patients in this part of Poland.
- **Bieg z Radością dla Nataliki (Joy Run for Natalia in Radość)** – it is the second time that the run, organized by Toyota car dealership in Radość (a small locality near Warsaw), supported the patients cared for by Polsat Foundation. This year part of the amounts obtained from selling the start packs was donated for the treatment and rehabilitation of a 3-year-old girl suffering from a rare genetic disease (Apert Syndrome). In addition the run's organizer donated the amount to **PLN 10 000** for the girl's treatment and rehabilitation.
- **"Wielka Draka dla Dzieciaka" (Big Noise for a Kid)** is the biggest charity action organized by Association of Polish Students (Zrzeszenie Studentów Polskich - ZSP) student organization at Wrocław University of Economics and Business. In the year 2019 funds were being collected for the treatment of the 13-year-old Martyna who suffers from an eye disease. Martyna was born healthy but then all of a sudden she started losing sight. For years her parents visited many doctors and tried various methods of treatment but to no avail. In July 2018 the girl started a therapy using mesenchymal stem cells. After the fifth injection Martyna started reacting to light while earlier she did not react to even very bright light. The tests confirmed substantial improvement of the optic nerve fibers. One injection costs over PLN 12 000. Martyna must get at least 10 injections more to be able to talk about sight improvement.
- **"Piernikowanie – Świąteczne pomaganie" (Baking Gingerbread to help at Christmas)** – support provided to Promyczek Home Hospice. During a special event the members of the management boards of the companies which make up Cyfrowy Polsat Group, the employees as well as the celebrities associated with TV Polsat, along with the patients taken care of by Polsat Foundation and volunteers worked to decorate gingerbread cookies which were then placed in the Christmas presents for the Customers of the Group's companies as well as for the employees of TV Polsat. TV Polsat, Cyfrowy Polsat, Polkomtel and Polsat Media donated a total of **PLN 60 000** for the action.

During 23 years Polsat Foundation donated **PLN 698 069.99** to support **the operation of hospices**. The funds were donated to:

- Warsaw Hospice (1998),



- Mokotowskiego Hospicjum Świętego Krzyża (The Holy Cross Hospice) in Mokotów district of Warsaw (2002),
- Lubelskiego Hospicjum dla Dzieci im. Małego Księcia (The Little Prince Hospice for Children in Lublin) (2003, 2006, 2007, 2009),
- Pomorskiego Hospicjum dla dzieci (Pomeranian Hospice for Children) (2009),
- Fundacji Podkarpackie Hospicjum dla dzieci (Podkarpackie Hospice for Children - a Foundation) (2014),
- Pomorze Dzieciom (Pomerania for Children) Hospice (2016, 2017, 2018, 2019),
- Łódzkiego Hospicjum dla dzieci (Łódź Hospice for Children) (2017),
- Hospicjum Dziecięce Promyczek (Promyczek Hospice for Children) (2019).

Thanks to the help of Polsat Foundation and the donors, in 2019 the staff of **Pomorze Dzieciom Hospice from Gdańsk** and **Promyczek Hospice for Children from Otwock** got **two new cars** thanks to which the doctors, nurses and the necessary equipment can easily reach the seriously ill children.

Thanks to the fast, positive response to requests for aid, the Foundation is able to help thousands of children every year. The requests received from parents are first verified and then the applications are reviewed based on predefined criteria. The Foundation provides financing for numerous operations, pharmaceuticals, therapies and rehabilitation. So far the Foundation provided support to **36 011** children in need.

Polsat Foundation's activities include financial support for medical establishments and centers all over Poland. To this date aid reached **22 hospitals and medical centers which are involved in treatment, rehabilitation and therapy of children**. Financial support was received by neonatology, oncology, orthopedic, cardiology and pediatric wards. The money was used for the purchase of state-of-the-art medical equipment as well as for renovation of pediatric wards of hospitals.

#### Renovation of rehabilitation rooms in the renewed Pediatric Ward of the Neurology Clinic at Banacha Street in Warsaw

Polsat Foundation allocated as much as **240 thousand zloty** for this project.

It has been yet another instance of support provided by Polsat Foundation to the Pediatric Ward in recent years. The ward provides treatment to children aged 3 and more from all parts of Poland. 400 children suffering muscular diseases, for whom rehabilitation is most important, are treated at the Clinic every year!

Earlier, in 201, the Children's Ward underwent total metamorphosis and the standard of care improved enormously. However the rooms for rehabilitation of children have not been renovated for 40 years. Polsat Foundation donated over 2 million zloty in total for the renovation of the ward and of the rehabilitation rooms as well as for the purchase of state-of-the-art specialized medical equipment for the Children's Ward at the Neurology Clinic!

- The Independent Public Clinical Hospital at Banacha Street is part of the Warsaw Medical University with which Polsat Foundation has been cooperating since 1999 while donating nearly PLN 6 000 000 during the period for repair and renovation works as well as for the purchase of medical equipment for:
  - the Neurology Clinic – the Children's Neurology Ward
  - Polsat Foundation's Hematopoietic Cells and Umbilical Cord Blood Bank
  - General Surgery and Liver Diseases Chair and Clinic, the Intensive Surgical Care Ward
  - Uniwersyteckie Centrum Zdrowia Kobiety i Noworodka (Warsaw Medical University's Women and Newborn Health Center)
  - Orthopedic Ward for Children
  - Neonatology Ward
  - Neonatal Ward, Obstetrics and Gynecology Chair and Clinic

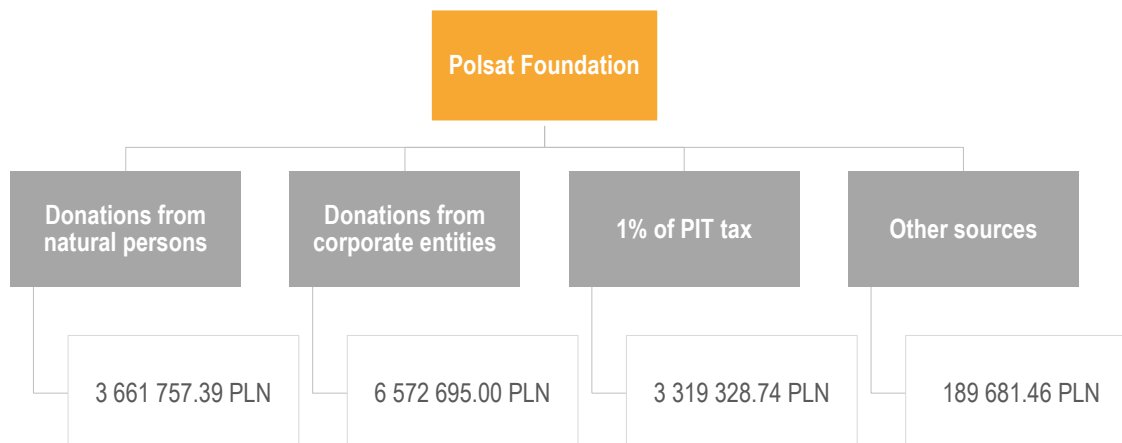
**The Foundation's activities have for years been also supported by TV Polsat**, the actors and the producers of soap operas shown by the channel, the journalists and anchors of Polsat's "Wydarzenia" news program, Polsat News channel and Polsat Sport channel. "Wydarzenia" news program presents materials covering important activities of Polsat Foundation. The



Foundation's representatives also appear as guests of "Nowy Dzień" (New Day) program, while "#JestesmyDlaDzieci" (#WeAreHereFortheKids) program is broadcast under the Foundation's patronage.

All activities of Polsat Foundation are possible thanks to the support from donors. We reach private people and sponsors, among others, through TV Polsat which for years has been broadcasting calls for help. Without television, Polsat Foundation could not be so effective and could not operate on such a big, national scale.

Figure 5. Financing of Polsat Foundation in 2019



#### BEST PRACTICE: ST. NICHOLAS DAY COMMERCIAL BLOCK



For 16 years, every year on 6 December at 6.45 p.m. TV Polsat and Polsat Media media house have been organizing the **Mikołajkowy Blok Reklamowy (the St. Nicholas Day Commercial Block)** which attracts millions of Poles wishing to help ill children by watching the commercials. The dozen or so minutes of commercial time activates a special meter. **The income from the St. Nicholas Day Commercial Block, calculated on the basis of audience results, is donated to treatment and rehabilitation of the children who are under the care of Polsat Foundation.**

In **2019** the St. Nicholas Day Commercial Block was also aired in IPLA online TV. A total of **5 million viewers** watched the commercials. As a result over **PLN 1.2 million** was received on the Foundation's account. The amount of over **PLN 20 million** was collected during the past **sixteen** editions of the St. Nicholas Day Commercial Block. **The entire amount was transferred for treatment and rehabilitation of children.**

The hosts included the unbeatable **Krzysztof Kowalewski** (as Santa Claus), **Dorota Gawryluk** and **Jarosław Gugala**. This year the action was also communicated by **Anita Sokołowska**, **Joanna Liszowska**, **Barbara Kurdej-Szatan**, **Jerzy Milewski**, **Maciej Dowbor** and by a special guest: **Kayah**. Gratitude to all those who joined the action was expressed by the long-standing friend of Polsat Foundation – **Krzysztof Ibisz**.

#### [GRI 203-1, GRI 203-2]

An important part of the Foundation's revenue also comes from **1% of personal income tax**, transferred by tax payers to charity causes. For years, through the campaigns which are carried out in its TV channels, TV Polsat has been encouraging



its viewers to support the Foundation when filling in the yearly tax return forms. A media campaign was started in February 2019 with an aim to increase the taxpayers awareness of the possibility of donating 1 percent of their tax to ill children who are taken care of by Polsat Foundation. So far the Foundation has received nearly **PLN 22.8** million this way thanks to the generosity of taxpayers. The entire amount thus received was used for treatment and rehabilitation of children in Poland.

Every year the Foundation's budget is also funded by donations from sponsors who include the biggest companies operating in Poland.

**Table 3. Donations for Polsat Foundation from key sponsors in 2019**

#	Name	Amount
1	TELEWIZJA POLSAT SP. Z O.O	PLN 2 295 593.00
2	POLKOMTEL SP. Z O.O.*	PLN 1 437 484.13
3	ORANGE POLSKA S.A.*	PLN 639 935.70
4	CYFROWY POLSAT S.A	PLN 524 000.00
5	POLSAT MEDIA SP. Z O.O. SP.K.	PLN 421 335.00
6	T-MOBILE POLSKA S.A.*	PLN 349 625.00
7	P4 SP. Z O.O.*	PLN 362 840.00
8	NETIA S.A.	PLN 250 000.00
9	PROCTER AND GAMBLE DS. POLSKA	PLN 180 000.00

\* charity and transferring of the entire income from the SMS campaigns carried out by the Foundation.

## 1.5. Health and sports thrills

[GRI 203-1, GRI 203-2]

**Promotion of sports is one of the social activities in which Cyfrowy Polsat is very much involved.** Sports occupy a special place in the operations of **Plus network (sponsoring) and of TV Polsat (sports coverage)**. One of the goals of this involvement **is to promote sports**, volleyball in particular, as well as other disciplines and physical activity, in the broad sense of the term, in the population as a value in itself and as one of the most important elements of a healthy lifestyle and good functioning of the body. Sports also offer many examples of attitudes which are worth copying, attitudes which show the beauty of one's passion, of setting goals for oneself and striving to achieve them in the fair play spirit.

A vast majority of Poles associates the Plus brand with volleyball and the success that it achieved. During the past 20 years or so **all of Poland's national teams, both men's and women's (senior, junior, cadet teams), won a total of 77 medals at various tournaments, including 32 gold, 24 silver and 21 bronze.** Plus, as a sponsor, participated in the organization of major volleyball tournaments in Poland: four FIVB World League Finals, women's and men's European Championship tournaments and men's World Championship.



## BEST PRACTICE: DEVELOPMENT AND PROMOTION OF POLISH VOLLEYBALL



Polsat Group's involvement in the **development and promotion of Polish volleyball** is not only restricted to sponsoring by Plus network. It also includes support from TV Polsat which for over 25 years now has been broadcasting all major volleyball matches – from Polish league matches, through European cups to national team's matches. Thanks to the exposure that it has in TV, volleyball has made a major quality improvement in Poland, with new courts and training facilities being constructed, new sponsors attracted to this sport, the numbers of spectators growing and world volleyball stars coming to play in the Polish volleyball league.

Building a positive image of volleyball in Poland and making this discipline a new Polish national sport, with matches attended by whole families, is a great success. Volleyball is seen as a safe sport, associated with great fun and entertainment, on the one hand, and with international success, on the other. A vast majority of Poles associates the Plus brand with volleyball and the successes of our teams, with Plus and volleyball being virtually a synonym, which is of great value for the whole Cyfrowy Polsat Group.

Seeing the very positive results of the long-standing cooperation, Plus is satisfied and proud to support volleyball in the years to come. By virtue of an agreement between TV Polsat and the International Volleyball Federation (FIVB) in 2018, TV Polsat will enjoy the rights to show the coverage of major international volleyball events for 7 years. Up until the end of the 2024 season the TV Polsat's sports channels will show 1500 top level international matches, including coverage of such events as Volleyball Nations League and the Challenger Cup. Thanks to our TV station, Polish fans will be also able to watch the men's and women's national teams playing in the 2022 FIVB World Championships, in the 2023 FIVB World Cup as well as in the qualifying tournaments for the 2020 and 2024 Olympics.

### Interesting facts

**Volleyball is the sports discipline which has given Poland most medals of all team sports.**

*The 90 years of volleyball in Poland has been the time of numerous successes of both, the women's and men's national teams. Our volleyball players have medals from Olympic Games (the memorable gold from Montreal in 1976 as well as earlier bronze medals won by women in 1964 and 1968), European Championships (two championship victories of women in 2003 and 2005 and one championship won by men 2009), or the World Championships which our men's team managed to defend in 2018 while beating Brazil in the final match for the second time in history. During the 90 years of volleyball in Poland our national teams won nearly 200 medals at international events.*

Sports and TV coverage in Polsat Group also mean many other disciplines. It is for its viewers that the Group has been consistently betting on **football** at its best, as played by the national team. The Group has extensive experience in bringing to Polish fans the national teams' matches from major international events – the **2002 FIFA World Cup** in South Korea and Japan, the 2006 FIFA World Cup in Germany. In addition the UEFA Euro 2008 played in Austria and Switzerland, and the most recent **UEFA Euro 2016** played in France, which was so fantastic for the Polish team. Cyfrowy Polsat Group has successfully carried out a unique and comprehensive UEFA Euro 2016 project. For the first time in history the coverage of the matches on the free-to-air POLSAT channel was combined with dedicated pay TV channels, i.e. Polsat Sport 2 and Polsat Sport 3 which operated round-the-clock, with all the 51 matches shown live, without any commercials and in HD quality. Also the most recent **U-21 UEFA Euro 2017 tournament** enjoyed high interest among viewers.

Starting from the 2018/2019 season, Cyfrowy Polsat Group once again holds the rights to the **UEFA Champions League** and the **UEFA Europa League** (for three consecutive years). Match coverage will be available to Cyfrowy Polsat DTH platform



subscribers, customers of Plus and Netia networks as well as users of IPLA. The prestigious tournaments will be broadcast via the newly created **Polsat Sport Premium 1** and **Polsat Sport Premium 2** channels as well as via four **premium PPV TV services**. Thanks to this, for the first time in the history of television all Champions League matches will be showed live, without commercials and in Super HD quality. The UEFA Europa League final match will be played in Gdansk on 27 May 2020 with TV Polsat transmitting it internationally. It will be the biggest TV production of this type in Polish history.

## Interesting facts

### How does TV POLSAT most advanced sports studio operate?

*Bearing in mind the UEFA Champions League as well as the UEFA Europa League and UEFA Nations League matches, Cyfrowy Polsat Group build, in its head office at Łubinowa Street in Warsaw, **the most advanced and the biggest sports studio in Poland**. Thanks to the totally new possibilities and technology, Polsat Group's premium channels present the matches **in a totally new dimension**, both as regards the live broadcasts themselves and the match-related materials – analyses, statistics, replays of match situations, reporting or commentaries from experts. And all this is done not only with the involvement of **Polsat Sport** channel's best journalists and experts but also while using **the most advanced technologies**, e.g. – **VIZRT, augmented reality (AR) and 3D models** as well as the **virtual window**, with all of them offering even more information and sport thrills to fans.*

*In 2019 we proposed further **technology novelties** to our viewers. The **technology of virtual interviews** was introduced in the studio while covering the Hubert Wagner Memorial volleyball tournament. Krzysztof Wanio, a Polsat Sport journalist, talked to Dawid Konarski, a Polish national team's player who at that time was in Cracow. Viewers had the impression that the two gentlemen were standing next to each other during the interview, though in reality they were nearly 300 kilometers apart! Viewers could see how Paulina Chylewska, who was hosting the Champions League studio, moved to Munich, straight to the pitch of Allianz Arena. Viewers could get the impression that she was actually standing on the pitch of the stadium.*

Our channels regularly also show **basketball, rugby, Polish and international boxing, mixed martial arts (including KSW, FEN, Babilon MMA, Armia Fight Night), biathlon, speed skating, short track, figure skating and tennis**.

### Broadcasting on free-to-air channels and on encoded channels

Acquisition of the broadcasting rights as well as production of major sports events at world class level mean expenditures reaching hundreds of millions of euros. Thus financing of such efforts only from the money obtained from sponsors or commercials is not possible. For that reason – similarly as in practically all countries in the EU and North America – part of the broadcasts are shown on paid (encoded) channels. Ease of purchase of such services, affordable pricing as well as superb quality of the presented materials result in such services enjoying increasing understanding and popularity among our clients.

At the same time we try to make sure that individual events of top importance are available for the most extensive groups of viewers. The events which we presented in our free-to-air channels (Super Polsat and Polsat) in 2019 included:

- A rematch in the qualification round for the Champions League between the Polish champion Piast Gliwice and BATE Borysow of Belarus,
- Final tournament of UEFA Nations League (football),
- The match for Polish Super Cup between the Polish premiership champion and the Polish Cup winner,
- Przegląd Sportowy sports daily gala during which the best sportsperson of the year in Poland is named.

Moreover, starting from the quarterfinals of the European Championship in volleyball, Super Polsat showed Polish team's matches until the end of the tournament, including the semifinals and the match for the bronze medal.

**Broadcasting of major sports events also means popularization of numerous sports.** TV Polsat and our sports and news channels willingly support activities which promote physical education by promoting such activities in the media and in our TV



channels. Both, the news programs and the programs dealing with sports inform of mass sports events while encouraging viewers to participate in them. By presenting sports stars, who also willingly join such initiatives, we promote active leisure and tourism. We also promote mass running or cross-country skiing events while also supporting hockey, football and tennis tournaments for children.

While **promoting sports and healthy lifestyle**, we engage in the support for domestic tourism and spending leisure time with the family. An important role is played by the actions which we carry out together with our business partners during summer and winter vacations. The issue of safety and of spending one's leisure time with a family – while practicing sports always with a smile – is particularly dear to us.

#### **BEST PRACTICE: THE SUNNY STATION**



**“Słoneczna Stacja” (The Sunny Station)** is a project where TV POLSAT meets viewers and **encourages active and safe leisure time spending during vacations**. In 2019 the “Sunny Station’s” team visited the most popular resorts on the Polish seaside and in Warmia region (Kolobrzeg, Ustronie Morskie, Jarosławiec, Hel, Olsztyn, Jantar, Stegna). The purpose was not only to move a TV studio to a beach, but above all **to talk about safety, offer tourists access to valuable information and encourage them to engage in sports activities**.

The project's individual partners took care that numerous thematic attractions were available during the seven vacation weekends.

**In Plus’s safety zone medical rescuers carried out professional first aid training** and encouraged people to memorize the **number for emergencies by the water, i.e. 601 100 100** (knowing this number may prove very helpful in life-threatening situations). Thanks to the state-of-the-art VR technology, the presentation's participants moved to a virtual world and could experience nearly the same emotions as those experienced in real-life situations when someone's life is in jeopardy.

**PZU insurance firm invited everyone to a Safety Zone where Niestraszki (Afraidnot's)** assured not only fantastic fun for the participants but also **talked to children and parents about safe ways of spending one's vacation time**. **PZU Zdrowie (PZU Health)** insurance company's special tent was the place where **diet and skin health advice was given and consultations with a physiotherapist were held**. Those who craved active leisure could start their day with **Zumba**, and end it with a relaxation, doing **yoga**.

There were also attractions for whole families - **Plus and Cyfrowy Polsat** special zone was the place where one could participate in a table football tournament, play volleyball, or test one's skills on a climbing wall.



## BEST PRACTICE: A DAY OF FUN WITH NICKELODEON



“**Day of Fun with Nickelodeon**” is a special day of fun which has become a permanent element in the calendar of family events. For seven years now, as part of **Nickelodeon’s** global social initiative, the children’s channel tries to show its young viewers and their parents that joint spending of leisure time need not be limited to watching TV or console gaming only.

On a selected date (31 August in 2019) from 12 p.m. to 4 p.m. **Nickelodeon Polska shuts down its channel and website** to encourage children all over Poland to open-air fun. Also a big public event is organized by the channel on that date.

In 2019 **Cyfrowy Polsat joined the project for the fourth time**. This time the event was held at Służewiec Horse Racing Track in Warsaw. As usual the participants could expect dozens of attractions and characters known from Nickelodeon’s cartoons, i.e. SpongeBob Squarepants, Patrick and the heroes of the PAW Patrol.

In this year’s edition we traditionally focused on **sports thrills** and celebration of leisure time. In Cyfrowy Polsat’s area the participants could take sports challenges, participate in creative workshops and at the end relax, in the relax zone.

### 1.6. Aid measured by smiles

Encyclopedias define **corporate volunteering** as supporting of charity activities by an employer with the voluntary cooperation from the persons who are employed in a given company. For us at Cyfrowy Polsat Group volunteering is associated with joy, support for others, smiles and happiness. The impulse for the development of employee volunteering activities has come from our internal needs of supporting ill persons, with particular focus on children. We try to note and understand the difficulties that such people have to cope with and help them in overcoming their problems. We are sensitive to human suffering or social exclusion. In volunteering we see benefits for both parties. Each action that we get involved in not only supports those in need but also unites us as a community. We develop the relations with our colleagues, we learn about our strengths, and we become aware that thanks to cooperation we can do more good. This gives the sense to our activities. Our employees simply enjoy helping others, and supporting our employees in their efforts gives Cyfrowy Polsat Group a reason for pride.

#### [GRI 203-1, GRI 203-2]

In our **employee volunteering activities** for many years we have been closely cooperating with **Polsat Foundation** and **Polki Mogą Wszystko (Polish Ladies Can Do Everything) Foundation** (formerly Przyjaciółka Foundation).

In 2019 we organized **2 initiatives to support persons under the care of Polsat Foundation**. The goal of our activities was to help with the treatment and rehabilitation of ill children:

- In September 2019, during **Cyfrowy Polsat Group’s Family Picnic** as many as **31 volunteers** (vs. 16 volunteers in 2018) collected donations for a **3-year-old Natałka** who was born with a very rare disease – the **Apert Syndrome**. A total of **PLN 6 303.32 was collected** (vs. PLN 2 193.13 in 2018). The amount will be donated for **the girl’s treatment and rehabilitation**, especially that she will have to undergo further operations and then long, arduous and very costly revalidation.
- In December 2019 as many as **60 persons** (employees and their children as well as pupils from the kindergarten and school in Halinów near Warsaw) participated in the **Christmas Handicraft Workshop with a mission**. One of the Christmas decorations that the participants made during the workshop could be taken home by them, others were **offered for sale during a Christmas fair, with the income from the sold items going to Polsat Foundation for the purpose of aiding the 9-year-old Radek** who suffers from a **progressing amyotrophy and Duchenne muscular dystrophy**. We were able to collect **PLN 6 162.75** for the boy.

In 2019 our employees and associates also participated in **2 charity actions** carried out in partnership with **Polki Mogą Wszystko Foundation** (formerly Przyjaciółka Foundation). This time the goal was to assure educational aids for children with special needs as well as fight against poverty and prevention of social exclusion.



## BEST PRACTICE: SCHOOL STARTER KIT



Since 2014 we have been actively participating in the **“Wypełnij Plecak” (Fill-in the Backpack)** action which is carried out by **Polki Mogą Wszystko Foundation** (formerly Przyjaciółka Foundation). During 5 years the action has been evolving and its operating mechanism and strategy have been changing. We helped in various ways – from buying the backpacks alone for selected community day-care rooms, through purchasing and filling-in the back packs with various articles for specific children, to supporting selected centers and disabled children of our employees by buying educational and developmental aids for them.

In 2019 we continued the cooperation by communicating the project within the organization using the slogan **“Wyprowadź z serca” (A starter kit straight from the heart)**. Together with our partner we concluded that even though the government's program assures the most important items for the starter kit (including the backpack, the pencil case and some creative articles), still the amount offered by the government is not sufficient to satisfy children's needs during the 10 months of school. That is why **we became involved in the collection of the most intensely used school materials** (including crayons, markers, drawing pads, pencils, pens, etc.). **While simultaneously responding to Sustainable Development Goal no. 4, we decided to organize the collection of materials which support the development and education of special children, i.e. the disabled children of our employees and the children under the care of Fundacja dla Dzieci Niepełnosprawnych „Nadzieja” (Hope Foundation for Disabled Children).** It is an organization which runs a Special Non-Public Kindergarten (Niepubliczny Specjalny Punkt Przedszkolny) which assures care and free, comprehensive rehabilitation for disabled children suffering from autism as well as for children with multiple disabilities. Thanks to the involvement of our employees we were able to collect more than **1 800 various articles**.

The gift packs prepared by **Polki Mogą Wszystko Foundation (Polish Ladies Can Do Everything)** included pencil boxes, notebooks, crayons, marker pens, watercolors, pens, pencils and fairy tales on DVD.

As regards **Fundacja dla Dzieci Niepełnosprawnych „Nadzieja” (Hope Foundation for Disabled Children)**, we packed such things as sensory bags, big and small balls for sensory play, modelling clay and magic strips, educational games, educational toys, creative materials, as well as special work sheets and several dozen books on autism.

**The backpacks for the children of our employees** contained surprise gifts right from the heart – from some basic educational materials, through development-supporting toys, to dedicated assistance of specialists.



## BEST PRACTICE: QURIER ŚWIĘTEGO MIKOŁAJA (SANTA CLAUS COURIER)



Since 2010 we have been participating in another action organized by Polki Mogą Wszystko Foundation (formerly Przyjaciółka Foundation), namely **Qurier Świętego Mikołaja (Santa Claus Courier)**. It is an action whose aim is to fulfill the wishes of the children who suffer from poverty, alcoholism and joblessness of their parents, lack of acceptance at school and from being behind in their schoolwork.

During 9 years we helped **1 400 children**, who were taken care of by community care centers in various locations in Poland, believe in the magic of Christmas. In 2019 we had **50 coordinators**, from Cyfrowy Polsat and Polkomtel, who coordinated the efforts of our team of Santa Claus's elves. Thanks to this:

- we responded to **115 letters with wishes** (in 2018 we responded to 110 letters),
- we provided care to children from **4 different care centers**:
  - Stowarzyszenie Rodziców Dzieci Niepełnosprawnych "TACY SAMI" ("WE ARE JUST THE SAME") Association of Parents of Disabled Children in Głubczyce,
  - Klub Młodego Strażaka (Young Fireman's Club) in Cholewiana Góra,
  - A care center in Olszany,
  - A Day-Care Center in Bochnia – Nieszkowice Wielkie,
- work in the project relied on teamwork (teams of 2-3 people on average prepared each gift).

There is yet one more form of providing aid which we not only get involved in but which we also promote. It is donating **1% of the personal income tax** to treatment and rehabilitation of **the children under the care of Polsat Foundation** as well as of **other foundations which care for our employees or their ill children suffering from chronic diseases**.

## Interesting facts

### "Sami nie damy rady" (We can't do it just by ourselves) campaign

*A campaign started in the media in February 2019. Its goal was to increase the taxpayers awareness of the possibility of donating one percent of the personal income tax to aid ill children who are under the care of Polsat Foundation.*

*The main theme of the campaign was "We can't do it just by ourselves", while the stories told in respective spots are based on the real stories of the children who are under the care of Polsat Foundation. In their stories the children try to answer the most basic questions, such as what it means to be (chronically) ill, why their parents cry, why they are sad. They talk about their dreams and finally they ask the question: Do you like to help? The campaign comprised 4 spots which were aired on TV until 30 April 2019.*

Though corporate volunteering activities are not covered by any formal corporate procedures, in Cyfrowy Polsat Capital Group we believe that by working together we can tackle many challenges. Thanks to our employees we also notice further directions of development of volunteering in our organization while noting the areas which require support into which we can engage as the Group.



## Chapter 2

### Our business





## 2. OUR BUSINESS

### 2.1. Key figures

Key figures 2019

[GRI 102-7, GRI 201-1], [Accounting Act – business model]

**No 1** – the biggest media and telecommunications group listed on the Warsaw Stock Exchange, with market capitalization of **PLN 17.9 billion**

Customers and services <sup>1</sup>		Financial results	
<b>5.6 million</b> contract customers	<b>17.4 million</b> services provided	<b>PLN 11,676 million</b> revenues of Cyfrowy Polsat Group	
<b>6.0 million</b> multi-play services provided		<b>PLN 11,295 million</b> economic value distributed	<b>PLN 441 million<sup>2</sup></b> economic value retained
<b>PLN 84.2</b> average revenue per contract customer (incl. IFRS16)	nearly <b>100%</b> of Poles live within Plus LTE Internet coverage	<b>PLN 979 million</b> payout to investors	<b>PLN 970 million</b> payments to the State Treasury
Television market			
<b>24.3%</b> TV Polsat channels' audience share in the commercial group	<b>28.0%</b> TV advertising share	<b>PLN 27 million</b> community investments	
Employees		Environmental	
over <b>7 thousand<sup>3</sup></b> employees		<b>541 tons</b> of waste sent by Cyfrowy Polsat for recycling	

<sup>1</sup> Excluding operational indicators of Netia Group which are being published separately from the results of Cyfrowy Polsat Group.

<sup>2</sup> The retained value presented above represents the amount remaining after the distribution of generated economic value between the stakeholders of the company. This amount is not matching net profit presented in the Income Statements as it also includes, among others, dividends paid (as the distributed economic value).

<sup>3</sup> The average number of non-production plant employees in 2019, active employees, excluding persons temporarily de-registered (child care leaves, maternity leaves, sick leaves exceeding 30 days, unpaid leaves exceeding 30 days). Includes the employees of Netia Group.



## [GRI 102-10]

No significant changes during the reported period as regards the size, the structure, the ownership form of the value chain.

## 2.2. Sector context and business model of the CP Capital Group | Television, telephony, Internet. For everyone. Everywhere.

### [Accounting Act – business model]

Who we are?

## [GRI 102-2]

**We are the leader on the pay TV (DTH) market and one of the leading telecommunication operators on the domestic market.** We are also **one of Poland's leading private broadcasters** in terms of both, audience and advertising market shares. We offer **comprehensive multimedia services** for the entire family: **pay TV services in DTH, DVB-T and Internet technologies (IPTV and OTT), mobile and fixed-line telephony services, data transmission services and broadband Internet access**, mainly in LTE and LTE Advanced technology, as well as over fixed-line networks, including fiber optic lines. We also offer a wide array of wholesale services on the telecommunications (interconnect), pay TV and advertising markets.

We operate in two business segments: the segment of **services provided to individual and business customers** (pay TV services in DTH, DVB-T and Internet technologies, mobile and fixed-line telephony services, data transmission and broadband fixed and mobile Internet access services) and the broadcasting and television production segment (34 popular TV channels, including our flagship channel POLSAT).

**Our mission** is to create and deliver the most attractive TV content, telecommunications products and other services for the home, as well as for individual and business customers, using state-of-the-art technologies to provide top quality multi-play services that match the changing needs of our customers, while maintaining the highest possible level of their satisfaction.

**Good organization**

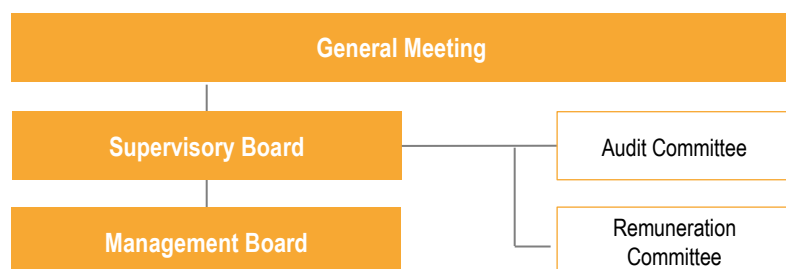
## [GRI 102-1, GRI 102-3, GRI 102-4, GRI 102-5, GRI 102-6, GRI 102-18]

**Cyfrowy Polsat S.A.** Capital Group operates in Poland and has its registered office in Warsaw. Since May 2008, our shares are listed on the Warsaw Stock Exchange. In terms of capitalization, which amounted to PLN 17.9 billion at the end of 2019, Cyfrowy Polsat is **the biggest media and telecommunications company listed on the Warsaw Stock Exchange and one of the biggest companies in Central and Eastern Europe.**

The status of a public company obligates us to meet the highest management standards. Therefore, our goal is to manage the company in a transparent, predictable and value-oriented way. This helps to build trust among our local and foreign investors, financial markets, our customers and business partners, as well as employees of the Group.

**Figure 6. Governance structure of Cyfrowy Polsat**

## [ GRI 102-18, GRI 405-1]





The Company's **Supervisory Board** consists of seven members, the **Audit Committee** and the **Remuneration Committee** operate within its structure. **The Company's Management Board** comprises six members.

**Table 4. Supervisory Board**

Name and surname	Function	Year of first appointment	Year of appointment for the current term	Year of expiry of term
Marek Kapuściński	Chairman of the Supervisory Board Remuneration Committee Member	2016	2018	2021
Józef Birka	Supervisory Board Member	2015	2018	2021
Robert Gwiazdowski	Independent <sup>(1)</sup> Supervisory Board Member Audit Committee Chairman	2008	2018	2021
Aleksander Mysza	Supervisory Board Member	2015	2018	2021
Leszek Rekxa	Independent <sup>1</sup> Supervisory Board Member Audit Committee Member	2008	2018	2021
Tomasz Szela	Supervisory Board Member Audit Committee Member Remuneration Committee Chairman	2016	2018	2021
Piotr Żak	Supervisory Board Member	2018	2018	2021

(1) conforms with the independence criteria listed article 129 item 3 of the Act of May 11<sup>th</sup>, 2017 on Statutory Auditors, Audit Firms and Public Oversight and in principle II.Z.4 of the Best Practice for GPW Listed Companies 2016.

**Table 5. Management Board**

Name and surname	Function	Year of first appointment	Year of appointment for the current term	Year of expiry of term
Mirosław Błaszczyk	President of the Management Board	2019	2019	2022
Maciej Stec	Vice-President of the Management Board	2014	2019	2022
Jacek Felczykowski	Member of the Management Board	2019	2019	2022
Aneta Jaskólska	Member of the Management Board	2010	2019	2022
Agnieszka Odorowicz	Member of the Management Board	2016	2019	2022
Katarzyna Ostap-Tomann	Member of the Management Board	2014	2019	2022

Biographical notes of Supervisory Board and Management Board Members are available on [Cyfrowy Polsat Group's corporate websites](#).



Chart 1. Structure of employment of the Management Board and Supervisory Board by age

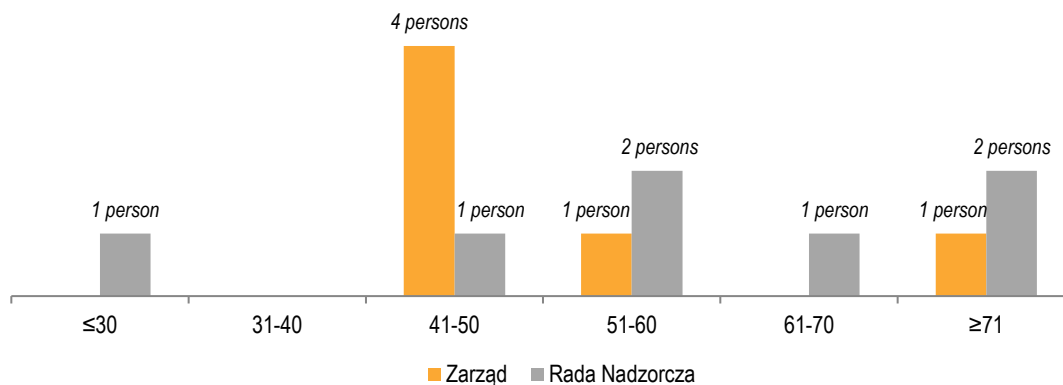
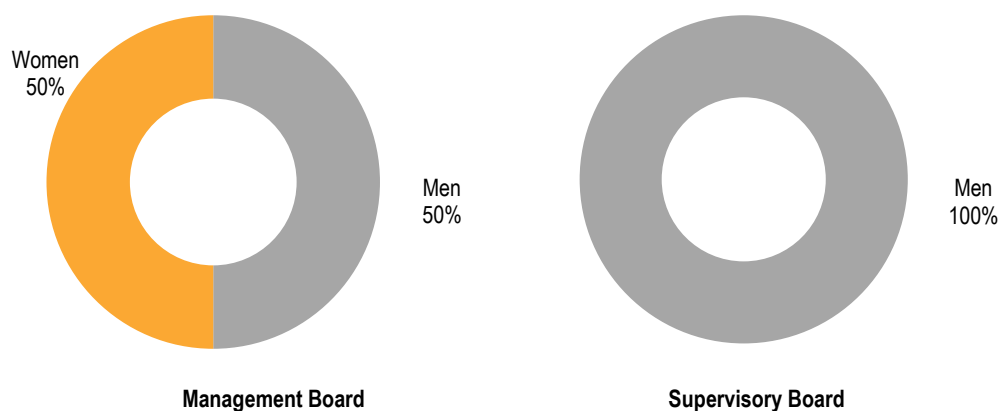


Chart 2. Structure of employment of the Members of the Management Board and Supervisory Board by gender



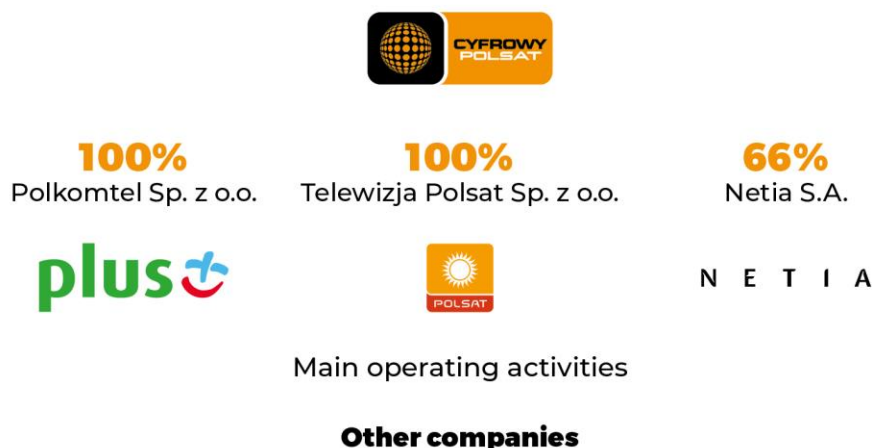


## 2.3. What we offer to our customers?

Figure 7. Capital structure of Cyfrowy Polsat Group

[GRI 102-2]

### Capital structure of Cyfrowy Polsat Group



#### KEY AREAS OF ACTIVITY

##### Pay TV



Cyfrowy Polsat is the largest pay TV provider in Poland and a leading DTH platform in Europe in terms of the number of customers.

- It ensures access to approx. 170 channels via diverse technologies – in line with the idea: For Everyone. Everywhere.
- Thanks to the Cyfrowy Polsat GO service, customers have access to thousands of shows available on demand and over 100 linear channels consistent with the satellite TV package selected by the customer. Thanks to On the Go option it can be used on three devices simultaneously: a PC, tablet and smartphone.
- Cyfrowy Polsat's Multiroom HD service enables the use of the same TV package on as many as 4 TV sets.
- The platform has own broadcasting center which enables the transmission of TV channels to transponders on the Hot Bird satellites.
- Cyfrowy Polsat is the only operator to offer set-top boxes manufactured in-house. This allows for controlling the production process, effectively managing costs and offering high quality equipment which meets our customers' needs.

While responding to the changing trends in the area of TV content consumption, in 2019 we launched to new lines of products to the market:



- IPTV cable TV which enables access to the full portfolio of channels offered by Cyfrowy Polsat upon connecting the set-top box to a fixed-line Internet service offered by selected operators, i.e. Plus, Netia and Orange,
- the flexible web TV (OTT) with a set-top box – all that needs to be done is to connect the set-top box to the Internet, provided by any operator in any technology.

## N E T I A

Netia offers an IPTV service to its customers under the brand of *Telewizja Osobista (Personal Television)*. The customers are offered:

- the Netia Player set-top box, which ensures access to pay digital television based on the IP protocol;
- fast and easy access to popular Internet services or the company's own multimedia content via the screen of a TV set;
- access to VOD services, such as IPLA, Player.pl or HBO GO.

Netia's *Telewizja Osobista* offer comprises 220 channels, including around 130 channels in HD or super HD technology.

### VIDEO ONLINE



IPLA is a leading online video service in Poland, with the most versatile database of legal video content.

- It offers access to over 110 online TV channels, live coverage from major national and international sports events.
- Over 500 hours of live coverage per month from the largest sports events nationwide and worldwide.
- Rich and constantly expanding library of movies, series and TV programs delivered by Polish and international licensors.
- IPLA materials can be viewed on PCs, tablets, laptops, smartphones, smart TVs, as well as via set-top boxes and game consoles.

### TELECOMMUNICATIONS

#### Mobile telephony



Polkomtel is the leading telecommunications operator in Poland who provides its services under our main brand Plus and sub-brand Plush. The company is the leader of LTE technology and relies on the most advanced telecommunications solutions while developing services for its customers. In 2020, it also started the rollout of the first commercial 5G network in Poland using the spectrum from the 2600 MHz TDD frequency band.

- The residential offer includes a variety of tariff plans. Currently, it is available in the contract and prepaid models, as well as in the mix offer (a combination of a prepaid and a contract offer).
- Business customers are mainly offered contract solutions, often on the basis of solicited tenders. Apart from traditional mobile telephony services, Plus also offers fixed telephony services, Internet access solutions (mobile and fixed broadband Internet access), SMS Centre services and other dedicated solutions.
- Plus provides international roaming services to our customers, who can use telecommunications services while being abroad and logged on to foreign networks. Thanks to the acquisition of new roaming partners in 2019 we opened 173 new international roaming services, thanks to which our customers may enjoy even broader coverage of



telecommunication services while being abroad, especially the growing coverage of the ultra-fast LTE data transmission while roaming.

- We offer our customers a wide array of state-of-the-art smartphones and traditional handsets. In 2019, smartphones constituted over 96% of handsets sold by us and the penetration of our customer base with smartphones approached ca. 78%. Handsets are sold primarily in the instalment plan model. An instalment for the purchased equipment is added to the monthly subscription fee for the telecommunication service.

#### Mobile broadband Internet access



Polsat Group provides comprehensive mobile broadband Internet access and data transmission services to both individual and business customers under two main brands: Plus and Cyfrowy Polsat, using the LTE technology since 2011 and currently also the LTE Advanced technology. In 2020, we commenced the roll-out of the first commercial 5G network in Poland, using spectrum from the 2600 MHz TDD band.

- In return for a single monthly fee our offer includes broadband Internet access relying on all technologies supported by the network. Thanks to this, nearly 100% of Poles live within the coverage area of our LTE Plus Internet service, while 82% of Poles are within the coverage footprint of our LTE Plus Advanced Internet service with the maximum technological data transmission speed of 600 Mbps (selected areas).
- Contract tariff plans offer basic mobile broadband Internet access. In return for a monthly fee they offer a defined data transmission limit or, as an additional service, unlimited data transmission in the LTE Plus network. While using this offer, customers may purchase or lease, among others, dongles, fixed and mobile routers. In addition, the offer also includes laptops, tablets and other devices, as well as offers without equipment - *SIM only*.
- The Group has also introduced the LTE Home Internet set, a unique solution developed in-house, as an alternative to fixed Internet access, which can considerably enhance the coverage area and signal strength of the LTE Internet. The latest 300 LTE Home Internet set supports the LTE Plus Advanced technology and works perfectly in non-typical locations with poor availability and quality of the Internet signal, also in places without cable Internet access.

#### Fixed-line broadband Internet access



Netia and Plus also offer a fixed-line broadband Internet access service, among others in fiber optic technologies. The fixed-line fiber optic Internet access service is provided via our own access network which reaches approximately 2.7 million homes in around 180 locations. The service is also supported by a wide, national backbone infrastructure. Furthermore we offer fixed-line Internet access services based on regulated access to Orange Polska network. Fixed-line broadband Internet access services are provided to individual and business customers.

- Internet access services addressed to individual customers are sold mainly in packages with television and voice services, including the mobile offer. The offer is supplemented with a number of value added services. Netia Spot – a wireless Wi-Fi router and Netia Player – an innovative multimedia set-top box with access to a rich offer of television channels, VOD services, online applications and the possibility of playing its own multimedia files are the elements of our home multimedia platform which uses broadband Internet access in order to distribute content to household members.
- Broadband Internet access services addressed to business customers are offered in the fiber optic, Ethernet, xDSL and HFC technologies. They are part of the broad spectrum of services, including traditional fixed-line telephony solutions (analogue and ISDN access), state-of-the-art IP telephony services, unified communications services (Unified Communications), video communication, wholesale messaging, and the lease of digital links, VPN and Ethernet networks as well as data center services which are addressed to the companies who use the Internet in their business solutions, launch portals and online information services.
- Based on Netia's infrastructure, in December 2018 Polkomtel implemented a new broadband fixed-line Internet offer called *Plus Fiber optic*. This service is addressed to individual customers living in detached houses and in apartment



blocks, as well as to small companies from the SOHO segment. The service is available in the smartDOM and smartFIRMA programs.

## MULTIPLAYS SERVICES

We believe that combining of state-of-the-art services of Cyfrowy Polsat Group may produce measureable benefits for our customers. Our companies – Cyfrowy Polsat and Polkomtel – offer multi-play services, including the popular smartDOM and smartFIRMA programs which allow for flexible combining of numerous products and services.

smartDOM and smartFIRMA are unique savings programs which offer a wide array of products and services that enable our customers to create a comfortable, safe and modern home or conveniently run a firm. The program is based on a simple and flexible mechanism – a customer who is subscribed to one of our services is offered attractive discounts throughout the term of the contract upon purchasing additional products of our Group's portfolio. This way every customer has the possibility of creating a unique set of services for their family or firm.

Apart from our flagship, core services, i.e. Plus mobile telephony (including a fixed mobile solution), Plus's LTE and fixed-line Internet access as well as Cyfrowy TV Polsat (satellite, cable IPTV or terrestrial service), smartDOM and smartFIRMA customers can also use comprehensive insurance services and home security services, such as monitoring, as well as gas supply offer

All of the products and services offered to customers play an important role in households and firms. Thanks to the convenient and simple formula of the smartDOM and smartFIRMA programs, our customers can purchase all the products and services that households and firms need in one place, additionally assuring savings from each service added to the package.

Customers who decide to buy a mobile handset or a tablet are also offered the option of using the Device Repair and Maintenance Service.

## TELEVISION (BROADCASTING AND PRODUCTION)

### TV Polsat



Polsat Group's portfolio comprises 34 channels, including our main channel POLSAT. Additionally, there is a group of 8 cooperating channels which are associated with Polsat Group by capital or by joint broadcasting projects. The channels we broadcast include entertainment, sports, news, music, lifestyle, movie and children's channels. Our channels are available via cable and satellite, while six of them – POLSAT, Super Polsat, TV4 and TV6, Polo TV, Eska TV – are part of the digital terrestrial television (DTT) on multiplexes MUX-1 and MUX-2<sup>4</sup>.

POLSAT, the main channel of our Group, is one of the leading television channels in terms of audience share in the group of viewers which is most valuable to advertisers (the so-called commercial group, viewers aged 16-49) – in 2019 it achieved 11% share in the commercial group. POLSAT's very good result is the effect of its attractive and consistently developed

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<sup>4</sup> MUX, i.e. a package of television, radio channels and additional services broadcast simultaneously in digital form to the recipient in one frequency channel.



programming offer, including the successful spring and autumn scheduling which offers entertainment, films and TV series, one of the leading news programs, *Wydarzenia (The News)*, as well as thrilling sports coverage.

2019 ended successfully also for the whole portfolio of Polsat Group channels with the audience share of 24.3% in the commercial group.

Content offered by the Group is attractive and diversified thanks to the following factors:

- Polish productions make up around 60% of all broadcast content<sup>5</sup>. Polsat strives to diversify the sources of its Polish programs, which is intended to guarantee effective production cost management. Thanks to this, while having access to a broad portfolio of programs and in order to ensure successful programming, Polsat is able to choose the offers which are both attractive and cost effective.
- Foreign productions. Licenses for foreign programs are to a great extent related to purchasing the rights for airing movies, TV series and sports events. Major film studios are the Group's key partners in the acquisition of films and TV series. These partners include: Sony Pictures TV International, 20th Century Fox TV, The Walt Disney Company, Warner Bros International TV Distribution, CBS Studios, Paramount Pictures Corporation, GroupM Norway AS, NBCUniversal, LLC. We also cooperate with Monolith Films, who offers foreign productions to us.
- Licenses for sports events - a broad and unique range of sport broadcasts is an element differentiating us against the competition, including among others qualifiers to the FIFA World Championships 2022, the football Nations League 2020/21, big volleyball tournaments – the men's and women's World Volleyball Championships 2022, new, attractive games of the volleyball Nations League (2018-2024), the 2023 World Cup, the men's and women's Europe Volleyball Championships 2021, Plus Liga and Orlen Liga, boxing and mixed martial arts galas (KSW, FEN, FFF and Babilon MMA), Wimbledon and ATP 1000 and 500 tournaments, and many others. Additionally, in 2017, we acquired rights to the most popular football club competitions – the UEFA Champions League and UEFA Europa League (for the years 2018 -2021). Thanks to taking control over the Polish company ELEVEN SPOR Network in May 2018 we have gained access to attractive sports rights which are sold as program packages to pay TV operators active on the Polish market. The above mentioned premium sports content include Spanish LaLiga Santander, German Bundesliga, Italian Serie A TIM, English The Emirates FA Cup, F1™ races as well as Polish and foreign speedway.

## 2.4. We operate strategically

### [GRI 102-16]

The superior goal of our strategy is the permanent, long-term growth of the value of Cyfrowy Polsat for its Shareholders. We intend to achieve this goal by implementing the major elements of our operational strategy which include:

- growth of revenue from services provided to residential and business customers through consistent building of our customer base value by maximizing the number of users of our services as well as the number of services offered to each customer, while simultaneously increasing average revenue per user (ARPU) and maintaining high levels of customer satisfaction,
- use of opportunities arising from the advancing technological changes and market opportunities in order to expand the scope of our products and services,
- growth of revenue from produced and purchased content by expanding its distribution, including a search for new channels of exploitation of rights, maintaining the audience shares of our channels and improving our viewer profile,

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<sup>5</sup> Data for the following channels: Polsat, Polsat HD, Polsat2 HD, Polsat Play HD, Polsat Cafe HD, Polsat Film HD, Polsat One, Polsat News HD, Polsat Sport HD, Polsat Sport Extra HD, Polsat Sport News HD, Polsat Sport Premium 1 Super HD, Polsat Sport Premium 2 Super HD, Polsat Sport Fight HD, Polsat News 2, TV4 HD, TV6 HD, Polsat Romans, Disco Polo Music, Polsat Music HD, Super Polsat HD, Polsat Doku HD, Polsat Rodzina, Polsat Games, Eleven Sports 1, Eleven Sports 2, Eleven Sports 3, Eleven Sports 4, Eska TV, Eska TV Ekstra, Eska Rock TV, Music VOX TV, Polo TV, Superstacja.



- effective management of the cost base of our integrated media and telecoms group by exploiting its inherent synergies and economies of scale, and
- effective management of the Group's finances, including its capital resources.

***Growth of revenue from services provided to residential and business customers through consistent building of our customer base value by maximizing the number of users of our services as well as the number of services offered to each customer, while simultaneously increasing average revenue per user (ARPU) and maintaining high levels of customer satisfaction***

Our goal is to effectively build revenue from the sale of products, services and commodities to our customers. By actively foreseeing and reacting to the occurring market changes, we will continue to create products that will satisfy the changing needs of our customers.

The factor that will have a positive impact on revenue is the possibility of cross-selling of our existing and future products and services to the combined customer base of Cyfrowy Polsat, Polkomtel and Netia. Within our Group we create a unique portfolio of products and services which is targeted at customer bases of our companies. When properly addressed, both through sale of additional individual products or a multi-play offer, this potential may significantly increase the number of services per individual user, thus increasing the average revenue per customer (ARPU) while favorably contributing to our customers' satisfaction levels.

The integrated services market is still developing in Poland, especially outside big cities and thus it has substantial growth potential. We intend to continue expanding our portfolio of products and services, relying both on own projects, as well as on strategic alliances or acquisitions. We trust that a comprehensive and unique offer of combined services (television, the Internet and phone) and the possibility of up-selling additional services (e.g. premium content services, entertainment services, financial products, or sales of electricity and other services), when provided via diversified distribution platforms, will be decisive from the point of view of our competitive edge. It will also enable us to retain our existing customer base and offer an opportunity to acquire new customers, both on the pay TV and telecommunication markets as well as in the area of other services for the home and for residential customers.

***Use of opportunities arising from the advancing technological changes and market opportunities in order to expand the scope of our products and services***

We are seeking to offer wide accessibility to our products and services to each of our existing and potential new customers. Therefore, beside the continuous development of technologies which have built the scale of our company in the past, we pay much attention to the development of products which are meant to facilitate the availability of our content and broadband Internet services to everyone and everywhere.

The intertwining of the telecommunication and media worlds, in particular the wide availability of mobile transfer technology as well as the constantly improving quality of fixed-line Internet access, allow us to offer the equipment and technologies which break the limitations with regard to accessibility or ownership of certain telecommunication infrastructure. The OTT (over-the-top) technologies expand distribution markets for content producers and we intend to actively leverage on that. We invest in new technologies and equipment and we pursue opportunities for entering into strategic alliances or for acquisitions, with a view to facilitating access to the content produced by us to our customers. We also intend to leverage the changes taking place on the Polish content market and take advantage of the opportunities presented by the evolving needs and expectations of Polish consumers as well as changes in the ways of media consumption using all data transmission technologies in order to offer our customers an extensive range of services adjusted to their needs and preferences. By developing our content and telecommunication offer and expanding it to include complementary products and services, we seek to acquire new customers, build ARPU and improve customer satisfaction and loyalty.

An effective combination of telecommunication and content products provides new opportunities for distribution of content. Thanks to this combination, the attractive content and the wide range of our services will be delivered through a variety of reliable distribution channels – via satellite (DTH), within digital terrestrial television (DVB-T), Internet television (OTT, video online), through mobile (LTE and 5G) and fixed-line (IPTV) technologies – to all consumer devices; from TV sets through PCs and tablets to smartphones.

***Growth of revenue from produced and purchased content by expanding its distribution, including a search for new channels of exploitation of rights, maintaining the audience shares of our channels and improving our viewer profile***

The channels we produce and broadcast enjoy strong, well-established positions on the Polish TV market as well as high ratings in their target groups. Our goal is to maintain our audience share at a stable level and consistently improve our viewer



profile. We believe that by making sensible investments in programming, and wider distribution of our own content, we will be able to gradually improve our viewer profile. This in turn will have a positive effect on the advertising airtime pricing.

Another crucial step in building the segment's value will be to maximize our distribution of produced and purchased TV content, both in terms of the customer groups it reaches (FTA and pay TV) and the technologies they use (terrestrial, satellite, Internet, mobile). We want to invest in development and build the market position of our content brands, which later will be distributed via a number of channels adjusted to the evolving needs of our customers. These efforts, in our opinion, will not only allow us to reap the benefits of wide-scale distribution of our content, but will also ensure a higher level of satisfaction among our customers and viewers, who will have more freedom to decide what, where and when to watch.

### ***Effective management of the cost base of our integrated media and telecoms group by exploiting its inherent synergies***

We are convinced that building a closely integrated media and telecoms group offers an opportunity for tangible synergies and for securing significant competitive advantages. We are implementing numerous projects aimed at simplifying the Group's structure by integrating relevant teams and harmonizing business processes and IT systems in the entire Group, which enables us to achieve potential, tangible cost synergies. On a continuous basis we pursue optimization efforts aimed at adapting our cost base to current market conditions and our Group's situation.

### ***Effective management of the Group's finances, including its capital resources***

The capital resources management policy adopted by us defines the method of using the funds generated from our operations. To guarantee the continuity and stability of the Group's operations, the generated free cash is used in the first place for financing current operations and for investments indispensable for the development of the Group. Simultaneously, we continually exploit arising development opportunities, which allow us to make our products and services even more attractive or provide new methods of their distribution. Our capital resources management policy assumes also maintaining balance between making regular dividend payouts to Shareholders of our Company and continuing to deleverage the Group. Therefore, the dividend policy adopted by the Management Board sets out the payments to Shareholders at a level enabling in parallel to continuously repay our indebtedness in order to achieve the desirable level of consolidated debt, measured by the net debt/EBITDA ratio, which should be reduced ultimately below the level of 1.75x.

## **2.5. Opportunities and risks**

**[GRI 102-15, GRI 102-11], [Accounting Act]**

### **We take advantage of our business opportunities**

We are convinced that Poland is a very attractive market for the products and services that the Group currently provides or the ones it plans to provide in the future. The most important business opportunities are presented below:

- Low penetration of multi-play services, in particular in low-urbanized areas;
- Growing importance of convergent services;
- Development of the Internet access market in Poland
- Growing market of new technologies and equipment and the resultant increase in access to and consumption of audio-visual content;
- Changes in pricing of mobile services
- Growing demand for smartphones and data transmission;
- Development of the advertising market in Poland;
- Growing importance of thematic channels.

### **We analyze risks in detail**

We understand business risks accompanying our operations. We also analyze **the risks in the area of ESG (Environmental, Social, Governance)** related to social, employee, environmental issues, respect for human rights and preventing corruption. The most important risks identified by us are as follows:



Table 6 Key Risk Factors ESG (selected examples)

Risk area	Key risk factors	Polsat Group	Cyfrowy Polsat	Risk management method
Operating activities	<b>Products and services:</b>			
	<b>Losing the reputation of brands</b>	✓	✓	We regularly monitor the satisfaction level of our customers. While taking care of the image and reputation, we systematically analyze the main parameters of our brands' condition (e.g. spontaneous and prompted brand awareness, Net Promotor Score) and their perception in relation to our main industry counterparts. We also cooperate with industry media and general media in order to build a positive image of our brands as well as consciously manage the relationships with our customers and partners. We regularly monitor discussion forums and social media in order to recognize possible negative phenomena and eliminate false information regarding our main brands. Moreover, we actively use our media (i.e., TV Polsat) and we also publish the "Brawo TY" magazine, addressed to our subscribers, whose goal is to educate subscribers in the field of new technologies and our services and also to positively expose our brands
	<b>Lack of possibility to effectively maintain and upgrade the telecommunication network and offer our customers attractive products and services in the areas threatened by digital exclusion</b>	✓		Inhabitants of small towns and rural areas have limited access to entertainment and education. We meet the expectations of these regions by presenting them with an attractive offer at an affordable price. We also know that universal Internet access is one of the biggest challenges of the information society of Poland and Europe at the moment. It is an extremely important element stimulating economic growth, social, cultural and educational development, and improvement of life of all citizens. Thanks to the investments into frequency, infrastructure and dedicated equipment, we have created the possibility of access to fast speed Internet even in areas where there is no network coverage of other operators, as well as to entertainment and education thanks to television. Our network is constantly modernized and optimized, according to the best technical standards and achievements, also in cooperation with proven business partners, basing on their knowhow and experience, with the support of continuously improving the competences and knowledge of our engineers, so that our customers can use increasingly better parameters of the telecommunication network and unlimited resources of the global network. In order to be able to maintain and continuously develop our offer, we invest in the knowledge of our technical and marketing teams which are responsible for the preparation of state-of-the-art technology and services for our customers. We remain in an active dialog with industry advisors, standardization bodies and manufacturers of state-of-the-art telecommunication equipment which supports advanced technologies in order to identify future market trends and future needs of our customers as early as possible. We monitor the demand of customers for new services offered by competing entities in order to identify a possible and right moment to offer equivalents of such services.
	<b>Failure to maintain, extend or modify the distribution and sales network</b>	✓	✓	We strive to build a diverse distribution network (stationary sales, tele-sales, online sales, door-to-door channels) in order to diversify our sales channels. In each sales channel we cooperate with many partners, avoiding monopolizing of any channel by one strong partner who could decide to terminate cooperation with us in the future. We also strive to protect our distribution network by taking over lease agreements for specific locations of points of sale which are crucial from the point of view of our business. We support our partners operating the sales network in local promotional activities and share our knowledge with them. We organize attractive programs of rewarding the best sales representatives working in our sales channels.
	<b>Insufficient protection of intellectual property rights</b>	✓	✓	Within the concluded agreements we regulate the issue of obtaining rights, we regularly monitor the term for which the licenses have been granted, we verify the need of obtaining intellectual property rights in each project, and we contractually regulate the liability of entities granting rights for their possible legal defects.
	<b>Risk of fraudulent activities by our customers, in particular in relation</b>	✓	✓	We constantly monitor the usage generated by SIM cards registered in our systems, looking for any unusual traffic, voice, SMS or MMS patterns, which might signal a risk of fraud. If such a case is identified, we immediately take steps to prevent further stream of suspected illicit traffic. These activities include, among others, blocking of accounts or numbering ranges in Poland



Risk area	Key risk factors	Polsat Group	Cyfrowy Polsat	Risk management method
Operating activities	to telecommunications and pay TV services			<p>and abroad, using of anti-fraud solutions, developed in-house and offered by the operators with whom we cooperate. In the case of international roaming services, accounts of our customers have usage limits, expressed as the maximum value of the bill, and the customer – after receiving a relevant SMS notification from us – can make an informed decision about cancelling such limits. This allows for reducing the risk of generating excessive charges by our customers, whereas the informed customers are charged with the bill corresponding to his/her actual usage of roaming services.</p> <p>We constantly monitor whether the intellectual property rights and anti-piracy measures and safeguards protect us against illegal access to our services and theft of our programming content. In case of detection of this type of fraudulent activities we take necessary legal actions. A risk of piracy is particularly severe for the operations of our broadcasting and television production segment and the paid distribution of content, and it is propelled by technological progress and the conversion of multimedia content to digital formats, which makes facilitates the creation, distribution and rendered available on various media of high quality illegal copies of programs delivered in the pay-per-view system through set-top boxes, unlicensed and decoded broadcasts in television or via the Internet. Illegal use of our intellectual property may have a negative impact on our operations, harming our reputation and undermining the confidence of our business partners in our capability to protect our own and licensed content.</p> <p>A specialized internal unit, using appropriate tools – both developed in-house as well as offered by our partners with whom we cooperate – constantly monitors illegal distribution of our content both in the Internet and via other technologies and devices. Intensified preventive measures are undertaken during special events, e.g. broadcasting of sports events in PPV system. We analyze in detail individual cases in order to implement possible precautionary measures, including legal steps, in order to eliminate the cases which had already occurred or to minimize their effects for our activities as well as to prevent similar situations in the future.</p>
	Alleged health risks of wireless communications devices leading to decreased wireless communications usage or increased difficulty in obtaining sites for base stations	✓		<p>We undertake educational activities with the aim to dispel possible concerns. We participate in local initiatives whose purpose is to transfer current knowledge to inhabitants of the areas in which we may possibly build our base stations. We strictly control signal strength on individual transmitters in order to meet the requirements of relevant standards for electromagnetic field emissions. We are actively involved in industry discussions accompanying legislative processes regulating the electromagnetic field emission standards.</p>
	Operational continuity:			
	Delays or lack of delivery of services, infrastructure or equipment and components from external suppliers	✓	✓	<p>We strive to cooperate with more than one supplier of each type of equipment or elements of our infrastructure. We place orders for the delivery of selected equipment components gradually, as the demand for certain products increases, in order to eliminate the situation in which an accumulation of orders within a short period of time could lead to delays in delivery of a selected component. We develop mid- and long-term roll-out plans for our infrastructure which are then communicated to our main suppliers in due advance, which enables them to prepare the components we need within the agreed deadline.</p> <p>We create lists of suppliers by categories and conclude framework agreements which allow for starting cooperation on short notice.</p> <p>We prepare in advance plans for the delivery of end-user equipment and monitor delivery schedules on an on-going basis, while maintaining an optimum level of inventory turnover in the warehouse and in the sales network.</p> <p>We secure ourselves against delays in the delivery of services and equipment by applying financial penalties in agreements with suppliers.</p> <p>Operational flexibility, agility and independence from external suppliers were the decisive factors behind a decision to establish our own set-top boxes factory in 2007, which now functions within InterPhone Service, a company</p>



Risk area	Key risk factors	Polsat Group	Cyfrowy Polsat	Risk management method
Operating activities				belonging to our Group. Furthermore, since 2018 a state-of-the-art logistics center has been operating under this company. The center is used for the needs of the entire Group and allows for highly effective and efficient managing of the distribution of products across the entire sales network, taking into account various sales channels and their characteristics.
	Network and broadcasting infrastructure, including information and telecommunications technology systems, may be vulnerable to circumstances beyond our control that may disrupt service provision	✓	✓	<p>We strive to have redundant resources of the broadcasting, telecommunications and information technology infrastructure, in order to prevent or limit negative consequences of any emergencies. Redundant systems are usually housed in geographically distant locations, which prevents exposure of our infrastructure to locally based failures. We continuously work with regulatory bodies to solve problems related to external interferences in the used frequencies.</p> <p>We have introduced and constantly maintain the Business Continuity Plan focused on the examination and early detection of risks in processes and services which are critical from the point of view of our operations. The impact of selected threats is minimized through early implementation of relevant recommendations and remedial measures to our processes and procedures.</p>
	Human Resources			
	Losing managerial staff and key employees	✓	✓	<p>We strive to ensure the attractiveness of remuneration and incentive systems for our key employees and managerial staff. We regularly monitor the level of wages on the labor market, adjusting the level of remuneration offered by us to the market situation. We conclude clauses extending the notice period or non-competition clauses with selected employees. These clauses, among others, are to secure sufficient response time for us in order to prevent the loss of these employees. We support the development of key employees and managerial staff by offering them specialist trainings, MBA studies and other forms of professional trainings, while building their involvement and identification with the company.</p>
	Disputes with employees; growth of labor costs	✓	✓	<p>We take care of good relations with our employees and make sure that we meet all obligations of an employer under applicable labor laws. If a dispute arises, we always strive to start a dialogue in order to work out a compromise in the dispute with an employee. We have an Anti-Mobbing Policy and an efficient Anti-Mobbing Committee in place. We take good care of partner relations with employees' representatives, maintaining constructive dialogue with trade unions existing in our companies.</p>
	Accidents of employees and sub-contractors	✓	✓	<p>We regularly train all our employees with respect to general Occupational Health and Safety regulations, as well as specific requirements for the scope of duties performed by them. We ensure an appropriate level of safety at the workplace, as well as high quality of equipment and clothing guaranteeing the safety of our employees and sub-contractors. The Civil Defense Formation operates within our structure, including over 100 employees trained in the pre-medical first aid.</p>
Market and macroeconomic environment	Reputation and financial risk in case of bribery and corruption	✓	✓	<p>We regularly analyze the risk of corruption. We try to implement mechanisms which prevent or mitigate the risk of corruption. We strive to divide the responsibility related to making specific decisions, for instance through a multi-level and diverse path of approval of specific decisions. Such an approval usually goes across different areas in the structure of our company in order to minimize the risk of occurrence of corruption-generating circumstances.</p> <p>Areas particularly vulnerable to the risk of corruption are subject to meticulous control with respect to the appropriate application of internal regulations and guidelines.</p>
	Exposure to the effects of regional or global economic slowdown	✓	✓	<p>We strive to diversify our business activities into several areas and conclude contract agreements with our customers, which as a rule stabilizes our revenues in the mid-term. We try to offer services with a good quality-to-price ratio, which in our opinion will mitigate the possible adverse impact of any economic slowdown on our financial results.</p>



Risk area	Key risk factors	Polsat Group	Cyfrowy Polsat	Risk management method
Legal and regulatory environment	<b>Risk that the Polish Office of Competition and Consumer Protection (UOKiK) deems the practices we use as limiting competition or violating the Polish competition and consumer protection laws</b>	✓	✓	We continuously analyze changes in the law which have implications for our market activities. All regulations, price lists and advertising campaigns prepared by our marketing departments are subject to verification and approval by our legal department. We monitor the judicial practice of the Office of Competition and Consumer Protection (UOKiK) in order to adjust our activities to the guidelines defined by the Office.
	<b>Unfavorable rulings in administrative or court proceedings</b>	✓	✓	We invest in the knowledge of our lawyers and we cooperate with specialized law firms which ensure the highest quality of legal service of proceedings in which we are involved. Our in-house lawyers constantly monitor the judicial practice of courts or administrative bodies. We actively monitor the status of proceedings and participate in all meetings and hearings related to the proceedings in which we are involved. If an unfavorable ruling is issued, we analyze with due diligence any appeal measures or methods of ensuring compliance with the recommendations of the relevant bodies or amicable solving of the dispute in cases in which there is a risk of upholding an unfavorable ruling by instances of appeal.
	<b>Risk of violation of Polish and EU law regulating our operations on telecommunications, pay TV and television production and broadcasting markets, as well as possible sanctions and fines resulting from such a violation</b>	✓	✓	We invest in the knowledge of the employees of our legal departments who are responsible for the implementation of new legislation pertaining to our business activities. We cooperate with specialized external law firms and consulting companies in order to support the organization in more complex projects. We actively participate in the activities of industry organizations which are involved in discussions with legislators and market regulators, in order to determine in due advance the scope of new legal obligations which may concern our activities.
	<b>Risk of violation of personal data protection law or requirements specified by the General Inspector of Personal Data Protection, as well as possible sanctions and fines resulting from such a violation</b>	✓	✓	We invest in the knowledge of the employees of our department dealing with personal data protection issues. We cooperate with specialized external law firms and consulting companies in order to support the organization in more complex projects. We invest in IT systems the aim of which is to restrict access to sensitive personal data of our customers only to justified cases and according to valid internal procedures. We continuously monitor the process of data processing of our employees, customers and subscribers and verify the legal basis for executing specific business goals of our company.
	<b>Risk of violation of Polish and EU law regulating in particular information obligations of the issuers of securities</b>		✓	We invest in the knowledge of the employees of our department dealing with investor relations. We cooperate with specialized external law firms and consulting companies in order to support the organization in more complex projects. We regularly participate in conferences and trainings organized by institutions specializing in the field of information obligations, e.g. Polish Association of Listed Companies (Stowarzyszenie Emitentów Giełdowych).



Risk area	Key risk factors	Polsat Group	Cyfrowy Polsat	Risk management method
	as well as possible sanctions and fines resulting from such a violation			

More information on the risks which affect our operating and financial performance can be found in the annual report of Cyfrowy Polsat Group, which is available in the Internet

### Main market trends

Main trends which we believe to be likely to have a material impact on the Group's development prospects, revenue and profitability before the end of the current financial year include:

- high level of market penetration with services provided by the Group as well as a high level of competitiveness of the markets in which we operate;
- bundling of media and telecommunications services, as well as services from other sectors, such as electric energy, gas or other products and services for homes;
- stabilization of competition on the mobile telephony market, which is reflected by the declining volume of numbers ported by customers between networks;
- growing demand for data transmission and high-speed broadband connectivity driven by changing consumer preferences and the resulting growing complexity of data transmission-based services;
- growing smartphone penetration among mobile network users; which entails the development of the mobile data transmission market;
- growing consumer requirements as regards the advanced functions offered by end-user devices, which is reflected by the growing demand for more advanced and costly smartphones;
- changes of mobile service pricing, coupled with simultaneous increase of the size of data bundles (the "more for more" strategy) as a result of growing demand for data transmission on smartphones and due to future investments in the 5G standard;
- development of state-of-the-art fixed broadband networks, fiber optic networks in particular (FTTH);
- dynamic development of non-linear video content, distributed via VOD and OTT services, accompanied by growing online ad spending;
- steady increase in users' willingness to pay for video content online, in particular in case of payments for content on a subscription basis, associated, among others, with the production of high quality exclusive content for individual VOD services;
- entry of global VOD and OTT players to the Polish market, as well as investments of operators already present on the market in offered content in order to adjust it to the preferences of local viewers;
- growing cost of TV content production, translating into higher wholesale prices of content;
- increasing sales of smart-TVs - television sets with integrated Internet access;
- technological changes in provisioning pay TV services as a result, among others, of growing consumer expectations regarding delivery of content in the non-linear model;
- further fragmentation of the television market (growing share of thematic channels in audience and advertising revenue);
- progressing consolidation of the pay TV market, in the cable TV segment;
- consolidation of the telecommunications markets, manifested by acquisitions of local fixed-line operators by larger telecommunications groups;
- ownership changes in the broadcasting and television production market.



## Awards as a sign of appreciation

We are pleased that also independent experts notice our efforts. We treat them as the confirmation of the quality of our daily work, also in the area of corporate social responsibility. In the year 2019 we received numerous awards, including:

### ***An award for investor relations***

1<sup>st</sup> place for Cyfrowy Polsat in the survey related to investor relations among WIG30 companies, which was conducted by "PARKIET Stock Exchange and Investors" daily and by the Chamber of Brokerage Houses.

### ***Listed Company of 2018***

2<sup>nd</sup> place for Cyfrowy Polsat in the annual ranking of "Puls Biznesu" business daily in the *Investor Relations* category. Cyfrowy Polsat was also awarded a distinction in the *Main Ranking* which includes 120 companies from all the major indexes on the Warsaw Stock Exchange. The competence of the company's Management Board was also highly appreciated.

### ***VideoTech Innovation Awards 2019***

An award in the category Hybrid Innovation of the Year for EVOBOX HD set-top box which was presented during the VideoTech Innovation Awards 2019 gala in London. The gala was organized by Digital TV Europe.

### ***SAT Kurier Awards 2018***

Three awards for Polsat Group in SAT Kurier Awards 2018 plebiscite for the best products on the digital TV market: *Best Set-top Box/HD Receiver* for the EVOBOX line STB; *Theme Channel of the Year* – for Polsat Sport Premium channel; *Best Company/Operator of the Year* – Cyfrowy Polsat was appreciated as the biggest Polish provider of integrated multimedia services.

### ***Golden Bell Award***

"Golden Bell" awards were presented to Plus and Cyfrowy Polsat in the following categories: *2018 Mobile Internet of the Year* for the 300 Home Internet Set enabling access to LTE Plus Advanced Internet, and *2019 Event of the Year* for the acquisition of Netia by the Group.

### ***Golden Antenna Contest***

Golden Antenna award in the category *Corporate Social Responsibility of the Business* which was awarded during the 18<sup>th</sup> edition of the Symposium of the Data Communication and Infrastructure World (Symposium Świata Teleinformatyki i Infrastruktury). The independent Jury of the Contest, comprising recognized industry authorities, appreciated the 20-year-long CSR activities of the Group in the areas of security and safety, aid to children and promotion of sports.



## Chapter 3

### Care for the needs of our customers and viewers





### 3. CARE FOR THE NEEDS OF OUR CUSTOMERS AND VIEWERS

#### 3.1. Exceptional customers

For Cyfrowy Polsat Group **each customer is unique** and we make all efforts each day to prove this. We are proud to provide services practically to the entire demographic profile of the Polish society. Among **nearly six million of our contract customers** there are representatives of every social group, most probably of every profession and of vast majority of cities, towns and villages in Poland. TV Polsat, Cyfrowy Polsat and Plus network have become a permanent feature in the life of nearly half of Polish households – we treat this trust as a commitment to **provision of highest quality services**.

Each brand in Cyfrowy Polsat Group has its own unique identity, communication characteristics and visualization

**Cyfrowy Polsat** is a warm, traditional and family brand providing entertainment at home and outside of it. **Plus network**, usually associated with modernity, lack of limitations and great possibilities, is represented by a popular and witty Szymon Majewski. We build our **smartDOM** Program on the communication platform while relying on a married couple of popular actors, Joanna Brodzik and Paweł Wilczek, who are associated with a joyful and happy home. **Plush** platform, a brand addressed to the youth, is based on a brand hero – a characteristic, expressive and uncompromising teddy bear called Plush. **IPLA** is communicated through the abundance of content and freedom and ease of access to it – at any place on any device.

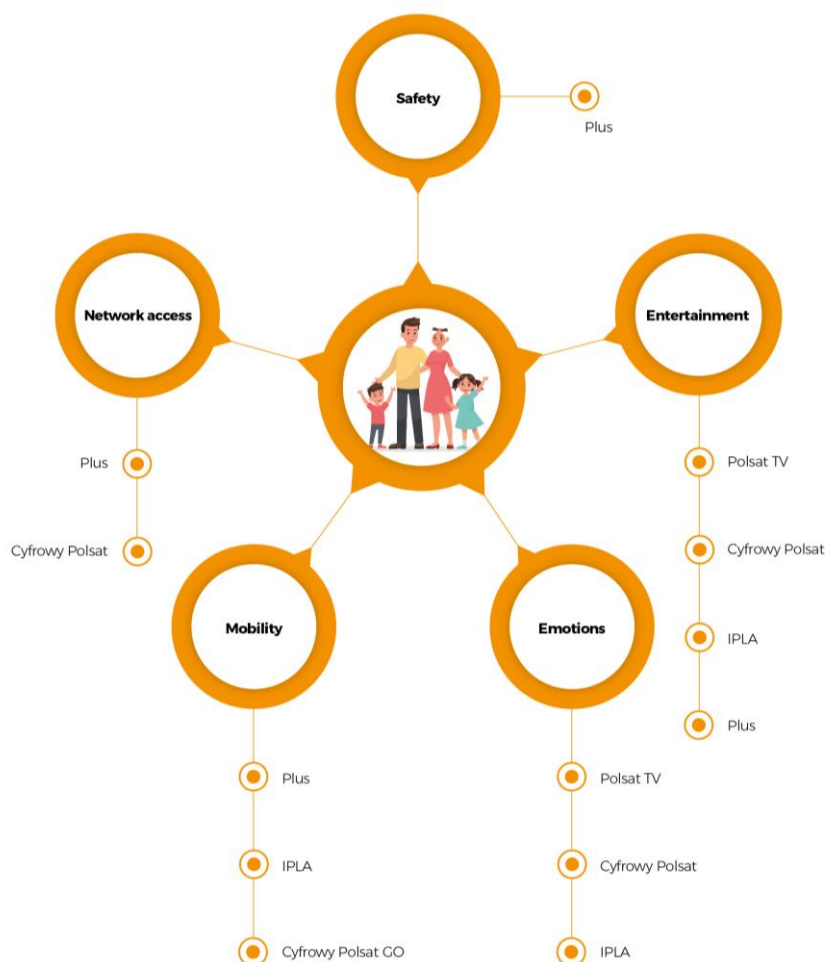
Our services are available throughout Poland – statistically, each Pole owns either Cyfrowy Polsat subscription, or phone or Internet service from Plus, or knows someone who uses our services.

According to the most recent surveys conducted by Ipsos in 2019, there is a decrease in the brand awareness level of nearly all brands of providers of telecommunication and television services, as compared to 2018. It is very likely that this result is the effect of differences in research methodology in both surveys, however despite differences in final values, brands of Cyfrowy Polsat Group have maintained their position versus direct competitors. **The prompted awareness of Cyfrowy Polsat brand** is at the level of **90%** and is the highest among pay TV operators in Poland. The prompted awareness of **Plus** brand, as the operator of voice calls, amounts to **88%** and is at the similar level to Orange and Play brands (differences between these three operators are within the estimation error). 68% of respondents associates our brand also with Internet services<sup>6</sup>. However, irrespective of the fact whether we deal with telecommunications services, access to satellite channels or viewers of TV Polsat, we would like to gain the best knowledge of our customer. Therefore, we regularly conduct comprehensive surveys trying to identify them and their opinions about our company. We believe that this is the only way to improve the quality of our cooperation.

<sup>6</sup> "Survey of telephony, Internet and television services and providers". The Survey conducted on the online CAWI panel, customers using the mobile telephony/Internet/pay TV services (N=2109/N=1980/N=1246), in the period February – April 2019.



Figure 8. Experience offered to customers through selected brands of Cyfrowy Polsat Group



In 2019, Cyfrowy Polsat and Plus prepared a special surprise for their customers – cinema screenings of the following movies:

- Premiere of “How to marry a millionaire” (“*Jak poślubić milionera*”) – on the day of premiere there was a special screening of this movie at Multikino in Gdańsk. You just had to send an SMS to receive a special code and enjoy the screening. The movie has been co-produced by Polsat Group.
- World premiere of the 1<sup>st</sup> episode of the new season of “Wataha” television series – a day before the premiere of the series in television, there was a special screening of the 1<sup>st</sup> episode of the latest, third season of the TV show in cinemas of Cinema City in five towns (Warsaw, Poznań, Katowice, Kraków and Wrocław). You just had to send an SMS to receive a special code and enjoy the screening. The film has been produced by HBO.



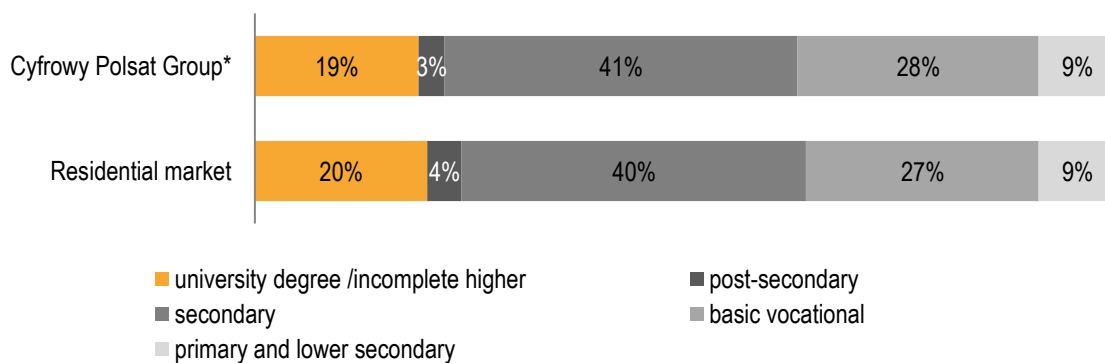
## 3.2. Key figures

### Accounting Act – Key Performance Indicators]

<b>17.4 million</b>	<b>5.6 million</b>	<b>64%</b>	<b>90%</b>
provided RGUs	contract customers	of Cyfrowy Polsat customers live in small towns or in rural areas	prompted awareness of Cyfrowy Polsat brand (as the Pay TV provider)
<b>24.3%</b>	<b>1.9 million</b>	<b>88%</b>	
audience share of TV Polsat channels in a commercial group	Internet RGUs	prompted awareness of Plus brand (as the operator of voice calls)	

### Who are customers of Cyfrowy Polsat Group?

#### Chart 3. Education



#### Chart 4. Size of the place of residence

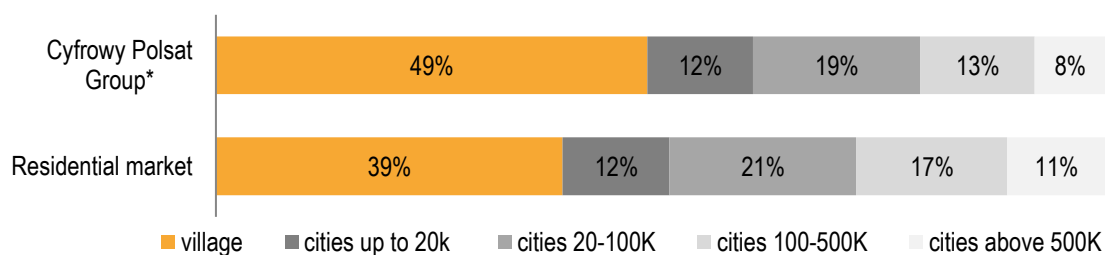




Chart 5. Gender

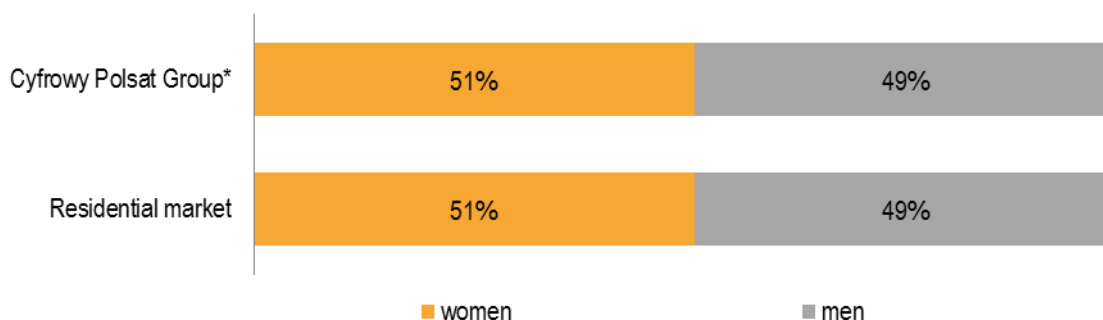
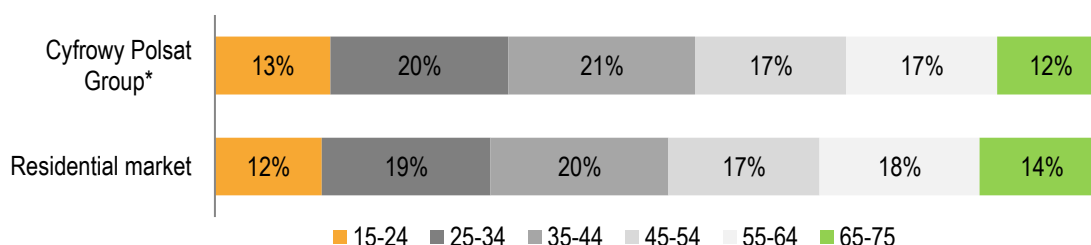


Chart 6. Age



\* people who have at least one service in Cyfrowy Polsat or Polkomtel/residential market  
Source: Market Situation Survey 2018 (residential market) conducted in by IQS Sp. z o.o.  
Sample size was 12 763 and was representatives for Poles aged 6+

## Interesting facts

**For the second year in a row, Plus has had the best number portability balance among four biggest telecoms**

2019 was the year of Plus! According to the report for 4Q'19 published by the **Office of Electronic Communications**, Plus again recorded **the best results in the area of number portability**. During the entire year, Plus acquired **most customers** among all mobile networks and was the only big mobile operator with a **positive portability balance**, at the level over **107 thousand numbers**.

### 3.3. Availability– television and Internet for everyone, everywhere

Cyfrowy Polsat Group is the **biggest media and telecommunications group** in Poland and the **leading provider of multi-play multimedia services**.

**Cyfrowy Polsat** is the biggest provider of pay TV in Poland and the leading satellite platform in Europe. It provides over **5 million TV services** in various technologies: satellite (DTH), digital terrestrial television (DVB-T), cable IPTV and via the Internet with set-top-box. It ensures access to nearly 170 channels and state-of-the-art services: Cyfrowy Polsat GO – thanks to which over 100 linear TV channels and many other content on demand may be watched on mobile devices, as well as PPV, VOD Home Rental or Multiroom HD. Apart from the pay TV services it also offers broadband Internet access in wireless LTE and LTE-Advanced technologies. It is also the owner of the biggest Polish Internet entertainment service - IPLA, offering the richest base of legal content, available on many mobile and home devices.



### Availability of the offer

Our mission is to ensure as broad availability of our services as possible and thanks to the unique combination of competence of the companies from our Group, we are able to develop and deliver to our customers the programming content they expect through a variety of reliable distribution channels using diverse technologies. Last year, we introduced two new television services - cable television in IPTV technology, which can be used via fixed Internet access offered in Plus, Netia and Orange networks, and OTT online television with a set-top box available via the Internet from any Internet Service Provider, so that our clients can use their favorite programs and titles on any device, based on ever changing trends and needs - via satellite (DTH), within digital terrestrial television (DVB-T), via Internet and mobile communication. **The programming offer of TV Polsat and TV packages of Cyfrowy Polsat reaches millions of households in Poland, and similarly the Internet access provided by the companies from our Group has become a “window to the world” for many Polish families**, not only in big cities but most of all in smaller towns and villages.

In **Plus** we regularly develop the LTE technology, to ensure that as many Poles as possible could use the high-speed Internet access – nearly 100% of Poles are within the coverage of LTE Plus network, and 82% of Poles have access to the technology of higher parameters - LTE Plus Advanced. Currently, the maximum technological data transmission speed of LTE Plus Advanced exceeds 600 Mbps.

### Service availability

To ensure equal access to our services to all the Poles we are there to help even in places in which ordinary solutions do not work or other technologies cannot reach. We would like to make a broad portfolio of our services available to all Poles and all families. Therefore, we have consistently developed our proposals and opened to new markets. In 2019, we introduced two new television services, utilizing online capabilities – cable IPTV and online television with set-top-box (OTT). EVOBOX Stream set-top-box, dedicated to the OTT online television, enables access to television packages on the territory of Poland and European Union wherever the user takes it and connects to the Internet, thanks to which the television may be adapted to the user's individual needs. LTE Plus Home Internet set, a unique market solution developed in-house, can considerably enhance the coverage area and signal power of the LTE Internet. We have been successfully offering this set in a few editions since 2014. The set consists of an outdoor LTE modem and an indoor WI-FI router. The modem can be easily mounted outside on the building (e.g. on the roof or balcony) and connected to the existing TV antenna installation (satellite or terrestrial one). The latest 300 LTE Home Internet set supports the LTE Plus Advanced technology and enables data transmission with maximum speed of even up to 300 Mbps during download.

We have offered our customers a **possibility of purchasing offers with access to fiber optic lines in Plus** with the speed even **1 Gbps**. This ultra-fast Internet sent via the fixed link based on the Netia's infrastructure will meet the expectations of most demanding users and will ensure stable connection and high quality of the Internet, even if all members of the household use it simultaneously.

Furthermore, in 2019 the Group **worked on building and developing the 5G network**.

Furthermore, our subsidiary Aero2, based on the terms of the license related to the purchase of 2,6 GHz TDD frequency band, provides free Internet access with limited functional parameters (BDI offer<sup>7</sup>).

<sup>7</sup> BDI means Free Internet Access



### 3.4. Safety – DNA of our operations

Due to the nature of services provided by us we acquire a lot of sensitive data every day. To fully protect the data of each customer, the companies from Cyfrowy Polsat Group implemented the **ICT Security Policy** and **ICT Security System Development Plan**. The Policy defines fundamental rules of ICT security management, whereas the Plan shows the way to mitigate the anticipated risk related to our activities. At the same time, we are aware that even state-of-the-art solutions will not be sufficient to ensure the appropriate level of ICT security. It is also an enormous responsibility of our employees every day and therefore we train them in this respect, while reminding them of the fundamental importance of issues related to safety.

#### We respect legal regulations

**[GRI 416-2]** In 2019 we did not record any cases of non-compliance with regulations or voluntary codes related to the impact of products and services on health and safety.

**[GRI 418-1]** In 2019 Polkomtel received 6 complaints regarding the personal data processing of our customers. The cases are still pending. In 7 proceedings, the Personal Data Protection Office asked the Company to provide additional explanations. In 4 proceedings the President of the Personal Data Protection Office issued the decision about their discontinuing and in 2 proceedings he dismissed the applicants' requests. In the case of 1 proceeding, the Office asked the Company for providing explanations regarding implementation of the decision. The Office has not yet responded to explanations provided by the Company.

In 2019, Cyfrowy Polsat received 3 complaints related to the customer personal data processing. The cases are still pending. In 5 proceedings, the Personal Data Protection Office asked the Company to provide additional explanations. In 1 proceeding the President of the Personal Data Protection Office issued the decision about its discontinuing and in 1 proceeding he dismissed the applicant's request. In the case of 1 proceeding, Cyfrowy Polsat was asked to implement the decision. After obtaining explanations from the Company, the Office decided that the decision had been implemented.

The General Data Protection Regulation (GDPR), commented in the public debate, came into force on May 25<sup>th</sup>, 2018. The new regulation has introduced a new mode and rules of notification of breaches to the Personal Data Protection Office. As a result of numerous publications and materials appearing in mass media, there was an increase in the customers' awareness of the protection of their personal data. According to the new regulations, 224 cases of personal data protection breaches in Cyfrowy Polsat and 360 cases in Polkomtel were ascertained and notified to the Personal Data Protection Office in 2019. All of the aforementioned cases were of incidental nature. The Company has undertaken steps in order to minimize occurrence of this type of events in the future.

Each **new service** introduced to the market is **analyzed from the point of view of security** still at the design stage. Key requirements are defined, and all components are verified before the commercial launch.

Cyfrowy Polsat Group is aware that services offered by it have an impact on the daily sense of security of millions of Poles. Apart from the cooperation with water and mountain rescue teams, a good example of this is the service called **"Gdzie Jest Bliski" (Where is my relative)**, or **Parental Control application** of the new generation, developed by parents for parents.

#### "Gdzie Jest Bliski" (Where is my relative) service

**"Gdzie Jest Bliski" (Where is my relative)** is a family locator which allows for finding a current location of the child or relative. An SMS or a click in the application is enough for the system to send information with data about location of the person searched for and display his/her position on digital maps.

"Where is my relative" means:

- Locating relatives 24 hours a day
- Locating and protecting even up to 5 persons
- Location at request
- Easy and fast locating of people
- Location schedule
- History of locations in a mobile application and on website



- View of location of all persons on one map
- Compatibility of locating channels
- Locating via GSM, WIFI and GPS
- Locating via SMS, website or mobile application.

Just a mobile phone with active SIM card is required to start locating relatives. There is no need to install any additional software or enter complicated settings to the phone. A person searching for location – e.g. a parent – activates the service and adds a phone number of his/her relative who only needs to grant consent to sending his/her location. Such a consent applies only to finding locations by the parent, to make sure that no unauthorized person can obtain information about the location of a relative or child.



#### Parental Control application– “Dzieci w Plus” (Children in Plus)

The service of **“Dzieci w Plus” (Children in Plus)** is state-of-the-art solution which allows for safe discovering of the mobile world by children. The service consists of the [dzieciwplus.pl](http://dzieciwplus.pl) portal and a parental application which are used for setting rules of usage of the Internet and a child's application which is installed on the child's device.

“Children in Plus” means:

- Safe Internet browsing
- Control of the time spent in the Internet and applications (full support for application on Android devices, partial support for iOS devices)
- Control of installed applications (as above)
- Safe Search mode in Google, Bing and Yahoo
- Reports
- Protection in any network

Thanks to this service, the parents can easily control what websites can be viewed by their kids. They just need to select the content categories which can be accessed or blocked. It is also possible to choose what applications on the child's phone can be opened and which applications will be unavailable. Control of time of usage of the device and time spent in the Internet is another very important feature of this service. The parent may set, separately for each day of the week, the hours within which a child could, for instance, open entertainment applications or browse the Internet.



The service is friendly to all users – also to parents who know less about the issue of online safety. In such a situation the application will suggest, based on the child's age, what content in the Internet can be accessed by the child. The parent may accept the prepared suggestion or easily modify settings.

The service also ensures interaction between the child and the parent. In case of blocking the application or using up the time for Internet usage, a child may send a request to the parent which can be then accepted by him/her (via the parent application or on the web portal).

**"Dzieci w Plus" (Children in Plus)** is a comprehensive parental control service which can be installed and configured also by less experienced parents.

## Interesting facts

### Cooperation in the area of cyber security

*Obtaining of information about current cyber threats as soon as possible is extremely important for data security of our customers and employees. Therefore, our representatives cooperate with various groups dealing with security, including a security focus group at the International GSM Association – Abuse Forum Polska – an informal group associating the biggest Polish telecommunications operators and Internet Service Providers, and other entities including public ones, as well as with the National Cyber Security Center at NASK, which has been established by the Ministry of Digital Affairs.*

Cyfrowy Polsat Group is aware of very detrimental effects of television piracy, executed to a large degree via the Internet or directly in the Internet, on the development of Polish economy and culture. For years, we have actively collaborated with **"Sygnał" Association**, which brings together several companies from media and telecommunications sector.

### Fight against piracy

In Poland the level of piracy is much higher than on the developed markets of Western Europe or in the world, and the costs of this phenomenon affect not only the authors, but also the State Treasury and the labor market. The services of illegal access to content are usually very well organized and provided in order to obtain financial gains. The sector of such services has grown to the size exceeding legal online services offering online video content in Poland. According to Deloitte's estimates, **the Polish economy loses over PLN 3bn per year because of piracy**. It is the sum which could cover approx. 30% of annual expenditures of the State Treasury on culture and media or make it possible to purchase four cinema tickets for every citizen.

Appropriate preparation of policemen is extremely important in effective **fight against theft and illegal distribution of television content**. "Sygnał" Association constantly supports law enforcement agencies with its knowledge, experience and market analyses. During its existence, the Association organized over **300 trainings for 20 thousand policemen and public prosecutors**. In 2019, "Sygnał" Association in cooperation with the Main Police Headquarters, organized a national training program – **"Piractwo.tv"**, which was a result of the conference **"Combating the theft of television signal and cooperation with telecommunication operators"** which was held in Autumn 2018. **"Theft of TV content in the Internet. Handling Methodology" brochure**, including description of technical and legal aspects related to the theft of television content in the Internet, has been developed and published by the Association for the needs of trainings for law enforcement agencies. Under the project, the trainers from "Sygnał" Association reached every police unit in Poland which deals or will potentially deal with this type of crimes. As a result, in 2019 they managed to **train 674 law enforcement representatives from Economic Crime Units** from each province in Poland. Furthermore, the Association organized annual specialist trainings in Police training centers in Szczytno, Legionowo, Piła, Katowice, Poronin and the conference in the Police Academy in Piła, Polish Naval Academy in Gdynia as well as the second edition of the conference organized in Rawa Mazowiecka in cooperation with the Main Police Headquarters. **In total, trainers and experts of "Sygnał" Association trained 1449 law enforcement representatives.**

In July 2019, once again the Commander-in-chief of Police presented **Złote Blachy (Gold Plates)** – **awards** for Police Units in recognition of their achievements in combating intellectual property thefts. Nominations to these awards are



recommended by the organizations associated in the Anti-Piracy Coalition: "Sygnal" Association, ZPAV (Polish Society of the Phonographic Industry) and BSA (Business Software Alliance). This time the Cybercrime Unit of the Provincial Police Headquarters in Kraków, the Economic Crime Unit of the Provincial Police Headquarters in Kraków – in recognition of special achievements in fighting the theft of television signal, the so-called sharing. The involvement and consistency of policemen helped to carry out so far the biggest action of uprooting an illegal procedure of online sharing of subscription rights to paid satellite platforms, which had approx. 1600 recipients. Furthermore, the Cybercrime Unit of the Provincial Police Headquarters in Szczecin was rewarded - for effectiveness and an ability recognize a multi-layered problem of phonographic piracy and its relations to illegal distribution of the television signal – next to the Economic Crime and Corruption Unit of the District Police Headquarters in Warsaw VII. An official gala took place on March 10<sup>th</sup> July 2019 in the Main Police Headquarters in Warsaw.

Teresa Wierzbowska, Advisor to the Management Board of Cyfrowy Polsat for public affairs, is the President of "Sygnal" Association. Also Łukasz Sternowski, Manager of the Intellectual Property Protection Unit in Cyfrowy Polsat, is a Member of the Management Board of the Association.

### 3.5. High quality service

Servicing of **nearly six million customers** is an enormous challenge. Constant technological progress opens new communication channels and forces continuous changes in the organization of work of our customer service representatives. When **servicing customers** and making efforts to ensure their satisfaction, **there is no end to improvements** – we know that good can be better and better can be best.

Decisions of our customers about contacting Cyfrowy Polsat Group stem from a specific case which they want resolved as soon as possible. Malfunctioning set-top box, lack of Internet access in customer's smartphone, a request to explain items on the invoice, poor signal from the satellite antenna – there are hundreds of reasons. We treat all of them with utmost care. Our priority is **to resolve every issue during the first contact**, so that the customers had exhaustive answers to their questions immediately after finishing the conversation with a customer service representative

**A committed and trained team of over two thousand customer service representatives**, experienced managerial staff and great flexibility of operations are our main advantages. Latest technical achievements support customer service. We have created **an advanced customer relationship management system** which integrates all communication channels – both electronic as well as by phone or mail. Thanks to the implemented solutions we may carry out and document servicing of each customer more effectively.

The core of the Group's customer service is the **customer service call center**. This system comprises four separate call centers integrated through an intelligent call routing system. It guarantees reliability and **an uninterrupted twenty-four hour, seven-day a week phone service**. The intelligent distribution system handles calls depending on the subject matter and forwards the call to appropriate agents, which reduces customer service time. **Nearly 2 100 people** work in our call centers – 1 400 of them take phone calls from customers, the rest manages letters and e-mails. Customer service representatives are competent to handle all issues related to the services we deliver – they provide information about our services, act as agents in concluding subscriber agreements, accept possible complaints and provide information about payments. Contact numbers of our call center lines are universally available – we provide them when advertising services in the media.

We constantly **modernize tools supporting customer service and implement the latest technical solutions available on the market**. All of these is aimed at ensuring to our subscribers convenient and satisfying forms of handling their issues. These activities are extremely important in the today's world in which the technology is an important element of daily life, among others helping to save time. The received requests and complaints **are qualified according to the problems** and their sources. A regularly performed analysis of reasons allows for problem identification and solving as well as undertraining of preventive actions.

Furthermore, apart from the standard requests and inquiries, since May 25<sup>th</sup>, 2018, in connection with **the application of the provisions of GDPR**, the requests for processing of the personal data of customers by Polkomtel and Cyfrowy Polsat have been handled in Cyfrowy Polsat Group. To perform this task we have undertaken necessary steps to ensure that the legal obligations are fulfilled at the highest possible level. Establishing of the **GDPR Team**, dedicated to fast and effective handling of GDPR requests, was one of the initiatives implemented for this purpose. Thanks to establishing a dedicated unit we are able to ensure to our customers the service which is appropriate, compliant with the law and what is most important – meeting their expectations.

Customers who are service users of the **smartDOM** offer, which in the recent years has become a popular way to reduce the costs of core services, such as television, Internet access or telephone, may count on efficient service by specialized customer



service representatives who have the knowledge about products of Cyfrowy Polsat and Plus. Furthermore, constant monitoring by the representatives of the quality of smartDOM services enables us to continuously improve this flagship offer of Cyfrowy Polsat Group.

Every year our customers are able to resolve more and more issues without the need for contacting our employees. Aside from interactive voice response systems, **online customer service systems** ensure safe and free-of-charge access – both Cyfrowy Polsat and Plus offer their own online platforms. Customers can purchase or modify their service packages by themselves, check the payment balance together with its history, control available units within the active service packages and make payments. Additionally, while using online systems they can modify their contact and address data, print a postal payment slip or direct debit form for a bank, check the technical specification of the owned equipment, print relevant operating manuals, renew connection with the satellite, restore factory settings of PIN in the set-top box, and contact us through the online contact form

Since 2015 **Polkomtel** provides a mobile application dedicated to customer account management and accessing up-to-date information related to the account. The use of this service is free of charge and data traffic generated through this application is not subject to fees for data transmission.

Possibilities which appeared with adding another entity to the Cyfrowy Polsat Group (Netia), led to a new offer in our portfolio. Fixed Internet Access is a relatively new product which is currently used by quite a big group of customers. Our customer service representatives have acquired the knowledge related to this product, whereas the process built for this purpose allows for professional and fast handling of inquiries from Fixed Internet Access users.

All solutions in the area of customer service, in particular shared and modernized (in response to customer expectations) service channels, also help us to take care of **natural environment**. We minimize a need of producing traditional letters, thanks to which we use less paper, thus ensuring a positive impact on the scale of wood processing for industrial purposes. We constantly search for various possibilities to limit a traditional, paper form of communication. We place a strong emphasis on educating our customer service representatives by promoting the “zero waste” policy, making them all aware that every single paper sheet which was printed unnecessarily means another felled tree.

#### Management systems

Since 2000, Polkomtel has had a consistently improved quality management system in place and since 2012 also an environmental management system. To confirm the above, Polkomtel obtained international certification **ISO 9001:2015** and **ISO 14001:2015**.

We are very satisfied that the undertaken activities – both in terms of the quality of services and the quality of customer service – are appreciated by customers. This is proven by high scores received our main brands. The so-called “prompted brand awareness” of Cyfrowy Polsat equals **90%**, and Plus – **88%**. The surveys shows that customers appreciate above all the quality of offer, modern technology, experience and our reliability and credibility

According to the same survey, under the prompted brand awareness of audio and video broadcasters, Polsat was ranked second with the result at the level of **94%**. We have similar achievements with respect to the prompted brand awareness of VOD services, where IPLA is only 1 percentage point behind Netflix (79%).

Constantly changing offers on the dynamically developing telecommunications market may encourage some customers to draw a conclusion that “a new customer has better terms”. In Cyfrowy Polsat Group we understand this concern, therefore we appreciate the loyalty of our customers. Under the **customer retention** we continue to develop offers and methods of operation to obtain the highest possible effectiveness. We carry out activities both **in the reactive and proactive process**. The reactive process is initiated by the customer who declares a willingness to resign from our services. Under this process a specialized team of customer service representatives contacts such a customer and presents new, attractive terms of continued cooperation, while encouraging the customer to remain in our Group. The pro-active process is initiated by us and consists in taking active steps encouraging the customer to extend the agreement before the expiry of its basic term.

Retention activities, under both processes are carried out based on the analysis of the current portfolio of services used by the customer. We are doing our best to make sure that the proposal presented by us meets customer’s need to the highest degree possible.



Thanks to the broad range of products in our portfolio, apart from the proposal of updating current services used by the customer, we may also offer a possibility of using other services available within our Group.

Retention offers may be executed in any sales channel – via the Internet, by phone with a home delivery or in any Point of Sale, at the customer's discretion.

**Our television channels – everyone will find something for himself/herself**



Trust and appreciation of our viewers are proven by the popularity of channels they choose to watch. In 2019, TV Polsat was one of the leading broadcasters in terms of audience share. In the commercial viewers group (aged 16-49), which is most popular among advertisers, POLSAT had 11.0% audience share, TVN – 11.1%, TVP1 – 6.3%, TVP2 – 7.2%. The audience share of the thematic channels of TV Polsat was also near the top of viewership rankings and amounted to 13.3%. Discovery thematic channels reached the audience share of 15.5% while TVP thematic channels had the audience share of 8%.

It is an honor to be one of the most popular TV channels in Poland, but at the same time it is an obligation to provide our viewers with high quality news, unforgettable sport experience and the best entertainment – both at the global and local level

“**Wydarzenia**” (News) is our flagship news program, broadcast in Polsat and Polsat News. The first edition of the program was broadcast on October 11, 2004 in Polsat. During 15 years, “Wydarzenia” has won the trust of viewers and is today among most popular news programs in the Polish television. According to various surveys (**IBRIS survey for “Rzeczpospolita” daily on the reliability of news programs**), “Wydarzenia” is believed to be the most objective news service in Poland. Every day, “Wydarzenia” ensures access to true and fair news to millions of viewers in Poland. The best team of journalists in Poland, a



strong and devoted to their work, prepares news from Poland and from across the world for millions of Poles, in order to be able to inform them about most important events in less than 30 minutes. Apart from providing latest domestic and international news, social issues are one of the main focuses.

The main edition of the news program, presented by news anchors Dorota Gawryluk and Bogdan Romanowski as well as Agnieszka Mosór and Bartosz Kurek.

Since the launch of "Wydarzenia" brand on the market, viewers may also watch an afternoon edition of this service, which is currently broadcast at 3:50 p.m., Monday to Friday, in Polsat and Polsat News. Since 2016, we have offered "**Wydarzenia Wieczorne**" (**Evening News**), which can be watched in Polsat News daily at 9:50 p.m. In November 2019, the youngest child joined the family – "at noon" edition of the news program that is "**Wydarzenia 12:50**", broadcast from Monday to Friday in Polsat News, offering the first review of events of the current day, including news about events taking place in individual regions of the country. This way, Polsat News viewers may regularly, every three hours, watch an edition of „Wydarzenia” news program.

We control politicians on behalf of our viewers, while simultaneously not forgetting about the great responsibility that lies with journalists. The main edition of "Wydarzenia" in Polsat News channel is always followed by the most important interview of the day, namely "**Gość Wydarzeń**" (**Guest of The News**), immediately followed by a current affairs program "**Wydarzenia i opinie**" (**News and Opinions**).

We are also pleased with the results of the IBRIS survey for "**Rzeczpospolita**" daily on the reliability of news programs, in which nearly 60% of respondents had a positive opinion about "Wydarzenia" news program in TV Polsat. "Fakty TVN" received the score of 56% and TVP "Wiadomości" – 50%. Furthermore, as many as 45% of respondents pointed to Polsat News as the most objective source of information.

In our journalism we not only inform, but also try to help viewers, whenever we have such a possibility. "**Interwencja**" (**Interventions**) program is an example of socially responsible journalism, thanks to which the viewers learn about dramatic, human stories. Reporters of the program are not indifferent to sufferings of ordinary people – for many of them this program is the last chance for help and justice. Many people, whose stories were shown in "Interwencja", received help from other people or institutions. Effectiveness of the editorial team results in the increased number of received letters asking for help

"**Państwo w Państwie**" (**State within a state**), broadcast in Polsat, Polsat News and Polsat News 2, is one of the most effective intervention programs in television. It is presented by Przemysław Talkowski, Polsat News journalist, and fights the common belief that any person conducting business activities is a potential criminal. Journalists of this program reveal extremely difficult situations that entrepreneurs in Poland face every day and identify inappropriate attitudes or regulations which are unfavorable to entrepreneurs

The editors of "Państwo w Państwie" have received numerous awards for their tough, but at the same time very fruitful work, including among others an honorary award of Andrzej Woyciechowski Radio Zet Awards, the main prize of the 14<sup>th</sup> edition of Władysław Grabski Contest, as well as the "Golden Scale" of the Polish Bar Council or the award of "Freedom of speech" and Grand Press 2012 award in the category of Journalism.

"**Nasz nowy dom**" ("Our new home") program is also worth mentioning. It is a unique program, which gives joy and hope for a better future to families in various parts of Poland – from the Baltic Sea to Tatra Mountains. In each episode, under the watchful eye of cameras, specialists (an architect with a construction team), race against time and difficulties, to successfully deliver what is most prosaic necessity in everyday life – a new, warm home. Each program presents a completely different, touching story of the family – sometimes suffering financial difficulties, sickness or bereavement. The program is presented by Katarzyna Dowbor, who with passion and involvement helps fulfill the dreams of the program's participants. So far, TV Polsat, thanks to the support of sponsors, has already thoroughly renovated over many houses and homes, also providing basic furnishings, including modern TV sets, home appliances, but also tablets, smartphones and Internet access. So far, we have managed to help 180 families. Over 600 people live in houses and apartments we have renovated.



## Best entertainment

Polsat's viewers may count on great entertainment – cabarets, movies, TV series and game shows enjoy unwavering popularity with millions of viewers.

Popular **“Dancing with the Stars. Taniec z gwiazdami”** show is regularly watched by millions of Poles. The final episode of the 10th anniversary season was watched by nearly 3 million viewers.

Over five six years ago **“Twoja Twarz Brzmi Znajomo”** (Your Face Sounds Familiar) show appeared in Polsat and since the very start has attracted a faithful group of fans. Fan page of the program has nearly 330 360 thousand of fans, and metamorphosis of celebrities is still one of the hottest topics for Internet portals. During the Saturday's live broadcast of the show, since the very first episode Polsat has been consistently the market leader in both audience groups. The charity is another advantage of this show. Every week the winner of a given episode transfers PLN 10 000, and after winning the grand finals – as many as PLN 100 000, to the selected charity – supporting a sick person, orphanage or animal shelter. During 12 editions of “Your Face Sounds Familiar” over **96 artists** underwent **over 1 000 transformations** and many of them were absolutely perfect! They donated **over PLN 2 million to selected charity**.

**Polsat SuperHit Festiwal 2019** had the highest audience during the last weekend of May. Each day of the festival was very popular among viewers. Nearly 2.2 million people watched the Friday's “Platinum Concert”, during which the artists with the most records sold in 2018 performed, which translated into **16.7% audience share among all viewers and 18.8% in a commercial group**. The same evening we enjoyed the biggest birthday party organized for us by Agnieszka Chylińska. The artist achieved a great 20.1% audience share in a commercial group and 17% among all viewers. Saturday's “Radio hit of the year” concert and Sunday's cabaret show were also extremely popular. For the first time in history we also welcomed viewers in the morning. For three days at 9 a.m., live and directly from the Sopot's beach in SuperHit Festiwal Studio, the hosts – Joanna Koroniewska and Maciej Dowbor – talked to the invited artists and took viewers to the Amphitheater to watch artists during their rehearsals behind the scenes of Opera Leśna.

Our entertainment offer is also enriched by popular TV series **“Przyjaciółki”** (*Friends*), **“W rytmie serca”** (*To the rhythm of the heart*), **“Gliniarze”** (*Cops*), **“Pierwsza miłość”** (*First Love*), **“Świat według Kiepskich”** (*The world according to the Kiepski Family*) and **“Ślad”** (*Trace*).

Irrespective of age, interest or hobby, each viewer will find something attractive in the portfolio of channels offered by TV Polsat.

Each year on Christmas Eve we invite viewers to sing carols together. Most beautiful Polish carols and pastorals are presented by the stars of the Polish music scene. In 2019 we sang carols in a Camedolite church in Bielany in Warsaw, and the following artists sang for our viewers: Irena Santor, Justyna Steczkowska, Edyta Bartosiewicz, Paweł Domagała and Sebastian Karpiel-Bulecka.

16<sup>th</sup> edition **Mikołajkowy Blok Reklamowy (St. Nicholas Day Commercial Block)** had over **5 million viewers**. Thanks to such a high audience, we managed to collect **PLN 1,2 million**. The event organized by TV Polsat and Polsat Media advertising bureau again turned out to be a huge success and the entire collected amount will be donated to treatment and rehabilitation of the children who are under the care of the POLSAT Foundation. During the 16<sup>th</sup> editions of Mikołajkowy Blok Reklamowy (St. Nicholas Day Commercial Block) we have collected over **PLN 20 million**.

In general, on the Christmas Eve and during the entire Christmas, Polsat was the most popular channel among viewers, achieving the audience share at the level of 9.6% among all viewers and nearly 12% in a group aged 16-49.

In general, on the Christmas Eve and during the entire Christmas, Polsat was the most popular channel among viewers, achieving the audience share at the level of 9.6% among all viewers and nearly 12% in a group aged 16-49.

Each year, we organize one of the biggest New Year's Eve parties in Poland. On the last night of 2019 we were having fun at Silesian Stadium during **“Sylwestrowa Moc Przebojów”** (*New Year's Eve Power of Hits*). Ronnie Ferrari, Daj to głośniej, DJ Bobo, Layzee Fka, Mr President, Mikolas Josef, Michał Szpak, Sławomir, Cleo, Maciej Maleńczuk, Michał Wiśniewski and many other artists invited to dance the audience of over **50 thousand people gathered at the stadium and over 3 million viewers sitting before their TV sets**.



## Best sport

Starting from the 2018/2019 season, the **UEFA Champions League** and **Europa League** matches are available in Polsat channels. Polsat has launched the most modern and biggest sports studio in Poland and each program is visually realized using state-of-the-art technologies – VIZRT, augmented reality (AR) and 3D models as well as a virtual studio.

### Studio of TV Polsat

Sports studio of TV Polsat:

- 700 m<sup>2</sup> of space,
- the only LED wall of this type in Poland – over 3m height and 24m in length of 4x4K resolution, which allows for showing many broadcasts simultaneously, and at the same time constitutes an important element of interior setting;
- four shooting locations, including a special place for discussing match statistics, a location with touch screen for drawing and conducting a detailed analysis of match highlights and green box which will virtually transpose the experts discussing a given action directly to the pitch, next to the players;
- the studio uses 8 cameras, including a Steadicam and a camera crane with extendable arm;
- state-of-the-art, computer controlled LED studio and stage lighting;
- place for audience which will watch matches together with journalists and experts in the studio.

In 2019, the viewers could watch on Polsat sports channels, apart from the **UEFA Champions League** and **Europa League** matches, also games of the Polish volleyball players during the Men's European Volleyball Championship where our National Team has won a bronze medal or qualifying matches to the 2020 UEFA European Football Championship in which the Polish Team has qualified to the main tournament.

Thanks to TV Polsat, Polish viewers have the opportunity of watching the most important sports events which are followed by hundreds of millions of people around the world. We show the most popular and the most thrilling competitions and sports stars. Broadcasting of major events also means popularization of numerous disciplines of sport, which often stimulates people of all ages to practice a given sport. On the one hand it encourages children and teenagers to go outdoors and get interested in sports, and on the other it often helps adults in deciding to devote at least part of their leisure time to sports

Polsat, as well as our sports and news channels willingly support activities which promote physical education by promoting such activities in the media and in the TV channels. Both, the news programs and the programs dealing with sports inform of mass sports events while encouraging viewers to participate in them. By presenting sports stars, who also willingly join such initiatives, we promote active leisure and tourism. We also promote mass running or cross-country skiing events while also supporting hockey, football and tennis tournaments for children. For all sport fans we have prepared the “**Athletes**” program. Viewers will find there, among others, reports from sports events, interviews with sport stars as well as practical advices of experts or they will meet interesting people of sport and learn about unique places on a sport map of Poland.

Acquisition of the broadcasting rights as well as production of major sports events at world class level mean expenditures reaching hundreds of millions of zloty. Thus financing of such efforts only from the money obtained from sponsors or commercials is not possible. For that reason – similarly as in practically all countries in the EU and North America – part of the broadcasts are shown on paid (scrambled) channels. Ease of purchase of such services, affordable pricing as well as superb quality of the presented materials result in such services enjoying increasing understanding and popularity among our clients, and the need to pay fees is accepted now more often than in the past.

At the same time we try to make sure that individual events of top importance are available for the most extensive groups of viewers.



## Involvement in cinema production

**Digital Artist Zone (CST)** operates within the Cyfrowy Polsat Group. It is a **unique program in Poland under which we support domestic film productions**. We offer to the filmmakers a possibility of submitting their projects which the Group could then support in the field of production, promotion and distribution. We are looking, among others, for original scripts and film projects in their initial phase.

In 2019, with the support of Polsat Group, **7 films** were produced under the program. Their cinema distribution started this year or was planned for 2020-2021:

- **„Jak poślubić milionera”** (How to marry a millionaire) directed by Filip Zylber. Over 940 thousand viewers watched the film, distributed in November-December 2019 by Mówi Serwis. In house production, in cooperation with TFP Sp. z o.o.
- **„(Nie)znajomi”** (Strangers or Friends) directed by Tadeusz Śliwy. Co-produced. 660 thousand viewers watched the film. Distribution by DMS in the period of September/October 2019.
- **„Jak zostałem gangsterem”** (How I became a gangster) directed by Maciej Kawulski. Co-produced. Until January 30, 2020 (after 4 weeks in cinemas) the film had over 900 thousand viewers, distributed in January 2020.
- **„Psy 3. W imię zasad”** (Psy 3. In the name of principles) directed by Władysław Pasikowski. Until January 31, 2020 (after 2 weeks) over 800 thousand viewers watched this film in cinemas. Co-produced, distributed in January 2020.
- **„Najmro. Kocha. Kradnie. Szanuje”** (Najmro. Loves. Steals. Respects) directed by Mateusz Rakowicz. In house production, in cooperation with TFP Sp. z o.o., to be distributed in September 2020.

## For people with sight and/or hearing impairment

In Cyfrowy Polsat Group we want to reach as many people as possible with our offer. Our **Super Polsat** channel – the first channel in Poland and Europe, in which most of the programming is adjusted to the needs of people with sight and/or hearing impairment – is more and more popular among viewers. The offer of Super Polsat includes the best content from the TV Polsat productions – great entertainment, cooking and music programs as well as the best TV series which have acquired faithful fans. The schedule also includes well-known blockbuster movies. On Saturdays, viewers can watch classic movies of the Polish post-war cinema, and on Sundays – the best foreign movies – family films, great comedies and dramas – all content with closed captioning. The morning programming includes cartoons for the youngest viewers. Super Polsat also broadcasts sport events and concerts produced by TV Polsat.

## Strictly regulated commercial time

In TV Polsat channels – according to regulations – at least 33% of the quarterly programming are broadcasts initially developed in Polish, and over 50% – European broadcasts, coming mainly from the EU member states.

We also strictly follow the obligations and restrictions regarding advertising. **Commercial blocks** in our channels are clearly distinguishable from broadcasts and **do not take more than 12 minutes within one hour**. Our announcements with information about our own programming do not take more than 2 minutes within one hour. All sponsored programs are clearly marked as such. We also reveal product and service placements.

### Polsat Media Advertising Office

Polsat Media Advertising Office offers a portfolio of **78 television channels** – a big national Polsat channel and a dynamically developing range of thematic channels. The total **audience share** of channels serviced by Polsat Media in terms of advertising in 2019 exceeded **32% in the commercial viewers' group (aged 16-49)**.

Polsat Media means also a **comprehensive offer of non-TV products**, including **Polsat Media Online** (video and display advertising), **Polsat Media AdScreen** (digital media OOH), **Polsat Media AdTube** (a platform associating popular Internet creators – YouTube personalities and influencers), **Polsat Media Digital Audio** (audio commercials in the Internet) and **Muzo.fm** pan-regional radio station.

In 2019, Polsat Media was recognized as the best television advertising office in the report of the *Media i Marketing Polska*.



#### [GRI 417-3]

As a group operating on the market which is subject to numerous legal regulations, we are subject to constant monitoring and verification of our activities by regulatory authorities. In the previous years the Office of Competition and Consumer Protection (UOKiK) occasionally questioned selected aspects of our marketing communications – explanatory proceedings and our appeals against some of these decision are still pending

Whereas, in 2019 there were no incidents of non-compliance with regulations or voluntary codes concerning marketing communications, including advertising, promotion and sponsorship, which resulted in a fine being imposed. What is more, in 2019 also the Office of Competition and Consumer Protection (UOKiK) did not issue any decision in this respect which was unfavorable to us.

Whereas in 2019, a fine in the amount of PLN 10 thousand was imposed on TV Polsat by the National Broadcasting Council for the failure to ensure, during the quarterly viewing time in Q3 2018, the share of at least 10% of European broadcasts created by independent producers in one of the channels belonging to the Company.

**However, there were no other incidents of non-compliance with regulations or voluntary codes concerning marketing communications, including advertising, promotion and sponsorship, which resulted in a fine being imposed.**

#### [GRI 102-12]

We are signatories of several voluntary industry agreements concerning ethics of program broadcasting. Most important are as follows:

- IAB Polska standards regarding online advertising formats.
- Television broadcasters agreement on the rules of distribution of advertisements and sponsor references regarding food products and beverages including ingredients which are not recommended in the daily diet in excessive quantities.
- IAB Polska Fair Advertising Initiative.
- Code of good practices concerning detailed rules of protection of minors in on-demand audiovisual media services.
- Declaration of Cooperation for Safety of Children in the Internet.



## Chapter 4

### Sucess thanks to the people





## 4. SUCESS THANKS TO THE PEOPLE

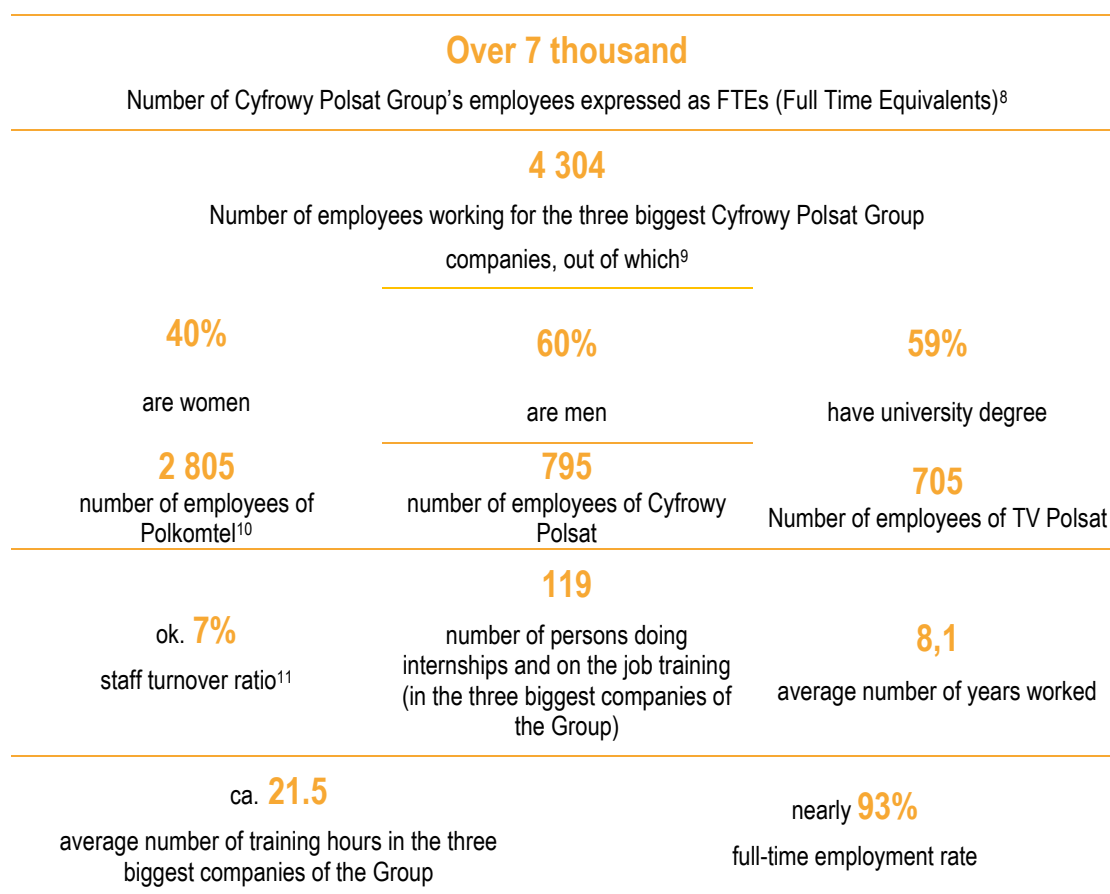
### 4.1. Key facts and figures

#### [Accounting Act – Key Performance Indicators]

Cyfrowy Polsat Group is the leader of the media and telecommunications market. **The success** of Cyfrowy Polsat Group is **based** not only on state-of-the-art television studios, new IPTV or OTT set-top boxes, transmitters, frequencies or licenses, but most of all **on the involvement of our employees**. It is thanks to their knowledge, experience, skills and competence that the Group may talk about the business success. Therefore, **shaping of the culture of cooperation during accomplishment of common goals** is extremely important to us.

We would like our Group to be a good and friendly place of work, therefore we take care of the **transfer of knowledge and flow of good practices** between our companies as well as attractive conditions of work and additional benefits.

#### Our employees



<sup>8</sup> The average number of non-production plant employees in 2019, active employees, excluding persons temporarily de-registered (child care leaves, maternity leaves, sick leaves exceeding 30 days, unpaid leaves exceeding 30 days). It includes the employees of Netia Group.

<sup>9</sup> Status EOP 2019, FTE, active employees, excluding persons temporarily de-registered (child care leaves, maternity leaves, sick leaves exceeding 30 days, unpaid leaves exceeding 30 days)

<sup>10</sup> Data refer to Polkomtel and Polkomtel Infrastruktura.

<sup>11</sup> Blended staff turnover ratio for the three biggest companies of the Group in 2019



**[GRI 102-8]**

**Table 7. Total number of employees by gender and employment contract**

	2019										2018									
	Polkomtel <sup>1</sup>		Total	Cyfrowy Polsat		Total	TV Polsat		Total	Total CP Group	Polkomtel <sup>1</sup>		Total	Cyfrowy Polsat		Total	TV Polsat		Total	Total CP Group
	Women	Men		Women	Men		Women	Men			Women	Men		Women	Men		Women	Men		
<b>Temporary contract</b>	5.5% (61)	3.0% (52)	<b>112</b>	14.7% (57)	11.8% (49)	<b>105</b>	19.7% (45)	9.6% (46)	<b>91</b>	<b>310</b>	5.3% (55)	2.6% (42)	<b>97</b>	9.0% (34)	8.9% (36)	<b>70</b>	16.1% (34)	7.3% (35)	<b>69</b>	<b>236</b>
<b>Permanent contract</b>	94.5% (1 036)	97.0% (1 657)	<b>2 693</b>	85.3% (328)	88.2% (361)	<b>689</b>	80.3% (183)	90.4% (431)	<b>614</b>	<b>3 994</b>	94.7% (984)	97.4% (1596)	<b>2 581</b>	91.0% (345)	91.1% (368)	<b>713</b>	83.9% (178)	92.7% (442)	<b>620</b>	<b>3 914</b>
<b>Total</b>	<b>1 097</b>	<b>1 708</b>	<b>2 805</b>	<b>385</b>	<b>410</b>	<b>795</b>	<b>228</b>	<b>477</b>	<b>705</b>	<b>4 304</b>	<b>1039</b>	<b>1 638</b>	<b>2 678</b>	<b>379</b>	<b>404</b>	<b>783</b>	<b>212</b>	<b>477</b>	<b>689</b>	<b>4 150</b>

<sup>1</sup> Data refer to Polkomtel and Polkomtel Infrastruktura.

**Table 8. Total number of employees by employment type**

	2019										2018									
	Polkomtel <sup>1</sup>		Total	Cyfrowy Polsat		Total	TV Polsat		Total	Total CP Group	Polkomtel <sup>1</sup>		Total	Cyfrowy Polsat		Total	TV Polsat		Total	Total CP Group
	Women	Men		Women	Men		Women	Men			Women	Men		Women	Men		Women	Men		
<b>Full-time</b>	92.4% (1 013)	94.9% (1 622)	<b>2 635</b>	83.2% (320)	83.7% (343)	<b>663</b>	97.4% (222)	99.4% (474)	<b>696</b>	<b>3 994</b>	92.0% (956)	95.4% (1 562)	<b>2 519</b>	85.4% (323)	83.7% (338)	<b>662</b>	97.9% (207)	99.2% (473)	<b>680</b>	<b>3 861</b>
<b>Part-time</b>	7.6% (84)	5.1% (86)	<b>170</b>	16.8% (65)	16.3% (67)	<b>131</b>	2.6% (6)	0.6% (3)	<b>9</b>	<b>310</b>	8% (83)	4.6% (76)	<b>159</b>	14.6% (55)	16.3% (66)	<b>121</b>	2.1% (5)	0.8% (4)	<b>9</b>	<b>289</b>
<b>Total</b>	<b>1 097</b>	<b>1 708</b>	<b>2 805</b>	<b>385</b>	<b>410</b>	<b>795</b>	<b>228</b>	<b>477</b>	<b>705</b>	<b>4 304</b>	<b>1 039</b>	<b>1 638</b>	<b>2 678</b>	<b>378</b>	<b>404</b>	<b>783</b>	<b>212</b>	<b>477</b>	<b>689</b>	<b>4 150</b>

<sup>1</sup> Data refer to Polkomtel and Polkomtel Infrastruktura.

**[GRI 102-48]**

In the "Report on non-financial information for the year 2018" there was an error regarding the number of men employees part-time at Cyfrowy Polsat. A wrong number was entered by mistake. The above mentioned table was supplemented with the correct data – 66 people– whereas this had no impact on the presented total figure, it remained unchanged, that is 121.



## 4.2. Our culture of work

In Cyfrowy Polsat Group, which is so strongly linked to state-of-the-art technologies, we are aware of the value of our employees experience. **Only highly qualified staff is able to ensure the highest quality of our services.** Experts with unique skill types work for us, including for instance masters of fine arts in cinematography or organization of advanced television production (in case of TV Polsat), top IT professionals or experts in broadband electronic communications (in case of Polkomtel) or online video market practitioners, design aces or professional designers (in case of Cyfrowy Polsat). **Over 59% of our employees have a university degree.** Job tenure is the best confirmation of the strong identification with the company and satisfaction with work. At the end of 2019, in main companies of the Group – TV Polsat, Polkomtel and Cyfrowy Polsat - it amounted to **over 8 years on average.** Furthermore, as many as **11.5% of the Group's employees has worked for it for at least 20 years.** The staff turnover ratio in 2019 at the Group level decreased substantially and equals ca. 7%, TV Polsat has the lowest staff turnover.

[GRI 401-1]

Table 9. Staff turnover ratio<sup>1</sup>

	2019			2018		
	TV Polsat	Polkomtel <sup>2</sup>	Cyfrowy Polsat	TV Polsat	Polkomtel <sup>2</sup>	Cyfrowy Polsat
<b>Women</b>	1.7%	3.9%	3.2%	2.1%	4.1%	4.2%
<b>Men</b>	3.4%	4.2%	4.0%	5.8%	4.7%	6.2%
<b>Total</b>	<b>5.1%</b>	<b>8.1%</b>	<b>7.2%</b>	<b>7.9%</b>	<b>8.8%</b>	<b>10.4%</b>

<sup>1</sup> Without including migration of employees between the companies of the Capital Group

<sup>2</sup> Data refer to Polkomtel and Polkomtel Infrastruktura.

According to the **Human Resources Policy of the Cyfrowy Polsat Capital Group** we ensure comparable working conditions in each company of the Group. The main goal of the Human Resources Policy of the Cyfrowy Polsat Capital Group is to build an attractive work place for the current and future employees. We know that our success is the result of knowledge, skills and involvement of our employees who are the superior value of Cyfrowy Polsat Group. As a result of activities we pursued in 2019, we **increased the percentage of people employed on permanent contracts, increased the number of training hours available at TV Polsat and reduced the Group's staff turnover ratio.**

Competence is what really counts in Cyfrowy Polsat Group. When assessing our employees, we never discriminate based on age or gender. We follow the **Policy of diversity and respect for human rights of Cyfrowy Polsat Capital Group.**

We **counteract** any forms of **mobbing or discrimination in the workplace.** We established an internal **anti-mobbing committee** at **Polkomtel** and **Cyfrowy Polsat**, based on relevant procedures. We also provide trainings in this respect to the employees. In **TV Polsat**, the proceedings in case of actions which may be classified as mobbing have been described in the **Anti-mobbing Procedure** which constitutes an internal document of the company. **Code of Ethics** also operates in the **Polsat Group.** It is a set of guidelines regulating the issue of fair competition, compliance with law and ethical activities. The publication is a guide for solving dilemmas of ethical nature which the employees may face in their daily work.

### How do we remunerate our employees?

We take care of formal aspects of employment - employment contract is the basic form of employment in the Group, however depending on the specific nature of operations of individual companies in the Group and/or expectations of our co-workers, we also use different forms of employment.

Limit values of remuneration on individual levels are laid down in the **Remuneration Regulations.** Minimum remuneration offered by the Group is compliant with the Polish law. Salaries grow in line with the growing specialization level and the position in the organizational structure.

We offer **a number of benefits** to the Group's employees, apart from the basic salary. We would like them to be not only a motivation and incentive, but also an expression of our gratitude for their daily work. At the same time, some benefits support achieving the balance between the work and private life.



## **Selected benefits available to the employees of Cyfrowy Polsat Group:**

### **[GRI 401-2]**

#### **Healthcare subscriptions**

We take care of the health of our employees, providing them with easy access to medical care. All full-time employees of the Group are covered by free-of-charge private healthcare services. Furthermore, they also have a possibility to purchase, at preferential rates, medical care subscriptions for their family, and the employees of TV Polsat may also continue the medical care at preferential rates after termination of their employment contract with the company.

#### **Sports program**

We offer to our employees a possibility to join a sport and recreation package which is provided by our partner and offers access sports facilities all over Poland. Each employee may purchase a monthly subscription for himself/herself and his/her relatives.

#### **Employee promotions**

Each employee of Cyfrowy Polsat Group may take advantage of a program of Employee Promotions – we offer a possibility of purchasing a special set for watching digital television, LTE Internet or fiber-optic Internet from Netia and mobile telephony in Plus, with special discounts. Under the offers dedicated to householders, employees may also use a promotion for the purchase of electricity at preferential rates.

#### **Insurance**

Employees of Cyfrowy Polsat and Polkomtel may use a unique offer of insurances guaranteed by one of the biggest insurance companies on the Polish market. Special discounts on houses/apartments, travel and vehicle insurance policies guarantee attractive prices of insurance.

Cyfrowy Polsat Group also offers a possibility to join a voluntary life insurance which is offered by our partners who provide insurance services.

At the same time, every employee of Cyfrowy Polsat Group has workplace accident insurance and accident insurance for business trips.

#### **Events and contests under the patronage of our business partners**

Under the cooperation with business partners (among others television broadcasters, manufacturers of electronic equipment) special events are organized on the company's premises. Open Days are very popular with presentations and demonstrations of modern equipment (e.g. smartphones, smartwatches, smart-home devices, audio and video equipment and other gadgets). We also regularly organize games, plays and contests in which employees may win tickets to interesting events (e.g. exhibitions and science shows, movies, sport competitions or other special events).

#### **Participation in events organized by TV Polsat**

Our employees have a possibility to participate in recordings of our programs, events and parties organized by TV Polsat.

#### **Discount offers**

In response to employees' expectations we also introduce additional discount offers addressed to them. In the Intranet of Cyfrowy Polsat and Plus Planet we publish special offers for summer and winter holidays (including discounts on family trips to Ossa Hotel), regular special offers for eco-cosmetics, as well as a Christmas offer for one-off discount codes for electronic equipment with attractive discounts.

#### **Special offers of theaters**

Our employees may also take advantage of a special cultural offer. Selected theatres in Warsaw regularly invite employees to selected theatre plays under a special offer (a possibility to purchase tickets at attractive prices).



## COMPANY SOCIAL BENEFITS FUND

**Company Social Benefits Fund** is one of the elements of our social policy. The funds from the Company Social Benefits Fund are intended for: i) granting loans for housing purposes (attractive interest rate – 2%); ii) providing material and financial assistance in case of events of fortuitous circumstances (illness or death, difficult family or material situation, etc.), iii) co-financing of various forms of holidays, iv) subsidizing sport and recreation activities (sport, tourist, team-building, cultural events etc.).

In 2019:

- **27 loans** for housing purposes were granted of the total value of **PLN 802 000**;
- **2 allowances** in the amount of **PLN 12 000** were granted to cover the costs of medical treatments, care and rehabilitation in connection with serious illnesses of our employees or members of their families,
- **a material aid** in the amount of **PLN 11 919** was provided for the purchase of a wheelchair for an ill child,
- a few sport and recreation events were organized, including the **Family Picnic** for the employees of Cyfrowy Polsat Group,
- financial support in the amount of **PLN 725 000** was granted to **13 sport sections** of Cyfrowy Polsat Group,
- we co-financed **holiday leaves for employees** and **summer camps for children of employees** in the amount of **PLN 5 250**,
- Christmas gifts for full-time employees were prepared in the total amount of **PLN 269 500**.

Integration meetings, including the Family Picnic and other special events, are the permanent feature in the calendar of Cyfrowy Polsat Group. We try to combine integration meetings with educational activities – using the cooperation of the Group with WOPR, MOPR, GOPR and TOPR, we teach our employees safe behaviour in the mountains and at the water and how to provide first aid.

### GOOD PRACTICE: FAMILY PICNIC OF POLSAT GROUP



In 2019 we organized a **Family Picnic, for a seventh time**. Traditionally, it is the biggest event of this type for the Group employees with families. This year, due to the big number of participants, the Family Picnic was organized on two dates. Nearly **5 500** people enjoyed **7 hours of great fun** in picturesque landscapes of Hotel Ossa. Positive energy and mega smiles were visible everywhere, among others in skill, climbing, creative, scientific and gaming areas.

**Lorry and motorcycle driving simulators** were extremely popular among the visitors, in particular a **vehicle rollover simulator**. Thanks to our in-house **Civil Defence Formation** we combined the fun with education – participants of the Family Picnic learned about **basic rules of first aid during traffic accidents**. Visage area and dance workshops led by Tomasz Barański and Paulina Przestrzelska were also very popular. An illusionist, Dawid Wilczyński entertained the audience with magic tricks, while Krzysztof Golonka presented fantastic tricks with a ball. The event, including numerous contests, was hosted by Krzysztof Ibis and Maciej Rock.

During the Picnic, **the volunteers from Cyfrowy Polsat Group**, in cooperation with the **Polsat Foundation**, collected donations to aid a **3-year old Natalka**, who was born with extremely rare disease – **Apert Syndrome**. The collected funds (**PLN 6 303.32**) were utilized for the treatment and rehabilitation of the girl.

In each company of the Group there are **employee sport teams** – we run, dive, play volleyball, football and ski together.



## GOOD PRACTICE: POLSAT RUNS



For years, **Polsat News** has actively supported mass national running events, both through broadcasts and by actively participating in the runs. In 2019, the “**Polsat Biega**” (“**Polsat Runs**”) team – consisting of the employees of **TV Polsat**, **Polkomtel** and **Cyfrowy Polsat** – continued to participate in various events, in particular events under the media patronage and/or strategic sponsorship of the Group, that is:

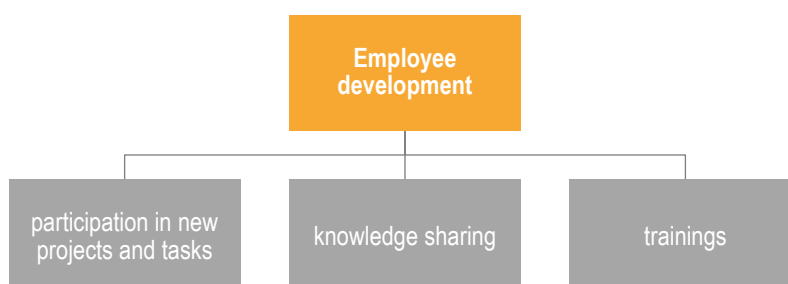
- 7<sup>th</sup> Polsat News Championships (part of the 12<sup>th</sup> Marshal Run),
- 5<sup>th</sup> Piotr Nurowski Memorial Run in Konstancin,
- Radość Run.

Last year, “**Radość Run**” was a particularly important event in the runs calendar, because the organizer of the event (**TOYOTA Radość**) contributed **PLN 2** from each **starting package** to the aid of a **3-year old Natałka**, who was born with extremely rare disease – **Apert Syndrome**.

### 4.3. Motivation and development of employees

We see potential in each of the five thousand of the Group's employees. We want to motivate them and invest into their personal development.

Figure 9. Employee development



## Interesting facts

### How do we invest in the development of employees based on the rule 70-20-10?

We invest into development of our employees. Development process is based on the **70-20-10** rule

- **70** – development through experience (tasks, involvement in projects)
- **20** – development through relations with others (knowledge sharing, feedback, coaching, mentoring)
- **10** – development through participation in trainings



While looking for solutions and in order to share knowledge across the organization as well as to solve actual business challenges facing the Group, in 2018 we launched the **Crowd+ Program**. It is based on *crowdsourcing*, that is the process of sourcing knowledge, information and ideas from a broad group of employees, and not a narrow team of experts. The most important **goals of the Crowd+ Program** are as follows: **supporting the culture of openness and innovation, acquiring and developing valuable business ideas and participation in management.**

Since 2018 there is a Crowd + Program in Cyfrowy Polsat Group dedicated to employees. It was initiated in order to search for solutions and share knowledge across the organization as well as to solve actual business challenges facing the Group. Its basic goal is to support the culture of openness and innovation in the organization, acquire and develop valuable business ideas and participation in management.

#### **GOOD PRACTICE: CROWD+ PROGRAM**



Since the launch of the **Crowd+ Program** the employees have submitted **over 600 ideas** in total, out of which ca. **10%** have been already **implemented** or is **under implementation**.

In 2019 we organized an original *talent management program* of Cyfrowy Polsat Group – **1<sup>st</sup> edition of Innovation Academy** – in which **12 employees** of the Group participated who showed in 2018 the highest involvement in innovative activities in their respective companies.

During the project the participants had a chance not only to broaden their theoretical knowledge, strengthen their communication competence, but – most of all – analyze as a team a specific problem and then “sell” the developed solution before the Jury.

2<sup>nd</sup> edition of the Innovation Academy will start in 2020.

#### **Trainings**

Training needs of all employees are adjusted to the nature of the position held and scope of duties. We offer **traditional training courses** (external and internal) which allow for gaining or improving employee qualifications and a **broader and broader offer of online trainings**.

Many trainings at **Polkomtel** and **Cyfrowy Polsat** are related to specific subject-matter or tools, which helps to develop special competences and improve effectiveness of work. A rich offer of internal trainings in the area of customer service, products and services, prepares our employees to professional contact with customers, provision of high quality services, consistent with the customer needs.



## GOOD PRACTICE: ACADEMY OF KNOWLEDGE



In 2019, we launched the **Academy of Knowledge**. It is a new training platform, common for the employees and co-employees of **Cyfrowy Polsat** and **Polkomtel**. This tool enables the employees to work on their own development, while simultaneously supporting the culture of knowledge and experience sharing in the organization.

In the Academy of Knowledge the employees of Plus and Cyfrowy Polsat may, in one place:

- enroll in a **free development training** conducted by internal trainers (e.g. Being Assertive in a Professional Life, Professional Presentation, Phone Call Techniques, Phone Sale Techniques, Creating Thinking Training, Managing Yourself in Time, Managing Yourself in Stress, Managing Yourself in Change, Managing Group in Change, Communication Workshops with Elements of Typology);
- undergo **mandatory e-learning trainings** (HSE and GRPD as well as related to business continuity and anti-mobbing);
- use extensive resources of **voluntary basic trainings** (e.g. Ethics in business, Negotiations, Proper Use of Polish, Office package (Excel, Power Point, Outlook), Sales Techniques, Problem solving and decision making).

In 2019, **over 22 thousand training hours** were performed this way.

**Academy of Knowledge** was developed and executed by an intra-company project team, with the support of HCM Deck (supplier of the solution). Although the tool already enables employees to develop their competence and skills, we will continue to develop it.

At the end of the year, the Academy of Knowledge was extended with a module which is currently used for ongoing and fast communication with respect to offers, new products and services and is dedicated to the widely distributed sales network – sales force servicing customer across the entire country.

Furthermore, in 2019 we also started the preparations to creating an **onboarding program** for new employees, including also a path for managers. Program is being creating in the e-learning form on the internal platform of the Academy of Knowledge.



[GRI 404-1]

Table 10. Average number of training hours per employee

	2019									2018								
	Polkomtel <sup>1</sup> and Cyfrowy Polsat			TV Polsat			CP Group			Polkomtel <sup>1</sup> and Cyfrowy Polsat			TV Polsat			CP Group		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Total number of training hours by gender	41 520	49 808	91 328 <sup>2</sup>	2 718	4 882	7 600	44 238	54 690	98 928	47 957	61 143	109 100	2 113	4 514	6 628	50 070	65 657	115 728
Average number of training hours by gender	22.07	21.12	21.54	11.92	10.23	10.78	20.97	19.29	20.01	21.04	18.63	19.84	9.24	9.38	9.34	19.87	16.7	18.64

<sup>1</sup> Data refer to Polkomtel and Polkomtel Infrastruktura.

<sup>2</sup> Data refer to the sum of traditional trainings (internal and external ones)



#### [GRI 102-48]

In the "Report on non-financial information for the year 2018" there was an error regarding the number of training hours by gender. The incorrect data for the sum of the number of training hours of women and men in Cyfrowy Polsat Group were entered by mistake. The above mentioned table was supplemented with correct data – 50 070 (for women) and 65 657 (for men), whereas it had not impact on the presented total figure, it remained unchanged, that is 115 728.

#### [GRI 404-1]

In 2019, at **Cyfrowy Polsat** and **Polkomtel**, under traditional trainings, we consistently executed the so-called **compact trainings**. Participants of trainings less and less often can afford two days off from work, thus the goal of such workshops is not to provide the full knowledge on a given topic, but to teach practical application of some skills. Participants focus on specific activities and learn through personal experience. As a result, the total number of training hours by gender decreased year on year, but the average number of training hours increased, which confirms the effective management of the employees' development.

While responding to ever changing expectations and needs of training recipients, we also focused on **online trainings**. In 2019 employees of Cyfrowy Polsat and Polkomtel performed over **22.5 thousand** training hours this way. Such a form of extending the knowledge allows for replacing any printed materials with their electronic versions. This not only reduces costs, but this is also about the care for environment. In case of **e-learning** it is worth emphasizing a great convenience for participants of such training courses.

**TV Polsat** has systematically developed the training policy. We focus on specialist trainings in television technology and foreign language learning. In 2019 a training budget was established, accounting for the needs reported by managers of organization units, upon request of their employees. This resulted in a substantial growth of the training hours as compared to previous years.

#### Studies

Employees who work for us at least one year may apply for **subsidizing their studies** – both on Polish as well as foreign universities. There is one condition, the field of study must be related to the work performed for the Group. In 2019, **38 employees** took advantage of this possibility.

#### English learning

If the knowledge of English is required on a given position, we invite employees to individual or group language lessons which take place in the offices of our companies. In 2019, **334 people** took advantage of this possibility.

#### [GRI 404-2]

We have prepared a unique offer of **Manager Academy** for people employed on managerial positions in Cyfrowy Polsat Group. Its goal is to promote the standard of managerial work and provide support in dealing with professional challenges. In the three years since the launch of the Manager Academy, **121 managers** learnt the best practices of managerial work and gained knowledge necessary for efficient performance of tasks, **through a series of e-learning trainings and direct meetings with experienced business trainers**. Examples of topics of these trainings: *Managing team in change, Building confidence and initiatives in a team, Delegation of Tasks, Feedback or Managing employee development*.

Furthermore, as a part of activities supporting the system change, in 2019 we prepared workshops for managers – "**Managing yourself and managing a team in change**", under which **589 managers** from Polkomtel and Cyfrowy Polsat were trained.



**[GRI 404-3]**

**Table 11. Percentage of employees receiving regular assessments, performance and career development review, by gender and employee category**

2019				2018			
Cyfrowy Polsat		Polkomtel <sup>1</sup>		Cyfrowy Polsat		Polkomtel <sup>1</sup>	
Women	Men	Women	Men	Women	Men	Women	Men
23%	5%	31%	19%	9%	10%	58%	37%

<sup>1</sup> Data refer to Polkomtel and Polkomtel Infrastruktura.

In TV Polsat there is no comprehensive, systemic solution of assessment of employees, but their performance related to tasks performed by them is subject to ongoing assessment by their superiors.

### We are open to young people

For years, we have invited young people to **internships and apprenticeships** to the companies of Cyfrowy Polsat Group. This is the best way to get a job in our enterprise later. Internship Program is an offer both for students and young graduates. Six month, **paid internship**, is an ideal way to acquire practical knowledge and skills. Each intern is entrusted with one project or specific technical task for the execution of which he/she is fully responsible. A host is also assigned to the intern who monitors his/her progress in work on an on-going basis as well as helps in execution of individual tasks. In 2019 we offered internships in the area of **IT, Marketing, Sales and Customer Base Management, Consumer Equipment, Finances, Audit, ICT Security and Fraud Detection**.

We also prepared a **Summer Apprenticeship Program** for students who take their first steps on the labour market. Apprenticeship is a unique opportunity to actively spend the summer – students have a possibility to work among the best professional in the technological sector. **Apprenticeship is paid** and takes place during the two summer months. Each apprentice cooperates with a team within one business area. A host is assigned to apprentices during the entire period of apprenticeship, providing help and professional support. Following completion of the program, apprentices receive a certificate of completion of the apprenticeship. The best apprentices receive a proposal of work in Cyfrowy Polsat Group. In 2019, **23% of apprentices started the permanent cooperation within the Group following the apprenticeship**.

Apprenticeship programs are organized simultaneously at **Polkomtel** and **Cyfrowy Polsat**. Both companies have a long tradition in this area. The first Apprenticeship Program was organized at Polkomtel in 1997, whereas in Cyfrowy Polsat – in 2010.

**TV Polsat** also offers a possibility of unpaid apprenticeship for graduates under the care of experienced employees. Apprenticeship gives a possibility of acquainting oneself with the specific nature and organization of work in the television on various positions. Apprentices may gain knowledge and skills and performs journalistic and production tasks assigned to them. After completion of the program, the apprentices receive a certificate about taking part in the apprenticeship, specifying the scope of apprenticeship, gained skills and opinion about his/her performance. Apprentices with highest scores may apply for work in TV Polsat. In 2019, the apprenticeship program was organized mainly in the **News and Journalism Division** and the **Production Division**, as well as in the **Sport Programs, Technology and Thematic Channels Divisions**. In 2019, **78 people** participate in the apprenticeship program of TV Polsat, out of which 49 people entered into cooperation with the company following the completion of their apprenticeship.

In 2019, in TV Polsat (**Polsat News editorial team**), under the care of experienced journalists we organized **paid internships subsidized by the European Union in cooperation with the Adam Mickiewicz University in Poznań** ("Bridge to the labor market III") and **John Paul II Catholic University of Lublin** ("Journalism internship – High quality internships for Journalism and Social Communication Department KUL"), in which 6 people participated.

TV Polsat also organizes **special tours to acquaint students and pupils with production and journalist work**. Students visit recording studios and newsroom under the care of employees of the Television.



#### 4.4. We constantly improve occupational health and safety

We would like to make all our employees feel **safe at work as much as possible**. Therefore, occupational health and safety at work have the highest priority, we pay particular attention to complying with all legal requirements, and we constantly adapt our procedures and instructions in this area to ever changing conditions and factors.

**Occupational health and safety units** operate in each company. Their goal is to identify and evaluate the status of safety and all elements in the work environment which affect this status of safety. We provide **periodical occupational health and safety, fire protection and first-aid trainings** to our employees.

##### [GRI 403-3]

Employees of **Polkomtel** and **Cyfrowy Polsat**, whose positions require this, are undergoing specialist trainings with respect to safe work at height, safe work in electromagnetic fields and acquire valid electrical qualification certificates up to 1kV. These trainings are necessary for performance of tasks at their working positions. The above mentioned tasks may be performed only by employees who passed medical examination to determine that there are no counter indications for them to perform this type of work.

Employees of **Polkomtel Infrastruktura**, whose work involves exposure to electromagnetic field do not work in the danger zone. Employee may potentially work within the range of electromagnetic fields perform the work in an intermediate or threat zone. Their presence in an intermediate (protective) and threat zone is no longer than 8 hours during the entire work shift and is of incidental nature (it is not a permanent work). Environmental measurements of electromagnetic fields are performed periodically, appropriate marking of zones is used and the employees receive occupational health and safety instructions regarding work in electromagnetic fields. The work in the intermediate and threat zone may be performed only by employees who passed medical examination to determine that there are no counter indications for them to stay within the electromagnetic fields (intermediate and threat zone), and who were trained with respect to safe operation of the sources of electromagnetic fields and the rules of working in protective zones.

Each employee has also a right to refuse performing a hazardous work – there have never been and there will never be any negative consequences for such an employee. Equipping of employees who require this with personal protective equipment is a standard in our enterprise. Occupational health and safety have the highest priority. A process of continuous development of occupational health and safety management leads to improving effectiveness which is expressed in overall improvement of operations of the entire enterprise. We pay particular attention to complying with all legal requirements regarding occupational health and safety. We constantly adapt our procedures and instructions in this area to ever changing conditions and factors.

In **TV Polsat** selected people undergo specialist trainings. All employees whose work involves operating live equipment have certificates issued by SEP (Association of Polish Electricians) for operation of devices with voltages of up to 1kV. People working at height under special trainings before performing any work, and also have necessary equipment. Measurements of work environments are performed periodically for work stations working within the range of electromagnetic field. Measurements of electromagnetic fields were performed leading to identification of an intermediate and safe threat zones which were then marked according to the applicable law. Employees were trained with respect to safe operation of the devices generating electromagnetic fields. Mandatory documentation, registers are maintained on a regular basis. All employees have valid medical examination certificates allowing them to perform work on specific work positions. Measurements of lighting in the work environment were performed.

Every employee, before starting the work, undergoes an induction training (general and position-specific trainings) in occupational health and safety, as well as fire safety. We also ensure first-aid trainings. Employees, if necessary, has access to first aid kits. Furthermore, there are two defibrillators on the premises.



[GRI 403-2]

Table 12. Injury rate, occupational disease rate, lost day rate, absentee rate and number of work-related fatalities

	2019							2018						
	Polkomtel <sup>1</sup>		Cyfrowy Polsat		TV Polsat		CP Group	Polkomtel <sup>1</sup>		Cyfrowy Polsat		TV Polsat		CP Group
	Women	Men	Women	Men	Women	Men		Women	Men	Women	Men	Women	Men	
Total number of accidents at work	9	0	0	0	0	1	10	4	1	1	0	3	3	12
Work-related fatalities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Number of severe accidents	0	0	0	0	0	0	0	0	0	0	0	1	0	1
Number of minor accidents	9	0	0	0	0	1	10	4	1	1	0	2	3	11
Total number of injured people	9		0		1		10	5		1		6		12
Injury Rate (IR) <sup>2</sup>	3.2	0	0	0	1	1.36	-	1.5	0.4	1.3	0	12.8	6.2	-
Total number of lost days due to accidents at work <sup>3</sup>	164	0	0	0	0	10	174	32	6	19	0	89	98	244
Accident severity rate <sup>4</sup>	18.2	0	0	0	0	10	-	8	6	19	0	29.6	32.6	-
Occupational Disease Rate (ODR) <sup>5</sup>	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Absentee Rate (AR) <sup>6</sup>	5.4%		0%		0.39%		-	5.4%		4.7%		5.0%		-

<sup>1</sup> Data refer to Polkomtel and Polkomtel Infrastruktura.

<sup>2</sup> Injury Rate (IR), calculated as the total number of injured people in accidents / headcount x 1000.

<sup>3</sup> In the Report for 2017, as a result of graphical error, Lost Day Rate (LDR) - calculated as the rate of the total number of lost days to the number of planned hours of work of employees during the reporting period \*200000 - was presented as the basis for calculations. Whereas, the presented data referred to the total number of lost days due to the accidents at work. The data for 2018 are presented in an analogous way.

<sup>4</sup> Accident severity rate, calculated as the number of lost days due to the accident / number of accidents.

<sup>5</sup> Occupational Disease Rate (ODR), calculated as <number of cases of occupational disease / total number of hours worked by all employees in a given period >\* 200.000.

<sup>6</sup> Absentee Rate (AR), calculated as the total number of days absent at work / number of days worked during a year \*200000.



[GRI 102-41], [GRI 403-1, GRI 403-4]

In Cyfrowy Polsat Group there are no collective agreements. Each company covered by this Report has a separate **Occupational Health and Safety Committee**. Such Committees vary in size, but there is an equal number of members representing employer and employees in each Committee. In **Cyfrowy Polsat** and **Polkomtel** these committees have six members, whereas in TV Polsat it is two members.

The meetings of the Occupational Health and Safety Committee are organized at least once a quarter, with the minutes of each meeting drafted at the end. The tasks of the Committee include the review of conditions of work, periodical assessment of the status of occupational health and safety, providing opinions about the measures undertaken by the employer to prevent accidents at work and occupational diseases, as well as formulating recommendations regarding improvement of the conditions of work and collaboration with the employer in fulfilment of his obligations related to occupational health and safety. Meetings of the Occupational Health and Safety Committees are documented. Minutes of meetings of the Committee are available in the Occupational Health and Safety Section.

In Cyfrowy Polsat Group we also have the Civil Defence Formation. Its existence has largely contributed to **minimizing the risk of safety and health hazards of the employees in the Group**. In daily work, this means at least several rescue interventions per month, related to various events, mostly ill disposition, which often requires calling an ambulance. Thanks to the existence of the Civil Defence Formation a necessary first aid may be provided to the affected employees until the specialized vehicle of the emergency response team arrives. Furthermore the Civil Defence Formation in the Group is an important factor supporting the process of planned and organized fire drills in our locations, which take place in close cooperation with the State Fire Brigade and Police. At the same time the existence of the Civil Defence Formation in an optimum way supplements the crisis management system of the Group and is a part of its consistent policy aimed at fulfilment of the statutory obligations of the employer to effectively ensure protection of the employees' health and life. Civil Defence Formation is a novel and effective organizational solution helping to improve the safety in Cyfrowy Polsat Group among the telecommunication entrepreneurs operating on the Polish market.

**GOOD PRACTICE: CIVIL DEFENCE FORMATION**



While paying particular attention to ensuring **safety** - of our employees as well as environment (among others, service providers, consultants and people visiting our facilities for business purposes) - an organized **Civil Defence Formation** operates in Cyfrowy Polsat Group, including nearly **130 trained first-aid responders**. Furthermore, nearly **30 rescuers have rescue certificates of the Qualified First Aid**. All rescuers who are members of the Civil Defence Formation are full-time employees of the Group, they perform their rescue functions as volunteers, in parallel to performing their business duties. Ordinary employees as well as directors of the Group are among the members of the Civil Defence Formation.

Rescuers are organized in **11 Civil Defence Formation teams** established in major facilities of the Group across Poland. Each rescuer has **individual equipment in the form of a "R0 first aid kit"**, whereas each **team has also team equipment at their disposal** in each location, in the form of the basic **WOPR kit, WOPR R1 kit, long spine board, oxygen bottle and defibrillator** which are properly marked and stored.

The rescuers regularly participate in refresher trainings organized by specialist external entities and they are subject to self-learning process – both theoretical one (using a dedicated website) and practical one (possible thanks to the training equipment purchased for this purpose).

In **2019**, the website of the Civil Defence Formation was updated. One can find there:

- emergency phone numbers,
- list of all rescuers by company locations,



- list of equipment at the disposal of the formation in individual offices,
- useful knowledge when providing aid to the injured parties,
- pictures from the rescuer trainings.

Furthermore, thanks to the Civil Defence Formation participants of the Family Picnic of the Polsat Group could combine the fun with education – during the event, both children and adults could learn about basic rules of first aid during traffic accidents thanks and observe the simulation in which rescuers from the Civil Defence Formation provided aid to the injured parties.

We are aware that in order to ensure efficiently functioning **first aid system**, it is not enough to organize rescue teams and hand first aid kits on the walls. **Education with respect to providing first aid** is of key importance in this respect. In 2019, we established **Rescue Section**, the mission of which is to promote knowledge among the employees of Cyfrowy Polsat Group about proper behaviour during life threatening situation – both at the place of work and outside.

### GOOD PRACTICE: RESCUE SECTION



In Q4 2019, we initiated the work of the **Rescue Section** which offered to our employees a possibility of participation in the dedicated trainings in first aid and rescuing of injured parties in traffic accidents. In total, **119 people** participate in the first one-day workshop. Thanks to the co-financing by the Company Social Benefits Fund the fees for the training were very small, and they were conducted by the qualified rescuers.

Every participant of the training course:

- attained a considerable doze of knowledge and skills,
- utilized the experience of the top class trainers,
- underwent practical training on high-class equipment,
- received a rescue pendant - a mini first aid box with gloves and a breathing mask,
- received ICE certificate and card.

Following the trainings conducted by Emermed, participants of the training courses learnt proper behaviour with injured parties and they are ready to provide first aid in any situation.



## Chapter 5

### Environment-friendly Group





## 5. ENVIRONMENT-FRIENDLY GROUP

### 5.1. Key figures

#### [Accounting Act – Key Performance Indicators]

<b>&lt;1 W</b>	<b>19 tons</b>
the power consumed in standby mode by the set-top boxes manufactured by Cyfrowy Polsat	of waste electronic equipment was sent by Polkomtel for recycling in 2019
<b>541 tons</b>	<b>2.8 tons</b>
of waste was sent by Cyfrowy Polsat for recycling in 2018	of data carriers were sent for recycling by TV Polsat in 2019

### 5.2. We control our influence on natural environment

In Cyfrowy Polsat Group we do not forget about the **influence we have on the environment**. We control consumption of raw materials and save electrical energy. We are effective in managing waste and whenever possible we transfer the waste to specialized recycling firms. We also examine the impact that our transmission equipment has on the environment.

Table 13. Important areas of Cyfrowy Polsat Group's influence on natural environment

	Cyfrowy Polsat	Polkomtel	Polsat YV
Consumption of raw materials	✓	✓	✓
Electrical power	✓	✓	✓
Waste management and recycling	✓	✓	✓
Impact of base stations and transmitters on the environment	✗	✓	✗

#### The Clean Poland Program Association (Stowarzyszenie Program Czysta Polska)

Important matters unite people. They share common interests, and what is more – a willingness to get involved in accomplishment of the set goals. **A care for the natural environment** is definitely such an important matter. Zygmunt Solorz, founder and main shareholder of Polsat Group, presented his vision of making Poland clean – through the common concern for Poland, taking care of the natural environment, air, water or the surrounding nature. To accomplish these goals, he has established the **Clean Poland Program Association** (*Stowarzyszenie Program Czysta Polska*), which is open to anyone interested and willing to contribute, even to the smallest degree, to the protection of our common good.

**Mission of the association** is included in its name– **that is striving to ensure for all Poles living in a healthy and clean environment**. TV Polsat got involved in education, communication and promotion of the program, reaching nearly 20 million Poles every day. It provides and will provide information about the status and quality of air, reasons, effects, but also possible solutions and successes in a fight for better quality. Everyone will be encouraged to join this initiative. The more so, as everyone, every day can contribute to the reduction of air, water pollution or a general condition of the surrounding environment.



## GOOD PRACTICE: ECOLOGICAL EDUCATION IN „BRAWO TY” MAGAZINE OF POLSAT GROUP



In 2019, we took on a serious challenge related to **ecological education** of our environment. A **special issue of “Brawo TY” magazine** appeared in our Points of Sale in October. Through these means, we **decided to present to our customers the issues related to the protection of natural environment**.

A substantial part of the fourth issue of the Magazine for Subscribers of Cyfrowy Polsat Group was devoted to environmental topics – both of the global nature (including warming of air, melting of ice caps, draughts and lack of water), as well as local one, directly related to the situation in our country (e.g. air pollution and smog).

To avoid being too pessimistic, **we have also inspired people for positive changes**, showing them what they can do individually for our planet and themselves. We tried to send the message that the nature depends on also on us and even the smallest action may affect it. We provided examples of new, ecological sources of energy or programs which can be used by any of us in order to limit pollution emissions or even start producing ecological electricity by ourselves. We also provided more details about the initiative of **Clean Poland Program Association**.

The fourth issue of the Magazine for Subscribers of Cyfrowy Polsat Group includes:

- 130 pages of knowledge and inspiration
- 26 thematic sections in ecological version, including:
  - Clean Poland (including articles: “Clean Poland Program Association”, “What is smog?”, “Climate change”, “AES – Alternative Energy Sources – our energy future”, „*Clean Air and My Electricity*”),
  - Environment (including articles: “Segregate, its easy”, “Glaciers are dying”, “10 biggest threats to Earth”, “Plastic kills”),
  - Fashion (including articles: “Eco-cosmetics”, “Eco-news from the world of beauty”, “Home beauty workshop”)
  - Health (“Take care of your lungs”)
  - Life style (“Hygge, that is a small happiness”)
  - Training (“Eco-fitness in Eastern style”)
  - Culture (“Eco readings for Autumn”)
  - Education (“How to teach ecology to children”)
  - Car (“Driver! Take care of the planet”, “Electric vehicles”)
- An appeal of “Children in defense of Earth”.

The Magazine is printed on **eco paper** from the forests which are managed in a sustainable way and from controlled sources (**PEFC™ Certificate** - Programme for the Endorsement of Forest Certification).

**Each company in the Group realizes its own** environmental changes. Our The InterPhone Service factory of **set-top boxes** holds **ISO 9001:2015** and **ISO 14001:2015** and **ISO 45001:2018** certificates in the field of design and production of electronic equipment as well the **PN-N-18001:2004** certificate, issued by BSI – British Standards Institution which covers design and production of electronic equipment.



## GOOD PRACTICE: INTEGRATED ENVIRONMENTAL MANAGEMENT SYSTEM



**InterPhone Service** has an **Integrated Environmental Management System**, which has been continuously developed since 2009. In order to meet current trends and challenges from international standardization organizations, **improvement plans** are established in the company on an on-going basis. They account for, among others, **environmental goals**. In the previous years the company managed to execute the following:

- Reconstruction of the air conditioning unit in order to reduce the loss of heat and retain specific humidity;
- Installation of external drapes, in order to reduce the use of energy for cooling production calls through decreasing the direct sun impact;
- Replacement of the traditional lighting to LED technology – outdoors, in the office building of the Logistic Center and in the production hall;
- Waste segregation in the office and optimization of the utilization of cardboard boxes;
- Supervision over equipment emitting to the atmosphere of gases depleting the ozone layer;
- Optimum plans of production changes aimed at reducing the energy consumption at night and during days off.

**Environmental Management Programs** are prepared for individual years, and monitoring of the **environmental impact** is carried out once a year. **The Integrated Management System Policy** has been approved in the company. The Policy includes commitments to continuous improvement of the system efficiency. These commitments are executed by all employees of the company and constitute the frames for setting goals regarding quality and environmental tasks as well occupational health and safety (BHP). A **Representative for the Integrated Management System** verifies the up-to-datedness of the Policy at least once a year during the review.

Furthermore, all processes are performed in compliance with the legal requirements concerning **sourcing of conflict-free minerals** (*Section 1502 of the Dodd–Frank Wall Street Reform and Consumer Protection Act*). Therefore, the semi-products including tantalum, gold and zinc are acquired only from trusted suppliers who are able to prove the exact origin of minerals.

**Polkomtel** holds certificates which confirm the company's particular care for the quality of the services it offers (**ISO 9001:2015**) as well as its ecological responsibility (**ISO 14001:2015**) in such areas as sale of telecommunication products and services, sale of electricity, customer care and retention. The certificates were issued by the certifying company - British Standards Institution.

Since 2012 **environmental goals** have been in place at Polkomtel. Observance of fulfillment of these goals has become an important element of the company's strategy. The company's **priorities in the area of ecology** include:

- the products launched to the market meet the requirements of relevant norms and regulations,
- achievement by the company of at least the legally-required levels of salvaging and recycling of the electrical and electronic equipment as well as batteries and packed products which it introduces to the market,
- sale of electrical energy produced from renewable sources, natural gas burning or cogeneration in the amounts which at least meet the levels required by the law,
- rational and thrifty management of electrical power,
- reduction of negative environmental impact in other essential environmental aspects.

The company has committed to make efforts to systematically increase the employees awareness in the field of environmental protection, improve its processes as well as reduce the negative impact it has on natural environment (while increasing the positive one) as well as meet the legal and other requirements related to environmental issues.

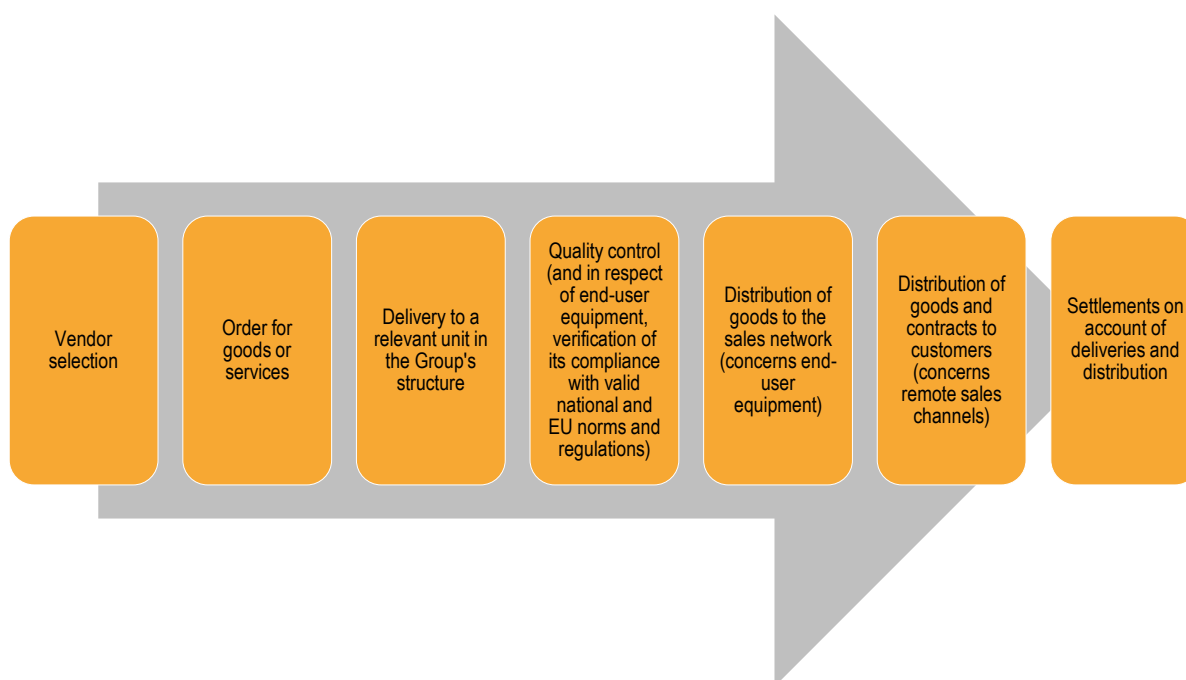


At **Cyfrowy Polsat** we regularly monitor our efforts from the point of view of their compliance with laws and regulations governing environmental protection as well as with any other environmental requirements which we may be bound by. If needed we contact the relevant authorities and cooperate with them in the field of monitoring of compliance of our activities with valid laws and regulations. According to our best knowledge, as of the date of this report no courts suits were filed against us on account of non-compliance with environmental protection regulations.

## Supply chain

### [GRI 102-9]

Production of equipment, network maintenance, office space maintenance, or broadcasting of TV signal require day-to-day cooperation with hundreds of companies from Poland and abroad. All of Cyfrowy Polsat Group's companies follow the **"Procurement and Vendor Selection Procedure"**. Our aim is to make our delivery chain as effective as possible while its uniform and consistent organization should support cost optimization and minimize the adverse impact that we may have on the environment.





### 5.3. Waste and recycling

Due to the technology-related nature of our operations, **electro-waste** is an important area for us. At Cyfrowy Polsat and Polkomtel, that is in the companies which introduce big numbers of STB's, mobile phones, modems, routers, antennas and other devices to the market every year, we try to make sure that as much of that equipment as possible is **recycled**. It is not only a way of reducing the volume of electro-waste but above all a method of reducing the negative impact that old devices have on the environment. At the same time recycling enables recovery of many valuable and rare metals for the industry.

#### Interesting facts

##### What rare metals can be recovered through recycling of a mobile phone?

According to the calculations made by GoRepair, an average smartphone contains 8.75 g of copper, 8.31 g of cobalt and 0.25 g of silver. A mobile phone also contains gold – 0.024 g, which means that by recycling 45 devices one can get 1 gram of gold. The average value of all the elements (precious metals) that one handset contains is as much as PLN 8.

Table 14. Total weight of non-hazardous and hazardous waste, depending on the adopted procedure

[GRI 306-2]

#	Total weight of safe and hazardous waste, depending on the procedure adopted	Weight of waste in 2019 [Mg]				Weight of waste in 2018 [Mg]			
		Non-hazardous waste				Non-hazardous waste			
		Cyfrowy Polsat	Polkomtel <sup>1</sup>	TV Polsat	TOTAL	Cyfrowy Polsat	Polkomtel <sup>1</sup>	TV Polsat	TOTAL
1	Recycling	541.4	0	10.1	551.5	534.9	1.3	9.7	545.9
2	Salvaging (incl. recovery of energy)	0	0	0	0	0	0	0	0
3	Other (incl. plastics, wood, construction waste, drugs)	0	397.3	0	397.3	0	90.2	0	90.2
<b>TOTAL</b>		<b>541.4</b>	<b>397.3</b>	<b>10.1</b>	<b>948.8</b>	<b>534.9</b>	<b>91.5</b>	<b>9.7</b>	<b>636.1</b>

<sup>1</sup> Data refer to Polkomtel and Polkomtel Infrastruktura.

Growth of the volume of waste in 2019 at Polkomtel results from the conducted civil works. However, we try to diligently perform the work related to the removal of waste and its management in compliance with legal requirements – thanks to which it does not pose a threat to people – and restore the construction site to the pre-construction conditions. Construction waste is collected by companies with relevant permits to transport and process such waste.

**Polkomtel** has for many years been consistently encouraging its customers to adopt a pro-ecological attitude. At the company's stationary points of sale one can deposit the waste equipment (handsets, accessories, etc.) which will be later on subjected, free-of-charge, to recycling. Special containers are also available where waste accessories can be dropped. In total, in 2019 we supplied over **19 tons of waste electronic equipment for recycling**.

Our strategic clients – the big companies with whom Polkomtel has long-term cooperation – are offered assistance in disposing of their electronic equipment. At clients' requests we arrange both, the process of handing the equipment over to a recycling company as well as monitoring of execution of the waste disposal process.

Polkomtel fulfills its statutory duties in the field of recycling and recovery of raw materials and carries out the educational campaigns for the public thanks to the cooperation with specialized organizations. In 2019 Polkomtel introduced 500 tons of packaging and other waste related to electrical and electronic equipment to the market, out of which recycling organizations recovered 68 tons while **41 tons of waste were recycled**.



## Interesting facts

### Why the waste is a problem?

The term “**waste**” means the discarded materials from the manufacturing and economic activities of humans. Its quantity started growing along with the development of civilization. Earlier, when humans used only the nature’s resources – they practically did not produce any waste. All discarded organic residues became the food for other animals.

Nowadays, we come across the waste we produce ourselves nearly every day. You can just go for a stroll to see streets littered with disposal packaging. In the forests and water reservoirs there are piles of discarded rubbish: old tyres, aluminium cans, metal and plastic objects, plastic packaging and bags. Any of these items needs a very long time until they are fully decomposed. **Glass** needs over **4000 years to decompose**. **Plastic materials** – depending on type – decompose **from 100 to 1000 years**. **Metal food cans** decompose quite fast– **10 years** – but beverage cans– **made of aluminium**– need even **200 years** to decompose.

Although waste incinerators are an alternative, still the best method of limiting the waste is **recycling** which simply imitates the natural processes (re-using something which has been already produced).

Apart from waste segregation, we try to limit the quantity of waste sent to the landfill sites also through other methods, including reduction of the quantity of disposable items.

### GOOD PRACTICE: LEST PLASTIC AROUND US

## Novelty 2019



Under the **Sustainable Development Goal Global Action Day** (September 25<sup>th</sup>), in 2019 we decided to join the global initiative of “**Less plastic around us**”. The Administration and Investment Department took care of the **pro-ecologic furnishing of office kitchens**, supplementing cupboards with general use, non-disposable items or items made of material which allows for effective recycling. Therefore, instead of plastic cups and mixers, they now house glasses, ceramic mugs, wooden mixers and non-disposable spoons. **The action of collecting plastic caps**, initiated by the employees themselves, is continued and everyone remembers to put aside the caps collected for charity purposes.

**Cyfrowy Polsat** cooperates, on continuous basis, with the companies who collect and recycle all sorts of waste generated by the company. In 2019 Cyfrowy Polsat supplied nearly **541 tons** of waste for recycling to specialized recycling firms, with **65%** of this amount being **electro-waste**.



## GOOD PRACTICE: WASTE RECYCLING



### Recycling of electro-waste

All electro-waste generated by the staff who repairs customers devices, as well as the company's equipment intended for liquidation, is handed-over to specialized recycling firms. In 2019 over 351 tons of waste, consisting of electrical and electronic devices, were delivered to specialized recycling plants (314 tons in 2018).

Also every Cyfrowy Polsat set-top box we deliver to our customers is "ecological" – the specification of these devices always complies with the valid norms, while power consumption in standby mode does not exceed 1 W. We take care that the equipment is re-used – the devices are loaned to clients for a specific period of time and once they are returned and refurbished they go back to the market again

### Recycling of documents

The documents intended for recycling are shredded with the use of a heavy duty shredder. The shredder grinds the material in line with DIN norm (security level III) while the output is successively conveyed as paper waste for recycling to a company which has a relevant contract with Cyfrowy Polsat

### Recycling of packaging materials

The waste we produce, i.e. paper, plastics, Styrofoam, is carefully segregated by us. There are five big, clearly marked containers for collecting waste at our company location, and in addition we purchased the equipment which enables flattening of cardboard. Thanks to this more cardboard can be loaded onto trucks while waste containers with paper do not have to be emptied so often. The activities that we have undertaken enabled us to supply nearly 167 tons of cardboard and paper as well as 10 tons of plastic film and Styrofoam for recycling in 2019. A year earlier we supplied over 192 tons of cardboard and paper as well as 5 tons of plastic film and Styrofoam for recycling.

Satellite television can be received via **set-top boxes**. Our **STB factory** – InterPhone Service – is a **modern machinery park** with exceptional and **professional employees** on all positions. Location of the factory– in the **Special Economic Zone EURO-PARK MIELEC** – **guarantees that we do not affect precious areas of the nature**.

During more than 12 years of operations, around **8.9 million STBs** rolled out of the factory, including the latest **EVOBOX STREAM** model (which enables the use of OTT Television), **EVOBOX HD** and **EVOBOX LITE** (with embedded Wi-Fi modules thanks to which they connect to the Internet wirelessly and enable the use of online services and access to thousands movies, TV services and other programs in Cyfrowy Polsat GO service), **EVOBOX PVR** (a multi-functional device which is not only a satellite set-top box, but also a device for watching photos from holidays, listening to Internet radio or using online video services) or **EVOBOX IP** (dedicated to the offer of Cable IPTV). The factory also produces the **300 Home Internet Set** consists of an outdoor modem and a router. It offers access to LTE Advanced technology while supporting data transfer rates of even up to 300 Mbps. The product won the Mobilty Trends 2018 contest in the "Mobile Internet Service of 2018" category.



## GOOD PRACTICE: ECOLOGICAL SET-TOP BOXES



InterPhone Service set-top box factory holds the following certificates: ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018, as well as certificates design and manufacturing of electronic telecommunication and general use equipment issued by BSI – British Standards Institution.

We make all efforts to ensure that the equipment manufactured in our factory have as little impact on natural environment as possible. That is why we strive to make sure that all devices we manufacture are packed into ecological packaging, which means that:

- they are produced from recycled materials in 100%;
- corrugated cardboard used for their production comes from waste paper;
- the surface of the production sheet of material is planned in such a way as to reduce production waste to the minimum;
- company producing packaging (Model Opakowania Sp. z o.o.) holds a certificate of the Forest Stewardship Council (FSC) – Product Origin Control, which promotes forest preservation, sustainable development and environmental protection.

We inform our customers that we have environment-friendly packaging. There is an inscription on every box: „In Cyfrowy Polsat we care about natural environment. Less colours on the packaging means more colours in nature!”.

In addition, while bearing in mind organizational efficiency, costs and protection of natural environment, we take care that the trucks and vans which transport the equipment and other materials to the sales network are loaded in an optimum way, which helps reduce CO<sub>2</sub> emission.

Due to the profile of the operations of TV Polsat, ecological activities are predominantly associated with care for proper and efficient disposal of waste. All waste is transferred to specialized companies and recycled outside the company headquarters. In 2019 TV Polsat supplied the following amounts of waste to recycling:

- 292 kg of toner cartridges,
- 2 796 kg of data carriers,
- 1 526 kg of electronic equipment,
- 4 129 kg of mixed construction waste,
- 4 280 kg of mixed construction waste.

### 5.4. Power consumption

**Electricity savings** is one of the most important ecology-related priorities of the Group. We are aware of not only the negative impact that wasted electrical energy has on natural environment but also of the potential financial benefits which can be achieved thanks to a thrifty power consumption policy.

We are aware that the development of state-of-the-art technologies means on one hand a great opportunity for development of social or economic life, but on the other – it is an enormous challenge, with increased demand for energy. This is due to the ever growing demand for information flow. Our telecommunication infrastructure is constantly being developed to respond to this needs. In order to compensate this unfavourable trend from the point of view environment, we undertake activities related to **optimization of energy consumption**. Therefore, we make all efforts to ensure that our network is rolled-out in the most ecological way possible.



## GOOD PRACTICE: OPTIMIZATION OF ENERGY CONSUMPTION BY BASE TRANSCEIVER STATIONS



Optimization of energy consumption by Base Transceiver Stations not only reduces the negative impact on the environment, but also reduces the network maintenance costs and makes information flow and mutual communication more and more easy and convenient.

Polkomtel constantly looks for methods of increasing the energy performance of its network. Initiatives implemented in this respect include:

- Refarming of 900 MHz band,
- Refarming of 2100 MHz band,
- Replacement of air conditions unit to AAA+ class equipment,
- Modernization of telecommunication power plants
- Software installation with energy saving feature.

We apply latest technological solutions for network upgraded and roll-out – high performance rectifiers in our telecommunication power plants, or installation of free-cooling systems in base stations – which not only increase the comfort of network usage by customers, but also reduce power consumption and emission of CO<sub>2</sub>.

Thanks to a special software with energy saving feature (for 2G and 4G networks) we may flexibly adjust to traffic levels, while switching off an unnecessary capacity and reducing the output power. The test which we conducted together with one of our vendors (Ericsson) on a limited number of sites, equipped with smart meters, enabled us to precisely determine the impact of energy saving feature. According to these estimations, total annual savings of these features exceed 5.5 million kWh, while simultaneously reducing CO<sub>2</sub> emission by 4.2 kilotons.

We also do not disregard any seemingly minor efforts, such as for example **leaving computers in stand-by mode** – taking into account the size of our organization and the number of people working for us, such efforts translate to actual reduction of the adverse impact on natural environmental. An example of this can be the policy introduced in Cyfrowy Polsat which assumes switching off the light when leaving a room, disconnecting chargers once device charging is completed, rational use of water as well as prudent use of air-conditioning.



## GOOD PRACTICE: ECO RULES FOR EMPLOYEES



On the occasion of the International Earth Day (April 22th) we regularly refresh – under internal communication – 10 eco-rules which we have defined together with the employees of Cyfrowy Polsat. Through educational articles published in Intranet portals (Cyfrowy Polsat Internet and Planeta Plusa) we try to encourage people to get actively involved in various activities for environmental protection – both at work as well as at home.

10 eco-rules are as follows:

1. Encourage use of eco-invoices (e-invoices) by our clients,
2. Collect waste paper, segregate waste,
3. Print only the documents whose printing is necessary,
4. Promote ecological attitudes,
5. Switch off the “red lights”,
6. Conserve energy,
7. Be prudent when using air-conditioning,
8. Travel ecologically,
9. Use eco-bags and containers,
10. Play “eco-smileys”.

### [GRI 302-4]

Polkomtel has implemented **ecological solutions** in, among others, its continuously growing IT systems. State-of-the-art **data storage solutions present in Plus network’s server rooms** allow the company to achieve tangible power consumption savings. In addition **LED-type lighting** has for many years been used in **Plus network company stores** and partner points of sale for illuminating the signs with the company logo. It is also a standard to use **power-saving bulbs** and **automatic light switches**. Recently also **cars with low CO<sub>2</sub> emission** have been added to the company’s car fleet.

**Table 15. Total consumption of energy from own production or purchased, split into electrical, heat in joules or its multiples**

### [GRI 302-1]

Total consumption of energy from own production or purchased, split into electrical, heat in joules or its multiples	2019				2018			
	Polkomtel <sup>1</sup>	Cyfrowy Polsat	TV Polsat	Total	Polkomtel <sup>1</sup>	Cyfrowy Polsat	TV Polsat	Total
Electrical energy [MWh]	260 626	11 789	4 604	<b>277 019</b>	238 507	10 634	4 498	<b>253 639</b>
Thermal energy (including steam and consumption of cooling power) [GJ]	9 221	14 610	4 452	<b>28 283</b>	8 565	14 222	5 626	<b>28 413</b>
Natural gas [MWh]	0	0	254	<b>254</b>	0	0	251	<b>251</b>

<sup>1</sup> Dane dotyczą spółek Polkomtel i Polkomtel Infrastruktura.

Only few employees have company cars. For a long time the rest had to use private cars or public transport. While observing a growing need of mobility between the companies, we decided to launch the service of **CAR – SHARING**, that is sharing of vehicles. At the first stage, we have provided cars to employees for business use only in one office. Later, not only the map of locations has been extended but the service itself has evolved. Today, we also enable leasing of cars outside working hours – for private use, and the offer includes, among others, **electric cars**.



## GOOD PRACTICE: INTERNAL CAR RENTAL: CAR – SHARING



Since 2018, under an intra-group business car rental, **Car – Sharing**, the employees of the Capital Group (including Polkomtel, Cyfrowy Polsat, Polkomtel Infrastruktura and other companies) have had a possibility to use available cars for business purposes. Thanks to this, people without an assigned business car, who need to go to an internal or business meeting, have a possibility to effectively manage their time (through the **maximum shortening of time of travel while using an electric car** which is privileged and authorized to use bus lanes while driving through the city).

Furthermore, **cars with traditional internal combustion engines with different car bodies** were made available to the employees by Plus Fleet (*Plus Flota*). Such a decision has really contributed to the maximum use of cars from our car rental for business purposes, irrespective of the needs of the user. For instance – for **longer trips combi** or **sedan cars** are leased. If there is a need to transport **materials of larger size**, users may use **Vans** or **Panel vans**, including **Panel vans with a lift**. Transport of materials in a **rough terrain** also poses no logistic problem, because the user will also find **Pick-up cars** in our car fleet. In the case, when **more than four employees** participate in a business trip, they may use **Multivans**.

In 2019, a map of intra-group car rental was extended with two locations (the total of **four offices in Warsaw** offers car sharing option to its employees). In 2020 we plan to open two locations for the employees of Netia and one in Mielec, for the employees of Interphone Service.

In 2019, **Plus Fleet** also introduced a new service of car rental for **private purposes**, that us outside working hours. All currently available vehicles were made available to the users, including **eco-novelties in automotive sectors** – electric cars (Nissan Leaf of the first and second generation) and hybrid cars (Toyota Corolla). Thanks to the car rental offer in this form, employees do not need to buy their own cars, and have a chance to acquire a car – with a minimum of formalities – from a reliable sources and limit the expenditures for car insurance, overhaul and maintenance services.

Every year the range of electric cars increases, thus they become more and more universal. There are already available car models with a range of 300 km. Furthermore, the network of fast charging stations develops very fast. Low cost of usage of such a car (among others, cost of charging, overhauls, additional privileges while driving in the city), as well as an aspect of environmental protection make them an attractive alternative for the company.

In 2018 and 2019 we carried out a project which allowed for charting our electric vehicles in selected locations. At the first stage of investment, we made available to the employees a **50 kW fast charger**, as well as a **6.6 kW single-phase charger**. At the second stage, we implemented eight **22 kW fast chargers with a power balance option, usage reporting and settlement for charging per user**. In 2020 we plan to extend the possibility of charging electric vehicles with more sites.



## Interesting facts

### Participation in the “Feet with energy” research

In 2019, Polkomtel was a co-author of the “Fleet with energy” project, initiated by the Polish Alternative Fuels Association (PSPA, the biggest organization creating the electro mobility market in Poland). The objective of the research was to compare the total costs of ownership of an electric van and its conventional counterpart.

Under the “Fleet with energy”, two vans were tested, zero-emission eVito and Vito with Diesel engine. Vehicles were loaned by Mercedes-Benz Polska, which under the eDrive@VANs strategy assumed a fast development of a whole range of electric vehicles. 9 partners were invited to tests. Their tasks included not only daily operation of vehicles, but also an in-depth TCO analysis. Conclusions from the research allow for making an optimistic argument that an electric fleet may be both functional and cost-effective.

## Interesting facts

### Data Governance project

In 2019, Plus Fleet initiated a **Data Governance** project, the main goal of which was to carry out the full inventory of data sources used by the Company along with determining their quality level. Under the project, a structured data base has been created, numerous rules for their improvement, cleaning and standardization have been implemented, rules for fraud detection in the area of car fleet were introduced and reporting processes were automated.

Optimization of tasks in the Data Governance process – introducing relevant roles of process participants as well as the scope of their responsibilities – allowed for managing data in a way which maximizes their business value for the organization, shorting of data integration time, improving operating processes and quicker implementation of new solutions. Effects of the project also made it possible to monetize the developed solutions – creating of a portfolio of Plus Fleet products for external customers.

## 5.5. Consumption of raw materials

Wherever possible we modernize our infrastructure by replacing older solutions with the latest ones, which are natural environment-friendly. For several years now we have been consistently implementing a system of **electronic circulation of documents** and we also encourage our clients to do the same. While caring for natural environment and comfort of our customers, we launched so-called “eco-services”. Users of all the three services from the Group’s portfolio, i.e. TV, Internet access and mobile telephony, can receive invoices or payment slips in electronic form. Documents received electronically mean convenience for customers, conservation of natural environment and savings in corporate costs. In 2019 over **92.41% of Cyfrowy Polsat customers** (in 2018 – 91.9%) and **96.06% of Polkomtel customers** (in 2018 – 95.3%) received electronic invoices.



**Table 16. Raw materials / materials consumed, according to weight**

**[GRI 301-1]**

Non-renewable	Raw materials / materials consumed, according to weight/volume (tons, cubic meters) (t, m3)	2019				2018			
		Polkomtel <sup>1</sup>	Cyfrowy Polsat	TV Polsat	TOTAL	Polkomtel <sup>1</sup>	Cyfrowy Polsat	TV Polsat	TOTAL
	Copy paper (tons)	18	51.3	7	<b>76.3</b>	21	35	14	<b>70</b>

<sup>1</sup> Data refer to Polkomtel and Polkomtel Infrastruktura.

**Table 17. Raw materials / materials consumed, according to weight**

**[GRI 301-1, GRI 102-48]**

#	Raw materials / materials consumed, according to weight/volume (tons, cubic meters) (t, m3)	2019				2018			
		Polkomtel <sup>1</sup>	Cyfrowy Polsat	TV Polsat	TOTAL	Polkomtel <sup>1</sup>	Cyfrowy Polsat	TV Polsat	TOTAL
1	Diesel (cubic meters)	290.71	29.7	219,1	<b>539.5</b>	314.1	21.02	222.8	<b>557.9</b>
2	Aviation fuel (cubic meters)	0	0	23	<b>23</b>	0	0	13.8	<b>13.8</b>
3	Gasoline (cubic meters)	593.7	34.3	150.9	<b>778.9</b>	412.2	35.3	125.0	<b>572.5</b>

<sup>1</sup> Data refer to Polkomtel and Polkomtel Infrastruktura.

Decrease of use of diesel results from the reduction of the number of vehicles with diesel engines. The purchasing trend in the Group has changed since 2019 with very ecological gasoline-powered and electric vehicles being purchased.

**Table 18. Place of waste water disposal**

**[GRI 306-1]**

#	Place of waste water disposal. Volume (w m³)	2019				2018			
		Polkomtel <sup>1</sup>	Cyfrowy Polsat	TV Polsat	TOTAL	Polkomtel <sup>1</sup>	Cyfrowy Polsat	TV Polsat	TOTAL
1	To subterranean waters	0	0	0	<b>0</b>	0	0	0	<b>0</b>
2	To surface waters (lakes, rivers, etc.)	0	0	0	<b>0</b>	0	0	0	<b>0</b>
3	To municipal companies	16 325	13 920	537	<b>30 782</b>	21 658	13 911	562	<b>36 131</b>
<b>Total volume of waste water</b>		<b>16 325</b>	<b>13 920</b>	<b>537</b>	<b>30 782</b>	<b>21 658</b>	<b>13 911</b>	<b>562</b>	<b>36 131</b>

<sup>1</sup> Data refer to Polkomtel and Polkomtel Infrastruktura.

We monitor the raw materials and other materials used by our Group. We strive to minimize their volume and mass, which should offer savings and translate to benefits for the natural environment.



## 5.6. Environmental impact of base transceiver stations

### [GRI 413-2]

We listen carefully to the opinions from the public discussion regarding alleged harmful influence of mobile base transceiver stations. Relevant permits, required by Polish law, are secured for each of our base stations before it is put on-air. The permits include the ones related to environmental impact. Polish regulations are still among the most stringent in Europe while our antennas are safe to both, human health and natural environment. As a result of amendments, introduced in 2016, of two orders related to work in electromagnetic fields, the recommended method of measuring the impact of electromagnetic fields has changed. The existing recommendation introduces the obligation to perform the electromagnetic fields measurements in a bigger number of points, which directly translates to improved safety of the people who are in the vicinity of a base station. In 2019 we actively participated in conferences and meetings organized by the National Institute of Communications – National Research Institute (IŁ-PIB) under the patronage of the Polish Ministry of Digital Affairs which concern the methodology of measurement of electromagnetic fields as well as monitoring of such fields and the impact they have on the environment. Cyfrowy Polsat Group is an active participant of the **SI2PEM Project** (System of Information about Installations Generating Electromagnetic Fields) conducted by IŁ-PIB which is aimed at visualizing measurement of the electromagnetic field levels around base transceiver stations, as well as feeding the tool with data about the sources of electromagnetic fields, which allows for simulating the level of electromagnetic field in any place. This information may be rendered available to the society in order to check the levels at the place in which a given person is interested.

### Interesting facts

#### What is a national SI2PEM system?

*National SI2PEM system should dispel doubts whether the mobile telephony stations exceed the limits of electromagnetic field which are acceptable in Poland. However, it is mainly state-of-the-art tool for monitoring legal compliance in this respect and the way to improve designing of a network of telecommunication devices.*

*Creation of the system should be completed in 2020. The system will use advanced mathematical algorithms and models to analyse enormous volumes of information. Based on this, it will create simulations of electromagnetic field distribution with accuracy to 1 meter at any place in Poland. They will be then put on maps, thanks to which everyone will be able to see them on dedicated website.*

*The system will finally include data on transmitting equipment operating in radio frequencies in licensed bands, including mobile telephony base transceiver stations, and the results of electromagnetic field measurements. They will be provided by telecommunication operators, from the certified labs performing measurements, Main Inspectorate of Environmental Protection and databases of the Office of Electronic Communications.*

Source: <https://www.gov.pl/web/cyfryzacja/sprawdz-swoje-pole-rusza-budowa-si2pem>



## **Chapter 6**

### **Our corporate social responsibility and communication management approach disclosures**





## 6. OUR CORPORATE SOCIAL RESPONSIBILITY AND COMMUNICATION MANAGEMENT APPROACH DISCLOSURES

### 6.1. Key regulations

#### [Accounting Act – Key Performance Indicators]

We meet the requirements of **Directive EU 2014/95** and the resultant amendments to the Polish Accounting Act.

We operate on highly regulated markets – while conducting our operations we have to account for several domestic laws, including the telecommunications law, the press law as well as the regulations governing radio and television, the EU law, or the capital market regulations and the best practice for listed companies.

Cyfrowy Polsat Group companies are members of **9 industry** organizations.

### 6.2. Transparent communications

#### [GRI 101, GRI 102-45, GRI 102-46, GRI 102-47, GRI 102-50, GRI 102-51, GRI 102-52, GRI 102-54, GRI 102-56]

We understand the importance of responsible communication with the market, the employees and other stakeholders in our Group. For years we have been regularly publishing our **financial statements** and management reports while the high quality of our investor relations was recognized with numerous prestigious awards that we received. More information on this item can be found Chapter 1 – *Our business*.

The current report is the third **report on non-financial matters** published by Cyfrowy Polsat Capital Group. It has been developed in accordance with the **Global Reporting Initiative Standard** in its Core version and the amended Polish **Accounting Act**. Our Report covers **Cyfrowy Polsat Capital Group**, and in particular the data related to the following companies:

- Cyfrowy Polsat,
- Polkomtel<sup>12</sup>,
- Telewizja Polsat (TV Polsat).

When looking from the point of view of the generated revenue, assets held and the nature of operations, it is the above-mentioned parties that are the key companies of our Group, and in our view they provide the basis for comprehensive description of our business. While responding to the requirements of the amended Accounting Act, all the data is presented with breakdown to the above mentioned companies including, in particular, the data for our dominant party, i.e. Cyfrowy Polsat S.A.

This report was not subject to external audit.

Netia S.A., the provider of broadband Internet access and IPTV service offered under the brand “Telewizja Osobista” (Personal TV) as well as a number of special services for B2B customers, is an integral part of our Group. Netia, being a listed company, publishes a separate non-financial report which can be access on the Internet at <https://inwestor.netia.pl/raport/487771/skonsolidowany-raport-roczny-rs-2019>.

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<sup>12</sup> The data concerns Polkomtel and Polkomtel Infrastruktura



**Standard Global Reporting Initiative (GRI)** is an international standard for reporting responsible business and sustainable growth for companies. Reporting principles defined by GRI have been created as an international framework for reporting on economic, environmental and social aspects of functioning of organizations. They account for the practical aspects of functioning of diverse organizations, from small firms to international organizations/companies who conduct their operations worldwide.

Source: <http://odpowiedzialnybiznes.pl/hasla-encyklopedii/gri-inaczej-wytyczne-do-raportowania-kwestii-zrownowazonego-rozwoju-ang-global-reporting-initiative/>

Just like a year earlier, our report has been compiled in line with the rules defined by the **GRI Standard**, thus while creating the publication we went through the processes of **identification, prioritization and validation**. In 2018 we did not hold a dialog session. Instead we used the data collected in November 2016 during the survey relying on **AA1000SES** international dialog standard, since in our reality the aforementioned data did not lose its validity in any of the discussed areas. **The discussion** held in 2016 was attended by the representatives of 20 entities operating in our business environment. As assumed, the dialog defined the strategic topics which we have included in our corporate social activities as well as in the present report. The discussion held during the dialog session in 2016 enabled us to prepare the Relevance Matrix – a set of the topics from the area of corporate social responsibility which are most important for the Group and for its stakeholders and which, in our opinion – taking into account the scope of the issues raised in our day-to-day contacts with the Group's stakeholders and based on the discussions with the managers – remained valid also in 2019.

#### [GRI 103-1]

**List of key topics for Cyfrowy Polsat Capital Group – the topics which have been indicated as most important by the organization and the stakeholders:**

Business and market:

- **Influence of CPCG on Polish economy and legislative environment,**
- **CSR management approach disclosures,**
- **Corporate ethics and governance** (including risk management and prevention of corrupt practices),
- **Responsibility in relations with customers** (including quality of customer service, satisfaction surveys, management of complaints, customer data and privacy protection, assurance of safety of the children using the Internet),
- **Responsible marketing communication and advertising,**
- **Responsibility while building TV messages** (including protection of intellectual property and copyrights, editorial standards, educational value of the topics related to sustainable growth, promotion of right attitudes),
- **Product quality,**
- **Innovation** (including investments in research and development).

Workplace:

- **Working conditions,**
- **Education and development of employees,**
- **Work safety.**

Positive influence on the social environment:

- **Activities carried out for local communities** (via the Polsat Foundation, the Group and corporate volunteering),
- **Prevention of digital exclusion,**
- **Safety**, offered thanks to the products and the services provided by Plus network,
- **Sponsoring** of sports events,



- **Promoting active lifestyle** thanks to promotion of sports.

Minimization of adverse impact on natural environment:

- **Health and safety of products and services (throughout the entire lifecycle of a product),**
- **Waste management.**

### 6.3. Compliance with regulatory requirements

**[GRI 103-2, GRI 103-3]**

#### **INDUSTRY STANDARDS AND SELF-REGULATION**

The details related to policies, due diligence procedures as well as performance indicators can be found in the chapter *Care for the needs of our customers and viewers*.

#### **Management approach disclosures**

All our activities are undertaken in compliance with the law valid in Poland. In particular we operate in compliance with:

- Telecommunications Law
- Press Law
- Broadcasting Act

Every year, together with its annual report, Cyfrowy Polsat Group publishes a statement concerning observance of **corporate governance** rules in a given year. Relevant documents for the year 2019 are available for the public on our website.

In Poland the corporate governance rules are found in a document entitled Best Practice for GPW Listed Companies 2016. The purpose of these rules is to consolidate the transparency of listed companies, improve the quality of communication between the companies and the investors, strengthen the protection of shareholders' rights, also in the areas which are not regulated by the law. Best Practice covers these fields in which implementation of the rules may have positive influence on market valuation of companies, thus reducing the cost of acquisition of capital.

#### **Due diligence procedures**

In the case of each company from the Group, it is both the legal departments and the functional units, i.e. the ones which carry out specific business activities, that are responsible for making sure that the operations are conducted in compliance with the law.

Our activities on the telecommunications market (Internet access and mobile telephony) are supervised by the Office of Electronic Communications (UKE), while the activity on the TV market is controlled by the National Broadcasting Council (KRRiT). Representatives of our company regularly participate in the work of Polish and international industry organizations while implementing and promoting the solutions developed by these organizations.

We are signatories of numerous voluntary industry agreements.

Most important ones include:

- IAB Polska standards concerning online advertising formats
- Broadcasters' agreements regarding the principles of dissemination of advertisements and sponsor references regarding food or beverages containing components whose presence in excessive amounts in daily diet is not recommended
- IAB Polska initiative for fair advertising
- Code of best practice regarding the principles of protection of minors in respect of on-demand audio-visual media services
- "Warsaw Declaration" : International Cooperation Key to Combating Piracy



- 5G Strategy for Poland Agreement
- Declaration of Cooperation for the Safety of Children in the Internet.

No dedicated compliance management procedures have been implemented in the Group.

## Performance

### **[GRI 419-1 Non-compliance with laws and regulations in the social and economic area (penalties for accounting fraud, discrimination in the workplace, etc.)]**

None of the Group's companies was penalized for non-compliance with laws and regulations in the social and economic area.

**Cyfrowy Polsat** assures DTH (satellite) access to over 170 Polish-language TV channels, including all the channels from the extensive portfolio of Telewizja Polsat. Every day Telewizja Polsat provides reliable and impartial information on all major events from Poland and from around the world. The top quality of work of our journalists is confirmed by, among others, the audits performed by KRRiT (The National Broadcasting Council).

The Internet access service we offer contributes to providing equal opportunities for the inhabitants of cities and rural areas alike. Wireless LTE communication offered by **Plus** and **Cyfrowy Polsat** networks reaches both, big cities as well as villages and small towns. Our Internet access service is often the only possibility of getting the connection to the Internet, which reduces the threat of digital exclusion on nationwide scale.

**Cyfrowy Polsat**, while bearing in mind the good of underage viewers and their protection against harmful content, offers parental control which can be activated for specific channels or shows. As regards VOD, we have adopted the "Code of best practice in the field of protection of minors" which was developed by KRRiT jointly with the IAB Polska Association of the Employers of Internet Industry. The fixed-line Internet access based on the Netia's infrastructure has been available in Plus offer since last year.

A self-regulation document, developed jointly by the TV broadcasters carrying advertising activities for their own channels as well as for the channels they represent (Telewizja Polsat, Telewizja Polska (TVP), TVN) and by the organizations which associate producers of food supplements (PASMI Employers Association "Polish Union of Non-Prescription Drug Manufacturers, POLFARMED Polish Chamber of the Pharmaceutical Industry and Medical Devices, Polish Council for Supplements and Nutritional Foods (KRSiO), Polish Association of Pharmaceutical Industries (PZPPF)), was signed in the head office of the National Broadcasting Council on 25 November 2019. The essence of this self-regulation document is the universal adoption of the regulations whose observance will, on the one hand, ensure access for users to reliable information on the beneficial effects of supplements which support the organism and, on the other, protect viewers, to even a greater extent than to-date, against advertising messages being too intrusive. The self-regulation took effect on 1 December 2019 and it concerns all food supplement ads which are aired from 1 January 2020.

In addition **Telewizja Polsat** is a signatory of an agreement protecting children against unhealthy diet which clearly formulates the principles to be observed when approving commercials and sponsor references shown in connection with children's programs. In accordance with this agreement, all advertisers from the industry must submit statements confirming compliance of their products with the criteria developed by the Polish Federation of Food Industry (PFPZ) and the Nutrition Institute (IŻŻ).

The amended regulation of the National Broadcasting Council of 15 November 2018 on increasing access services in television programs for persons with disabilities took effect from 1 January 2019. Generally, in 2019 Telewizja Polsat, Lemon Records and Music TV fulfilled the requirements imposed by the amended regulation as regards access services in television programs for persons with disabilities. Programs produced for Super Polsat channel in 2019 were adapted, in 89% of the reported air-time, to the needs of the people with impaired hearing, speech and sight. Moreover, in 2019 Telewizja Polsat started the work on introducing, in 2020, text which will be displayed live on screen in its news channel.



## We exceed standards

### [GRI 102-12, GRI-102-13]

Our representatives participate in the activities of work groups of eight industry organizations of which we are members. Participation in the work of these groups is voluntary while the topics addressed by the groups include such items as development of the telecommunication market, regulation of media market and intellectual property protection. We are also a member of the Polish Association of Listed Companies.

Company	Cyfrowy Polsat	Polkomtel	TV Polsat
Polish IT and Telecommunications Chamber (PIIT)	X	X	
National Chamber of Commerce of Electronic Industry and Telecommunications (KIGeIT)	X		
Polish Chamber of Digital Broadcasting (PIRC)	X		
IAB Polska	X		
SYGNAŁ Association of Distributors of Television Programs	X		X
Polish Internet Surveys	X		
Advertising Council (Rada Reklamym)	X		X
Creative Poland Association (Stowarzyszenie Kreatywna Polska)			X

## PREVENTION OF CORRUPTION AND BRIBERY

### Management approach disclosures

The Group has never permitted and will never give permission for any corrupt practices. Ethics in business has always had very high priority all over our organization – our **Code of Ethics** covers the Group's companies. The document defines fair competition, respect for law and ethical behavior.

### Due diligence procedures

An internal audit unit operates in Cyfrowy Polsat Group (formally it is a division within Cyfrowy Polsat). Moreover, there is an Internal Control Office at Polkomtel while Telewizja Polsat has the Board and Control Office. These units verify whether operations adhere to the procedures and regulations, and they also deal with the issues related to corruption and bribery in sensitive areas of the organization. Every suspicion of corrupt practices is examined meticulously and if our suspicions are confirmed, then we definitely end our cooperation with a given individual or firm.

In the case of Telewizja Polsat, prevention of corruption and bribery is an element of the duties of the legal department which is responsible for assuring that the adopted ethical norms are observed by the employees.

No dedicated due diligence procedures associated with prevention of corruption exist in the Capital Group.



## Performance

### [GRI 205-3]

No incidents having the nature of corrupt practices were noted in Cyfrowy Polsat Capital Group in 2019, while one incident of this type was noted in 2018.

Noted corruption incidents ended with:	2018	2019
Termination of employment or a disciplinary penalty for employees	1	0
Refusal to renew contracts with contracting parties due to violation of the rules related to corrupt practices	0	0
Court suits related to corrupt practices filed against a reporting organization or its employees during a reporting period	0	0
<b>Total</b>	<b>1</b>	<b>0</b>

Whenever a case of corrupt practices is confirmed, apart from terminating the employment of the guilty person we introduce procedures in our companies to remind other employees of the valid principles and internal regulations. We tighten the processes, modify the procedures and carry out numerous preventing and educational actions.

Inspections of these areas where cases of corruption were discovered in the past did not demonstrate any irregularities in these areas in 2019.

## Principles of free competition

### [GRI 206-1]

No incidents involving behavior violating the freedom of competition or the anti-trust regulations occurred in Cyfrowy Polsat in 2019.

One incident having the nature of anti-competitive behavior and monopolistic practices was noted in Polkomtel in 2019, with the proceedings having been discontinued at year end.

No incidents of anti-competitive behavior or monopolistic practices occurred in TV Polsat. Nevertheless, the company was sued, in connection with a commercial offer submitted to cable TV operators for re-broadcasting of programs of Polsat Group for alleged infringement of principles of fair competition consisting in restricting access to the market. TV Polsat filed for the dismissal of the lawsuit in all cases filed by the cable TV operators and until the date of approval of this report no ruling has been issued in any of the cases.

## RESPONSIBILITY TOWARDS EMPLOYEES

The details related to policies, due diligence procedures as well as the performance indicators can be found in the chapter: *"Success thanks to the people"*.

## Management approach disclosures

In each of the companies who are members of Cyfrowy Polsat Capital Group the employee affairs are regulated by the valid Work Regulations.

We try to make sure that the policies that we use inside the organization reflect the valid standards. This rule also applies to our Work Regulations. Human Resources Policy operates in Cyfrowy Polsat Group. The main purpose of the policy is to build an attractive working environment for the existing and potential employees. The document has been based on the solutions that have been working finely in Polkomtel, Cyfrowy Polsat and Telewizja Polsat, and it has been used to align the understanding of the principles of staff management with the values adopted by the Group.



## Due diligence procedures

The Human Resources Policy regulates the process of hiring of new staff, their adaptation, the offered terms of employment and organizational culture, competence development, freedom of association.

We offer fair remuneration to our employees, depending on the type of their duties, scope of responsibilities and complexity of their tasks. The boundary levels of remuneration at individual employment levels/positions are defined by the Remuneration Regulations, while the minimum remuneration level offered by the Group complies with the regulations of Polish law. A common system of HR and payroll support exists across the whole Group, thanks to which the procedures, processes and data are consistent in the whole organization.

## Performance

The following performance indicators have been adopted to assess performance:

- **GRI 102-8 Information on employees and other workers,**
- **GRI 102-41 Collective bargaining agreements,**
- **GRI 405-1 Diversity of governance bodies and employees,**
- **GRI 403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities,**
- **GRI 403-3 Workers with high incidence or high risk of diseases related to their occupation,**
- **GRI 403-4 Health and safety topics covered in formal agreements with trade unions,**
- **GRI 404-1 Average hours of training per year per employee,**
- **GRI 404-3 Percentage of employees receiving regular performance and career development reviews.**

## We exceed standards

Selected benefits available for Cyfrowy Polsat Group employees **[GRI 401-2]**:

- Prepaid medical care package,
- Prepaid sports pass,
- Promotions for employees,
- Insurance,
- Special offers for theater tickets,
- Discounted offers of products and services,
- Events and contests sponsored by business partners,
- Tickets/passes for selected events or recordings of Telewizja Polsat shows.



## **RESPECT FOR HUMAN RIGHTS**

The details related to policies, due diligence procedures as well as the performance indicators can be found in the chapter: *"Success thanks to the people"*.

### **Management approach disclosures**

In Poland the **respect for human rights** is effectively enforced by Polish law. Forced labor or employment of minors are not the practices to which our business is exposed.

Cyfrowy Polsat Group has implemented the **Diversity and Human Rights Respect Policy**. We support the Universal Declaration of Human Rights and the Declaration of the International Labor Organization. The fundamental principles and rights stipulated by these declarations have been incorporated into the **Code of Ethics** and the **Human Resources Policy** of Cyfrowy Polsat Group.

By virtue of other regulations and codes (e.g. the **Work Regulations** or the **Regulations of the Anti-Mobbing Committee**), the Group's companies are obligated to protect their employees against any act of physical, verbal or psychological harassment; abuse, humiliation or threats coming from either the co-workers or the superiors with respect to the below listed dimensions of diversity: sex, age, sexual orientation, competence, experience, potential degree of disability, nationality, ethnic and social origin, color of skin, communication language, parental status, religion, denomination or lack of any denomination, political views or any other dimensions of diversity which are defined by valid law.

### **Due diligence procedures**

An Internal **Anti-Mobbing Committee** has been appointed in Cyfrowy Polsat and Polkomtel as an element of the **Anti-Mobbing Policy**. The Committee is responsible for reviewing the complaints related to occurrence of mobbing. To familiarize our employees with the topic as well as to make them aware of potential threats and the rights they have, regular mandatory training is carried out for the employees with regard to this topic via our e-learning platform. In the case of Telewizja Polsat, acts having the nature of mobbing are covered by the Anti-Mobbing Procedure which is an internal document of that company.

No dedicated procedures aimed at assuring respect for human rights have been adopted in Cyfrowy Polsat Capital Group.

### **Performance**

#### **[GRI 406-1]**

In 2018 two complaints regarding mobbing behavior were received by the Anti-Mobbing Committee of Polkomtel. The first complaint has been resolved, whereas the second one, which was received by the Committee at the end of the reported period, is in the process of being reviewed by the Committee.

## **ACTIVITIES FOR THE SOCIETY (COMMUNITY)**

The details related to policies, due diligence procedures as well as result indicators can be found in the chapter: "Digital responsibility"

### **Management approach disclosures**

Social and community-related activities are carried out on our behalf by **Polsat Foundation** whose mission includes saving the health and lives of children. The framework and the principles of the Foundation's activities are defined in the Incorporation Deed of POLSAT Foundation. The document is available on the Foundation's website – [www.fundacjapolsat.pl](http://www.fundacjapolsat.pl).

No dedicated policy governing corporate social responsibility issues exists in Cyfrowy Polsat Group.

### **Due diligence procedures**

Due and compliant with the statute performance of POLSAT Foundation's activities is supervised by the Foundation's Board. Since November 2016 the Board has had 8 members. The Board's members include the following:



- Małgorzata Nawrocka
- Katarzyna Ostap-Tomann
- Nina Terentiew-Kraśko
- Józef Birka
- Mirosław Błaszczuk
- Paweł Januszewicz
- Aleksander Myszka
- Tobiasz Solorz

The Foundation's activities are supervised by the Minister of Health.

### Performance

The following indicators have been adopted to assess performance:

- **GRI 203-1 Infrastructure investments and services supported**
- **GRI 203-2 Significant indirect economic impacts**

### We exceed standards

Our definition of social responsibility:

In Cyfrowy Polsat Group we see and understand the huge impact that our services have on communities. The pillars of our activities for the benefit of society are:

- Safety
- Aid to children
- Promotion of sports

For this reason our Capital Group cooperates with rescue services – WOPR, MOPR, TOPR and GOPR, makes donations and supports Polsat Foundation, supports amateur and professional sports events and promotes physical activity among the society.

### Key figures:

- Polsat Foundation provided aid to over **36 thousand** children.
- The Foundation provided support to **over 1 222 hospitals and medical centers**.
- More than **PLN 239 million** was donated for the Foundation's statutory goals.
- **PLN 20 million** was obtained for the Foundation from the St. Nicholas Day's commercial block in TV Polsat.
- Over **PLN 22.8 million** was the amount obtained by POLSAT Foundation from the donation of 1% of the income tax.
- Two toll-free emergency numbers were activated by Plus network – **601 100 100** (for emergencies occurring at the seaside and on the lakes) and **601 100 300** (for emergencies in the mountains). Our **RATUNEK (RESCUE) application**, which is the only approved application that is connected to the accident notification system operated by the voluntary rescue units, had 87 371 active users using Android phones and 36 872 active users using phones with iOS operating system.



## **ENVIRONMENTAL IMPACT**

The details related to policies, due diligence procedures as well as result indicators can be found in the chapter: *“Environment-friendly Group”*.

### **Management approach disclosures**

All our activities are undertaken while observing the legal order valid in Poland. Our Group operates in compliance with the following laws:

- Environmental Protection Act dated 27 April 2001,
- Waste Management Act dated 14 December 2012,
- Waste Electrical and Electronic Equipment Act dated 29 July 2005,
- Packaging Waste Management Act dated 13 June 2013,
- Waste Batteries and Accumulators Act dated 24 April 2009

### **Due diligence procedures**

**Environmental goals** have existed in Polkomtel since 2012. Their observance has become an important element of the Company's strategy. The Company's ecological targets include:

- introduction to the market only of these products which meet the relevant norms and regulations,
- achieving the levels of salvaging and recycling of electrical and electronic equipment, batteries and accumulators as well as packaged products which are not lower than the levels required by the law,
- sale of electricity generated from renewable sources of energy, gas burning or cogeneration in the amounts not lower than required by the law,
- rational and thrifty management of electrical energy,
- restriction of the negative environmental impact of other essential factors affecting the natural environment.

Cyfrowy Polsat, in turn, has 10 eco-principles which have been developed jointly with the employees and which demonstrate the pro-environmental attitudes and actions that are promoted by the company.

In addition, our InterPhone Service set-top box factory holds the following certificates: **ISO 9001:2015** and **ISO 14001:2015** in the field of design and manufacturing of electronic equipment as well as PN-N-18001:2004 standard in the field of design and manufacturing of electronic equipment which was issued by BSI – British Standards Institution, while Polkomtel conforms with **ISO 9001:2015** and **ISO 14001:2015** standards. Details regarding ISO certificates are presented in the chapter *Environment-friendly Group*.

### **Performance**

The following indicators have been adopted to assess performance:

- **GRI 301-1 Materials used by weight and volume,**
- **GRI 302-1 Energy consumption within the organization,**
- **GRI 306-1 Water discharge by quality and destination,**
- **GRI 306-2 Waste by type and disposal method,**
- **GRI 302-4 Reduction of energy consumption.**

### **We exceed standards**

- We strive to make sure that every set-top box manufactured in Cyfrowy Polsat Group's factory is packed only in recycled packaging. In addition, while caring for organizational efficiency, costs and protection of natural environment, we take care that the trucks and vans transporting the equipment and other materials to the sales network are loaded in an optimum manner, which enables reduction of emission of carbon dioxide into the atmosphere.



- The documents which are intended for reprocessing at Cyfrowy Polsat are destroyed in a special heavy duty shredder. The output is successively shipped as waste paper for recycling to the company with whom Cyfrowy Polsat has a relevant contract.
- We conduct continuous collection of waste paper and segregation of waste (e.g. waste toner cartridges). We support good habits which, taking into account the size of the company and the number of people employed, bring tangible changes:
  - we use two-sided copying and printing,
  - we switch off the lights when leaving a room,
  - we use the stand-by mode on computers while they are on,
  - we disconnect chargers once battery charging ends,
  - we use water rationally and are conscientious when using air-conditioning,
  - we no longer use disposable plastic cups and plates.



## GRI INDEX

[GRI 102-55]

GRI standard number	Indicator number	Indicator title	Required at CORE level	Is it marked in the Report?	Page
<b>Reporting principles and foundation</b>					
GRI 101		Reporting principles and foundation	CORE	Yes	99
<b>General disclosures</b>					
<b>Organization profile</b>					
GRI 102	102-1	Name of the organization	CORE	Yes	34
GRI 102	102-2	A description of the organization's activities, brands, products and/or services	CORE	Yes	34, 37
GRI 102	102-3	Location of the organization's headquarters	CORE	Yes	34
GRI 102	102-4	Location of the organization's operations	CORE	Yes	34
GRI 102	102-5	Ownership and legal form	CORE	Yes	34
GRI 102	102-6	Markets served	CORE	Yes	34
GRI 102	102-7	Scale of the organization	CORE	Yes	33
GRI 102	102-8	Information on employees and other workers of the organization	CORE	Yes	69
GRI 102	102-9	Supply chain	CORE	Yes	87
GRI 102	102-10	Significant changes to the organization and its supply chain	CORE	Yes	34
GRI 102	102-11	Whether and how the organization applies the Precautionary Principle or approach	CORE	Yes	43
GRI 102	102-12	Externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses	CORE	Yes	15, 66, 103
GRI 102	102-13	Membership of associations and organizations	CORE	Yes	15, 103
<b>Strategy</b>					
GRI 102	102-14	Statement from senior decision-maker	CORE	Yes	4
GRI 102	102-15	Description of key impacts, risks, and opportunities	CORE	Yes	4, 43
<b>Ethics and integrity</b>					



GRI standard number	Indicator number	Indicator title	Required at CORE level	Is it marked in the Report?	Page
GRI 102	102-16	Organization's values, principles, standards, and norms of behavior	CORE	Yes	41
<b>Governance structure</b>					
GRI 102	102-18	Governance structure of the organization, including committees of the highest governance body	CORE	Yes	34
<b>Stakeholder engagement</b>					
GRI 102	102-40	A list of stakeholder groups engaged by the organization	CORE	Yes	11, 12
GRI 102	102-41	<u>Employees</u> covered by <u>collective bargaining</u> agreements	CORE	Yes	81
GRI 102	102-42	The basis for identifying and selecting <u>stakeholders</u> with whom to engage	CORE	Yes	12
GRI 102	102-43	Approach to <u>stakeholder</u> engagement, including frequency of engagement by type and by stakeholder group	CORE	Yes	12
GRI 102	102-44	Key topics and concerns that have been raised through <u>stakeholder</u> engagement, including how the organization has responded to those key topics and concerns, including through its reporting	CORE	Yes	15
<b>Reporting Practice</b>					
GRI 102	102-45	Including in the report entities included in the organization's consolidated financial statements	CORE	Yes	99
GRI 102	102-46	Process for defining the report content and the <u>topic Boundaries</u>	CORE	Yes	99
GRI 102	102-47	List of the <u>material topics</u> identified	CORE	Yes	99
GRI 102	102-48	Effect of any restatements of information given in previous reports, and the reasons for such restatements (e.g. mergers, acquisitions, change of base year/periods, nature of business, measurement methods)	CORE	Yes	69, 77, 96
GRI 102	102-49	Changes in reporting	CORE	Not applicable	-
GRI 102	102-50	Reporting period	CORE	Yes	99
GRI 102	102-51	Date of the most recent previous report (if any)	CORE	Yes	99
GRI 102	102-52	Reporting cycle	CORE	Yes	99
GRI 102	102-53	Contact point	CORE	Yes	115



GRI standard number	Indicator number	Indicator title	Required at CORE level	Is it marked in the Report?	Page
GRI 102	102-54	Claims of reporting in accordance with the GRI standards: Core or Comprehensive option	CORE	Yes	99
GRI 102	102-55	GRI content index	CORE	Yes	110
GRI 102	102-56	Organization's policy and current practice with regard to seeking external assurance for the report	CORE	Yes	99
<b>Management Approach</b>					
GRI 103	103-1	Explanation of the material topic and its Boundary	CORE	Yes	8, 100
GRI 103	103-2 103-3	The management approach and its components in the area of compliance with <b>law and regulations</b> Evaluation of the management approach in a given area	CORE	Yes	101
GRI 103	103-2 103-3	The management approach and its components in the area of <b>Human Resources</b> Evaluation of the management approach in a given area	CORE	Yes	104
GRI 103	103-2 103-3	The management approach and its components in the area of <b>Education and training</b> Evaluation of the management approach in a given area	CORE	Yes	104
GRI 103	103-2 103-3	The management approach and its components in the area of <b>Diversity and equal opportunity</b> Evaluation of the management approach in a given area	CORE	Yes	106
GRI 103	103-2 103-3	The management approach and its components in the area of <b>Anti-corruption policies and procedures</b> Evaluation of the management approach in a given area	CORE	Yes	103
GRI 103	103-2 103-3	The management approach and its components in the area of <b>social impact</b> Evaluation of the management approach in a given area	CORE	Yes	106
GRI 103	103-2 103-3	The management approach and its components in the area of <b>environmental impact</b> Evaluation of the management approach in a given area	CORE	Yes	108



Topic-specific disclosures					
Economic topics					
Economic performance					
GRI 201	201-1	Direct economic value generated and distributed (including revenues, operating costs, <b>employee</b> wages and benefits, donations and other community investments, undistributed profit and payments to providers of capital and government)		Yes	33
Indirect economic impacts					
GRI 203	203-1	Infrastructure investments and provision of services to communities through commercial, in-kind and pro bono engagements. Impact of these activities on communities		Yes	20, 21, 24, 25, 29
GRI 203	203-2	Identification and description of significant indirect economic impacts, including the scale and extent of impact		Yes	20, 21, 24, 25, 29
Anti-corruption					
GRI 205	205-3	Confirmed incidents of corruption and actions	Yesen	Yes	104
Naruszenie zasad wolnej konkurencji					
GRI 206	206-1	Total number of legal actions regarding anti-competitive behavior and violations of anti-trust and monopoly legislations and their outcomes		Yes	104
Environmental topics					
Materials					
GRI 301	301-1	Non-renewable / renewable materials used by weight or volume		Yes	96
Energy					
GRI 302	302-1	Energy consumption within the organization, including fuel types		Yes	93
GRI 302	302-4	Reduction of energy consumption		Yes	93
Effluents and waste					
GRI 306	306-1	Total volume of water discharge by destination		Yes	96
GRI 306	306-2	Total weight of waste by type and disposal method		Yes	88
Social topics:					
Employment					
GRI 401	401-1	New employee hires and employee turnover		Yes	70



GRI 401	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		Yes	71, 105
<b>Occupational Health and Safety</b>					
GRI 403	403-1	Percentage of workers represented in formal joint management-worker health and safety committees, which advise on occupational safety programs and monitor such programs		Yes	81
GRI 403	403-2	Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities		Yes	80
GRI 403	403-3	Workers with high incidence or high risk of diseases related to their occupation		Yes	79
GRI 403	403-4	Health and safety topics covered in formal agreements with trade unions		Yes	81
<b>Training and education</b>					
GRI 404	404-1	Average hours of training per year per employee		Yes	76, 77
GRI 404	404-2	Programs for upgrading employee skills and transition assistance programs which support continued employability and facilitate the retirement process		Yes	77
GRI 404	404-3	Percentage of employees receiving regular performance and career development reviews by gender and employee category		Yes	78
<b>Diversity and equal opportunity</b>					
GRI 405	405-1	Governance bodies and employees, by employee category, gender, age and other indicators of diversity		Yes	34
<b>Non-discrimination</b>					
GRI 406	406-1	Total number of incidents of discrimination and actions taken in this respect		Yes	106
<b>Local communities</b>					
GRI 413	413-2	Operations with significant actual and potential negative impacts on local communities		Yes	97
<b>Customer health and safety</b>					
GRI 416	416-2	Incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts		Yes	56
<b>Marketing and labelling of products and services</b>					
GRI 417	417-3	Incidents of non-compliance with regulations and voluntary codes concerning marketing communications		Yes	66
<b>Customer privacy</b>					



GRI 418	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		Yes	56
<b>Socioeconomic compliance</b>					
GRI 419	419-1	Non-compliance with laws and regulations in the social and economic area		Yes	102
<b>Requirements of the Directive 2014/95/EU</b>					
Description of the undertaking's business model				Yes	Chapter 2 p. 33, Chapter 3 p. 53
Description of key risk management				Yes	Chapter 2 p. 43
Description of the policies, due diligence processes and key performance indicators pursued by the undertaking in relation to employee matters				Yes	Chapter 4 p. 68 Chapter 6 p. 104
Description of the policies, due diligence processes and key performance indicators pursued by the undertaking in relation to environmental matters				Yes	Chapter 5 p. 84 Chapter 6 p. 106
Description of the policies, due diligence processes and key performance indicators pursued by the undertaking in relation to anti-corruption and bribery matters				Yes	Chapter 6 p. 103
Description of the policies, due diligence processes and key performance indicators pursued by the undertaking in relation to respect for human rights <i>We define human rights as: the right to the protection of private life, freedom from degrading treatment, right to non-discrimination</i>				Yes	Chapter 6 p. 106
Description of the policies, due diligence processes and key performance indicators pursued by the undertaking in relation to social matters				Yes	Chapter 1 p. 20 Chapter 6 p. 106

**[GRI 102-53]**

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