



Corporate Social Responsibility Report of Polsat Group 2020



We have the pleasure of presenting to you the Social Responsibility Report of Polsat Group and Cyfrowy Polsat S.A. on non-financial information which describes our activities in 2020. 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 2020.

This document is a conversion to pdf format of the official social responsibility report of Polsat Group issued in xhtml format.

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Letter of the President of the Management Board

[GRI 102-14, GRI 102-15]

Dear Sirs,

It is our fourth **Corporate Social Responsibility Report**, covering **Polsat Group's main companies**.

The year 2020 **was the time of the pandemics and of numerous challenges** – both global and local – concentrated around the efforts aimed at dealing with the consequences of the lockdown. The nature and the diversity of our operations have made our business relatively immune to the situation. The more so it was extremely important for us to become **actively involved in helping combat COVID-19** during those difficult times.

Since the very beginning of the epidemics, Polsat Group embarked upon **numerous pro-social initiatives** and introduced many **improvements for its customers**. It became involved in many areas, supporting healthcare institutions, education, digitally-excluded children, senior citizens, and also assuring solutions for its customers and thousands of its employees. Zygmunt Solorz and Polsat Group donated a total of **PLN 50 million for that purpose**. The activities conducted **jointly with Polsat Foundation** included purchase of 200 thousand coronavirus tests for PLN 16 million, together with the required laboratory equipment, donation of 20 state-of-the-art ventilators, worth nearly PLN 3 million, to isolation hospitals, purchase of protective gear for medical personnel, a special advertising block in TV Polsat (*organized for the purpose of raising money*), as well as donation of 2 200 tablets for the digitally-excluded children (more in a dedicated section of the report, "**Polsat Group reacts responsibly in fight with coronavirus.**" („*Grupa Polsat w walce z koronawirusem*"))

Having stable financial situation, bearing mind further development of the Group and responding to the challenges posed by the growing importance that ESG factors (environmental, social and governance-related) have in business operations, we also carried out major investment projects.

Our **key achievements in 2020** include:

- supporting innovation and our customers' needs by building the first in Poland nationwide 5G network, using the spectrum from the 2600 MHz TDD frequency band, with a plan to provide coverage over an area inhabited by 11 million people in Poland in 2021;
- introducing an offer of solar power solutions for households and B2B clients under the ESOLEO brand, available from over 1000 points of sale;
- first in Poland issue of corporate green bonds for the amount of 1 billion zloty, for the purpose of refinancing of our pro-environmental investments, including modernization and upgrading of the Group's telecommunication infrastructure to achieve higher energy efficiency;
- consistent development of diverse and universally-available TV offer as well as popularization of digital services – acquisition and fast integration within the Group's structure of Interia.pl, one of the biggest web portals in Poland, as well as extension of TV Polsat portfolio by adding the newly acquired Fokus TV and Nowa TV channels.

Regardless of the situation in the post-pandemic world, **we wish to develop** not only **high quality products and services**, but also to create **special value for the society**. For that reason **we consistently pursue our social mission** in the areas of safety and security, aid to children, education and promotion of sports. Last year we joined the Clean Poland Program Association and as a Group we have become actively involved in environmental education.

We try to make sure that our efforts are a **response to the selected UN Sustainable Development Goals**. In this year's Corporate Social Responsibility Report we present more than **57 good practices**, i.e. projects which are consistent with the implementation of the specific tasks being part of selected UN goals.

Most important information and indicators from the areas related to the environment, our relations with the community and stakeholders, in the broad sense of the term, as well as to governance (the so-called ESG indicators) are presented on the basis of international **GRI** (Global Reporting Initiative) guidelines.

In 2021 we plan consistent continuation of our CSR activities through social projects, charity initiatives (especially under the patronage of Polsat Foundation and other Public Benefit Organizations), educational activities (to a great degree related to the environmental issues and addressed to our customers, viewers, employees and to the general public), unwavering support for Polish sports, promoting healthy and active lifestyle, and cooperation with emergency response units. In the dynamically changing world, which last year forced our customers, our business partners and employees to adapt to the totally new reality, we will strive to provide the possibly most modern tools for work, learning or online entertainment. This is embodied by our decision to allocate additional capital expenditures in order to assume the leadership role in building the 5G network in Poland.

On my own behalf, and on behalf of all the people involved in the development of this report, I hope you will enjoy reading the report. I hope that this publication will offer you an opportunity to learn more about our operations, so as to gain better understanding of it. The publication is a valuable source of information and due to its nature it is not only a response to the needs of the capital market participants, contracting parties and business partners or the institutions which monitor the social activities of companies, but also to the needs of our employees, customers, viewers and all those who are interested in learning about our operations and our social mission.

Yours faithfully,

Mirosław Błaszczuk

President of the Management Board

Cyfrowy Polsat S.A.

DIGITAL RESPONSIBILITY



- To what extent do we fulfill **our CSR mission**?
- How do we shape **our market environment**?
- How do we respond to the expectations of **our stakeholders and our environment**?
- What is **our influence on the economy, society and natural environment**?
- What was **our involvement** in the fight against the coronavirus?
- What are **green bonds**?
- How do we aid children while working together with **Polsat Foundation**?
- What actions do we take in the field of **employee volunteering**?
- In what ways are we involved in the **promotion of sports and healthy lifestyle**?



1. Digital Responsibility

1.1. Our attitude and philosophy #CyfrowaOdpowiedzialność

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

We have provided social education for years, but in 2020 in particular our involvement in the fight against coronavirus made us realize the importance of this pillar for our environment. Therefore, since last year an educational mission has become one of the fundamental areas of our social mission.

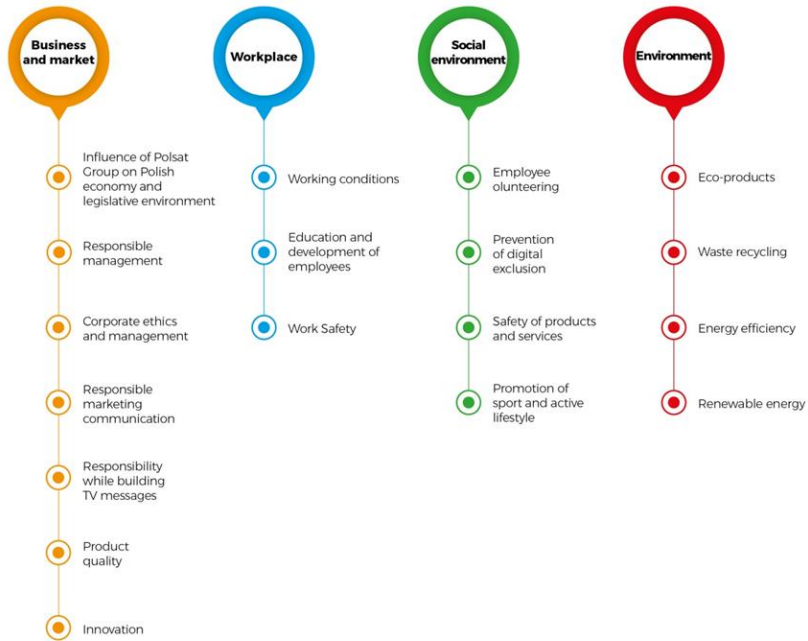
Figure 1. Corporate Social Responsibility in Polsat Group



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, 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



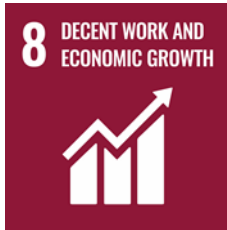
By analyzing all the Sustainable Development Goals we have decided to choose the ones which we pursue as the elements of our best practice and other business.

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

Sustainable Development Goal	Execution in Cyfrowy Polsat Group
	<ul style="list-style-type: none"> • involvement in charity actions whose mission is to combat poverty and social exclusion (employee volunteering activities), • thoroughly renovated houses and apartments for families afflicted with bad luck (e.g. poor financial situation, sickness, bereavement) in “Our new home” program, • supporting selected charity goals under selected programs of TV Polsat (among others, “Your Face Sounds Familiar”).
	<ul style="list-style-type: none"> • 25 years of experience in providing aid to sick children by Polsat Foundation • Polsat Foundation’s mission (it includes big nationwide campaigns, with the income from such campaigns being used for medical treatment and rehabilitation of children), • Polsat Foundation’s support in building modern medical centers and renovation of hospitals (in particular children’s wards) across Poland, • purchase by Polsat Foundation of medical equipment for hospitals and other institutions providing healthcare to children, • additional support provided to the society, healthcare and our employees in the fight against coronavirus • 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).
	<ul style="list-style-type: none"> • mission of Stowarzyszenie Program Czysta Polska (Clean Poland Program Society), • spreading knowledge about ecology and pro-environmental attitudes, • news programs devoted to natural environment, • counteracting digital exclusion, • permanent cooperation of Plus network with the Copernicus Science Centre , • e-Schoolbag (an integrated educational platform, replacing classic workbooks and exercise books at school), • educating on safety in the mountains and by the water during summer and winter vacation events, • first-aid workshops, • charity actions with an aim to support the development of disabled children – carried out as part of the employee volunteering activities, • know-how transfer and exchange of experience among our employees during big projects carried out in various Cyfrowy Polsat Group companies.

Sustainable Development Goal

Execution in Cyfrowy Polsat Group



- constant development of offered services and technologies,
- 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 social responsibility report (inside and outside the organization).



- regular development of the Internet with the use of state-of-the-art technologies – Plus network is a leader of 5G technology;
- issue of green bonds, with the proceeds from the issue, amounting PLN 1 billion, being used for refinancing the pro-environmental investments, among others for modernization and improvement of the telecommunication infrastructure of the Group in the area the energy efficiency,
- Corporate Social Responsibility (CSR) activities in Cyfrowy Polsat Group,
- 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,
- Program Crowd+ (a program supporting the culture of innovation),
- new technology in Polsat Sport studio, state-of-the-art studio of "The News" (Wydarzenia) and Polsat News channel.



- Adjusting most of the programming in Super Polsat channel to allow people with visual and/or hearing impairment to watch the contents,
- Introducing by Polsat News of real-time subtitles for deaf people and people with hearing impairment,
- Successful social integration of disabled persons in programs of TV Polsat (among others in "Dancing with Stars"), who prove that everything is possible.



- ISO 9001:2015, ISO 14001:2015 and ISO 14001:2018 certificates (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,
- 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).

Sustainable Development Goal

Execution in Cyfrowy Polsat Group



- identification of essential areas of environmental impact,
- introduction of the offer of photovoltaic installations; the service is available on the entire territory of Poland and is supported by a national campaign communicating benefits of renewable energy sources,
- joint care for the natural environment, air, water and nature (Clean Poland Program Society / Stowarzyszenie Program Czysta Polska),
- ecological education of the closes environment (among others in the Subscribers Magazine “Brawo Ty!” and in TV Polsat)
- promotion of pro-ecological attitudes among employees,
- testing the influence that radio transmitters have on the environment,
- on-going control of raw materials consumption,
- electricity saving,
- waste management and delivery of waste materials to specialized recycling firm.

By analyzing all the Sustainable Development Goals and their compliance with our updated social mission, we have **defined key priorities for Cyfrowy Polsat Group** and assigned Key Performance Indicators to them Key Performance Indicators.

Table 2. Key priorities for the Sustainable Development Goals executed in Cyfrowy Polsat Group

Priority/Goal	Compliance with the social mission	KPI of business benefits	KPI of social benefits
Priority 1 Goal 8: Economic growth and decent work	Pillar 1: SAFETY	Ensuring highest safety standards in the process of service provision and delivery of high quality products; Creating a really decent place of work and safe working environment; Being a reliable business partner as a big market player with stable position.	Access to high quality products and services from the reliable supplier with years of experience, taking care of standards and compliance with regulations and legal requirements; Provisioning of innovative technologies supporting the safety of Poles during their holidays in the mountains and by the water; Ensuring the safety for customers and employees in social crisis situations.
Priority 2 Goal 3: Good health and quality of life	Pillar 2: AID TO CHILDREN	Inspiring the closest business environment to provide aid to the most needy and supporting soft competence of employees thanks to the employee volunteering.	Saving life and health of the youngest patients through active support of Polsat Foundation.

Priority/Goal	Compliance with the social mission	KPI of business benefits	KPI of social benefits
Priority 3 Goal 3: Good health and quality of life	Pillar 3: PROMOTION OF SPORTS AND PHYSICAL ACTIVITY	Innovative solutions and technologies supporting the society in diagnostics and health treatments and healthy life style; High quality content on sports channels supporting Poles in actively taking care of their fitness and sports passions.	Supporting appropriate activities and habits as well as healthy life style among customers, viewers and employees.
Priority 4 Goal 4: Good quality of education	Pillar 4: EDUCATION	Products and offer addressing climate challenges and cost-effective products and services, eliminating barriers in access to education and improving quality of teaching.	Supporting educational activities, in particular groups threatened by exclusion in access to knowledge and/or information.

We also listen to the voices from our 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 3. Polsat Group's Stakeholders



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

Table 3. Stakeholders map and forms of dialogue with individual stakeholder groups

CUSTOMERS

Some entities belonging to the stakeholder group	Approach and type of engagement of stakeholder group	Frequency of engagement by type	Key topics and concerns raised by stakeholders
<ul style="list-style-type: none"> natural persons and companies subscribers of pay TV and telecommunications services viewers IPLA users 	<ul style="list-style-type: none"> website (questionnaires) customer service points and call center (dialog, questionnaires) opinion and satisfaction surveys, including User Experience and NPS 	<ul style="list-style-type: none"> On-going – continuous activities, opinion survey – on as-needed basis, NPS satisfaction survey – at least once a year 	<ul style="list-style-type: none"> general customer satisfaction with the operator, propensity to recommend the brand, relations stability, propensity to select the operator again and satisfaction. Examined areas: offer, customer service points, telemarketing, call centre, website, Internet service centres, financial benefits, invoice

EMPLOYEES

Some entities belonging to the stakeholder group	Approach and type of engagement of stakeholder group	Frequency of engagement by type	Key topics and concerns raised by stakeholders
<ul style="list-style-type: none"> present employees and their families potential employees associates trainees 	<ul style="list-style-type: none"> employee satisfaction survey and periodic assessment trainings and development Intranet, newsletter and in-house surveys teambuilding events benefit programs volunteer programs social media 	<ul style="list-style-type: none"> Ongoing and regular communication 	<ul style="list-style-type: none"> stability and attractiveness of employment family friendly HR policy friendly place of work development opportunities

SHAREHOLDERS AND INVESTORS, ANALYSTS, FINANCING INSTITUTIONS

Some entities belonging to the stakeholder group	Approach and type of engagement of stakeholder group	Frequency of engagement by type	Key topics and concerns raised by stakeholders
<ul style="list-style-type: none"> Shareholders Bondholders Brokerage house analysts Institutional and individual investors Rating agencies Other capital market players 	<ul style="list-style-type: none"> Financial and non-Financial Reports Current reports Press releases Corporate website Individual meetings Conferences and video conferences General Shareholders' Meetings Examining of shareholding structure <i>Perception studies</i> 	<ul style="list-style-type: none"> According to requirements resulting from the Company's presence on the Warsaw Stock Exchange Financial reporting once a quarter On-going communication General Shareholders' Meeting at least once a year Dialog and meetings, if necessary 	<ul style="list-style-type: none"> economic situation of the Group and financial policy strategy and development competitive environment risks and opportunities of operations company's value transparency of activities future investments ESG Indicators

REGULATORS AND STATE INSTITUTIONS

Some entities belonging to the stakeholder group	Approach and type of engagement of stakeholder group	Frequency of engagement by type	Key topics and concerns raised by stakeholders
<ul style="list-style-type: none"> KRRiT (National Broadcasting Council), UKE (Office of Electronic Communication), UOKiK (Competition and Consumer Protection Office) UODO (Personal Data Protection Office) GIOŚ (Chief Inspectorate for Environmental Protection), Marshal's Offices GUS (Main Statistical Office), KNF (Financial Supervision Authority), KRS (National Court Register) Council of Ministers Parliament and Senate European Commission, European Parliament and European Council BEREC ESMA National Media Council Digitization Council 	<ul style="list-style-type: none"> Public consultations Meeting of reporting obligations Direct meetings Joint initiatives and activities Participation in industry conferences 	<ul style="list-style-type: none"> Ongoing communication resulting from the reporting obligations On as-needed basis 	<ul style="list-style-type: none"> Impact on the national economy Market development Service availability Activities in compliance with standards and law

SUPPLIERS

Some entities belonging to the stakeholder group	Approach and type of engagement of stakeholder group	Frequency of engagement by type	Key topics and concerns raised by stakeholders
<ul style="list-style-type: none"> Content providers, including TV stations and producers Suppliers of end-user equipment Suppliers of components for production of our own end-user equipment Suppliers of network and other infrastructure elements Service providers 	<ul style="list-style-type: none"> Direct relations Contracts Cooperation within the industry organizations Integration events Industry conferences and workshops 	<ul style="list-style-type: none"> As needed – ongoing and regular 	<ul style="list-style-type: none"> Terms of cooperation Transparent rules of tenders and cooperation Good, long-term relations Cooperation within the framework of industry initiatives

COMMUNITY ORGANISATIONS

Some entities belonging to the stakeholder group	Approach and type of engagement of stakeholder group	Frequency of engagement by type	Key topics and concerns raised by stakeholders
<ul style="list-style-type: none"> Foundations Social and environmental organizations Cultural institutions Mountain rescue units (GOPR, TOPR) Water rescue units (MOPR, WOPR) 	<ul style="list-style-type: none"> Partnerships and joint initiatives Employee volunteering Sponsoring Direct dialog (environmental organizations) Scientific reports Debates 	<ul style="list-style-type: none"> According to the needs of stakeholders and Group's capabilities 	<ul style="list-style-type: none"> Openness to dialog Financial support and human involvement Understanding values on which the company is based Dispelling possible concerns/doubts regarding technological development

COMPETITORS

Some entities belonging to the stakeholder group	Approach and type of engagement of stakeholder group	Frequency of engagement by type	Key topics and concerns raised by stakeholders
<ul style="list-style-type: none"> Media market players Telecommunication market players Digital services market players 	<ul style="list-style-type: none"> Cooperation within industry organizations Industry conferences, debates and workshops Joint initiatives (e.g. market reports) 	<ul style="list-style-type: none"> Ongoing communication depending on the market situation 	<ul style="list-style-type: none"> Market development Appropriate market regulation Standards

BUSINESS PARTNERS

Some entities belonging to the stakeholder group	Approach and type of engagement of stakeholder group	Frequency of engagement by type	Key topics and concerns raised by stakeholders
<ul style="list-style-type: none"> • Distributors • Advertisers and advertising brokers • Scientific institutions • Industry organization and chambers of commerce • Sport Associations 	<ul style="list-style-type: none"> • Direct communication channels (e.g. website for distributors) • Ongoing and regular meetings • Contracts • Codes of Best Practice and self-regulation • Conferences and workshops • Reports and reporting • Holding of positions in the authorities of industry organizations and chambers • Active involvement in joint projects and activities (e.g. within respective chambers of commerce, consultations and positions) 	<ul style="list-style-type: none"> • Communication depending on the needs of stakeholders • Pro-active activities depending on the market situation 	<ul style="list-style-type: none"> • Group's involvement in shaping of the market • Solving problems of the market and promoting innovations • Transparency of activities • Observing standards and rules • Openness to dialog

GENERAL NATIONAL MEDIA AND INDUSTRY MEDIA

Some entities belonging to the stakeholder group	Approach and type of engagement of stakeholder group	Frequency of engagement by type	Key topics and concerns raised by stakeholders
<ul style="list-style-type: none"> • the press • the Internet • radio • TV 	<ul style="list-style-type: none"> • conferences and events • information in the press • individual meetings with media representatives • statements, comments and opinions • corporate website • social media 	<ul style="list-style-type: none"> • On-going communication, depending on the market situation and current developments in the organization 	<ul style="list-style-type: none"> • the Group's economic standing • new offers • development plans • Eco-effectiveness of organization • new programs • sports events • product testing

[GRI 102-44]

GOOD PRACTICE: DIALOGUE WITH THE STAKEHOLDERS



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 **according to AA1000 standard**. 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.

We have recently **extended a list of key topics** with:

- energy efficiency,
- use of renewable energy sources.

[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?

GOOD PRACTICE: SOCIAL RESPONSIBILITY REPORT OF POLSAT GROUP



The Report for 2020:

- contains **68 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,
- presents key priorities of the Group under Sustainable Development Goals and in line with the pillars of social mission,
- discusses our economic, social and environmental impact,
- summarizes our involvement for the society in the age of coronavirus pandemic,
- presents **58 good practice efforts, reflecting the SDG's**, (27 of which are **continued from the preceding year** while **31** are totally **new projects**),
- is available in two language versions (**Polish and English**),
- has been developed in two publishing versions (**PDF and online**).

1.2. Economic, social and environmental impact

[GRI 203-1, GRI 203-2]

Through our business activities and executed projects we have an impact on the economy, society and environment.

Impact on the economy

- status of a big enterprise – indirect and direct revenue for the state budget,
- business partner, ordering party and service recipient– development of big, medium and small enterprises and different regions,
- stable employer – highly qualified employees with long tenure of work,
- new jobs – current recruitment process, apprenticeship and internship program,
- sharing knowledge and good practices – being part of industry associations and public administration support.

Impact on the society

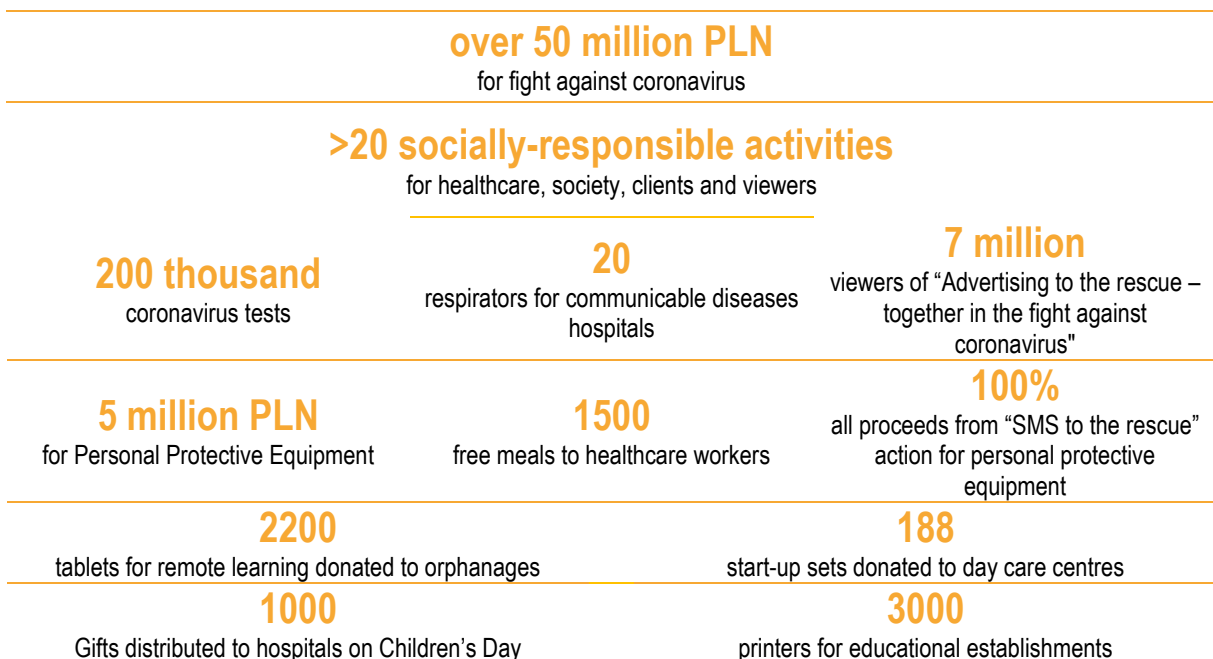
- state-of-the-art technologies – construction and development of 5G network,
- counteracting digital exclusion – regular development of LTE/LTE Plus Advanced technology and extending network coverage,
- cooperation with NGO's – support provided to Polsat Foundation and aid to disabled children, SMS actions with other foundations, numerous initiatives under employee volunteering program "I like helping" („Lubię pomagać”),
- promotion of sport and healthy lifestyle – sponsoring of volleyball, sports broadcasts on free national channels, health education in TV programs,
- access to information – “The News” („Wydarzenia”) of Polsat recognized as the most reliable news program, Internet access provided by our companies is a “window to the world” for many Polish families,
- access to the culture– programming offer of TV Polsat and TV packages of Cyfrowy Polsat in millions of households in Poland,
- access to entertainment – cabaret, movies, TV series and music and dance shows which attract multi-million audience to Polsat,
- access to education – eTornister (e-Schoolbag): an integrated educational platform replacing traditional student's books and workbooks at school, an offer for self-governments and schools in Poland.

Impact on the environment

- management of environmental impact – environmental challenges for individual companies, ISO certificates, control of used raw materials, electricity saving,
- monitoring and reporting – sharing information about energy, water, raw materials consumption in the non-financial report,
- investments into modern solutions – photovoltaic solutions included in the offer, company and private car sharing, energy-saving lighting and buildings,
- waste management – recycling of electro-waste, documents and packaging,
- membership in Clean Poland Program Society (Stowarzyszenie Program Czysta Polska) - joint care for the natural environment, air, water and nature,
- environmental education – activities promoting 3R (*recycle, reduce, reuse*) among members of the Clean Poland Program Society, series of information: „EcoLOGIC at work and at home” in the internal communication,
- reduction of traveling – video conferences with stakeholders, online meetings of project teams, webinars and online trainings.

1.3. Key facts and figures

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



1.4. Polsat Group reacts responsibly in fight with coronavirus

The care for health and safety of Customers, Contractors and Employees has become the **main goal** of Cyfrowy Polsat Group in the time of coronavirus pandemic. Therefore, numerous activities were initiated in order to **minimize the risk for our key stakeholders**, as well as to ensure business continuity of companies from the Group.

The following rules have been introduced:

- remote work for our employees, recommendations of staying at home, limiting direct interpersonal contacts or the mode of rotational work for team where the introduction of remote work was possible,
- limiting business meetings with customers, suppliers, external contractors and recommending other forms of contact, e.g. conference calls or video conferences, as well as cancelling business trips in Poland and abroad,
- limiting internal business meetings and restricting movement in the buildings,
- recommendation for participation in industry events (including fairs, conferences) and trainings in online mode,
- supplementing internal knowledge base with training materials, among others, how to cope with stress, manage strong emotions, manage time when working remotely, support employees, yourself and relatives during the time of epidemics?
- delivering and distributing current news related to the coronavirus,
- temperature measurement before entrance to the building and installation of dispensers with disinfectant and placing them in common areas in the Company's offices, disinfecting equipment, cars and other tools used during daily work,
- introducing relevant procedures and disinfectants at customer service points.

Since the beginning of the pandemic, Cyfrowy Polsat Group has been responsible involved also in **support activities provided to many social groups**, allocating – together with Zygmunt Solorz – the total of **over PLN 50 million** for a fight against coronavirus.

Figure 4. Polsat Group in fight with coronavirus



GOOD PRACTICE: PLN 50 MILLION FOR THE FIGHT AGAINST CORONAVIRUS



Cyfrowy Polsat Group and Zygmunt Solorz allocated the total amount of **PLN 50 million to support the society and healthcare sector during the fight with coronavirus pandemic**, engaging in activities for the benefit of various social groups and addressing them to the society, hospitals, doctors, nurses, rescuers, customers, viewers and employees. **Cyfrowy Polsat Group together with Polsat Foundation** covered with its activities the areas of **health and safety, aid to children and youth, aid to senior citizens** as well as **education and information**. It was both **the financial support as well as the support in kind**, including among others the purchase of 200 thousand coronavirus tests, 20 respirators, protective equipment, disinfectants, a commercial block in TV Polsat, SMS actions or purchase of electronic learning equipment for children from foster families and orphanages. **Educational and information function was performed by Polsat News channel and The News (Wydarzenia)**, broadcasted a few times a day on the main Polsat channel, polsatnews.pl portal and **Polsat News** mobile application.

Cyfrowy Polsat Group together with Polsat Foundation covered with its activities the areas of **health and safety**, **aid to children and youth**, **aid to senior citizens** as well as **education and information**.

The most important activities are as follows:

GOOD PRACTICE: PURCHASE OF 200 THOUSAND CORONAVIRUS TESTS INCLUDING THE NECESSARY LABORATORY EQUIPMENT



Cyfrowy Polsat Group and its founder and main shareholder (Zygmunt Solorz), purchased **200 thousand genetic tests** confirming the presence of coronavirus, used by all laboratories performing tests for the Ministry of Health. The tests were accompanied by **8 sets of diagnostic devices**, that is thermocyclers and systems for automatic extraction, including all necessary materials to perform the comprehensive examination withing the pool of donated tests.

GOOD PRACTICE: PURCHASE OF MEDICAL EQUIPMENT



Plus and Polsat Foundation purchased together 20 state-of-the-art respirators for communicable diseases hospitals, worth nearly PLN 3 million.

Polsat Foundation purchased **personal protective equipment** for over **PLN 5 million**. Doctors, nurses and paramedics across Poland, being on the frontline of the fight with coronavirus, received among others:

- Three-layer surgical masks,
- P2 and P3 masks,
- protective gloves,
- hard face shields,
- surface disinfectants,
- overalls,
- medical goggles ,
- surgical masks,
- KN 95 P2 masks,
- respirators.

GOOD PRACTICE: "ADVERTISING TO THE RESCUE – TOGETHER IN THE FIGHT AGAINST CORONAVIRUS" – A SPECIAL COMMERCIAL BLOCK IN POLSAT



TV Polsat and Polsat Media Advertising Bureau aired a **special commercial block "Advertising to the rescue – together in the fight against coronavirus"**. Over **7 million viewers** watched Polsat channel on 2 April 2020, at 6:45 p.m. Thanks to this, the amount of **PLN 3 million** has **been collected**. PLN 2 480 000 was contributed by advertisers, the remaining amount of over PLN 0.5 million was added by TV Polsat. **All the collected funds have been distributed**, via Polsat Foundation, to **hospitals and institutions involved in the fight against epidemic most in need**.

When the national quarantine revealed that in many households **it was impossible to carry out the remote online education**, Polsat Foundation and companies from Cyfrowy Polsat Group have responded immediately. In response to this need, the following projects have been executed:

GOOD PRACTICE: TABLETS FOR REMOTE LEARNING FOR ORPHANAGES AND FOSTER FAMILIES



Responding to **the needs of families and children related to remote education**, while trying to **equalize chances of knowledge gaining** and supporting the social action #stayathome, **Plus** together with **Cyfrowy Polsat** and **Polsat Foundation** donated **2200 tablets** to institutions which, due to the number of children covered by their care, were most affected by the problems resulting from a need of remote learning. The aid was granted to:

- orphanages,
- family orphanages,
- foster families,
- correctional facilities.

GOOD PRACTICE: START-UP SIM SETS FOR DAY CARE CENTRES



Thanks to the joint action of **OPPO**, **Plus**, **Polsat Foundation** and technology editor's office of **Wirtualna Polska**, **188 start-up sets with free calls, SMS and Internet access were donated to those who are under the care of "Polki Moga Wszystko" (Polish Ladies Can Do Everything) Foundation**. Start-up sets with mobile devices were delivered to **24 day care centres** which were closed during the isolation period. Thanks to this donation, tutors were able to stay in contact with children and their parents – help them in their homework, prepare games and activities supporting development and ensure emotional support in crisis situations.

GOOD PRACTICE: "PRINT WITH SMILE" – PRINTERS FOR EDUCATIONAL INSTITUTIONS



Thanks to the joint program of **HP** and **Polsat Foundation "Print with smile"**, Polish educational, correctional institutions and foster families received **3000 printers**. Beneficiaries received the latest model of **HP Neverstop Laser** printer, including toners sufficient to print even up to 5000 pages (which in practice means from a few months to a few years of use without any additional costs). Value of HP's contribution to the projected amounted to nearly **PLN 2.6 million**.

Coronavirus epidemic made us realize that not only our own health is important, but also **supporting others** including business neighbours. Under the **initiative started by our employees, we have organized an action for medical staff of the Ministry of Interior and Administration**.

GOOD PRACTICE: "FEEL THE TASTE OF HELP"

Novelty 2020



During the national quarantine, our friends from the neighbourhood – **4 Smaki Restaurant&Catering** – transformed into **"Kitchen of help"**. Although they could not prepare meals for the employees working in our office building in Mokotów, Warsaw, they decided to continue working while **cooking meals for those who were at the frontline of fight for life and health of inhabitants of Warsaw**.

While being aware that doctors and medical staff of the Central Clinical Hospital of the Ministry of Interior Affairs and Administration are also a kind of our neighbours from the "Mokotów hood", we have not been passive about this inspiration. Under our internal communication, we announced **"Feel the taste of help"** action encouraging employees to finance meals for medical staff from the Ministry of Interior Affairs and Administration.

PLN 15 172 – it is the total value of donations contributed by the employees of Cyfrowy Polsat and Polkomtel. On their behalf, 4 Smaki Restaurants&Catering prepared the total of **1 520 meals for the medical staff**.

Other activities worth mentioning include:

GOOD PRACTICE: "LET'S HELP EACH OTHER" – A SOCIAL CAMPAIGN ADDRESSED TO SENIOR CITIZENS

Novelty 2020



The goal of the campaign **"Let's help each other"** was to draw the attention to difficulties faced by elderly people during the pandemic. **The main message** of the campaign – **a helping hand** – was designed to **increase the feeling of safety for the elderly**, as well as **build a solidarity and the feeling of responsibility** for the others.

The campaign's features:

- 2 scenarios ("grandma" and "grandpa"),
- 2 lengths of commercial spots (30 and 45 seconds),
- Examples how anyone can help (e.g. by organizing a video call with relatives, going shopping, paying bills).
- Record time of execution:
 - 3 days for casting, location selection and recording of the material,
 - 7 days from the concept to airing of the first commercial spot,
- New reality:
 - Commercials were shoot while strictly adhering to the safety and safe distance rules (including a minimum staffing, masks and gloves at the set) ,
 - Characters of commercial spots were filmed mainly from outside, using a drone and lenses with long focal length.

GOOD PRACTICE: "STAY WITH ME" – SOCIAL AND SPIRITUAL ACTION FOR PEOPLE HOSPITALIZED DUE TO COVID-19



Polkomtel, operator of Plus from Cyfrowy Polsat Group, has become a technological partners of the action: "Stay with me" – social and spiritual support for patients hospitalized due to COVID-19" executed by the Polish Society of Spiritual Care in Medicine (PTODM). The goal of the program is to ensure a virtual contact with relatives for patients with COVID-19, in particular patients who are incapacitated, in severe condition or in life-threatening condition.

Under the first part of the program ("Talk to me") Plus has donated smartphones with a package of free calls and data transmission to hospitals participating in the program.

GOOD PRACTICE: #heroeswearmasks (#bohaternosimaski) action



Polsat News cameraman has become an initiator of a spontaneous **social action "Heroes wear masks"**. He decided to show that an ordinary "Kowalski" may become a hero in a symbolic way. Polsat journalists have quickly joined this action, among others Jakub Hnat, Anna Wachowska, Wioleta Wramba, Rafał Zalewski. Dorota Gawryluk proved that one could be The News ("Wydarzenia") presenter while wearing a mask.

Our remaining **actions and initiatives** are:

- "SMS to the rescue" – (all proceeds used for the purchase of necessary personal protective equipment for the employees of health care),
- Donating 3000 daffodils to the "Wolne Miejsce" Foundation under the action of "Easter Breakfast for the Lonely",
- 10 thousand masks from Plus and ZTE Poland (donated to the Mother and Child Hospital in Warsaw, University Hospital in Bydgoszcz, Multidisciplinary Municipal Hospital in Poznań, Warsaw Medical University, Military Institute of Medicine),
- Aid to the Provincial Ambulance and Sanitary Transport Service "Meditrans" SP ZOZ in Warsaw
- #okonamalucha (#newbornsunderthewatchfuleye) – SIM cards with Internet access from Plus (for the Department of Neonatology and Neonatal Intensive Care Unit of the Warsaw Medical University in the Princess Anna Mazowiecka Clinical Hospital),
- #CzytamyDlaDzieci (#ReadingforChildren) – 1 month of joint reading with Polsat Foundation and the known and popular persons,
- 1000 gifts for children in hospitals from the employees of the Polsat Media Advertising Bureau,
- "Training in the time of pandemic" (a short series of workouts for the viewers of Polsat News).

Educational and information function during the pandemic was performed by **Polsat News channel** and **The News (Wydarzenia) program**, broadcasted a few times a day on the **main Polsat channel**, polsatnews.pl portal and **Polsat News** mobile application. Summary of the latest news from Poland and from across the world related to coronavirus and COVID-19 disease was presented in the **special program: "Report. Everything about coronavirus"**.

Figure 5. "Report. Everything about coronavirus"



GOOD PRACTICE: REPORT. EVERYTHING ABOUT CORONAVIRUS



Since Saturday, 24 October 2020, the entire country has been named a red zone. Thus, every person living in Poland had to face further restrictions and recommendations aimed at limiting the spread of coronavirus. In response to the information chaos, **Polsat News** decided to introduce a new program "**Report. Everything about coronavirus**" – in which from Monday to Friday the viewers receive reliable and accurate news from Poland and the world related to the pandemic. The program is hosted by the journalists of Polsat News, including among them Monika Sawka who hosts "The News at 12:50".

On Saturday and Sunday most important news regarding the pandemic appear in "**Coronavirus. Report of the day**" (also broadcasted on Polsat News channel).

In connection with the spread of coronavirus and introduction of a total ban on people movements (the so-called *lockdown* under the #stayathome action from March to May 2020), **Polsat News** has not been passive about a need of spiritual experience during Easter.

GOOD PRACTICE: EASTER CELEBRATIONS IN POLSAT NEWS



Polsat News showed on its channel the most important church festivities, allowing its viewers to experience Easter at home:

- Good Friday – broadcast of the Station of the Cross from the Vatican,
- Holy Saturday – broadcast of Angelus prayer and symbolic blessing of Easter food from the Temple of Divine Providence,
- On Easter Sunday and Monday – broadcast of the Holy Mass from the Temple of Divine Providence.

The broadcast of the **Easter Holy Mass** (Polsat News) attracted nearly **1.1 million viewers** (10.4% share in the group of all viewers and 7.4% in a group aged 16-49), and the **Holy Mass for Children** (Polsat Family) was watched by nearly **180 thousand viewers** (1.4% share in a group aged 4+ and 1.4% share in a group aged 16-49). The Holy Mass on Easter Monday (Polsat News) attracted nearly 750 thousand viewers (7.63% share in a group aged 4+ and 5.75% share in a group aged 16-49), and nearly 40 thousand viewers in Polsat Family channel.

Additionally, during Lent **polsatnews.pl** published a special **Internet retreat "Reflections in the time of plague"**. They were led by chaplains from various Orders and parts of Poland, who usually host the program "Everything you want to know" in Polsat Family. In response to the needs and requests of our viewers, Cyfrowy Polsat Group has made available the broadcast of the Holy Mass from the Temple of Divine Providence also in **IPLA** online service.

1.5. Green bonds

Cyfrowy Polsat was the first company in Poland outside of the banking sector to issue corporate green bonds denominated in Polish zloty (PLN), with the proceeds from the bond issue, amounting PLN 1 billion, being used for refinancing the pro-environmental projects, including improvement of the energy efficiency by the Group or reduction of **the carbon footprint** associated with the electronic devices manufactured by Cyfrowy Polsat.

The proceeds from the bond issue will be used for refinancing the expenditures incurred for upgrading and modernizing the Group's telecommunication infrastructure in terms of its energy efficiency, including in particular:

- Replacement of old energy intensive technology such as 2G and 3G with advanced 4G LTE, which has potential to reduce network energy intensity per unit of data traffic,
- Retrofitting and replacement of outdated fixed network infrastructure, such as the replacement of conventional copper-based technology with fibre optic technology, which allows for faster transmission of data over longer distances, requires less maintenance and offers reduction in energy consumption,
- Investments in energy efficient solutions which support free cooling systems, intelligent lighting, optimization of power storage, server virtualization as well as machine learning and artificial intelligence.

The framework of the green bonds issued by Cyfrowy Polsat is compliant with the **Green Bond Principles** and is **supported by the opinion of Sustainalytics, an international agency providing environmental, social and governance (ESG) ratings**, claiming that: *Framework of Green Bonds of Cyfrowy Polsat Group is reliable and consistent with four main components of Green Bond Principles.*

1.6. 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 2020 marks the 17th 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.

Figure 6. The waterside emergency number



Figure 7. The emergency number in the mountain



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**, which 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 two emergency numbers – **601 100 100** and **601 100 300**:

- 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 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:

- Select your location – by the water or in the mountains.
- 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).
- Send your location by SMS (the application automatically sends the caller's location by SMS while a call is in progress).
- 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 2020 the Rescue application had over **135 thousand users**.

Examples of successful rescue actions initiated by calls to emergency numbers and use of Rescue application in 2020:

- **GOPR Podhale Mountain Rescue unit to the rescue of “Mountain walruses” (January 2021)** – a notification about 5 people requiring urgent help of rescuers in the area of Babia Góra. Tourists, despite extreme weather conditions, decided to conquer the peak while wearing almost no clothes. It is a new fashion of strengthening the organism, consisting in waling in the mountains in the winter only in shoes and shorts, without thermal clothing, long trousers, jacket or sweater. The tourists which were nearby as far as possible shared their clothes with “mountain walruses”, but the condition of one of the women participating in this failed attempt prevented the group from returning by themselves. Due to the potential number of people requiring transport, over 20 rescuers from GOPR Beskidy and Podhale Group went to the rescue. After reaching the victim, the rescuers protected her thermally, put on the stretchers and then started the transport towards Krowiarki pass, where she was transferred to an ambulance.
- **Rescue mission to the area of Barania Góra (January 2020)** – dispatchers of SR Przysłop received a notification from CSR Szczyrk about 2 missing persons who were going along the black route to the peak of Barania Góra and to the mountain chalet at Przysłop. Along with the phone notification, the rescuers received coordinates of the place where the missing persons were located. It was possible to determine their location thanks to the “Rescue” application. Tourists were found in the indicated place to which the rescuers had to go on foot through big snow. The tourists were very chilled, they received an energy meal and hot tea as well as additional clothing (tourists were equipped with cotton clothes and summer trekking shoes, which was not adequate to the weather conditions).
- **WOPR Sopot in 2020** – Water Rescue Coordination Centre in Sopot coordinated the total of 413 rescue actions in which 530 people needed help. During these actions the total of 489 people have been saved, but – despite efforts

of all rescue services – also 34 deaths were recorded. Rescuers from WOPR Sopot, similarly to dispatchers from CKRW Sopot, had a lot of work – they were directly involved in 117 actions in which 133 people expected help. They managed to provide aid to 124 people, unfortunately despite their efforts 5 people died. The first action of the rescuers took place on 29 January and the last recorded activity happened on 30 December 2020. Both actions took place at the same place in Gdańsk and unfortunately both interventions have ended tragically. During the actions and daily work the engines in boats and water scooters have worked over 380 hours and quads have driven nearly 2000 kilometres.

- **MOPR (July 2020)** – a notification was received at the emergency line 601 100 100 concerning a 21 years old woman who suffered a seizure. Everything would have gone well, if not for a problem with locating the place of event. The crew and a helmsman were panicked and could only inform that they were at Kisajno lake. However, finding a yacht on 1896 ha is not that easy. Thanks to a long conversation and “Rescue” application it was possible to determine an exact location of the yacht, which shows how important is tracking the cruise of a boat and knowledge of a topography of lakes, at least to the minimum degree. In this particular case the help has come in time. The woman has been handed over for further hospitalization.

1.7. Aid to children

Providing aid to children is one of the pillars of our social mission. For nearly 25 years now, in line with its mission statement: **“We are here to save the health and the lives of the youngest, Polsat Foundation** has been making continuous efforts to improve the health situation of the youngest patients in Poland.

The Foundation’s current activities also include numerous ecological initiatives and actions, including Polsat Group’s activities related to fight against smog and the harm it causes. These activities are undertaken via the recently established Clean Poland Programme Association.

1.7.1. Polsat Foundation

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

During 24 years (key figures):

Aid provided to over 37.8 thousand children	Support for over 2637 hospitals and health centers, as well as schools, kindergartens and orphanages
PLN 257 million allocated for financing the statutory goals	Over PLN 21.6 million collected from the St. Nicholas Day Commercial Block
Over PLN 26.6 million donated from 1% of Personal Income Tax	

[GRI 203-1, GRI 203-2]

The superior goal of the Foundation is support for those who are most in need. 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.

In 2020 Polsat Foundation:

- helped 1 751 children,
- supported 1 413 healthcare units,
- donated PLN 18 046 220.

Key events in 2020:

- involvement in the fight against the coronavirus as well as prevention of digital exclusion during the national quarantine:
 - 2200 tablets donated to 415 institutions (state-run orphanages, family-run homes for orphans, care-and-educational centers);
 - medical equipment (including ventilators), personal protective gear (such as masks, hoods, protective suits, disinfectants) for hospitals and medical staff;
 - 3000 printers donated as part of the action "Drukuj z uśmiechem" ("Print with a smile") to schools, orphanages, care-and-educational centers, foster families and hospitals
- repair works in the Otolaryngology Ward for Children in Rybnik,
- commissioning for use of a special room for the only in Poland Simulation Center for Low-invasive Surgery of Children in the Children's Memorial Hospital,
- support for the efforts of neurologists and the community of SMA Families (families with patients suffering from spinal muscular atrophy) to make the gene treatment, once registered by the European Medicinal Agency, available in Poland as part of public healthcare (NFZ)
- support for hospices,
- involvement in an action organized by the students from Wrocław called "Wielka Draka Dla Dzieciaka" (Big Noise to Save Kids),
- start of construction of the Center for Rare Diseases

As part of its activities related to providing aid to individuals, Polsat Foundation has financed:

- medical equipment,
- rehabilitation equipment,
- orthopedic equipment,
- specialized rehabilitation, medicine, ointments and dressings,
- in exceptional cases the Foundation also financed operations in private clinics in Poland as well as abroad.

Repair and modification works in medical establishments make up a significant part of Polsat Foundation's expenses.

Since the beginning of its operations the Foundation has been supporting medical establishments and centers involved in rehabilitation and treatment of children.

The biggest investments (in the years 2015-2020) included:

- repair works in the Children's Otolaryngology Ward in Specialized Provincial Hospital no. 3 in Rybnik, where a salt grotto was also built,
- repair works in the Maternity and Neonatology Ward of a hospital in Lubartów
- repair works and modernization of the Polsat Foundation's Pomeranian Center of Laser Therapy – it is the biggest facility of this type in Poland,
- repair works in the Maternity Ward of the County Health Center in Otwock,
- expansion of the Neonatology, Pathology and Intensive Care Clinic for Newborns in the Children's Memorial Hospital (IP-CZD) and construction of rooms for mothers within the Clinic – it is the biggest clinic of this type in Poland,
- repair works and modernization of the Neonatology Ward of the Women's Health and Obstetrics Center of the Medical University of Warsaw.

“**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 special 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 2019 the Foundation has been running a special **TV show** which is broadcast in **Polsat News** channel.

GOOD PRACTICE: PROGRAM #JESTESMYDLADZIECI (#WEAREHEREFORTHECHILDREN)



“**#JesteśmyDlaDzieci**” TV program is broadcast in Polsat News every Sunday at 1.30 p.m. The 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.

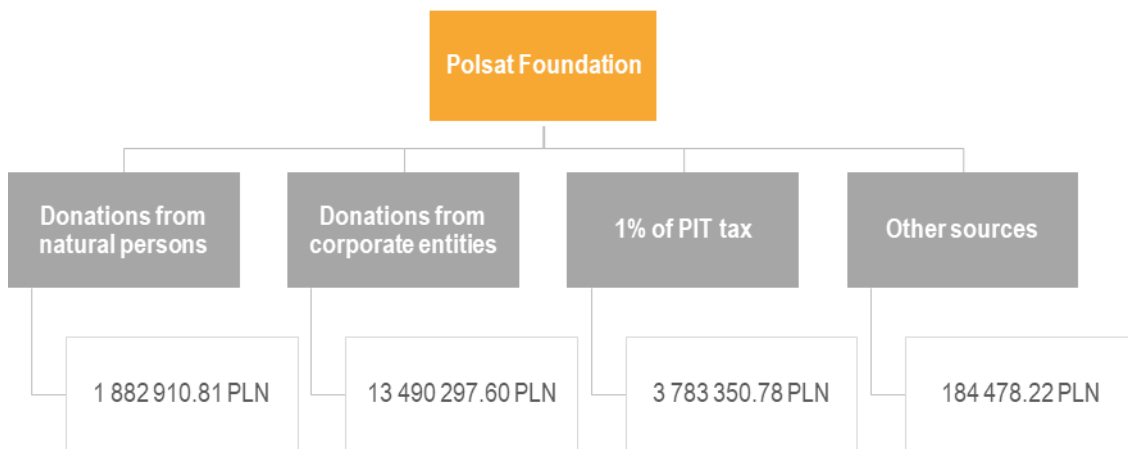
In 2020 the program addressed the following issues:

- building immunity among children,
- inoculations,
- smog and coronavirus,
- school during the pandemics,
- coronavirus and the problem of rare diseases,
- obesity in children,
- prematurity,
- rheumatism in children,
- skin diseases in children,
- eye diseases and vision defects,
- depression among children and teenagers, etc.

Polsat Foundation’s activities include financial support for medical establishments and centers all over Poland. To this date aid reached **2637 hospitals and medical centers which are involved in the treatment, rehabilitation and therapy of children, as well as schools, kindergartens and orphanages**. During the 24 years Polsat Foundation donated nearly **PLN 1.09 million** to support the activities of **hospices**. To-date **37.8 thousand** children received financial support for their medical treatment.

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 “**#JesteśmyDlaDzieci**” (**#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 8. Financing of Polsat Foundation in 2020



GOOD PRACTICE: ST. NICHOLAS DAY COMMERCIAL BLOCK



For 17 years now TV Polsat and Polsat Media media house have been organizing **Mikołajkowy Blok Reklamowy (the St. Nicholas Day Commercial Block)**. Every year millions of Poles wishing to help ill children by watching the commercials are attracted to TV screens at 6.45 p.m. on December 6. The dozen or so minutes of commercial air time activates a special meter. **The income from the St. Nicholas Day Commercial Block**, calculated on the basis of audience measurements, **is donated to treatment and rehabilitation of the children who are under the care of Polsat Foundation.**

In **2020** the St. Nicholas Day Commercial Block was also aired in IPLA online TV. A total of nearly **7 million viewers** watched the commercials. As a result nearly **PLN 1.6 million** was received on the Foundation's account. The amount of over **PLN 21.6 million** was collected during the to-date **seventeen** editions of the St. Nicholas Day Commercial Block. **The entire amount was transferred for treatment and rehabilitation of children.**

The following companies joined the action: Bank Millennium S.A., BSH Sprzęt Gospodarstwa Domowego Sp. z o.o., Cinkciarz.pl Marketing Sp. z o.o. Spółka komandytowa, Coca Cola Services, Colian Sp. z o.o., Cyfrowy Polsat S.A., Garmin Polska Sp. z o.o., Grupa Maspex Sp. z o.o. S.K.A., Kaufland Polska Markety Sp. z o.o. Sp. k., McDonalds Polska Sp. z o.o., Media Saturn Holding Polska Sp. z o.o., Neoidea Sp. z o.o., Nestle Polska S.A., NIVEA Polska Sp. z o.o., Oponeo.pl S.A., Pepsi-Cola Bottlers Poland Sp. z o.o., Platforma Vivus Sp. z o.o., Polkomtel Sp. z o.o., PZU S.A., Santander Bank Polska S.A., Suempol Sp. z o.o., Tarczyński S.A., Tesco Polska Sp. z o.o., Vinted UAB, Volkswagen Group Polska Sp. z o.o., Zakłady Tluszczone Kruszwica S.A., Żabka Polska sp. z o.o.

Piotr Gąsowski, the host of "Your Face Sounds Familiar" show, appeared as the Santa Claus. **Dorota Gawryluk**, the Director of the News and Journalism Division of TV Polsat (Pionu Informacji i Publicystyki Telewizji Polsat) and **Jarosław Gugala**, one of the best known and most liked TV Polsat journalists also appeared in the spots encouraging viewers to tune in to the Santa Claus Commercial Block. In social media the action was supported by the people who are well known and liked by the public, i.e. **Karolina Gilon, Małgorzata Socha, Joanna Liszowska, Aneta Zajęc, Katarzyna Skrzynecka, Viki Gabor, Maciej Dowbor, Kacper Kuszewski, Jerzy Mielewski, Edyta Zajęc and Michał Bartkiewicz.**

[GRI 203-1, GRI 203-2]

An important part of the Foundation's revenue also comes from **1% of personal income tax**. For years, through the campaigns aired in its channels, TV Polsat has been encouraging its viewers to support the Foundation when filling in the yearly tax return forms. So far the Foundation has received nearly **PLN 26.6** 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 4. Donations for Polsat Foundation from key sponsors in 2020

#	Donor	Donation amount
1	HP INC POLSKA SP. Z O.O. **	3 229 741.17
2	TELEWIZJA POLSAT SP. Z O.O.	2 728 890.10
3	POLKOMTEL SP. Z O.O.	1 986 687.07
4	POLKOMTEL SP. Z O.O. *	1 311 988.70
5	ORANGE POLSKA SA *	859 568.90
6	POLSAT MEDIA BIURO REKLAMY SP. Z O.O. SP. K	736 830.00
7	PROCTER AND GAMBLE DS. POLSKA SP. Z O.O.	564 000.00
8	CYFROWY POLSAT SA	554 000.00
9	P4 SP. Z O.O. *	511 810.00
10	T MOBILE POLSKA SA *	470 340.00
11	NETIA SA	250 000.00
12	AMAZON FULLFILMENT POLAND SP. Z O.O.	200 000.00

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

**donations in kind

1.7.2. Employee volunteering

Though employee volunteering activities are not covered by any formal procedures in Polsat Group, **our employees have for years demonstrated that they want and like to help others**. We cooperate closely with the **Polsat Foundation** and **Polki Mogą Wszystko Foundation** (Formerly Przyjaciółka Foundation).

[GRI 203-1, GRI 203-2]

In 2020 our employees and associates participated in several **charity actions**.

GOOD PRACTICE: CHILD'S DAY GIFTS FOR THE CHILDREN TREATED IN HOSPITALS



In June 2020 (on the occasion of the Child's Day) the staff of **Polsat Media** dressed up as the cult cartoon characters **and visited the hospitals that Polsat Foundation cooperates with**. The goal of the action was to support the children on their path to recovery by making them smile and by putting away, at least for a moment, the sorrows connected with a hospital stay during the pandemics. The superhero brigade accomplished their mission and visited the small patients in the following hospitals:

- Children's Memorial Hospital Centrum Zdrowia Dziecka,
- Professor J. Bogdanowicz Children's Hospital,
- Polish Mother's Memorial Hospital Research Institute
- County Medical Center in Otwock,
- Central Clinical Hospital of the Medical University in Łódź

Nearly **1000 children received gift packs** which contained building blocks, toys, games, puzzles and even cosmetics. The gifts were also sent to SPZOZ Lubartów and WSS in Rybnik where Polsat Foundation was at the time conducting the renovation of the Children's Otolaryngology Ward.

GOOD PRACTICE: BLOOD DONATION ACTION ORGANIZED NEXT TO TV POLSAT



In September 2020, in response to a bottom-up initiative and appeals from hospitals, a **blood donation** action was organized in front of TV Polsat building. The action was carried out jointly with the **National Blood Center**. A total of as many as **52 volunteers**, - mainly the employees of TV Polsat and Polsat Media, registered for the action. Nearly 90% donors positively underwent the medical qualification thanks to which each of them could offer 450 ml of blood. Over 20000 units of blood were collected during the day with a view to save the lives and the health of the patients in emergency hospital wards.

GOOD PRACTICE: BIG BOARD GAMES TOURNAMENT

Novelty 2020



At the turn of September 2020 **Cyfrowy Polsat companies** and **Polkomtel** joined the “Big Board Games Tournament” which was organized by **Polki Mogą Wszystko Foundation**.

The goal of the action was to **support the balance between the new digital skills, gained during the lockdown, and the social skills** that board games offer.

We donated a total of **40 different board games** which support education and development of children and teenagers, as well as **the games which support the therapeutic process** (in terms of emotions and discovery). Board games went to selected local community day care centers which participated in a special contest for own concept of a board game. The volunteers who participated in the action could vote on the project which was the best in their opinion. We also invited our business partner to participate in the action. This way we were able not only to increase the pool of the prizes but, which was more important, **also add an important building block to the initiative, with a positive message**. We presented to the children two outstanding **authorities** – the two “dreamers” who **designed the game that they devised, obtained the funding for the implementation of the concept, and produced the games called** **Plażing – paraway w dłoń** (Beach going – take your windbreaks) and „Plażing Roll&Write” (Beach going – Roll&Write).

GOOD PRACTICE: CHRISTMAS GIFT PACKS FOR CHILDREN FROM ORPHANAGES

Continuation



It is the second time in a row that thanks to the enormous enthusiasm of **Polsat Media – Advertising Office’s** staff, the support of a big group of friendly companies we have been able to prepare Christmas gift packs for the children living in various orphanages. The surprise gifts reached 1 250 children in 35 institutions across Poland.

The action was joined by such companies as LEGO, LEGO DUPLO, Mattel, Barbie, Hot Wheels, Fisher-Price, Hasbro Polska, Eppe, Trefl, MGA Entertainment, Playmobil, REBEL.pl, Inglot, Ziaja Polska, Cyfrowy Polsat, ipla, Chicco, Spin Master Global, Simba, Toys Polska, Semi line and Storck.

GOOD PRACTICE: SANTA CLAUS COURIER

Continuation



At the turn of November 2020 the employees of Cyfrowy Polsat and Polkomtel once again took the roles of Santa’s elves. Since 2010 **we have been participating in the action organized by Polki Mogą Wszystko Foundation – Santa Claus Qurier**. The action is intended to **make the dreams come true for the children who in their day-to-day lives have to cope with the parents’ drinking problems and unemployment, lack of acceptance at school and lagging behind with their learning**.

Over the **10 years** we provided helped nearly **1500 children from such community daycare centers**, located in various towns and places in Poland, believe in themselves

In 2020:

- **we operated in the new circumstances**, while having to cope with numerous challenges posed by pandemics

- **an online platform** was launched from which volunteers could collect letters with children's dreams
- **more than 160 volunteers** from Cyfrowy Polsat and Polkomtel were involved in the action,
- **we responded to 79 letters** with children's dreams (in 2019 we responded to 115 letters),
- we provided care **to the children attending Father Jan Twardowski Special School and Educational Center in Konarzew**,
- **we supported teamwork** (1 gift was, on the average, prepared by a 2-person team).

GOOD PRACTICE: CHRISTMAS HOME WORKSHOPS: DIY



In December 2020 we invited our employees to participate in the **Christmas Handicraft Workshops with a Mission** in a totally new formula. Due to the coronavirus pandemics, **for the sake of the safety and health of our employees** we decided to carry out our latest project on the **DIY (do it yourself)** principle. We took off with the action under the slogan: **"Zrób coś dla siebie. Zrób coś dla innych" (Do something for yourself. Do something for others)**.

The purpose of the event was to **preserve the spirit of Christmas and of collaboration** in a special form – 3-in-1 (Do-it-yourself, Do-it-for-yourself, Do-it-for-others) and **to support a very special child under the care of Polsat Foundation** (a 3-year-old Karolinka who was the first in Poland to undergo an operation of spina bifida with the use of keyhole surgery method while still in a mother's womb).

In 2020:

- we prepared 150 DIY creative sets
- we offered the possibility of having more than 500 Christmas decorations handcrafted,
- we involved more than 500 people – small and big volunteers,
- we set up a dedicated bank account for donations for Karolinka,
- we created a Christmas gallery of photos in our intranet portals.

Voluntary donations gave nearly **PLN 6.5 thousand**. **The entire amount was donated to the treatment and rehabilitation of Karolinka**. In spite of the successful operation, the girl was born as a premature baby, with an extensively dilated ventricles and dysfunction of bladder and rectal sphincters. The girl is under a constant care of a speech therapist, psychologist, nephrologist, urologist, eye doctor and neurologist.

There is yet one more form of providing aid which we not only get involved in but which we also promote. It is donating the **1% of one's 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**. With these exceptional kids of our employees in mind, we also prepare gift packs containing gadgets which help them learn (the gift packs contain such things as a pencil box, crayons, work sheets, drawing pads, etc.).

1.8. Promotion of sports

[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 but other disciplines as well, while promoting physical activity, in the broad sense of the term, among 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.

That is why in the times of the **national quarantine** we have become involved in **helping people keep fit** and we proposed short sets of physical exercise that **Polsat News** viewers should be able to do at home.

Figure 9. Workouts during the pandemics



GOOD PRACTICE: WORKOUTS DURING THE PANDEMICS



The coronavirus pandemics and the restrictions that were introduced as well as the safety concerns require that people limit the time they spend outdoors to a bare minimum. That is why **Polsat News** has decided to encourage everyone to practice physical exercise at home by presenting simple sets of exercise to help people stay healthy. Piotr Galus, a **personal trainer** who has been connected with Polsat for years, has become the face of "Trening w czasach pandemii" ("Workouts in times of pandemics") show. The sportsman encouraged viewers to practice spontaneous physical activity at home, turn their balconies into training places and get some fresh air, even if only this way.

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 medals. 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.

GOOD 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 associate 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) signed 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. Sports is **one of the most broadly covered areas** by Polsat Group.

Sports in Polsat Group has one of the broadest portfolio in the field of broadcasted sports. With viewers in mind **we have been consistently betting on football (soccer)** at its best, as played by the national team. **We have 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, while also being experienced in providing **media services and support** (including own OB trucks, on-site studios and hundreds of supporting personnel). 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. 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 is 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.

Our channels also regularly 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** (for years we have been broadcasting the matches from the most prestigious tournament of the world – the Grand Slam Wimbledon tournament).

Broadcasting via free-to-air channels and on scrambled 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 (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.

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 2020 included:

- Gala Polsat Boxing Night Cieślak vs Mabika
- UEFA Super Cup match between Bayern Munich and Sevilla FC
- DTM race with Robert Kubica participating.

Broadcasting of major sports events also means popularization of numerous sports. TV Polsat and our sports and news channels support the activities which popularize physical education by promoting them 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 as well as football and tennis.

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 social-and-educational 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. In 2020, while caring for the health of our viewers and customers and also of our employees, due to the coronavirus pandemics we temporarily suspended some of the well-known

good practices (i.e. the Fun Day with Nickelodeon and the Sunny Station). Both of these events have so far had the form of large-scale events which involved direct contacts between people.

OUR BUSINESS



- Who are we?
- What is **our governance structure**?
- What are the **key areas of our operations**?
- What do we offer to **our customers**?
- What are **our strategic activities**?
- What **opportunities and risks** do we face?
- Which **market trends** may affect our development, revenues and profitability?
- What awards have we received and who has noted our efforts?



2. Our business

2.1. Key figures

Key figures 2020

[GRI 102-7, GRI 201-1], [Accounting Act – Key Performance Indicators]

No 1 – the biggest media and telecommunications group listed on the Warsaw Stock Exchange, with market capitalization of **PLN 19.4 billion**

Customers and services ¹		Financial results	
5.5 million contract customers	18.0 million services provided	PLN 11,963 million revenues of Cyfrowy Polsat Group	
6.4 million multi-play services provided		PLN 11,567 million economic value distributed	PLN 438 million² economic value retained
PLN 87.2 average revenue per contract customer	>7 million of Poles within 5G Internet coverage	PLN 950 million payout to investors	PLN 994 million payments to the State Treasury
Television market		PLN 58 million	
23.9% audience share in the commercial group	28.5% TV advertising share	community investments (including financial support of the Polish society in the fight against COVID-19)	
Employee		Environmental	
7.4 thousand³ employees		572 tons of waste sent by Cyfrowy Polsat for recycling	

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

² 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).

³ The average number of non-production plant employees in 2020, 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]

In July 2020, Cyfrowy Polsat Group finalized the transaction of acquisition of 100% shares of Interia.pl Group – a leading player on the online media market in Poland. Following the acquisition of Interia Group we have become one of the leading entities on the Polish Internet advertising market. As a result of the transaction, Cyfrowy Polsat Group has consolidated the financial results of Interia Group since Q3 2020. In this report describing non-financial data of Cyfrowy Polsat Group, the Interia Group has not been included.

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]

Polsat Group is the biggest provider of multi-play media and telecommunication services in Poland. **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 in the newly built 5G technology and over fixed-line networks, including fibre optic lines. We also offer a wide array of wholesale services on the telecommunications (interconnect), pay TV and advertising markets. Furthermore, **we are a leading player on the Internet media market, we also operate on the Internet advertising market**, while offering state-of-the-art marketing and promotional solutions.

We operate in two business segments: B2C and B2B services as well as through media segments: television and online services.

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

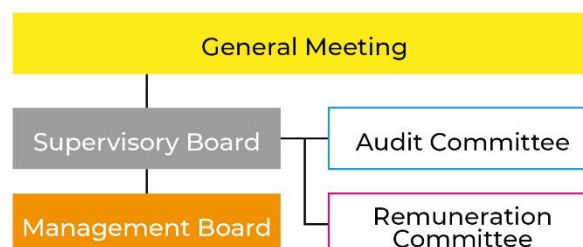
[GRI 102-1, GRI 102-3, GRI 102-4, GRI 102-5, GRI 102-6, GRI 102-18]

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 19.4 billion at the end of 2020, 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.

[GRI 102-18, GRI 405-1]

Figure 10. Governance structure of Cyfrowy Polsat



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

Table 5. Supervisory Board

Name and surname	Function	Year if 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
Marek Grzybowski	Independent Supervisory Board Member ⁽¹⁾ Audit Committee Chairman	2020	2020	2021
Robert Gwiazdowski	Supervisory Board Member	2008	2018	2021
Aleksander Myszka	Supervisory Board Member	2015	2018	2021
Leszek Rekxa	Supervisory Board Member	2008	2018	2021
Tomasz Szelağ	Supervisory Board Member Remuneration Committee Chairman Audit Committee Member	2016	2018	2021
Paweł Ziółkowski	Independent Supervisory Board Member ⁽¹⁾ Audit Committee Member	2020	2020	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 11th, 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 6. Management Board

Name and surname	Function	Year if first appointment	Year of appointment for the current term	Year of expiry of term
Miroslaw Blaszczyk	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



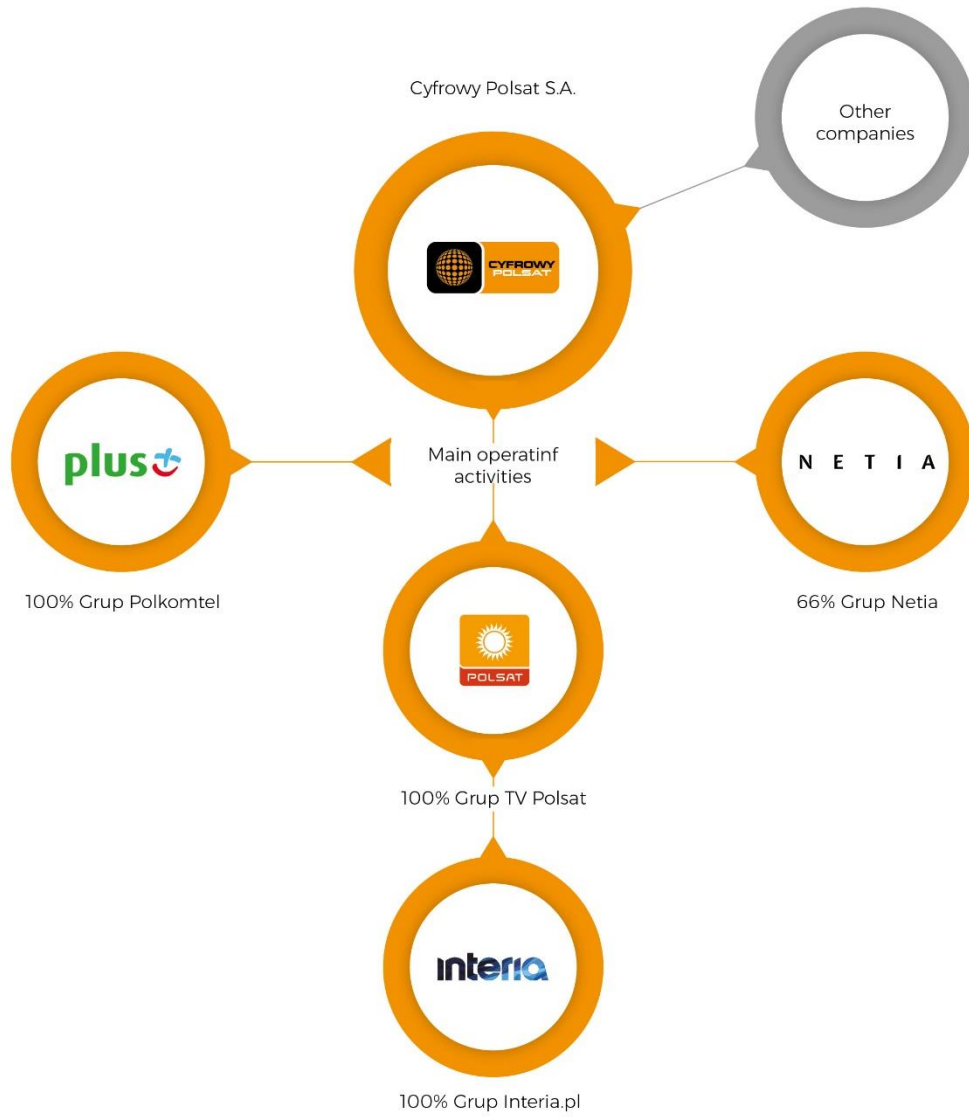
Chart 2. Structure of employment of the Members of the Management Board and Supervisory Board by gender



2.3. What we offer to our customers?

[GRI 102-2]

Figure 10. Capital structure of Cyfrowy Polsat Group



Key areas of activity

- **B2C AND B2B SERVICES SEGMENT**

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. 160 channels via all technologies which are currently available on the Polish market – in line with the idea: **For Everyone. Everywhere.**

Initially, Cyfrowy Polsat has developed itself based on satellite technology, whereas while responding to the changing trends in the area of TV content consumption, in 2019 we launched 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.

Cyfrowy Polsat also offers numerous additional opportunities:

- Thanks to the Cyfrowy Polsat GO service, customers have access to thousands of shows available on demand and over 100 linear channels, also on their mobile devices.
- 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 centre 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.

Furthermore, our **subsidiary - Netia offers** to its customers a dynamically developing IPTV service in terms of the number of users, under the brand of *Telewizja Osobista*. Currently Telewizja Osobista's offer comprises ca. 220 channels.

ONLINE VIDEO



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

- It offers access to over 120 online TV channels, live coverage from major national and international sports events.
- A few hundred 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 and Apple TV, 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 state-of-the-art LTE, LTE Advanced technology, and starting from 2020, **it has dynamically developed the first 5G network in Poland**. We offer nation-wide LTE coverage and the highest quality parameters of mobile data transfer available through our 5G network, thanks to which **our customer can enjoy highest quality services**.

- 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). Starting from 2021 we also offer **dedicated 5G tariffs, including data packs of the size which allows for convenient use of this state-of-the-art technology**.
- Our Group, through Polkomtel and Netia operating on the telecommunication market, offers to business customers mainly contract solutions. In the medium companies segments, these are mainly off-the-shelf offers, whereas in the segment of biggest companies we offer tailor-made solutions prepared for specific needs of individual customer projects and tender proceedings.
- Our business customers are offered a wide array of services which not only ensure basic and reliable communication (voice services, data transmission, SMS services), but also high-speed Internet access. In this area Polkomtel is the leader of mobile market thanks to the broad deployment of 5G technology in 2020, also for business customers.
- As a part of retail services, Plus provides international roaming services to our customers, who can use telecommunications services while being abroad and logged on to foreign networks. We are also signing the first agreements which will allow our customers to use 5G technology during their stay abroad.
- Plus also offers a wide array of devices which enable broadband Internet access. The portfolio of devices includes modems, mobile and fixed-line routers. The customer will find in the offer also tablets and laptops, including gaming laptops dedicated to gamers. End-user devices are sold in instalment plan model, whereas modems and routers are also made available through equipment lease.

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 May 2020, we launched the first commercial 5G network in Poland, using spectrum from the 2600 MHz TDD band. **It was the first stage of the fast roll-out of the national 5G network of Plus**.

- Our broadband Internet access offer is of universal nature and ensures - under a single monthly fee – Internet access relying on all technologies supported by the network with additional tariffs dedicated to 5G network. Thanks to this, nearly 100% of Poles live within the coverage area of our LTE Plus Internet service, **and our 5G network already reaches to over 7 million Poles**.
- Dedicated 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 data transmission equipment (including USB modems, fixed and mobile routers, Home Internet Sets). In addition, the offer also includes laptops, tablets and other devices in instalment plan model, as well as offers without equipment - *SIM only*.
- Customers who prefer prepaid model are offered a prepaid tariff, in which after each account top-up the customer automatically receives a certain data package, the size and validity of which depend on the value of such a top-up.
- 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 plus

- Under Netia and Plus brands, we also offer a fixed-line broadband Internet access service, among others in fibre optic technologies. The fixed-line fibre optic Internet access service is provided via extensive, national fixed-line infrastructure of Netia, including both backbone and access network, as well as based on the wholesale access ensured by selected telecommunication operators. Netia's own access network reaches nearly 3 million households across country and over 800 biggest office buildings. The service is provided in four technologies depending on the available infrastructure: copper (CU), Ethernet (ETTH), cable technology (HFC) and fibre optic (PON).
- We provide fixed-line broadband Internet access services to individual and business customers.
- Since January 2020, our fixed-line Internet access service has been also available in selected new locations based on Orange network. Service coverage has been extended with Orange infrastructure in the so-called regulated municipalities, that is the municipalities in which – based on the UKE decision – it is made available to other operators. This includes approximately 3.2 million households which, since the beginning of 2020, can purchase a fixed-line Internet broadband access from Plus network with a convenient IPTV cable TV from Cyfrowy Polsat. We have also entered into commercial cooperation with Inea and Nexera networks which render available their network resources for the needs of our customers. Therefore, the fixed-line broadband Internet access, offered by Netia and Plus, currently covers approximately 39% of households across Poland.

MULTIPLAY 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, consisting of satellite/ cable / IPTV or terrestrial television with additional TV and radio channels, LTE/5G mobile or fixed-line Internet access as well as telephony services (mobile phone subscription, fixed mobile solution).

Currently, under smartDOM and smartFIRMA programs, customers are offered a wide array of services. Apart from our flagship and core services, i.e. Plus mobile telephony (including a fixed mobile solution), Plus's LTE/5G 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 or electricity supply offer.

All of the products and services offered to customers play an important role in households and firms. Thanks to the unique 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.

• MEDIA SEGMENT

TELEVISION

TV Polsat



Polsat Group's portfolio comprises 36 channels, including our main channel POLSAT. Additionally, there is a group of 6 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 eight of them – POLSAT, Super Polsat, TV4, TV6, Polo TV, Eska TV, Fokus TV, Nowa TV – are part of the digital terrestrial television (DTT) on multiplexes MUX-1, MUX-2 and MUX-8¹ (MUX, i.e. a package of television, radio channels and additional services broadcast simultaneously in digital form to the recipient in one frequency channel).

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 2020 it achieved 9.5% share in the commercial group. POLSAT's very good result is the effect of its attractive and consistently developed 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.

2020 ended successfully also for the whole portfolio of Polsat Group channels with the audience share of 23.9% 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. 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. We offer, among others, broadcasts of FIVB volleyball tournaments (Women's and Men's Nations League, World Cup, World Championships) as well as Infront/CEV events (European Volleyball Championships, Volleyball Champions League) and Polish Volleyball Federation (PZPS) games (Memorial of Hubert Jerzy Wagner, Polish national team games taking place in Poland). In 2017, Polsat Group acquired exclusive rights to broadcasting of over 1000 matches of the UEFA Champions League and UEFA Europa League (for the years 2018 -2021) for all media distribution channels – including television, Internet and mobile devices.

In 2020, TV Polsat signed a new agreement with Infront/CEV for numerous volleyball events, including volleyball Champions League competition, two subsequent editions of the European Volleyball Championships or qualifiers to the Olympic Games 2024. We have also acquired the rights to subsequent editions of UEFA Nations League 2022/23, 2024/25, 2026/27, qualifiers to the UEFA European Football Championships 2024 and 2028 as well as qualifiers to the FIFA World Championships 2026. We have recently also extended rights to martial art galas of the biggest global MMA UFC federation.

Under the agreement with the International Volleyball Federation FIVB, for the next few years we will broadcast most important world and national team's volleyball events. The package of acquired rights includes Volleyball Nations League – the total of as many as 260 games in one season, qualifiers to the Volleyball Nations League - Challenger Cup, qualifying tournaments to

the Olympic Games 2020 and 2024, FIVB Volleyball Women's and Men's World Championships 2022 and World Cup 2019 and 2023.

For a decade we have had the rights acquired from the Professional Volleyball League to broadcasting of Plus Liga and Orlen Liga volleyball league games. In 2020 we extended the contract for subsequent four seasons, until 2027/28 season (inclusive).

Internet Media



We develop thematic Internet portals which use unique content produced by our television channels and dedicated editorial teams (including Polsatnews.pl or Polsatsport.pl). At the same time, thanks to the acquisition of Interia.pl Group in 2020 we became a leading player on the Polish online media market.

- Our Internet portal - Interia.pl is one of the three biggest horizontal portals in Poland, reaching nearly 40% of the Polish Internet users. It provides individual users with rich content of high quality news, entertainment, social and communication services.
- Interia Group also includes a number of thematic sites, including Pomponik.pl, Smaker.pl, Styl.pl and Deccoria.pl, as well as one of the first e-mail services in Poland with ca. 2.6 million regular users.
- Thanks to the acquisition of Pogoda.interia.pl service, which is the leader in its category, we have become the leading online weather service in Poland.

According to Mediapanel research conducted in January 2021, the average monthly number of users of websites of Polsat-Interia media group exceeded 20 million, whereas a monthly-average number of page and application views reached ca. 1.7 billion.

2.4. We operate strategically

[GRI 102-16]

Our mission is to create and deliver the most attractive TV and online content, telecommunications products and other services and products for the home, as well as for individual and business customers, using the best and 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

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,
- 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 favourably 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 or solutions for home), 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), via platforms, applications and Internet portals (online video), 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 pay-outs 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 ultimately reduced, according to the requirements of the Incorporation Deed of Cyfrowy Polsat, below the level of 2.0x.

2.5. Opportunities and risks

[GRI 102-15, GRI 102-11], [Accounting Act – Opportunities and risks]

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:

- growing importance of convergent services,
- low penetration of multi-play services, in particular in low-urbanized areas,
- 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 analyse risks in detail

We understand business risks accompanying our operations. We also analyse 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 7. Key Risk Factors ESG (selected examples)

Risk area	Key risk factors	Polsat Group	Cyfrowy Polsat	Risk management method
Products and services:				
Operating activities	Losing the reputation of brands	✓	✓	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
	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	✓		Inhabitants of small towns and rural areas in Poland 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.
	Failure to maintain, extend or modify the distribution and sales network	✓	✓	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.
	Insufficient protection of intellectual property rights	✓	✓	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.
Operating activities	Risk of fraudulent activities by our customers, in	✓	✓	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

Risk area	Key risk factors	Polsat Group	Cyfrowy Polsat	Risk management method
Operating activities	particular in relation to telecommunications and pay TV services			<p>steps to prevent further stream of suspected illicit traffic. These activities include, among others, blocking of accounts or numbering ranges in Poland 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 analyse 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>

Risk area	Key risk factors	Polsat Group	Cyfrowy Polsat	Risk management method
				<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, which now functions within InterPhone Service, a company belonging to our Group. Furthermore, 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.</p>
Operating activities	<p>Network and broadcasting infrastructure, including information and telecommunications technology systems, may be vulnerable to circumstances beyond our control that may disrupt service provision</p>	✓	✓	<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:			
	<p>Losing managerial staff and key employees</p>	✓	✓	<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>
	<p>Disputes with employees; growth of labor costs</p>	✓	✓	<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>
	<p>Accidents of employees and sub-contractors</p>	✓	✓	<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>
<p>Reputation and financial risk in case of bribery and corruption</p>	✓	✓	<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>	

Risk area	Key risk factors	Polsat Group	Cyfrowy Polsat	Risk management method	
Market and macroeconomic environment	Exposure to the effects of regional or global economic slowdown	✓	✓	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.	
	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	✓	✓	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.	
Legal and regulatory environment	Unfavorable rulings in administrative or court proceedings	✓	✓	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.	
	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	✓	✓	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.	
	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	✓	✓	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.	
	Risk of violation of Polish and EU law regulating in particular information obligations of the issuers of securities			✓	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 Gieldowych).

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;
- growing demand for fast and stable data transmission resulting from higher, than in the past, popularity of remote work and learning;
- development of first 5G network and the related intensifying of capital expenditures and additional revenues resulting from offering higher tariff solutions guaranteeing better quality parameters and bigger data packs;
- development of state-of-the-art fixed broadband networks, fibre 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.

CARE FOR THE NEEDS OF OUR CUSTOMERS AND VIEWERS



- Who are **our customers**?
- What is the **identity of our brands**?
- How we manage the **customer experience**?
- How do we care for **top level customer service**?
- Why is safety part of the **DNA of our operations**?
- What confirms our **viewers' trust** and liking for us?
- What **standards** do we set?
- What are the **productions** that we are involved in?



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 every day to prove this. We are proud to provide services practically to the entire demographic profile of the Polish society. **The 5.5 million of our contract customers** include 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 strong which has gained a lasting image of a brand that is familiar, warm, close, experienced, offering high quality entertainment and access to state-of-the-art technologies at affordable prices. The brand is supported by the image of a family which has been, among others, created by Jacek Braciak.

Plus is a brand for the whole family – it is like a good friend or neighbor, giving a helping hand to everyone, being likable but not acting like a star. Familiar with technical matters, gladly giving advice but not trying to push things that one does not need. The faces of the brand are: Szymon Majewski (contract offers) and Igor Kwiatkowski (prepaid offers).

Plush platform, a brand addressed to the youth, is based on a brand hero – a characteristic, expressive and uncompromising teddy bear called Plush

TV Polsat has always been close to the people, accompanying them in the good and difficult times, and changing together with them. It a television for the whole family. It offers fantastic entertainment, absorbing movies and TV series – in line with the TV station's motto – "it turns on your emotions."

IPLA is communicated as an online entertainment service offering access to the newest films, TV series, sports, entertainment and TV channels wherever you are and whenever you want while using any device of your choice.

Our **smartDOM** Program is addressed to the customers of Plus and Cyfrowy Polsat, offering a possibility of adding further services with attractive discounts. It is built on the "Neighbors" communication platform. From the very beginning it has been promoted Joanna Brodzik and Pawel Wilczak as well as by other known people who join the smartDOM neighborhood community.

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

In 2019 we conducted the brand awareness surveys for telecommunication and TV service providers in cooperation with IPSOS. The surveys relied on a modified research methodology. The new approach resulted in a decrease in the brand awareness compared to earlier editions of the surveys, however Cyfrowy Polsat Group brands have maintained their position versus direct competitors. **The prompted awareness of Cyfrowy Polsat** brand is at the level of **90%** and it 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 it is at a similar level to Orange and Play brands (differences between these three operators are within the estimation error). 68% of respondents associate our brand also with Internet services ("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). However, irrespective of the fact whether we deal with telecommunications services, access to pay TV or viewers of TV Polsat, we would like to learn as much as possible about our customers. Therefore, we regularly conduct comprehensive surveys to gain insight into who our customers are and what are their opinions about our company. We believe that this is the only way to improve the quality of our offer and services.

Who are Cyfrowy Polsat Group customers?

Chart 3. Education

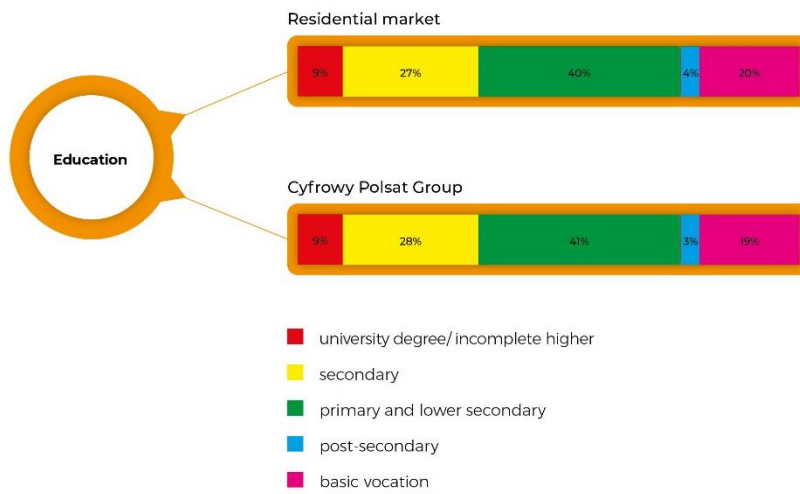


Chart 4. Place of residence by size

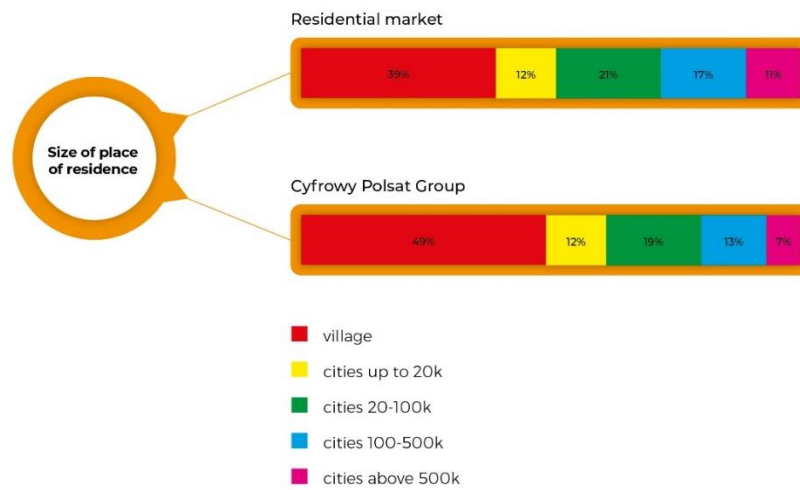


Chart 5. Sex

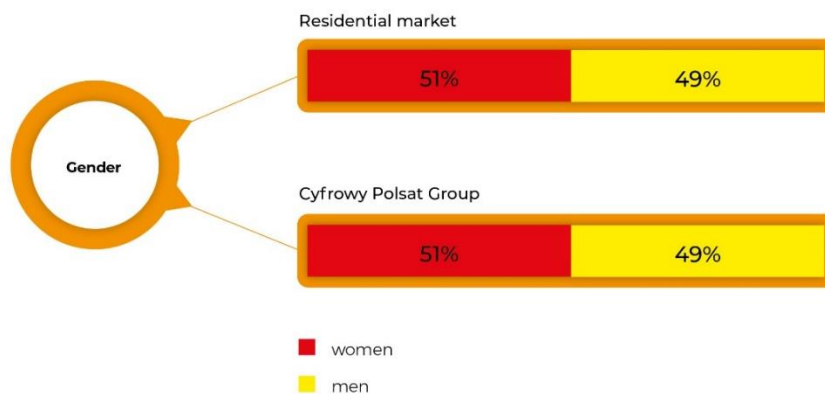


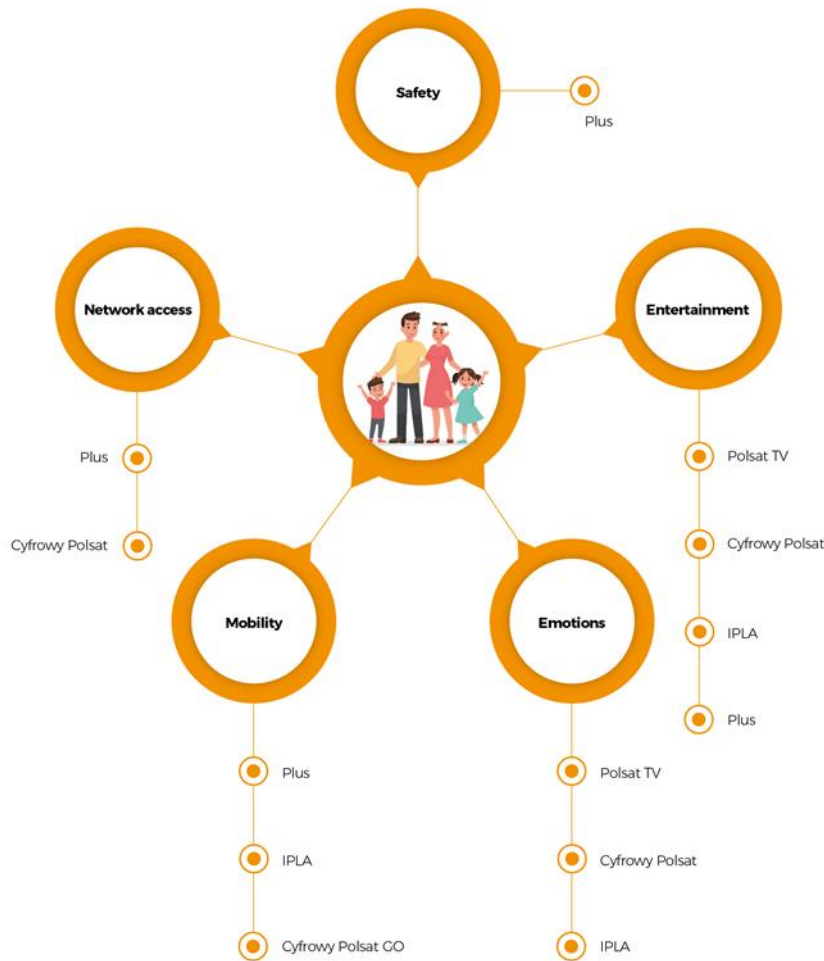
Chart 6. Age



* People using at least one service from Cyfrowy Polsat or Polkomtel/individual customers market.

Source Market situation survey 2018 (individual market, realized by IQS Sp. z o.o. The sample size was 12 763 and it was representative for inhabitants of Poland aged 6+)

Figure 11. Experience offered to customers through selected brands of Cyfrowy Polsat Group



Pro-customer initiatives during the pandemic

2020 was the year marked by the coronavirus pandemics. **Since the very beginning of the epidemics** in Poland, **Polsat Group embarked on numerous pro-social initiatives**, providing **solutions intended to make the lives of our customers and viewers easier**.

Key activities included:

- a free 10 GB data bundle for all Plus and Plush customers as well as the new 20 GB data bundle offered for PLN 10,
- a free 10 GB data bundle for Cyfrowy Polsat customers using selected Internet tariffs as well as an additional 20 GB data bundle offered for PLN 10,
- access to additional 33 channels as part of the “open window” initiative for the subscribers using Cyfrowy Polsat’s DTH satellite TV as well as cable TV in IPTV technology,
- 25 additional channels in a free IPLA PLUS package for all Plus network users, offering access to a total of 30 channels,
- fixed-line Internet access from Plus, provided using HFC, ETTH, PON technologies, has been accelerated to the maximum data speeds of even up to 1 Gbps without any additional charges,
- TIDAL with unlimited data transfer for Plus network customers; new user of this music service were offered free access to TIDAL for 90 days,
- big additional data bundles for Internet access as well as more GB as a bonus for account top-ups in Plus prepaid offers,

- access for Plus subscribers, at no additional cost, to public sector web pages containing important notices and recommendations, including from the National Police Headquarters (www.policja.gov.pl), the State Sanitary Inspection, the Ministry of Internal Affairs and Administration (www.pis.mswia.gov.pl), or ePUAP Electronic Platform of Public Administration Services (www.epuap.gov.pl),
- conveying all current information associated with the coronavirus pandemics on Polsatnews.pl and in Polsat News mobile application, in „Wydarzenia” (the News) news program, with bigger than usual number of daily editions, being broadcasted in Polsat and Polsat News channels, as well as in a special interactive program called ”Wszystko o koronawirusie” (Everything about the coronavirus) in which experts in medicine, law and psychology answered questions from Polsat News viewers,
- free data transfer in Polsat News application offered to Plus customers so that they could stay up-to-date with the latest news from Poland and from around the world,
- spiritual support in the form of Sunday Holy Mass broadcasted from the Temple of Divine Providence on Polsat News and Polsat Rodzina TV channels as well as in the Internet, in IPLA service,
- daily training with a personal trainer, Piotr Galus, presented in Polsat New channel after 11.30 a.m. as well as additional daily dose of entertainment with TV Polsat’s stars in the form of live broadcast in social media, i.e. on Facebook and Instagram.

In connection with the protest in Belarus, the Byelorussian government blocked the possibility of Internet connections for several days. The people of Belarus appealed to the Polish operators to increase the power of their transmitters and to reduce the roaming prices. Plus reduced the rates for voice calls from Poland to Belarus, thus facilitating communication with the inhabitants of this neighboring country. The lower prices of international calls applied from 24 August to 30 September.

GOOD PRACTICE: LOWER COSTS OF CALLS FROM POLAND TO BELARUS



Plus made the decision to reduce the per-minute rates for the calls to Byelorussian fixed-line and mobile networks. The per-minute rate, which was introduced from 24 August, amounted PLN 1 (incl. VAT), i.e. depending the tariff which one used the reduction was as much as even 50%, compared to the regular rates. For example the regular per-minute rate for calls to Byelorussian numbers was PLN 1.85 (incl. VAT) for postpaid customers and PLN 2.02 (incl. VAT) for prepaid customers. Upon the reduction, the per-minute rates for the calls to our eastern neighbor charged to individual customers were the same as the per-minute rates for calling the EU. The lower rates applied to the postpaid offers introduced after 31 January 2018, as well as to MIX and prepaid offers. The reduced prices covered 1000 minutes of calls to 5 Byelorussian numbers.

3.2. Key figures

[Accountancy Act – Key Performance Indicator]

18.0 million provided RGUs	5. million contract customers	64% of Cyfrowy Polsat customers live in small towns or in rural areas	90% prompted awareness of Cyfrowy Polsat brand (as a Pay TV provider)
23.9% audience share of TV Polsat channels in the commercial viewers group	1.9 million Internet RGUs	88% prompted awareness of Plus brand (as the operator offering voice calls)	

3.3. Availability – television and the 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**.

It provides a total of 18 million **TV, Internet and telephone services** in various technologies: satellite, terrestrial, cable IPTV and Internet TV with an OTT set-top-box, fixed-line Internet, including fiber-optic, mobile and home 5G / LTE Internet, mobile and fixed-line telephony.

Cyfrowy Polsat 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.

Our mission is to ensure as broad availability of our services as possible. 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.

By providing TV services except satellite TV relying on IPTV and OTT we exploit the possibilities offered by the Internet, thanks to which the TV content is available to our customers in many ways, on diverse devices and at the time of their choice. Upon connecting Cyfrowy Polsat's STB's to the Internet customers can use innovative TimeShift, reStart and CatchUP functions which enable watching favorite shows at a different time than when these shows are originally aired. These functions offer flexibility and freedom of watching TV, in a manner which to a great extent is independent of the actual TV programming schedule. While using the TimeShift function you can stop and rewind selected shows for up to 3 hours – you can once again watch a selected scene or part of a match. ReStart means watching selected shows from linear TV channels from the beginning, which means we do not have to worry about being late for the beginning of our favorite TV series, movie or entertainment show. CatchUP, in turn, enables returning to a selected program, even up to 7 days back from the original broadcasting date, without the need for recording it. These functions are available both in the set-top boxes which support IP and OTT technologies, e.g. EVOBOX IP and EVOBOX STREAM, as well in the satellite TV STB's, namely EVOBOX HD and EVOBOX Lite.

In the same way as the programming offer of TV Polsat and Cyfrowy Polsat's TV packages reach millions of homes nationwide, it is also the Internet access service provided by our Group's companies that has become a "window to the world" for many Polish families. And not only in big cities, where fiber-optic access offers can be purchased from Plus or Netia, but above all in small towns and villages where Mobile Internet Access offered by Plus can be used.

Interia, an independent information portal with a broad spectrum of operations and wide coverage, is yet another information carrier that we provide to our customers. Every day, and at all times, we offer access to news and information, events, sports news or weather forecasts, as well as to an e-mail service on any device of one's choice (a computer, a tablet, a smartphone).

We also offer to our customers the possibility of buying access to a fiber-optic connection from Plus, featuring data transfer speeds of even up to 1 Gbps. This ultra-fast Internet sent via a fixed link, based on the Netia's and Orange's infrastructure, will meet the expectations of even the most demanding users and will ensure stable connection and high quality of the Internet, even if all members of the household use it simultaneously.

While responding to the needs of our customers and of the changing environment, in May **Plus launched the first in Poland 5G network** using the spectrum from 2600 MHz TDD frequency band.

Chart 13. 5G network capabilities



GOOD PRACTICE: 5G NETWORK ROLL OUT

Novelty 2020



Plus has for years been the leader in the development of the latest Internet access technologies. In May Plus launched the first in Poland 5G network while using the spectrum from the 2600 MHz TDD frequency band. As network roll out continues dynamically, our 5G network is currently the biggest, in terms of coverage, and the fastest in Poland, offering maximum data speeds of up to 600 Mbps. The network covers a territory inhabited by more than 7 million of Poland's inhabitants in all provinces of the country. In line with the operator's plans, still in 2021 the total number of people who will be able to enjoy the service will exceed 11 million in total. 5 G in Plus is developed on the modern infrastructure provided by Nokia and Ericsson.

5G means:

- access to the Internet at maximum data speeds of up to 600 Mbps,
- development of even better home entertainment and state-of-the-art solutions which enable offering access to coverage of sports events, news and programs in high resolution (4K and even 8K), as well as choice of angle (camera) from which the picture is shown on screen. Thanks to virtual and augmented reality, in a moment we can move to the center of sports and musical events, just if we were in a stadium or at a concert of our favorite group,
- smooth streaming of games in high quality. Gaming fans will surely appreciate the speed at which new productions can be downloaded to a smartphone or to a computer, though thanks to the development of cloud-based gaming platforms this will soon become unnecessary,
- the driving force for the new possibilities offered by the Internet of Things. Along with its dynamic development, the latest generation 5G network will be able to serve as many as even a million devices per square kilometer.

In **Plus** we continuously develop the **LTE technology** so that the high speed Internet access can be enjoyed by as many of the country's inhabitants as possible.

GOOD PRACTICE: DEVELOPMENT OF LTE TECHNOLOGY



LTE Mobile Internet access is universally available in our country. At present nearly **100% of Poland's inhabitants** live within the coverage area of **LTE Plus network**, with **82%** living in the areas covered by a network offering even higher transmission parameters - the **LTE Advanced**. Connection speed and stability depend to a great degree on the frequency band used for LTE transmission.

We use the following frequency bands:

- 2600 MHz FDD, 2600 MHz TDD
- LTE 2100
- LTE 1800
- 900 MHz

Data transfer rate in this standard can be maximum 300 Mbps (downlink) and 50 Mbps (uplink). The response time (ping) is ~10 ms in the best case.

LTE Internet access offers an alternative to fiber-optic lines whose installation still remains impossible in many Polish rural areas and small towns. 4G mobile Internet access enables fast and convenient browsing of the internet, watching of films, downloading of files, making video calls, uploading photos, or even streaming or playing online games.

Digital services offered by our companies are available nationwide and can be used by practically every inhabitant of Poland. The extensive coverage of our network enables us to indulge in actions which popularize new technologies as well as support innovation and education. The Copernicus Science Centre, which we have been supporting for 10 years now, is an example of this exceptional combination of the world of science and latest technologies, providing information on scientific and technological developments while using the latest technical solutions.

Chart 14. 10th Anniversary of the Copernicus Science Centre



GOOD PRACTICE: 10 YEARS OF COOPERATION WITH THE COPERNICUS SCIENCE CENTRE



Since the very beginning of activity of the Copernicus Science Centre (CSC) **Plus** network has been the **Supporting Partner** of this most advanced institution in Europe which combines popularization of science and culture. Plus, which since the beginning of its operations has been putting stress on advanced and innovative methods of communication, offers the Centre's visitors **access to a free Wi-Fi network** – both indoors as well as in the Discovery Park.

In November 2020 **CSC celebrated the 10th anniversary of its operations**. The anniversary celebrations were supported by the advertising campaign developed by Plus which was present in TV Polsat and in social media. Special benefits were prepared for Plus network subscribers on the occasion of the anniversary, including 1000 anniversary vouchers. Due to the pandemics the planned attractions were available on-line. However, at the beginning of 2020 nearly 1000 Plus subscribers could observe, experience, ask questions and seek answers during **Visit the Copernicus Science Centre After Hours action**.

Bearing in mind all inhabitants of Poland and equal access to our services, we also provide help in the situations in which ordinary solutions do not work or other technologies are not available. We would like to make a broad portfolio of our services available to every person in Poland and to all families. Therefore, we have been consistently developing our proposals and opening to new markets.

Service availability

Utilizing online capabilities, we have launched cable IPTV and online television relying on a 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 in the European Union wherever the user takes it and connects to the Internet, thanks to which television may be adapted to the user's individual needs. LTE Plus Home Internet set, our unique, proprietary solution, can considerably enhance the coverage area and signal power of the LTE Internet. We have been successfully offering this set in several, upgraded 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.

In addition, our subsidiary Aero2, in accordance with the terms of its license for purchase of spectrum from the 2.6 GHz TDD band, provides free Internet access with restricted parameters (the BDI offer).

Nearly six years after launching the program which offers access to multi-play services for homes and families, the smartDOM program continues to enjoy enormous popularity. The joint program of Cyfrowy Polsat and Plus is enjoyed by more than 2 millions of our customers. As of today the smartDOM program is the biggest in Poland scheme of this type, offering access to a wide range of products. The possibility of having various products assembled in one set offers you convenience of use and ability to manage your bills. The program includes satellite TV, IPTV and OTT cable TV offers, DVB-T digital terrestrial TV service as well as mobile and home LTE Internet access, and also such services as Plus Fiber-optic Connection (Plus Światłowód), Plus Postpaid Service, fixed-line telephony, insurance services, electricity and gas supply, or monitoring service.

Figure 12. smartDOM program



Acquisition of Interia, which took place in the second half of 2020, was a strategic decision for the Group's development. Addition of an Internet service to its resources will help the Group assume an essential position in the Internet and e-commerce market. Interia.pl will also be an important distribution channel for the content offered by TV Polsat and the main area of marketing activities in the Internet for the entire portfolio of Polsat Group's services and products, including for Cyfrowy Polsat, Plus, TV Polsat, IPLA, Netia. For our customers Interia.pl is yet another source of information from very many spheres of life. Every day and at all times it offers access to news and information from Poland and from abroad, reports from such areas as sports, entertainment, automotive industry and business, as well as access to weather forecasts and e-mail from any device of one's choice.

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 following policies and plans: **Security Policy, Information Security Policy, Personal Data Security Policy, ICT Security Policy** and **ICT Security System Development Plan**. The policies define fundamental rules of security management, whereas the plan shows the way to mitigate the anticipated risks 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 information 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 the safety-related issues.

We respect legal regulations

[GRI 416-2]

In 2020, following the monitoring of the IPLA on-demand media service, which was conducted by KRRiT (National Broadcasting Council), we received 2 notices from KRRiT. In the notice dated 5 October 2020 we were requested to discontinue the activities infringing upon the provisions Art. 46 e of the Broadcasting Act (incorrect marking an audiovisual material), while the notice dated 22 October 2020 requested that we discontinue the activities infringing upon the provisions of Art. 47 e, item 1 of the Broadcasting Act (use of insufficient technical safeguards). None of these notices ended with any proceedings being instituted against the Company.

Polkomtel received 3 complaints regarding spontaneous combustion of equipment. Two of the complaints were rejected by handset manufacturers. One complaint was accepted by the manufacturer of a router, however the reasons of the incident were not determined.

[GRI 418-1]

In 2020 Polkomtel received:

- 12 complaints related to personal data processing. In the case of 2 of these complaints the President of the Personal Data Protection Office (PUODO) refused to accept the requests from the complaining parties. As regards one of the cases, the President of the Personal Data Protection Office dismissed the case. In 6 other cases the Personal Data Protection Office (UODO) asked the Company to provide additional explanations. As of the date, the UODO did not respond to the explanations provided by the Company,
- As regards 3 proceedings initiated in the years 2018-2019, the Personal Data Protection Office asked the Company to provide additional explanations. As of the date, the Office has not commented on the explanations submitted by the Company,
- We received 4 decisions regarding the Office's proceedings from 2019 in two cases the President of the Personal Data Protection Office dismissed the cases while in two other cases he refused to accept the requests from the complaining parties,
- In connection with the verification proceedings conducted by the Personal Data Protection Office regarding the implementation of the administrative decision issued by the General Inspector of Personal Data Protection (GIODO) in 2015 which concerned deletion of the copies of the documents collected when concluding subscriber contracts for telecommunication services, UODO filed two requests to the Company for being provided with additional evidence. The Company responded to the requests and sent to the President of the Personal Data Protection Office the protocol which confirmed the execution of the administrative decision. In January the President of the Personal Data Protection Office sent to the Company the information confirming end of the proceedings.

Moreover, Polkomtel received 29 requests from the Personal Data Protection Office regarding reported cases of breach of personal data protection.

In 2020 the following were sent by the Personal Data Protection Office (UODO) to Cyfrowy Polsat S.A.:

- 4 complaints regarding personal data processing. In the case of 3 of these complaints UODO applied to the Company for additional explanations. As of the date, the Office has not commented on the explanations submitted by the Company. In the case of one complaint, regarding breach of personal data protection rules, the President of the Personal Data Protection Office issued an admonition regarding breach of the provisions of article 6, item 1 of the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC,
- As regards the 3 proceedings initiated in the years 2018-2019, the Company received a decision from the President of the Personal Data Protection Office (one case was dismissed, while in two other cases the President refused to accept the requests from the complaining parties),
- As regards a case from 2018, the Personal Data Protection Office asked the Company to provide additional explanations. As of the date, the Office has not commented on the explanations submitted by the Company,
- In August 2020 the Personal Data Protection Office initiated administrative proceedings regarding breach of personal data protection regulations (the breach concerned protection of personal data in connection with the loss of documents by a courier company as well as releasing the documents by a courier company's employees to an unauthorized third party). The Company provided extensive explanations. The President of the Personal Data Protection Office conducted an investigation as a result of which evidence was gathered which was sufficient to issue a decision in the matter of the logistics process breach. The decision has not been issued yet.

Moreover, Cyfrowy Polsat S.A. received 13 requests from the Personal Data Protection Office regarding reported cases of breach of personal data protection.

Security of products and services

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.

Figure 13. „Gdzie Jest Bliski” (Where is my relative) service



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 a new generation Parental Control application, which has been developed by parents for parents.

“Gdzie Jest Bliski” (Where is my relative) service

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

A mobile phone with an active SIM card is all that 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 whom they wish to protect. The person being located must express consent to having their mobile phone located. Such consent means that it will be only the parent (the requesting party) who will be able to determine the location, so as to make sure that no unauthorized person can obtain information about the location of a relative or child.

Identity theft, or take-over of user accounts, is one of the threats encountered in the Internet. Identity in the Internet also means passwords, logins, PIN numbers as well as all other information that can be linked to a specific person. Such data is leaked or stolen, and then placed on platforms on “the dark side” of the Internet where the data can be bought by cybercriminals and used for extortions or account hacking. Though you cannot erase the things that went into the Internet, it is worth checking what the Internet, including the one on the dark side, knows about us.

Internet Security with Identity Protection

Latest research concerning data leakage proves that the people who used compromised services are much more exposed to cybercrime than others. Identity Protection, offered by Plus, is a solution which can enhance the level of security.

The application allows you to:

- check what data was leaked to the Internet,
- receive alerts, 24/7, if your private information has been disclosed anywhere. Thanks to this you can respond quickly to change of a password or PIN number, block use of a credit card or inform the bank of the situation and take the actions recommended by the bank in order to secure your financial resources.

In addition the Identity Protection application contains a function of creation and storing of very strong passwords which are automatically completed at the moment when you log in to any service, your e-mail account or your bank account.

The Internet can be treated in the same way as a sports ground or a playground. It is an environment where one can play, establish social relations with peers. Simultaneously, in the same way as on a playground or on a sports ground the Internet is a place where accidents, theft or other unpleasant situations can happen. In the Internet there exist the same threats as the ones we know from the real world.

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

“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 portal called dzieciwplus.pl and a parental application, both of which are used for setting the rules of usage of the Internet, as well as of 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 the applications used (full support for the 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, 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 a 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 will be able to open e.g. entertainment applications or browse the Internet.

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

The service also ensures interaction between the child and the parent. In case of blocking the application or reaching the time limit set for Internet use, 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.

Security of content

Cyfrowy Polsat Group is aware of very detrimental effects that television piracy, carried out to a large degree via the Internet or directly in the Internet, has on the development of Polish economy and culture. For years, we have actively collaborated with **“Sygnał” Association**, which associated 18 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 elsewhere 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, **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.

The educational project, called **“Piractwo.tv,” (Piracy.tv)** was ultimately completed in 2020 as the last training session was conducted for the policemen and prosecutors involved in combatting theft of intellectual property in the Internet. Thus, thanks to **“Piractwo.tv”** project, realized in cooperation with the Main Police Headquarters, **the trainers from Sygnał Association reached all the police units in Poland** which deal with this type of crime. Due to the pandemics, work has started on developing the web version of the training program and creation of an educational platform for the needs of the policemen and police academies. Training for individual police units, requesting such training, was also held during the early months of 2020.

In 2020 Sygnał Association continued activities aimed at **reducing the availability of illegal sources of TV content in the Internet and of reducing the revenues that pirate services obtain from illegal content distribution..** During previous years a campaign called “follow the money” was launched. The campaign involved monitoring of the services which violate the broadcasters’ rights, with a table containing aggregated data on cases of rights violation having been created, as well as permanent cooperation having been initiated with the payment processing companies whose services criminals used to derive financial benefits from their illegal activities. In 2020 the development of this area of the Association’s activity continued, thanks to which it was possible not only to reduce the presence of ads from major advertisers in pirate web services and prevent payments for access to illegal content via trusted providers of financial services and telecommunication operators but also to reduce substantially the scale of the illegal activities involving sale of activation codes enabling access to illegal content via Internet auctions. In 2020, thanks to the daily, systematic work covering this area **the number of such illegal auctions was reduced fourfold compared to 2019.**

The year of the pandemics did not weaken the activities related to enforcement of protection of intellectual property rights in the Internet. The year saw issuing of record, in terms of value, rulings in Poland related to compensation for the loss incurred by a harmed party, regarding both, the practice of sharing and of streaming of content. This led to the growth of the awareness of harsh penal and financial consequences for the parties which made illegal distribution of other parties’ content via the Internet a permanent source of their revenue. 2020 also saw closing of more than 30 pirate services which violated the rights of the members of Sygnał Association, which meant increase by 30% compared to 2019.

Elections of the organization’s authorities took place in June 2020. Teresa Wierzbowska, Advisor to the Management Board of Cyfrowy Polsat for public affairs, was been reelected the President of “Sygnał” 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. Top level customer service

Servicing **several millions of 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.**

Our customers decide to contact Cyfrowy Polsat Group because of specific issues they want resolved as soon as possible. A malfunctioning set-top box, lack of Internet access in a customer’s smartphone, a request to explain items on the invoice, inquiries about the ways of activation of new services – 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 have 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 post. 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 **uninterrupted round-the-clock phone service on all days of week**. The intelligent call distribution system handles calls depending on the subject matter and forwards the call to appropriate agents, which reduces customer service time. **Nearly 2 600 people** work in our call centers – more than 1 600 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 potential complaints and provide information about payments. Contact numbers of our call center lines are universally known – we publish them when advertising our services in the media.

Cyfrowy Polsat's Call Center has more than **600 workstations for agents handling phone calls** and around **320 back office desks** for processing written and electronic requests. **Plus' Call Center** comprises **800 workstations for agents answering phone calls** and around **350 back office desks**, while **Netia's Call Center** has over **250 workstations for answering phone calls** and around **250 back office desks** (which also process reported technical problems). Our call centers are available to our existing and potential customers **round the clock**, on all days of week and they are responsible for comprehensive and professional customer service. Call Center agents inform customers of our services, act as agents in the process of concluding the subscriber contracts, accept potential complaints, provide information related to payments for services, provide technical support as well as ensure all other types of support offered by customer service.

We constantly modernize the tools supporting customer service and implement latest technical solutions available on the market. All of this is aimed at ensuring to our subscribers convenient and satisfactory form of dealing with their issues. These activities are extremely vital in today's world in which technology is an important element of daily life, helping people save time and stay safe, which is all so important in the times of pandemics.

The received **requests and complaints** are qualified according to the problems and their sources. Then they are immediately directed to relevant functional units of the Company. Thanks to **advanced customer care processes, customers receive answers** to their complaints and requests **in a short time**. Regular analysis of the root causes of problems enables their identification and resolution as well as taking of actions to prevent future situations which could cause inconvenience to our customers. In addition, the information found in problem notifications is used while developing products and building the processes which assure top level of customer service.

Furthermore, in connection with **the application of the provisions of GDPR** it is also the requests for processing of the personal data of customers by Polkomtel and Cyfrowy Polsat that are also processed in Cyfrowy Polsat Group apart from the standard requests and complaints-related inquiries.

Thanks to establishing an ergonomic customer service scheme, the Company is able to respond in a precise and scrupulous manner to all signals it receives from customers and use the information obtained this way to continuously improve all contact channels.

In 2020 we faced the challenge of serving customers in the times of pandemics. We developed numerous solutions to support our customers during these difficult times. Our customers aged 65+ could use a 14-day payment deferral and the option of "Service Suspension" without incurring any subscription charges.

The customers using the services covered by the **smartDOM** offer, which in recent years has become a very popular method of reducing the cost of core services, such as TV, the Internet or voice services, can count on very efficient support of dedicated customer service representatives who have knowledge about the products offered by both, Cyfrowy Polsat and Plus. Furthermore, constant monitoring of smartDOM services by customer service representatives enables continuous improvements to this flagship offer of Cyfrowy Polsat.

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 payment history, control available units within 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, reestablish the connection with a 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 of up-to-date information related to the account. The use of this service is free of charge and the data traffic generated while using this application is not subject to fees for data transmission.

All solutions in the area of customer service, in particular the shared service channels which have been modernized (in response to customer expectations) also help us to take care of **natural environment**. We minimize the need for producing traditional letters, thanks to which we use less paper, which ultimately has positive impact on the scale of wood processing for industrial purposes. We constantly search for various possibilities to limit the traditional forms of communication which use paper. 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. Natural environment is also very important for our customers. In 2020 they chose **e-invoices** instead of traditional invoices. As many as 97.42% of the invoices issued by Plus and as many as 97.42% of the invoices issued by Cyfrowy Polsat (excluding DTH) were **e-invoices**).

Cyfrowy Polsat and Plus go out to meet the needs of their customers while facilitating contact with Consultants in Points of Sale.

GOOD PRACTICE: SERVICES FOR THE DISABLED



Deaf people can use the service of an interpreter of Polish sign language in all customer service-related matters. All they need to do is to contact a selected Point of Sale where the date and time of a meeting with the participation of an interpreter will be set.

People with hearing problems who use hearing aids can use a hearing-supporting system, the so-called induction loop. Thanks to this a customer will be able to hear even in a noisy environment.

Physically disabled people can use our Points of Sale which are free of any access barriers.

The list of Points of Sale offering access improvements for persons with disabilities can be found on our website.

3.6. We set the standards

Our television channels – everybody will find something for themselves

Figure 14. The portfolio of TV Polsat channels



The foundations of our TV broadcasting and production operations are formed by production, acquisition and broadcasting of news, sports, and entertainment programs as well as of TV series and feature films which are shown in our TV channels. The size of our audience mobilizes us continuously to increase the portfolio of channels and to offer diverse content which is matched to the viewers' needs. At the moment we have **36 channels**, including our main channel, POLSAT. In addition we have 6 channels cooperating with us which are linked to Polsat Group either capital-wise or by joint broadcasting projects. In September 2020 two new stations, Fokus TV and Nowa TV, joined to the portfolio of TV Polsat. The Group's channels are broadcasted via both, the terrestrial TV and multiplexes (free-of-charge), as well as via cable and satellite (in a paid version).

Trust and appreciation of our viewers are proven by the popularity of the channels they choose to watch. TV Polsat ended 2020 at the top of audience rankings. In the commercial viewers group (aged 16-49), which is most popular among advertisers, POLSAT had 9.5% audience share, TVN – 9.6%, TVP1 – 5.7%, TVP2 – 6.4%. The audience share of the thematic channels of TV Polsat was also near the top of viewership rankings and amounted to 15.4%.

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 levels.

Objectivity as the basis of our information activities

“**Wydarzenia**” (News) is our flagship news program which is broadcasted in Polsat and Polsat News channel. The first edition of the program was broadcasted on October 11, 2004 in Polsat channel. During the 16 years “Wydarzenia” won the trust of viewers and today it is among the most popular news programs in Polish television. According to **IBRIS survey for Onet.pl on the reliability of news programs**, “Wydarzenia” and Polsat News are respectively considered to be the most objective news service and TV channel in Poland. Every day “Wydarzenia” ensures access to reliable news to millions of viewers in Poland. The best team of journalists in Poland, closely working together and devoted to their work, prepares the news from Poland and from around the world for millions of Poles so as to give them coverage of the most important events in less than 30 minutes. Apart from providing latest domestic and international news, a lot of attention is also devoted to social issues.

At present “Wydarzenia” can be watched four time a day – at 12.50 p.m., 3.50 p.m., 6.50 p.m. and 9.50 pm. Starting from early afternoon, every three hours the viewers get the most objective and reliable review of information that is available in TV in Poland. The main edition of “Wydarzenia” is broadcast at 6.50 p.m. daily in Polsat’s main channel and in Polsat News channel. The program is hosted by **Dorota Gawryluk** and **Bogdan Rymanowski**, as well as by **Monika Sawka** and **Piotr Jędrzejek**. Right after the 6.50 p.m. edition of Wydarzenia the viewers of Polsat and Polsat News can watch the interviews with the guests invited on a given day to “Gość Wydarzeń” (Guest of the News) program – the most popular interview in Polish TV. At the end of the day, at 9.50 p.m., viewers of Polsat News channel can watch “Wydarzenia Wieczorne” (the Evening News) – a comprehensive recap of major events from Poland and from around the world.

Socially engaged journalism

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 the suffering 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.. **“Interwencja”** goes on air in Polsat channel at 4.15 p.m. from Monday to Friday. Another program, **“Interwencja – taka jest Polska” (Intervention – this is Poland)** is broadcasted late in the afternoon on Saturdays. The program, aired at 5.10 p.m., summarizes the most interesting stories of “Interwencja” and presents the new developments in the matters presented by the team in earlier episodes.

“Państwo w Państwie” (State within a State), a program which is broadcasted in Polsat and Polsat News at 7.30 p.m. on Sundays, is **one of the most effective intervention programs in television**. It is hosted by Przemysław Talkowski, a Polsat News journalist who fights against 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 unfair attitudes or unfavorable regulations that entrepreneurs have to cope with.

The editors of “Państwo w Państwie” program received numerous awards for their tough, but at the same time very fruitful work, including among others Andrzej Woyciechowski honorary award presented by Radio Zet, the main prize of the 14th 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.

From November 2020 Polsat News viewers can also watch **“Raport” (the Report), a new program made by TV reporters**. The program is on-air from Monday to Friday at 9 p.m. It presents the reporting by Polsat News journalists uncovering the unknown leads in the cases which grasp the popular interest in Poland and talking about the things which hurt, bother or disturb people, or about the impact that coronavirus pandemics has on our lives or the economy. Viewers can also learn about the unique stories of the heroes of the current events. “Raport” is hosted by Marta Budzyńska and Przemysław Talkowski.

“Nasz nowy dom” (“Our new home”) program is also worth mentioning. The series, which has been running since 2013, is hosted by Katarzyna Dowbor and is very popular with our viewers. Thanks to the involvement of a team of architects and builders, the program has totally changed the lives of more than 216 families during the seven years during which it has been running. Ruined and cluttered homes, which often even lacked a bathroom, have become warm and safe, while the families living there have gained a chance for a new life. The joy and the peace of mind that the heroes of the show gain demonstrate that the support they get from Polsat, and from the show’s team, offers a real chance for a better life.

GOOD PRACTICE: OUR NEW HOME



“Nasz nowy dom” (Our new home) is a special TV show in the portfolio of TV Polsat (a Polsat Group company). it brings joy and hope for families from various parts of Poland. In each episode specialists (an architect and a team of builders) race against time and difficulties to assure a new home for a selected family, a family which has been sometimes hurt by fate or plagued by financial or health problems, or orphaned. The program is hosted by Katarzyna Dowbor who with great passion and involvement helps make the program’s participants’ dreams come true.

2020 was a very special year for the program’s team. **It was the 15th anniversary season and episode no. 200 was aired.** Thanks to the support of the sponsors, TV Polsat carried out repair works in many houses and flats while also providing some basic furnishing, including state-of-the-art TV sets with access to hundreds of information, educational and entertainment programs from Cyfrowy Polsat as well as tablets, smartphones and Internet access from Plus. Already more than 650 people live in refurbished houses and flats.

Diversity in 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. Apart from being a spectacular dance show, the program has also become the space to showing successful social integration of disabled persons. Several dancers with various disabilities have appeared on the dancefloor, wishing to demonstrate to viewers that anything is possible and the limitations is really something that we create for ourselves.

GOOD PRACTICE: SUPPORT FOR DISABLED PEOPLE AND DIVERSITY



The 11th edition of “**Dancing with the Stars**” was yet another **with the participation of a disabled person** - Sylwester Wilk, a sportsman who lost his leg. In the 9th edition it was Joanna Mazur, a blind track and field athlete who won the edition. Jan Mela, a disabled explorer, participated in the second edition of the show, while one of the participants of the 7th edition was Iwona Cichosz, the Miss Deaf World.

The 9th edition of “Dancing with the Stars was also **the first entertainment show in Polsat with audio description for the blind and visually impaired**, provided live during the episode. A Polsat Sport journalist, Aleksandra Szutenberg, became the eyes for those who thanks to her words could feel the special thrill of the dance show.

Audio description involves description of a visual layer of a program. In a movie or a theater play the reader describes the costumes, the setting and the action, in between the parts spoken by the actors. However during “Dancing with the Stars” show the description is not only restricted to this. To meet the expectations of those who want to “see” the show this way, Aleksandra Szutenberg had a long talk with a blind athlete, Joanną Mazur. She learned from her that the dancers’ costumes and the setting in the studio are not everything that blind audiences would like to know. What is most important for them are the emotions connected with a live show and that is what Aleksandra Szutenberg is trying to convey. To turn on audio description, press sound track change button on the remote controller and select alternative sound setting.

The 7th edition of the show in 2017, when Iwona Długosz who is deaf and dumb was one of the participants, was the first time in history when Polsat introduced the **text for deaf people** displayed during a live show.

Over seven 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. The program’s fan page has nearly 380 thousand fans, and metamorphosis of celebrities is still one of the hottest topics for Internet portals. During the live broadcast of the show, since the very first episode Polsat has been consistently the market leader in both audience groups. Charity is yet another asset of this show.

GOOD PRACTICE: CHARITY GOAL OF THE “YOUR FACE SOUNDS FAMILIAR” SHOW



Twoja twarz brzmi znajomo” is a Polish entertainment show which has been on Polsat channel since 8 March 2014. It is based on a Spanish format “Your Face Sounds Familiar”. The winner of each episode donates every week a check for 10 thousand zloty and in the final edition a check for 100 thousand zloty to a charity cause – to support an ill person struggling with some disease, an orphanage, or an animal shelter. During the 13 editions of “Your Face Sounds Familiar” show over **100 artists** underwent **over 1 000 transformations** and many of them were absolutely perfect! They donated **over PLN 2 million to selected charity causes**.

In 2020 the show was won by Paweł "Czadoman" Dudek who decided to donate the prize to "Rak'n'Roll" Foundation (a foundation fighting cancer – Rak means cancer in Polish). A special Christmas episode was actually produced for the first time, instead of just showing a compilation of parts of earlier shows. Ten guests, who appeared in the program before, participated in the special edition. As a result of a jury vote the winners of the special episode were ex aequo: Katarzyna

Skrzynecka, Adam Strycharczuk, Gosia Andrzejewicz and Czadoman. The prize, in the amount of 100 thousand zloty, was donated to Polsat Foundation.

The following are the winners of to-date editions of "Your Face Sounds Familiar" show and the charity causes they donated the prizes to:

- 1 edycja: Katarzyna Skrzynecka – Fundacja „Koocham”,
- 2 edycja: Marek Kaliszuk – Fundacja "Między Niebem a Ziemią",
- 3 edycja: Stefano Terrazzino – Fundacja "Pomóż Dorosnąć",
- 4 edycja: Bartłomiej Kasprzykowski – Fundacja "Szkoła Otwartych Serc" from Malbork,
- 5 edycja: Aleksandra Szwed – Fundacja "Dom w Łodzi",
- 6 edycja: Maria Tyszkiewicz – Medical treatment of Ewa Grabarczyk, a person under the care of "Dum Spiro, Spero" Foundation,
- 7 edycja: Katarzyna Popowska – Fundacja Dzieciom „Zdążyć z pomocą” – for the medical treatment of Karinka Cichecka
- 8 edycja: Kacper Kuszewski – Fundacja Centrum Praw Kobiet,
- 9 edycja: Filip Lato – Fundacja „Zdążyć z pomocą” for Julek Maranowski,
- 10 edycja: Mateusz Ziółko – Towarzystwo Przyjaciół Chorych Sądeckie Hospicjum,
- 11 edycja: Kazimierz Mazur – Fundacja Dom Rodzinnej Rehabilitacji Dzieci z Porażeniem Mózgowym z Opola,
- 12 edycja: Adam Strycharczuk – Fundacja „Zdążyć z pomocą” for the medical treatment of Lenka Szczepańska suffering from a cat cry syndrome.

Polsat SuperHit Festiwal 2020, which was planned for 22-24 May 2020 did not take place. The event was cancelled due to the coronavirus pandemics, with the decision having been taken while keeping in mind the health and safety of a dozen or so thousand spectators who attend the event in Operal Leśna in Sopot as well as several hundred of our employees and associates who prepare and produce the event.

Our entertainment offer is also enriched by several popular TV series, including **"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*).

Just like every other December 24, on Christmas Eve we saw two special events in TV Polsat: **„Golec uOrkiestra. Christmas Carols with John Paul II"** on the occasion of the hundredth anniversary of the Pope's birthday, and the most beautiful Christmas carols sang by artists in Our Lady of Sorrows Sanctuary in Mariańskie Porzeczce. The singers who participated in the **"Great Carol Singing with Polsat"** included Sanah, Enej, Eleni, Sylwia Grzeszczak, Dawid Kwiatkowski, Basia Kurdej-Szatan and Rafał Szatan, Stanisława Celińska as well as Sebastian Karpień-Bulecka.

This year's **New Year's Eve** was totally different because all of us had to stay home. That is why – specially for its viewers – TV Polsat organized, in its studio, **the biggest house party in Poland!** Such artists as Bajm, Doda, Sylwia Grzeszczak, Dawid Kwiatkowski, Enej, Alicja Majewska, Czadoman, Michał Szpak, Daj to głośniej, Sławomir, Stefano Terrazzino and Liber&InoRos performed live. Viewers also heard such hits as Bailando and Vamos a la Playa performed by Loony, while those who love the music of the 90's had great time listening to Fun Factory band! **Sylwestrowa Moc Przebojów (New Year's Eve Power of Hits)** could be watched in Polsat main channel, on IPLA.TV, on Interia.pl web portal as well in in Polsat News channel.

The 17th edition **Mikołajkowy Blok Reklamowy (St. Nicholas Day Commercial Block)** attracted over 7 million viewers. Thanks to such a high audience we managed to collect PLN 1.6 million. Once again the event organized by TV Polsat and Polsat Media advertising bureau turned out 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 17 editions of Mikołajkowy Blok Reklamowy that have taken place to-date we collected over PLN 21.6 million (more in Chapter 1.7.1. Polsat Foundation).

Taking into account the average audience figures, during the four days of this year's Christmas holiday we won in the commercial viewers group (10.5 %), and took the second spot, right after TVP1, in the all viewers group in Poland (achieving a very good result of over 8%).

Best sports

The quality of TV Polsat's channels is proven by the attachment of the viewers who have been with Polsat for many years. It is with such viewers in mind that we create the shows and it is thanks to them that the anchors and the journalists become icons. At the end of the year **Polsat Sport channel**, Polsat's sports engine, **received the "Fighter of the Year" award** for its bold moves in this very special time, including introduction of a breakfast television show "Morning with Polsat Sport", as well as showing of archival sport documentaries and the station's own productions presenting less popular sports which are gaining notice thanks to Polsat Sport channel. The award was presented by "Media&Marketing Polska," a nationwide magazine devoted to the mass media, advertising and marketing. This year's Telekamera award went to Jerzy Mielewski, a Polsat Sport sports anchor who won it in the category "Best Sportscaster."

Starting from the 2018/2019 season, **the UEFA Champions League and UEFA Europa League** matches are shown in Polsat channels. Polsat has launched the most modern and the 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.

GOOD PRACTICE: NEW TECHNOLOGY IN POLSAT SPORTS STUDIO



Bearing in mind the UEFA Champions League as well as the UEFA Europa League and UEFA Nations League matches, in 2018 Cyfrowy Polsat Group built **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 (match analyses, statistics, replays of match situations, reporting or commentaries from experts).

Sports studio of TV Polsat is:

- 700 square meters of floor space,
- the only LED wall of this type in Poland which allows multiple broadcasts to be shown simultaneously;
- four shooting locations, including
 - a special place for discussing match statistics,
 - a location with touch screen for drawing and conducting detailed analyses of match highlights,
 - a 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 cameras installed on a crane with extendable arm);
- state-of-the-art, computer controlled LED studio and stage lighting.

The visuals in TV's Polsat new sports studio are provided with the use of state-of-the-art **VIZRT technologies, augmented reality (AR) and 3D models** as well as a **virtual studio**, which offers enormous possibilities of recreating the football pitch, the crown of the stadium, the team lineups or individual situations. Fixed **fiber-optic connections** allow the possibility of **simultaneous coverage of up to 6 matches**. The whole broadcast is realized from **state-of-the-art control room** with dedicated equipment for sports production

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 popularizing 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 at the

same time supporting hockey, football and tennis tournaments for children. For all sport fans we have prepared the “**Athletes**” program. There the viewers will find reports from sports events, interviews with sport stars as well as practical advice given by experts. They will also come across interesting people involved in sports 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 customers, and the need to pay the fees is gaining more acceptance now 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 productions

Polsat Group is heavily involved in cinema productions, both the co-productions as well as in production of own titles. **Digital Artists Zone (CST)** operates within the Cyfrowy Polsat Group. It is a **unique program in Poland for supporting domestic film productions**. We offer to the filmmakers an opportunity for submitting their projects which could then gain the Group's support in the fields of production, promotion and distribution.

Since the beginning of CST's operations, the titles produced by CST have been very successful commercially (a total of 12 films were watched by more than 11.5 million viewers)

Last year two new titles hit the cinemas and were watched by nearly 3 million viewers before the March lockdown:

- "Psy 3. W imię zasad" (Cops 3. In the name of rules), directed by Władysław Pasikowski
- "Jak zostałem gangsterem. Historia prawdziwa" (How I became a gangster. A true story), directed by Maciej Kawulski

In spite of the difficulties that the film industry faced in 2020 because of the pandemics, we were able to produce 3 feature films which are planned to be shown in cinemas in autumn of 2021:

- "To musi być miłość" (It must be love), directed by Michał Rogalski,
- "Najmro. Kocha, kradnie, szanuje" (Najmro. Loves, steals, respects), directed by Mateusz Rakowicz, based on the biography of a gangster, Zbigniew Najmrodzki,
- "Szczęścia chodzą parami" (Happy couples), directed by Bartosz Prokopowicz.

Additionally, TFP Sp. z o.o. will release its own family production entitled "Czarny młyn" (The black mill) which was directed by Mariusz Palej.

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 produced by TV Polsat – 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.

GOOD PRACTICE: POLSAT NEWS WITH CAPTIONING

Novelty 2020



Polsat News, Polsat Group's news station, has been **the first commercial news station to introduce live captioning**, mainly for deaf people and people with impaired hearing. Since February 2020 the main edition of "Wydarzenia" (the News) and "Wydarzenia Wieczorne" (the Evening News) (a program which is already broadcasted with interpretation to sign language) as well as the station's journalistic programs, including "Gość Wydarzeń" (Guest of the News), "Wydarzenia i Opinie" (News and Opinions), "Interwencja Extra" (Intervention Extra), "Skandaliści" (The Scandal mongers) and "Prezydenci i Premierzy" (Presidents and Prime Ministers), have been all available with captioning upon selecting a relevant feature in a TV set.

Live captioning is realized while using the **method of respeaking with facilitation**. **Respeaking** has been used for nearly 20 years now. It is used, among others, by British and American TV stations. The method was first used by BBC in 2001. In Polsat News a team composed of a respeaker and a facilitator prepares, on an on-going basis, the captions which are displayed to viewers. This way practically every person following a program with muted sound can still watch it with the full content being conveyed, instead of just reading the information displayed in a ticker.

The captioning is prepared by the Dostępni.eu team which already worked with TV Polsat earlier, when preparing the live captioning for the deaf in "Dancing with the Stars. Taniec z Gwiazdami" show.

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% are European broadcasts, coming mainly from the EU member states.

We also strictly follow the obligations and the 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 **79 television channels** – a big nationwide Polsat channel and an extensive range of thematic channels owned by Polsat Group and by other Polish and foreign broadcasters. The total **audience share** of the channels serviced by Polsat Media in terms of advertising was **nearly 39% in the commercial viewers' group (people aged 16-49)** in 2020.

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

Polsat Media is the biggest advertising office not only in terms of the number of channels supported but also in terms of audience shares and share in the TV advertising market.

[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 decisions are still pending.

In 2020 TV Polsat was fined PLN 15 thousand by the National Broadcasting Council in connection with presenting "Nowa Gra+" (New Game+) program in Polsat Games channel, and PLN 20 thousand for showing "Botoks" (The Botox) movie. The Company filed protests against both of these decisions and no final rulings have been issued yet.

In 2020 there were no cases of non-compliance with the regulations or voluntary codes regulating marketing communication, including advertising, promotion and sponsoring, which resulted in penalties being imposed. However, the decision issued by the President of the Office of Competition and Consumer Protection on 30 December 2016, by virtue of which penalties and publication obligations were imposed on Cyfrowy Polsat and Polkomtel in connection with the content of one of smartDOM program advertisements from 7 years ago, became final and binding. The links to the decision can be found on the companies' websites.

[GRI 102-12]

We are the signatories of several voluntary industry agreements concerning ethics of program broadcasting. The following are the most important ones:

- QUALID 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 practice concerning detailed rules of protection of minors in on-demand audiovisual media services.
- Declaration of Cooperation for Safety of Children in the Internet.

SUCCESS THANKS TO THE PEOPLE



- Who are **our employees**?
- What is our **work culture**?
- How do we **remunerate** our employees?
- What **benefits** do we offer to our employees?
- How do **we invest into individual development** of our employees?
- How do we **fulfill the training needs** of our employees?
- What is **our offer for graduates**?
- How do we ensure **safety in the workplace**?



4. Success thanks to people

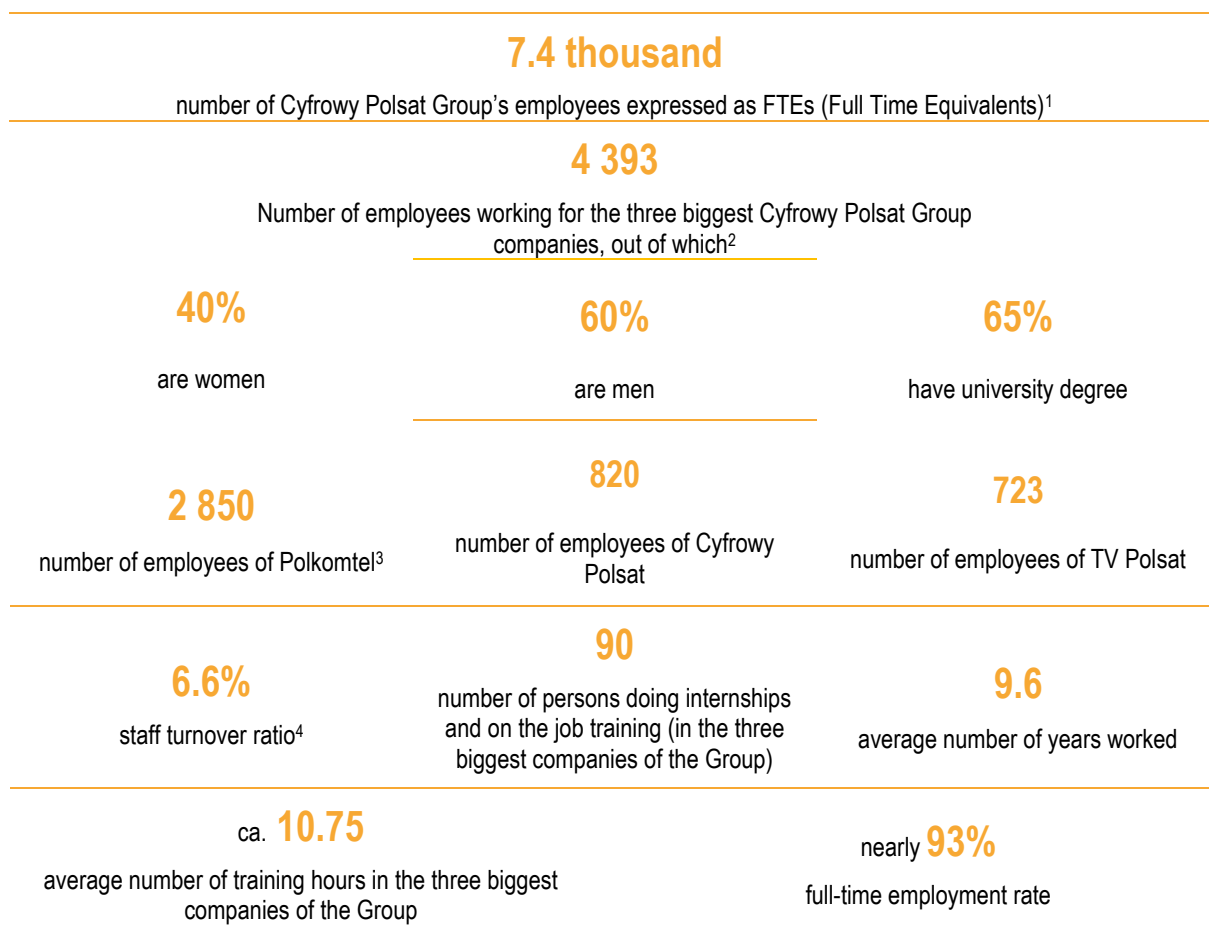
4.1. Key facts and figures

[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. 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



¹ The average number of non-production plant employees in 2020, 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.

² Status EOP 2020, FTE, active employees, excluding persons temporarily de-registered (child care leaves, maternity leaves, sick leaves exceeding 30 days, unpaid leaves exceeding 30 days)

³ Data refer to Polkomtel and Polkomtel Infrastruktura.

⁴ Blended staff turnover ratio for the three biggest companies of the Group in 2020

[GRI 102-8]

Table 8. Total number of employees by gender and employment contract

	2020									
	Polkomtel ¹			Cyfrowy Polsat			TV Polsat			Total CP Group
	Women	Men	Total	Women	Men	Total	Women	Men	Total	
Temporary contract	4.6% (51)	3.7% (64)	115	12.2% (49)	9.1% (38)	87	23.2% (56)	13.6% (65)	121	323
Permanent contract	95.4% (1 063)	96.3% (1 672)	2 735	87.8% (353)	90.9% (380)	733	76.8% (185)	86.4% (417)	602	4 070
Total	1 114	1 736	2 850	402	418	820	241	482	723	4 393

	2019									
	Polkomtel ¹			Cyfrowy Polsat			TV Polsat			Total CP Group
	Women	Men	Total	Women	Men	Total	Women	Men	Total	
Temporary contract	5.5% (61)	3.0% (52)	112	14.7% (57)	11.8% (49)	105	19.7% (45)	9.6% (46)	91	310
Permanent contract	94.5% (1 036)	97.0% (1 657)	2 693	85.3% (328)	88.2% (361)	689	80.3% (183)	90.4% (431)	614	3 994
Total	1 097	1 708	2 805	385	410	795	228	477	705	4 304

¹ Data refer to Polkomtel and Polkomtel Infrastruktura.

Table 9. Total number of employees by employment type

	2020									
	Polkomtel ¹			Cyfrowy Polsat			TV Polsat			Total CP Group
	Women	Men	Total	Women	Men	Total	Women	Men	Total	
Full-time	92.0% (1 025)	95.1% (1 651)	2 676	83.8% (337)	84.7% (354)	691	97.9% (236)	99.1% (478)	714	4 081
Part-time	8.0% (89)	4.9% (85)	174	16.2% (65)	15.3% (64)	129	2.1% (5)	0.9% (4)	9	312
Total	1 114	1 736	2 850	402	418	820	241	482	723	4 393

	2019									
	Polkomtel ¹			Cyfrowy Polsat			TV Polsat			Total CP Group
	Women	Men	Total	Women	Men	Total	Women	Men	Total	
Full-time	92.4% (1 013)	94.9% (1 622)	2 635	83.2% (320)	83.7% (343)	663	97.4% (222)	99.4% (474)	696	3 994
Part-time	7.6% (84)	5.1% (86)	170	16.8% (65)	16.3% (67)	131	2.6% (6)	0.6% (3)	9	310
Total	1 097	1 708	2 805	385	410	795	228	477	705	4 304

¹ Data refer to Polkomtel and Polkomtel Infrastruktura.

4.2. Our culture of work

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 65% 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 2020, in main companies of the Group – Cyfrowy Polsat, Polkomtel TV POLSAT – it amounted to 9.6 years on average. Furthermore, as many as 14.5% of the Group's employees has worked for it for at least 20 years. The staff turnover ratio in 2020 at the Group level decreased substantially and equals 6.6% (2019: 7.7%), TV Polsat has the lowest staff turnover – 4.4% (2019: 5.1%).

[GRI 401-1]

Table 10. Staff turnover ratio ¹

	2020		
	TV Polsat	Polkomtel ²	Cyfrowy Polsat
Women	4.5%	9.5%	6.7%
Men	4.4%	6.5%	6.2%
Total	4.4%	7.7%	6.5%

	2019		
	TV Polsat	Polkomtel ²	Cyfrowy Polsat
Women	5.4%	10.7%	7.1%
Men	5.0%	7.3%	8.4%
Total	5.1%	8.1%	7.2%

¹ Without including migration of employees between the companies of the Capital Group.

² 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**. As a result of activities we pursued in 2020, we reduced the Group's staff turnover ratio.

We follow the **Policy of diversity and respect for human rights of Cyfrowy Polsat Capital Group**. We believe that diversity is one of the sources of our competitive advantage, and confrontation of various views, opinions, styles of work, skills and experiences generates new quality and enables us to achieve better business results.

Our goal is to ensure the **environment free of discrimination** based on gender, sexual orientation, competence, experience, possible degree of disability, nationality, ethnical or social origin, colour, languages, parental status, religion, belief or lack of beliefs, political views or any other measure of diversity defined by the applicable law. Therefore, **We counteract any forms of mobbing or discrimination in the workplace**. Polkomtel and Cyfrowy Polsat have the **Anti-mobbing Policy** in place, which defines the principles of counteracting the anti-mobbing phenomenon. The companies also have an internal **Anti-**

mobbing Committee. In TV Polsat, the proceedings in case of actions which may be classified as mobbing have been described in the **Anti-mobbing Procedure**. We also provide **trainings in this respect to the employees**.

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.

In Polsat Group we pay a lot of attention to ensuring that conditions of work at our companies do not discriminate anyone, in particular in terms of paid remuneration. It is expressed by a very high percentage of women on managerial positions and a small, successively decreasing, difference in the level of remuneration offered to women and men, which is illustrated in Table 11.

[GRI 405-2]

Table 11. Remuneration of women in relation to remuneration of men in the same grading¹

	2017	2018	2019	2020
Ratio of basic salary of women to men (while assuming that men's salary equals 100%)	93.1%	95.2%	96.1%	96.5%
Percentage of employees covered by analysis	93.1%	93.4%	95.2%	96.6%

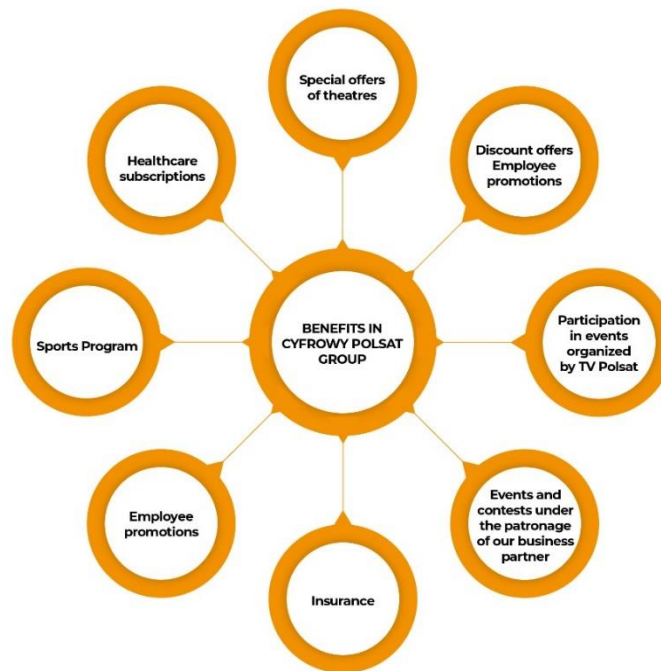
¹ Data refer to Polkomtel and Polkomtel Infrastruktura. The ratio applies to specialist positions.

Due to the specific nature of our operations in which there is a high percentage of engineering and technical positions occupied mainly by men, in order to better illustrate the issue of differences in remuneration of women and men we presented the ratio of salaries for various grading of individual positions. This applies to specialist positions. According to our principles of respecting diversity, equal treatment and remunerating based only on skills, competence and experience, this ratio for 2020 was at a very high level of 96.5% and it has been growing for the last few years.

We offer **a number of benefits**. 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 so-called work-life balance, that is a balance between work (career, ambition) and private life (health, entertainment, family, spirituality).

Selected benefits available to the employees of Cyfrowy Polsat Group

Figure 157. Benefits in 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 photovoltaic products at favourable price and a 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). Due to the coronavirus pandemics in 2020 we organized mainly creative thematic games in our Intranets.

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, as well as screenings of movies co-produced by companies from the Group.

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 theatres

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 2020 in Polkomtel and Cyfrowy Polsat:

- 21 loans for housing purposes were granted of the total value of PLN 670 thousand,
- Christmas gifts for full-time employees were prepared in the total amount of PLN 480 thousand,
- financial support in the amount of PLN 458 thousand was granted to sport sections of Cyfrowy Polsat Group,
- 5 allowances in the amount of PLN 25.5 thousand 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 xx was provided for the purchase of a wheelchair for an ill child,
- we co-financed holiday stays at Hotel Ossa for the amount of PLN 6.5 thousand.
- we co-financed holiday leaves for employees and summer camps for children of employees in the amount of PLN 2 thousand.

In 2020 in TV Polsat:

- 37 loans for housing purposes were granted of the total value of PLN 457 thousand,
- 17 allowances in the amount of PLN 64.5 thousand 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,
- Christmas gifts for full-time employees were prepared in the total amount of PLN 158 thousand,
- COVID additios for full-time employees in the total amount of PLN 151.5 thousand.

Integration meetings, including the Family Picnic and other special events, are the permanent feature in the calendar of Cyfrowy Polsat Group. The year 2020, however, went down as one of the most striking and challenging years in the history. As a result of the coronavirus pandemics, the most effective forms of building relations between the employees (meetings, team-buildings or common workshops) have become practically unavailable under the conditions limiting social contacts between people.

4.3. Motivation and development of employees

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

Figure 16. Employee development



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.

There is a **Crowd + Program** in Cyfrowy Polsat Group dedicated to employees. The most important **goals of the Crowd+ Program** are **supporting the culture of innovation in the organization, acquiring and developing valuable business ideas and participation in management.**

GOOD PRACTICE: CROWD+ PROGRAM



Crowd+ Program was launched in 2018. 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.

Program Crowd+ is:

- Joint space for creating new solutions,
- Place to share your ideas and opinions,
- Opportunity for a team work,
- Chance to win rewards,
- Possibility to join the TOP12 Innovators group,
- Prospects of participation in the Innovation Academy for the most active and involved users.

In the years 2018 – 2020:

- over 870 submitted ideas in total,
- 8% of projects have been already implemented or is under implementation,
- 2nd edition of the Innovation Academy (an original talent management program).

Trainings

Competence of our employees is **most important** in Cyfrowy Polsat Group. 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. **Academy of Knowledge** plays an important role in improving competence of our employees.

GOOD PRACTICE: ACADEMY OF KNOWLEDGE



Academy of Knowledge offers:

- A common digital **platform** for improving your professional competence for the employees of Cyfrowy Polsat and Polkomtel,
- **Free development trainings** (e.g. Being Assertive in a Professional Life, Creating Thinking Training, Managing Yourself in Time, Stress, Change and Communication Workshops),
- **Mandatory e-learning trainings** (HSE and GRPD as well as related to business continuity and anti-mobbing),
- **Voluntary basic trainings** (e.g. Ethics in business, Negotiations, Proper Use of Polish, Office package, Sales Techniques, Problem solving and Decision making)
- **Additional thematic modules** (including Program Crowd+).

In 2020:

- **A number of additional thematic modules were made available:**
 - Remote work (including guidelines for online meetings, Microsoft Teams user instructions, external webinars related to arrangement of *home office* type of work),
 - PMO – Project Management (from knowledge in a nutshell, e.g. managing projects in a methodical and organized way, to more in-depth materials related to e.g. risk management),
 - Development trainings (including Communication in professional life– theory and training game, Multi-tasking, Intergenerational Management, Emotional Intelligence),

- Free external webinars related to challenges in remote work in the time of pandemics (including management of dispersed team, emotions, personal development and thematic webinars in the sales area).
- **Sharing materials dedicated to coronavirus**, like How to deal with stress? How to manage strong emotions? How to support employees, myself and relatives during the pandemics?
- **Launching an onboarding program** (including information about the first organizational steps, benefits, culture work in the company as well as professional development opportunities– for employees and a path for managers who have to prepared themselves to accepting a new employee at work in the proper manner),
- Over **22.3 thousand training hours** were performed this way.

While promoting the project culture, based on cooperation and knowledge and experience sharing, we have extended our training offer addressed to the current employees as well as new employees in the structures of the Cyfrowy Polsat Group, Project Managers and project team. In 2020, the Academy of Knowledge was extended with an additional thematic module – **PMO Zone**.

GOOD PRACTICE: PMO ZONE



PMO zone was created for people involved in project execution. In particular it is addressed to Project Managers, but it is broadly available – in particular to employees interested in “project management” and planning their development in this area.

PMO Zone means:

- Thematic module within the Academy of Knowledge (i.e. on the communication-training platform of Cyfrowy Polsat Group),
- Circle of project community and project management enthusiasts (for employees of Cyfrowy Polsat and Polkomtel),
- Place to share knowledge and experience of experts (*case studies* acquired under the executed projects),
- Training space covering project management for beginners and people improving their competence (an extensive knowledge library):
 - General information about project management in Cyfrowy Polsat Group (e.g. project management in a nutshell), Thematic blocks (e.g. risk management, project status reporting, project documentation, etc.),
 - Development materials (e.g. press, videos),
- Everything gathered in one place:
 - rules and standards of conduct, ensuring project management in a methodical and organized manner,
 - methods, documents and tools supporting project execution,
 - materials extending knowledge about selected project aspects,
 - a possibility to develop soft and hard competence required for effective project management,
 - as well as answers to Frequently Asked Questions, guidelines and useful contact information.

An original talent management program – **Academy of Innovation** operates in Cyfrowy Polsat and Polkomtel.

GOOD PRACTICE: ACADEMY OF INNOVATION



Academy of Innovation is an original *talent management program* of Cyfrowy Polsat Group. We have already organized **two editions** of this project. **24 employees of the Group, who showed in 2018 and 2019 the highest involvement in innovative activities in their respective companies and were the most active participants of Crowd+ Program**, participated in this project.

Academy of Innovation offers:

- A series of interesting workshops (discussion, brainstorming sessions, team work),
- Many interesting meetings (including online meetings)
- Good atmosphere and super energy (cooperation, partnership, experience sharing, learning from each other),
- A solid dose of knowledge and opportunities to get acquainted with various methodologies required when developing innovative projects (e.g. Design Thinking).

The so-called **Pitch Day** is the final of the Academy of Innovation. **Teams** face the **Jury** which **evaluates solutions** prepared by the Program participants and **selects start-ups** which will have a chance to develop their ideas (under the so-called **acceleration program**). During the contest, its winner will receive a status of the “**Start of Innovation**” and valuable awards.

In 2020:

- 3 months of intensive work,
- 3 teams and 12 participants,
- 3 concepts, 3 mentors and 3 deliverables,
- Hundreds of co-employees sharing knowledge, ideas and involvement

Taking into account development needs of our employees, in 2018 we launched a series of events and presentations devoted to a broadly-understood innovations, new technologies and activities supporting implementation of state-of-the-art solutions on the market.

GOOD PRACTICE: INNOVATIVE TUESDAYS



Innovative Tuesdays mean:

- Regular development initiative (executed every fortnight on average, with a short summer break),
- Open access to knowledge (in particular for people interested in improving the professional skills),
- Interesting case studies (online presentations which are an introduction to free and open discussion about certain topics),
- Numerous speakers (representatives of international corporations, creators of innovative start-ups, motivational speakers, writers, industry experts),
- News from the world of media and telecommunications, IT, state-of-the art technology and marketing (e.g. 5G technology, Internet of Things, storytelling),
- Global trends in business management (e.g. business scaling, project management).

In the years 2018-2020:

- Nearly 40 meetings (direct and online ones),

- A few dozen speakers (employees from the Group as well as experts from Poland and abroad),
- More than 100 people attended every meeting on average.

[GRI 404-1]

Table 12. Average number of training hours per employee

	2020								
	Polkomtel ¹ i Cyfrowy Polsat			TV Polsat			CP Group		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Total number of training hours by gender	18 390	23 496	41 886²	2 295	3 064	5 360²	20 685	26 560	47 246²
Average number of training hours by gender	12.12	10.90	11.41	9.52	6.36	7.41	11.77	10.07	10.75

	2019								
	Polkomtel ¹ i Cyfrowy Polsat			TV Polsat			CP Group		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Total number of training hours by gender	41 520	49 808	91 328²	2 718	4 882	7 600	44 238	54 690	98 928
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

¹ Data refer to Polkomtel and Polkomtel Infrastruktura.

² Data refer to the sum of traditional trainings (internal and external ones).

[GRI 404-1]

The decrease of the average number of training hours per employee is an effect of the coronavirus pandemics, freezing of the training sector and a need to adjust to the new situation.

Information about ever spreading COVID-19 epidemics forced us to first make a decision about enabling our employee to perform a remote work. As a next step we recommended conducting all trainings in online mode, the more so as unfreezing of the training sector might have been expected in the middle of the year at the earliest. While waiting for a flexible response of the market (adjusting their training offers to virtual versions) we **focused all our efforts on observing trends, converting most important trainings** (so far offered in a stationary mode) and **improving the „Academy of Knowledge” platform.**

As a results of efforts of external and internal trainers, key trainings have been adjusted to online mode, among others: **Creating Thinking Training, Managing Yourself in Time, Stress, Change, Professional Presentation, Being Assertive in a Professional Life.**

Additionally, an offer of internal trainings has been extended with **new topics.** In response to **the needs reported by the employees** we launched **trainings supporting the practical application of selected skills** (among others, Communication in the professional life – theory; Communication – training game; Managing Yourself in Time; Multitasking; Intergenerational Management; Emotional Intelligence). The purpose of this type of trainings is to focus attention on specific activities and learning through personal experience of employees. Maintaining the interaction between the trainer and participant was the biggest challenge for online trainings.

Another fact resulting in the decrease of the average number of training hours per employee is that **trainings in the virtual environment require another approach.** Thematic sessions are shorter, but at the same time more effective. Participants learn in shorter time intervals and have more diverse exercises (questions, surveys, tests, case studies), which not only helps to concentrate, but also makes the courses more interesting.

In 2020, **over 26 thousand hours of trainings** were performed this way by the employees of Cyfrowy Polsat, Polkomtel and Polkomtel Infrastruktura.

An additional advantage of online trainings is definitely replacing printed materials with their electronic versions. This not only reduces costs, but also is a sign of care about the natural environment. In case of e-learning it is worth mentioning that such courses are very comfortable to users. They can take place at the time and place which is convenient to employees, thus eliminating unnecessary travel time and travel expenses.

While drawing conclusions from an analysis of trends and while addressing potential negative effects of remote work, we took steps to launch pro-health trainings (among others healthy spine), trainings in the area of manager competence development sales, soft and wellbeing trainings.

TV Polsat has systematically developed the training policy. We focus on specialist trainings in television technology and foreign language learning. In 2020 a training budget was established, accounting for the needs reported by managers of organization units, upon request of their employees. Due to the coronavirus pandemics most of the trainings were conducted online. Due to the same reasons as described above, there was a decrease of the number of training hours in comparison to the 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 2020, **40 employees** took advantage of this.

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 2020, **330 people** took advantage of this possibility (until March 2020 these were stationary courses taking place at the premises of our companies. Since the middle of March 2020, the courses have been conducted by EFL teachers only remotely).

Evaluation of manages

The work of managers in Cyfrowy Polsat and Polkomtel is based on **Feedbacku 360® culture**. Through Online Feedback Forum (OFIZ) the assessment is performed by subordinates, superiors and co-employees. The goal of the evaluation is to strengthen good practices through positive feedback, identifying of potential areas for change, including examination of development needs and support in diagnosing the situation and decisions concerning local manager challenges.

[GRI 404-3]

Table 13. Percentage of employees receiving regular assessments, performance and career development review, by gender and employee category

2020				2019			
Cyfrowy Polsat		Polkomtel ¹		Cyfrowy Polsat		Polkomtel ¹	
Women	Men	Women	Men	Women	Men	Women	Men
19%	8%	55%	30%	23%	5%	31%	19%

¹ 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.

[GRI 404-2]

We have prepared a unique offer of **Manager Academy** for people employed on managerial positions. In the three years since the launch of the Manager Academy, **266 managers** have participated in the program. Its goal is to promote the standard of managerial work and provide support in dealing with professional challenges, through a series of e-learning trainings and direct meetings with experienced business trainers. Through participation in the program, managers learnt the best practices of managerial work and gained knowledge necessary for efficient performance of task. Most popular topics of these trainings in 2020 were: **Motivational Feedback, Effective Delegation of Tasks, Difficult talks with employees, Strengthening Involvement and Managing project team in the situation of a lack of reporting.**

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. Apprenticeship programs are organized at **Polkomtel, Polkomtel Infrastruktura, Cyfrowy Polsat and TV Polsat**.

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

We also prepared a **Summer Apprenticeship Program** for students who take their first steps on the labour market. Due to the pandemics and much bigger flexibility of students (remote learning), we offer apprenticeships not only during summer holidays, but also during the academic year. Students have a possibility to work among the best professional in the technological sector. **Apprenticeship is paid** and takes place during at least 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 and a small gift. The best apprentices receive a proposal of work in Cyfrowy Polsat Group. In 2020, **as many as 42% of apprentices started the permanent cooperation within the Group following the apprenticeship**

We offer extension of the apprenticeships to the best apprentices – which gives a six-month, **paid apprenticeship**. It is a ideal way to gain practical knowledge and skills. Each apprentice is given a project or specific technical tasks to perform for the execution of which he/she is fully responsible. A **host is assigned** to the apprentice who monitors the progress of his/her work and supports him/her in execution of individual tasks. In 2020 **we offered internships in the area of IT, Marketing, Sales and Customer Base Management, End-User Equipment, Finances, Audit, ICT Security and Fraud Detection, as well as in the Legal area and General Director Office**.

While being aware that **taking advantage of a diversity of employees results in the growth of innovativeness and effectiveness**, and teams built this way work faster, easier adjust to the changing internal needs, ensure experience sharing and development of competence of individual members, in 2020 we made a step towards **building a positive intergenerational dialogue**.

GOOD PRACTICE: TRAINING ON INTERGENERATIONAL MANAGEMENT



In 2020, for the first time under the **Academy of Apprenticeship**, we conducted a special training called “**Intergenerational Management**”. Its goal is to explain the rules followed by different generations in the business environment.

In the first edition of the project we focused on hosts supporting interns and apprentices (lower and middle level managers), sharing with them the knowledge related to: how to communicate with younger generation team members? How to manage the intergenerational communication? How to select communication tools to different age groups? How to identify values of different generations?

People participating in training acquainted themselves with means and methods of effective verbal and non-verbal communication a younger part of their teams; they saw that intergenerational differences result from different attitudes, expectations towards conditions of work, life priorities and experience; analysed communication expectations of younger generations.

Each apprentice and his/her host have access to the dedicated space on the electronic educational platform – Academy of Knowledge – which offers learning materials and practical guides related to daily work. Apart from the subject-matter knowledge, we also try to support the program participants with general knowledge, offering trainings on communication or creative approach to problem solving.

During a year we also organize other activities, contests and ad hoc tasks related to knowledge about company and creative solving of logical riddles.

TV Polsat also offers a possibility of unpaid apprenticeship for graduates under the care of experienced employees (journalists, camera operators or people handling promotion of TV channels). 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 2020, 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. 52 people participated in this program, out of which 35 people entered into cooperation with the company following the completion of their apprenticeship.**

4.4. We constantly improve occupational health and safety

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.

GOOD PRACTICE: OCCUPATIONAL HEALTH AND SAFETY DAY



Violence at work was supposed to be **the main theme of the Occupational Health and Safety Day**, which was planned in 2020. In connection with the global crisis due to the pandemics, it was decided that all activities will focus on the **problem of fighting infectious diseases at work**, in particular COVID-19.

The entire Polsat Group thoroughly and constantly monitors the situation concerning coronavirus and follows the guidelines, both of WHO and governmental institutions. We undertake necessary preventive steps to ensure safety and hygienic work environment and minimize a risk of catching a virus by employees and customers.

Our key activities in this area include:

- Developing detailed rules of work safety when faced with a coronavirus threat,
- Providing a possibility to remotely perform their duties, for people who may perform them outside their original place of work,
- Changing the rules of access to internal systems,
- Providing video materials called "Safe performance of work when faced with a coronavirus threat",
- Publishing current information about functioning of mail rooms of Cyfrowy Polsat Group and Netia Capital Group,
- Permanent disinfection of cars in the intragroup car rental,
- Rendering available advices of experts and WHO guidelines "How to deal with the stress caused by coronavirus?"
- Regular publishing of information provided by our medical partner - Lux Med,
- Sharing current news from our partners (including "Servicing of Group Life Insurance for CP Group companies when faced with a pandemics"),

- Rendering available current information of the Chief Sanitary Inspectorate for the needs of supervision over coronavirus infections,
- We encourage employees to physical exercises “Taking care of your spine”,
- Promotion of the social action: #STAYATHOME and sharing inspirations for attractive spending of free time.

Based on the conducted examination and evaluation of electromagnetic hazards, we introduced **a program of applying protective measures, preventing a possibility of exceeding occupational exposure limit values (OELs)** and occurrence of direct and indirect electromagnetic hazards. Polkomtel Infrastruktura eliminates electromagnetic threats, while utilizing all available technical measures which limit the emission of electromagnetic field at its source or limit the exposure to electromagnetic field.

Employee, whose work involves exposure to electromagnetic field, may potentially work within the range of electromagnetic fields performing the work in an intermediate or threat zone. Their presence in the danger zone during daily work is prohibited. Conditions of work ensure that the daily exposure is of temporary nature – the exposure ratio does not exceed the value equal to one ($W < 1$).

Protective zones are marked according to the current norms in this respect.

Measurements of electromagnetic fields distribution are performed regularly for the needs of the Occupational Health and Safety at all places where the employees may be present during performance of their work related to maintenance of base stations of mobile telephony, in a way making it possible to identify and mark the limits of potential protective zones. Testing and measurements of electromagnetic fields are performed only by the laboratories which have PCA certification. Employees and co-employees have permanent access to current reports of measurements published in an electronic version on the Company's servers.

Employees exposed to electromagnetic fields have passed medical examination to determine that there are no counter indications for them to stay within the electromagnetic fields and are trained with respect to safe operation of the devices which are the sources of electromagnetic fields and the rules of working in protective zones.

Detailed rules of safe performance of work are laid down in **“Instruction of occupational health and safety while working in electromagnetic fields on mobile telephony base stations of Polkomtel Infrastruktura Sp. z o.o.”** and the related documents.

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 fall arrest equipment such as harnesses, lanyards, helmets, gloves, safe certified ladders. 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. Results of measurements are available at work stations. 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. In connection with SARS-CoV-2 threat, we have introduced measures protecting employees against contacts at work stations. Relevant procedures have been developed and implemented.

[GRI 403-2]

Table 14. Injury rate, occupational disease rate, lost day rate, absentee rate and number of work-related fatalities

	2020						CP Group
	Polkomtel ¹		Cyfrowy Polsat		TV Polsat		
	Woman	Men	Woman	Men	Woman	Men	
Total number of accidents at work	4	1	0	0	0	2	7
Work-related fatalities	0	0	0	0	0	0	0
Number of severe accidents	0	0	0	0	0	0	0
Number of minor accidents	4	1	0	0	0	2	7
Total number of injured people	5		0		2		7
Injury Rate (IR) ²	1.46	0.36	0	0	1	3.9	-
Total number of lost days due to accidents at work ³	1	14	0	0	0	15	30
Accident severity rate ⁴	0,25	14	0	0	0	7.5	-
Occupational Disease Rate (ODR) ⁵	0	0	0	0	0	0	0
Absentee Rate (AR) ⁶	5.3%		4.3%		2.58%		-

	2019						CP Group
	Polkomtel ¹		Cyfrowy Polsat		TV Polsat		
	Woman	Men	Woman	Men	Woman	Men	
Total number of accidents at work	9	0	0	0	0	1	10
Work-related fatalities	0	0	0	0	0	0	0
Number of severe accidents	0	0	0	0	0	0	0
Number of minor accidents	9	0	0	0	0	1	10
Total number of injured people	9		0		1		10
Injury Rate (IR) ²	3.2	0	0	0	1	1.36	-
Total number of lost days due to accidents at work ³	164	0	0	0	0	10	174
Accident severity rate ⁴	18.2	0	0	0	0	10	-
Occupational Disease Rate (ODR) ⁵	0	0	0	0	0	0	0
Absentee Rate (AR) ⁶	5.4%		5.0%		0.39%		-

¹ Data refer to Polkomtel and Polkomtel Infrastruktura.

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

³ Accident severity rate, calculated as the number of lost days due to the accident / number of accidents.

⁴ 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.

⁵ Absentee Rate (AR), <calculated as the total number of days absent at work / number of days worked during a year> *200000

[GRI 102-48]

In the “Report on non-financial information for the year 2019” there was a clerical error for the Absentee Rate in Cyfrowy Polsat. The figure entered to the table was 0%, whereas the correct value should be 5.0%.

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

In Cyfrowy Polsat Group there are no collective agreements. Two trade unions operate at Polkomtel: Independent and Self-Governing Trade Union “Solidarity” and All-Poland Alliance of Trade Unions (which also operates at Polkomtel Infrastruktura as an inter-enterprise organization). As of 31 December 2020, 100 employees, that is ca. 2.6% of the total headcount of employees in Polkomtel Group (in full-time equivalents), were members of trade unions. Trade unions also operate in Netia Group, acquired by Cyfrowy Polsat Group on 22 May 2018. Trade unions do not function in Cyfrowy Polsat and TV Polsat.

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



Civil Defence Formation (FOC):

- nearly **130 trained first-aid responders**,
- **30 rescuers have rescue certificates of the Qualified First Aid**,
- **11 Civil Defence Formation teams** established in major facilities across Poland,
- **Voluntary**– all rescuers perform their rescue functions as volunteers, in parallel to performing their business duties,
- Involvement at various levels of organization– ordinary employees as well as directors are members of FOC.

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 2020:

- A dedicated webinar: **“Training with respect to prevention and safety during the pandemics of SARS-COV-2 virus”**,
- 2 rounds of online meetings with practitioners from the Rescue Centre,
- Purchase of necessary safety equipment for rescuers (protective clothing, masks, contactless thermometer and disinfectants).

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. Due to the coronavirus pandemics, the involvement of rescuers-trainers in providing aid to patients, as well as a lack of possibility to organize stationary trainings, there was a temporary break in 2020. Nevertheless we intend to return to the good practice of sharing knowledge about first aid.



- What is **our contribution to environmental education**?
- What is **our mission** and **The Clean Poland Program Association** (Stowarzyszenie Program Czysta Polska)?
- **Waste recycling** in our company. How is it done?
- What **good practices** we pursue with a view to **conserve energy**?
- What materials, including **raw materials**, do we use?
- What is **the impact that our base stations have on the environment**?



5. Environment-friendly Group

5.1. Key numbers

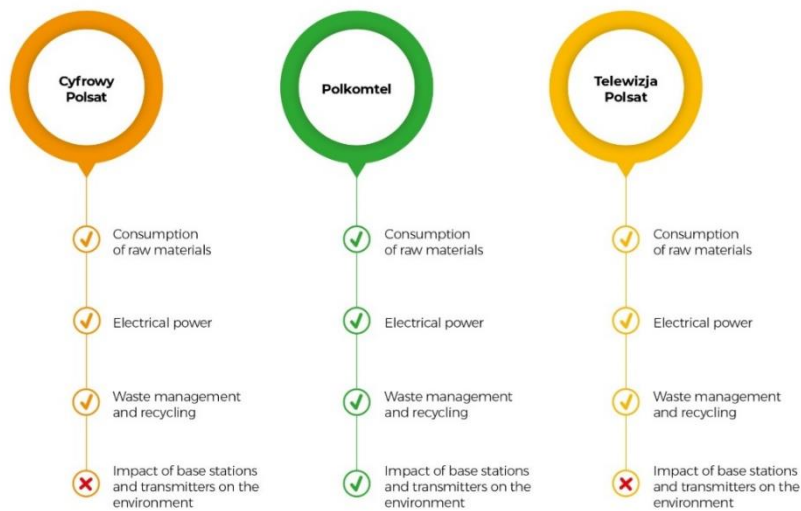
[Accounting Act – Key Performance Indicators]

<p><1 W</p> <p>the power consumed in standby mode by the set-top boxes manufactured by Cyfrowy Polsat</p>	<p>19 ton</p> <p>of waste electronic equipment was sent by Polkomtel for recycling in 2020</p>
<p>572 tons</p> <p>of waste was sent by Cyfrowy Polsat for recycling in 2020</p>	<p>2.9 tons</p> <p>of data carriers were sent for recycling by TV Polsat in 2020</p>

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.

Figure 17. Important areas of Cyfrowy Polsat Group’s influence on natural environment



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**. 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**.

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. 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. 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.

Since 2012, essential **environmental goals** have been in place at Polkomteltel:

- 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.

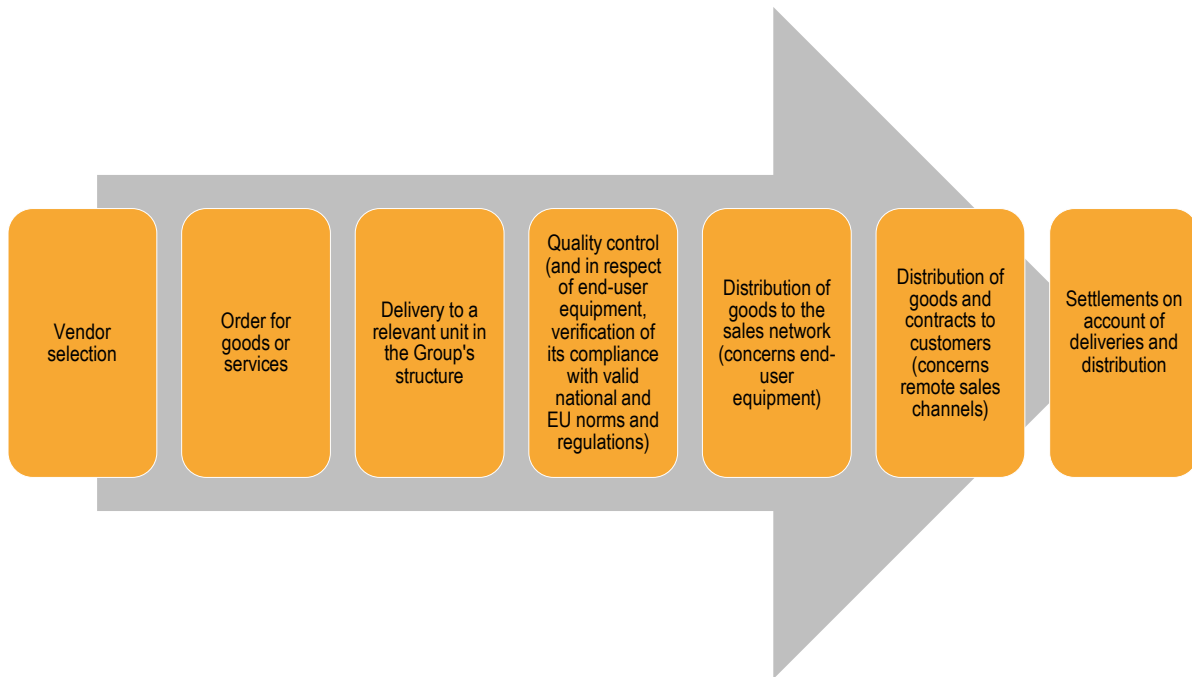
At **Cyfrowy Polsat** we regularly monitor our efforts from the point of view of their compliance with laws and regulations governing environmental protection as well as with any other environmental requirements which we may be bound by. If needed we contact the relevant authorities and cooperate with them in the field of monitoring of compliance of our activities with valid laws and regulations.

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.

Figure 20. Supply chain at Cyfrowy Polsat Group



5.3. The Clean Poland Program Association (Stowarzyszenie Program Czysta Polska)

Zygmunt Solorz, founder and main shareholder of Polsat Group, presented his vision of making Poland clean and established the **Clean Poland Program Association** (*Stowarzyszenie Program Czysta Polska*), which is open to anyone interested.

Mission of the Clean Poland Program Association, with the support of Polsat Group, is **initiating changes, educating society** and **promoting important topics and actions** related to ecology, environmental protection and improvement of life quality.

Figure 18. Mission of the Clean Poland Program Association and Polsat Group



EDUCATION

To demonstrate the benefits of ecological lifestyle.



INFORMATION

To publicize and promote major actions and topics associated with ecology, conservation of nature and improvement of quality of life.



CHANGE INITIATION

We start from ourselves and we believe that our activities will lead everyone to change their attitude to ecology.

As Polsat Group we promote most important topics related to ecology.

GOOD PRACTICE: CAMPAIGN OF CLEAN POLAND PROGRAM ASSOCIATION

Novelty 2020



In 2020, a **campaign** was launched in Polsat channel which should **help in promoting positive changes for environment and nature**. **Eco-activists**, artists, experts appear in campaign spots – people who would like to support environmental protection. Spots touch upon **topics which are consistent with the mission of the Association: clean air, clean water and its deficit, greenhouse gas emissions and contamination by plastic products**.

Characters in the campaign point to simple activities which can be easily introduced in daily life (including waste segregation, reusable shopping bags, ecological sources of energy, shopping habits) and draw attention to key threats for the Earth (including air pollution, waste, exhaustion of energy sources, spills, deforestation, damaging biodiversity, melting glaciers).

The statement made by the young generation is an important element of the campaign – children who say directly to the viewers: *“It is about our and your future”*.

Beata Kozidrak, Małgorzata Pieczyńska, Anita Sokołowska, Krzysztof Ibisz, Kamil Bednarek, Piotr Kupicha, eco-influences - Paulina Górka and Sylwia Majcher as well as a representative of Clean Poland Program Association - Dominika Tarczyńska, were among people who took part in the campaign.

We start initiating changes first of all from ourselves. Wherever possible we modernize our infrastructure, and replace older solutions with state-of-the-art, environment-friendly ones. We believe that as a result of our activities, all of us will change our attitude towards ecology, while simultaneously improving quality of our life.

GOOD PRACTICE: #StartWithMyself (#ZaczynamOdSiebie) social action

Novelty 2020



On the occasion of the **50th Anniversary of Earth Day**, the Clean Poland Program Association initiated a **social action: #StartWithMyself (#ZaczynamOdSiebie)**. **Well known faces from Polsat channels**, including Edyta Herbuś, Anita Sokołowska, Krzysztof Ibisz, Sylwia Lipka, Igor Herbut, Kacper Kuszewski and Nicole Bogdanowicz, joined the initiative. In their social media, **the celebrities published entries or films encouraging people to take care of our planet**. Karolina Gilon also talked in Polsat News about what each of us can do for environment. The Clean Poland Program Association, in its social media channels, encouraged everyone to share short films presenting one's own actions undertaken for the sake of our planet.

At the end of 2020, the **Clean Poland Program Association** had over **200 thousand members**.

5.4. Environmental education

Education of the society is one of the main goals behind establishing of the Association. This should promote benefits resulting from the eco life-style. **Key companies from the Group** were involved in the communication and information distribution.

TV Polsat not only provides information about condition and quality of air, but also commits itself to spreading knowledge about possible solutions and success stories in the fight for the air's better quality.

GOOD PRACTICE: "EARTH FESTIVAL. STARS FOR CLEAN POLAND" CONCERT IN POLSAT



"Earth Festival. Stars for Clean Poland" is a performance crowning the two-day festival which took place on 22nd and 23rd August 2020 in Uniejów.

The event has been organized thanks to [For Earth For Us](#) initiative whose idea is to inspire and make the society aware of changes which can be easily introduced in daily life for the sake of the planet and future generations.

Earth Festival Uniejów 2020:

- 2 days of activities in the dedicated **eco-town**,
- Numerous **eco-zones** of education-entertainment nature,
- Outdoor cinema.

Stars who find environmental protection activities important performed on stage, including **Kayah** (who has not eaten meat, segregated waste and promoted purchasing "second hand" clothes for years), spending **Ewa Farna** (a vocalist who cultivates her own tomatoes), audience favourites **Beata Kozdrak** and **BAJM** (a vocalist decided to perform in an ecological outfit). We also had a chance to listen to Golec uOrkiestra, Enej, LemON bands. Kamil Bednarek, Mrozu, sanah, Natalia Nykiel and Viki Gabor also performed on the stage. The concert was hosted by Karolina Gilon, Paulina Sykut-Jeżyna and Krzysztof Ibisz.

The Clean Poland Program Association and TV Polsat were **strategic partners of the event**. **Cyfrowy Polsat, Plus, Polsat Foundation, ESOLEO, ZE PAK** and **Thermal SPA Uniejów** were **content partners** who prepared **educational eco-zones**.

Cyfrowy Polsat and **Polkomtel**, with the help of the Magazine for Subscribers of Cyfrowy Polsat Group "Brawo Ty!", has consistently presented to its customers the issues related to environmental protection.

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



In 2020 we continued serious challenges related to ecological education of our environment. In the next issue of "Brawo TY!" magazine we addressed the following topics:

- Clean Poland Program Association – Who are we?
- Polsat Group plays green!
- How to get free electricity?
- Ecology pays off.
- #WEtakeCare of forests
- Do not pollute your neighbours
- Here comes the forest
- Naturally healthy

- New life of old things
- Waste is worth its weight in gold!
- Eco-cleaning
- Healthy regulations

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).

Ecology topics are also addressed by individual companies under their internal communication, while inspiring and encouraging employees to act.

GOOD PRACTICE: ECO-FRIENDLY AT WORK AND AT HOME

Novelty 2020



In 2020, as a part of internal communication we launched “ECO-friendly at work and at home” project. Its goals include:

- Ecological education,
- Promoting eco-attitude in relation to events in support of caring for environment,
- Building commitment to support the Sustainable Development Goals.

Under the communication tool we launched:

- A series of ecological education articles in the Intranet of Cyfrowy Polsat and Planeta Plusa,
- Educational competitions under the patronage of business partners.

Under the action carried out with our business partners, we joined the project executed by National Geographic television channels.

GOOD PRACTICE: PLANET OR PLASTIC?

Novelty 2020



Planet or plastic? is a long-term global initiative of National Geographic, the goal of which is to reduce the disposable plastic consumption.

In 2020 we joined this initiative. On the Day without Foil Packaging, together with our partner, we prepared an educational action in our Points of Sale. On that day our sales representatives not only received an inspirational newsletter, but also thematic gadgets encouraging people to support good habits and “less waste” life-style (a cotton bag, lunch box – for multiple use).

5.5. 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.

That is why Zygmunt Solorz and Polsat Group proposed another **big change – an offer of production of your own energy from sun's energy** on a mass scale.

GOOD PRACTICE: PHOTOVOLTAIC OFFER



In July 2020, we launched a photovoltaic offer. Photovoltaic installations will be offered under a new brand of **ESOLEO** by ESOLEO Sp. z o.o. – a company being part of the Polsat Group, which has extensive experience on the photovoltaic market in Poland. ESOLEO offer will be available **across Poland in more than 1000 Points of Sale and Customer Service Points of Plus and Cyfrowy Polsat**. Each customer who decides to choose ESOLEO will be able to produce his/her own electricity and **reduce electricity bills even by 95%**.

Benefits of the photovoltaic installation:

- Savings on electricity bills - bills from the power plant may be reduced to a few zloty per month.
- Protection against inevitable increase of electricity prices.
- Modules are resistant to such weather conditions as snow, hail or torrential rain.
- Eco-friendly energy production without CO₂ emission – clean air for children and future generations.
- Photovoltaic systems do not generate noise and pollution and are recyclable.
- Lifetime of photovoltaic modules is usually a few decades – after 25 years in operation they maintain over 80% of the initial power.
- Photovoltaic systems are very safe, maintenance free, reliable and do not require regular servicing.

In September 2020, ESOLEO Sp. z o. o. as a leader of the consortium including ESOLEO and Przedsiębiorstwo Remontowe PAK SERWIS Sp. z o.o. signed an agreement for a “turn-key” investment “**Energy transformation in the region – construction of a photovoltaic farm on the reclaimed lands of Adamów Coal Mine with the capacity of 70 MWp, together with the necessary technical infrastructure**”. The subject of the agreement includes design, installation and commissioning of the photovoltaic farm with the capacity of 70 MWp together with the necessary technical infrastructure. Photovoltaic farm will be built on plots of the size of ca. 100 ha, on reclaimed lands which had been formerly exploited as brown coal mining areas. After completion of its construction, the photovoltaic farm in Brudzewo will be the biggest PV farm in Poland. Its capacity will be over 18.5 times bigger than that of the biggest photovoltaic farm currently operating in Poland in Czerników near Toruń the installed capacity of which is 3.77 MW. Furthermore, in the business sector ESOLEO provides, among others, photovoltaic installations for 200 stores of DINO Polska chain.

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.

Initiatives implemented at Polkomtel, aimed at increasing the energy performance of its network include, among others:

- 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 CO₂

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 CO₂ 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.

[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 CO₂ emission** have been added to the company’s car fleet.

[GRI 302-1]

Table 13. Total consumption of energy from own production or purchased, split into electrical, heat in joules or its multiples

Total consumption of energy from own production or purchased, split into electrical, heat in joules or its multiples	2020			Total
	Polkomtel ¹	Cyfrowy Polsat	TV Polsat	
Electrical energy [MWh]	251 851	11 980	4 688	268 519
Thermal energy (including steam and consumption of cooling power) [GJ]	10 523	13 959	4 017	28 499
Natural gas [MWh]	784	0	221	1 005

Total consumption of energy from own production or purchased, split into electrical, heat in joules or its multiples	2019			
	Polkomtel ¹	Cyfrowy Polsat	TV Polsat	Total
Electrical energy [MWh]	260 626	11 789	4 604	277 019
Thermal energy (including steam and consumption of cooling power) [GJ]	9 221	14 610	4 452	28 283
Natural gas [MWh]	0	0	254	254

¹ Data refer to Polkomtel and Polkomtel Infrastruktura.

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



Under an intra-group business car rental, **Car – Sharing**, the employees of the Capital Group have a possibility to use available cars (of various types and engines: passenger vehicles, Vans, Panel vans, Pick-ups, Multivans) – both for business and private purposes. Thanks to this, people without an assigned business car may effectively manage their time – in particular **while using an electric car** which is privileged and authorized to use bus lanes while driving through the city.

In 2020:

- **We increased the number of chargers.**
We have installed another **14 chargers** at various locations. Modern, intuitive and innovative devices with 22 kW capacity has a power balance option, usage reporting and settlement for charging per user. In 2021 we plan to extend the pool of chargers with another 10 units.
- **We extended a car fleet in the Car Sharing service.**
6 fully electric cars were added to our car fleet in the Car Sharing service. More and more often we decide to purchase hybrid cars for our (general) car fleet. In 2020 we purchased 14 cars of this type. Additionally, we are constantly replacing diesel cars with petrol cars.
- **We installed the first device for automatic release and return of keys** to cars from the CarSharing car rental. Thanks to this solution, Fleet Managers do not need to participate in the keys handling process. The user just needs to make a reservation in the system. Then he/she receives an SMS code, thanks to which he/she will collect and then return the keys without an intervention of any third party. A possibility to report the current condition of the car is another advantage of the keys vending machine. The user completes a questionnaire before or after using the car. The questionnaire provides for a possibility of enclosing pictures. In 2021 we plan to install keys vending machines in subsequent four locations.

5.6. Consumption of raw materials

Wherever possible we modernize our infrastructure. 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 **eco-services**. Our customers can receive invoices or payment slips in electronic form. In 2020 over **92.64% of Cyfrowy Polsat customers** (in 2019 – 92.41%) and **97.42% of Polkomtel customers** (in 2019 – 96.06%) received electronic invoices.

[GRI 301-1]

Table 146. Raw materials / materials consumed, according to weight

Non-renewable	Raw materials / materials consumed, according to weight/ volume (tons, cubic meters) (t, m3)	2020			TOTAL
		Polkomtel ¹	Cyfrowy Polsat	TV Polsat	
	Copy paper (tons)	7.0	50.5	10.0	67.5

Non-renewable	Raw materials / materials consumed, according to weight/ volume (tons, cubic meters) (t, m3)	2020			TOTAL
		Polkomtel ¹	Cyfrowy Polsat	TV Polsat	
	Copy paper (tons)	18.0	51.3	70.0	76.3

¹ Dane dotyczą spółek Polkomtel i Polkomtel Infrastruktura.

[GRI 301-1, GRI 102-48]

Table 15. Raw materials / materials consumed, according to weight

#	Raw materials / materials consumed, according to weight/ volume (tons, cubic meters) (t, m3)	2020			TOTAL
		Polkomtel ¹	Cyfrowy Polsat	TV Polsat	
1	Diesel (cubic meters)	167.04	20.96	155.2	343.2
2	Aviation fuel (cubic meters)	0	0	26.3	26.3
3	Gasoline (cubic meters)	433.15	19.57	215.3	668.0

#	Raw materials / materials consumed, according to weight/ volume (tons, cubic meters) (t, m3)	2019			TOTAL
		Polkomtel ¹	Cyfrowy Polsat	TV Polsat	
1	Diesel (cubic meters)	290.71	29.7	219.1	539.5
2	Aviation fuel (cubic meters)	0	0	23	23
3	Gasoline (cubic meters)	593.7	34.3	150.9	778.9

¹ Data refer to Polkomtel and Polkomtel Infrastruktura.

The decrease in fuel consumption is due to the national quarantine and restrictions in connection with the coronavirus pandemic, which was associated with less refueling. 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.

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.

[GRI 306-1]

Table 16. Place of waste water disposal

Lp.	Place of waste water disposal. Volume (in m3)	2020			Total
		Polkomtel ¹	Cyfrowy Polsat	TV Polsat	
1	To subterranean waters	0	0	0	0
2	To surface waters (lakes, rivers, etc.)	0	0	0	0
3	To municipal companies	18 596	8 964	1 006	28 566
Total		18 596	8 964	1 006	28 566

#	Place of waste water disposal. Volume (in m3)	2019			Suma
		Polkomtel ¹	Cyfrowy Polsat	TV Polsat	
1	To subterranean waters	0	0	0	0
2	To surface waters (lakes, rivers, etc.)	0	0	0	0
3	To municipal companies	16 325	13 920	537	30 782
Total		16 325	13 920	537	30 782

¹ Data refer to Polkomtel and Polkomtel Infrastruktura.

5.7. 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**.

[GRI 306-2]

Table 19. Total weight of non-hazardous and hazardous waste, depending on the adopted procedure

#	Total weight of safe and hazardous waste, depending on the procedure adopted	Weight of waste in 2020 [Mg]			SUMA
		Cyfrowy Polsat	Polkomtel ¹	TV Polsat	
1	Recykling	572.4	0	20.3	592.7
2	Odzysk (w tym odzysk energii)	0	0	0	0
3	Inne (m.in. tworzywa sztuczne, drewno, odpady budowlane, leki)	0	492.6	5.2	492.6
	SUMA	572.4	492.6	25.5	1 090.5

#	Total weight of safe and hazardous waste, depending on the procedure adopted	Weight of waste in 2020 [Mg]			SUMA
		Cyfrowy Polsat	Polkomtel ¹	TV Polsat	
1	Recykling	541.4	0	10,1	551.5
2	Odzysk (w tym odzysk energii)	0	0	0	0
3	Inne (m.in. tworzywa sztuczne, drewno, odpady budowlane, leki)	0	397.3	0	397.3
	SUMA	541.4	397.3	10.1	948.8

¹ Data refer to Polkomtel and Polkomtel Infrastruktura.

Growth of the volume of waste in 2020 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. Our strategic clients are offered assistance in disposing of their electronic equipment – from the process of handing the equipment over to a recycling company to settlement of waste disposal process. In total, in 2020 we supplied over **19 tons of waste electronic equipment for recycling**.

Polkomtel fulfils 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 recycling organizations. In 2020 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.

We try not only to limit the quantity of waste sent to the landfill sites (among others through reduction of the quantity of disposable items at our offices), but also to support the effectiveness of recycling (through education of employees about proper method of waste segregation).

GOOD PRACTICE: DO NOT DISPOSE THE WASTE WITH HASTE



In 2020, in the Intranet of Cyfrowy Polsat and Planeta Plusa we addressed the topic of waste segregation. With the support of the educational articles, we tried to convince our employees that segregated waste ceases to be waste and becomes a valuable resource. Employees could find information about following topics in our publications:

- Why do we need to divide waste into fractions?
- Where can you find information about proper segregation?
- How to work on habits and produce less waste?
- What can be recycled, and what should be sent to the landfill?
- Where should one send exemplary waste generated at work?

Under the initiative we also offered activities involving employees – knowledge quizzes (to systemize the knowledge) and challenges with prizes (the goal of this challenge was to view the pictures of waste discarded at the office and decide which waste should not be discarded to a given dustbin).

Cyfrowy Polsat cooperates, on continuous basis, with the companies who collect and recycle all sorts of waste generated by the company. In 2020 Cyfrowy Polsat supplied over **572 tons** of waste for recycling to specialized recycling firms, with 61% of this amount being **electro-waste**.

GOOD PRACTICE: WASTE RECYKLING



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 2020 over **352 tons of waste, consisting of electrical and electronic devices**, were delivered to specialized recycling plants (351 tons in 2019).

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.

Recycling of packaging materials

We carefully segregate paper, plastics and Styrofoam. 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, which makes its storing more effective and more economic loading. We supplied over **205 tons of cardboard and paper** as well as over **3 tons of plastic film** for recycling in 2020.

Satellite television can be received via **set-top boxes**. Our STB factory – InterPhone Service – is a **modern machinery park** and **professional employees**. 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 13 years of operations, over **9 million STBs** rolled out of the factory, including:

- latest **EVOBOX STREAM** model (which enables the use of OTT Television),

- **EVOBOX HD** and **EVOBOX LITE** (with embedded Wi-Fi modules),
- **EVOBOX PVR** (a multi-functional device)
- **EVOBOX IP** (dedicated to the offer of Cable IPTV).

The factory also produces the **300 Home Internet Set** supporting LTE Advanced technology while allowing for data transfer rates of even up to 300 Mbps. The product won the Mobily 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** with respect to manufacturing of electronic telecommunication and general use equipment.

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%,
- maximum use of the surface of the production sheet of material,
- waste reduction at the design stage,
- execution of the service with a partner who holds a Product Origin Control FSC certificate.

Each set-top-box provided to customers by Cyfrowy Polsat is also environment-friendly – its specification always complies with valid standards, and power consumption in standby mode does not exceed 1W. We also take care of equipment's recirculation – the equipment is leased to customers for a definite period of time and after its return and refurbishment it is introduced to the market again.

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 CO₂ emission.

In **TV Polsat** all waste is transferred to specialized companies and recycled outside the company headquarters. In 2020 TV Polsat supplied the following amounts of waste to recycling:

- 528 kg of toner cartridges,
- 4 161 kg of data carriers,
- 2 910 kg of electronic equipment,
- 5 276 kg of mixed waste (including damaged furniture, chairs, etc.),
- 12 742 kg of paper (including cardboard)

5.8. 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.

GOOD PRACTICE: COOPERATION UNDER SI2PEM PROJECT



In 2020, Cyfrowy Polsat Group was 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.

As of now, all archives of measurements have been loaded to the SI2PEM system. We just need to complete the entire interface and release the tool in a clear graphic artwork.

In 2020 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.

OUR CORPORATE SOCIAL RESPONSIBILITY AND COMMUNICATION MANAGEMENT APPROACH DISCLOSURES



- What is our understanding of **transparent communication** with the market and with our stakeholders?
- What is our **Relevance Matrix**?
- How do we **prevent corruption and bribery**?
- How are **employee issues and respect for human rights** regulated in our Group?
- What are **our activities for the society**?
- What do we do to make **our organization eco-efficient**?



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 **10 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 fourth **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,
- Polkomtel¹
- Telewizja Polsat (TV Polsat).

¹ The data concerns Polkomtel and Polkomtel Infrastruktura.

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.

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 accessed on the Internet at: <https://inwestor.netia.pl/raport/654472/skonsolidowany-raport-roczny-srr-2020>.

This report was not subject to external audit.

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 in the past years, our report has been compiled in line with the rules defined by the **GRI Standard**. While creating the publication, we went through the processes of **identification, prioritization and validation**. In 2020 we did not hold a dialog session. Instead we used the data collected during the most recent 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 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 2020.

[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** (during 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 2020 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.
- IAB Qualid digital advertising quality improvement program.

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, while using DTH, IPTV technology as well as Internet connectivity from any ISP, assures access to as many as 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.

Telewizja Polsat understands the particular responsibility related to the impact that television, advertising in particular, has on children. 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, i.e. the people with impaired vision and hearing, 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 2020 were adapted, in 89% of the reported air-time, to the needs of the people with impaired hearing, speech and sight. Moreover, in 2020 Telewizja Polsat implemented displaying of text live on screen in its news channel.

We exceed the standards

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

Our representatives participate in the activities of work groups of the ten industry organizations that we are members of. 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.

Table 20. Representatives of the Cyfrowy Polsat Group in industry organizations

Company	Cyfrowy Polsat	Polkomtel	Telewizja Polsat
Polish IT and Telecommunications Chamber (PIIT)	X	X	
Association of Private Media Employers Lewiatan	X		X
Polish Confederation Lewiatan		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 and 2020.

Table 21. Noted corruption incidents in Cyfrowy Polsat Group

Noted corruption incidents ended with:	2020	2019
Termination of employment or a disciplinary penalty for employees	0	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
Total	0	0

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 2020.

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 2020.

No incidents violating the freedom of competition were discovered by the President of the Office of Competition and Consumer Protection at Polkomtel in 2020.

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..

Moreover TV Polsat was sued by P4 Sp. z o.o., the operator of Play mobile network, in connection with the alleged so-called "hidden advertising" of Plus mobile telephony network's services. Also in this case no binding ruling has been issued to-date.

RESPONSIBILITY TOWARDS THE 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 which are the 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 is 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, with division according to sex and employment category.**

We exceed the 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, as well as to the movies co-produced by the Group's companies.

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]

No complaints regarding alleged mobbing behavior were received by the Anti-Mobbing Committee of Polkomtel were received in 2020. A complaint received by the Committee in 2019 was resolved.

No complaints regarding alleged mobbing behavior were received by the Anti-Mobbing Committee of Cyfrowy Polsat were received in 2020.

In 2020 TV Polsat received one complaint regarding alleged case of mobbing. A complaint was resolved.

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.fundacijapolsat.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 the 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
- Education.

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 as well as makes efforts to counteract digital exclusion and popularizes knowledge about ecology.

Key figures:

- Polsat Foundation provided aid to over **37.8 thousand** children.
- The Foundation provided support to **over 2 637 hospitals and medical centers**, as well as schools and orphanages.
- More than **PLN 257 million** was donated for the Foundation's statutory goals.
- Over **PLN 21.6 million** was obtained for the Foundation from the St. Nicholas Day's commercial block in TV Polsat.
- Over **PLN 26.6 million** was the amount obtained by POLSAT Foundation from the donation of 1% of the income tax
- **300 printers for educational establishments**,
- **2200** tablets for remote learning donated to orphanages,
- 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 performance 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.

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 the 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 as well as protection and conservation 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.

INDEX GRI

[GRI 102-55]

GRI standard number	Indicator number	Indicator title	Required at CORE level	Is it marked in the Report?	Page
Reporting principles and foundation					
GRI 101		Reporting principles and foundation	CORE	Yes	118
General disclosures					
Organization profile					
GRI 102	102-1	Name of the organization	CORE	Yes	42
GRI 102	102-2	A description of the organization's activities, brands, products and/or services	CORE	Yes	42, 45
GRI 102	102-3	Location of the organization's headquarters	CORE	Yes	42
GRI 102	102-4	Location of the organization's operations	CORE	Yes	42
GRI 102	102-5	Ownership and legal form	CORE	Yes	42
GRI 102	102-6	Markets served	CORE	Yes	42
GRI 102	102-7	Scale of the organization	CORE	Yes	41
GRI 102	102-8	Information on employees and other workers of the organization	CORE	Yes	86
GRI 102	102-9	Supply chain	CORE	Yes	104
GRI 102	102-10	Significant changes to the organization and its supply chain	CORE	Yes	41
GRI 102	102-11	Whether and how the organization applies the Precautionary Principle or approach	CORE	Yes	52
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	18, 83, 121
GRI 102	102-13	Membership of associations and organizations	CORE	Yes	18, 121
Strategy					
GRI 102	102-14	Statement from senior decision-maker	CORE	Yes	5
GRI 102	102-15	Description of key impacts, risks, and opportunities	CORE	Yes	5
Ethics and integrity					

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	50
GRI 102	102-18	Governance structure of the organization, including committees of the highest governance body	CORE	Yes	42
Stakeholder engagement					
GRI 102	102-40	A list of stakeholder groups engaged by the organization	CORE	Yes	13, 14
GRI 102	102-41	Employees covered by collective bargaining agreements	CORE	Yes	100
GRI 102	102-42	The basis for identifying and selecting stakeholders with whom to engage	CORE	Yes	14
GRI 102	102-43	Approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	CORE	Yes	14
GRI 102	102-44	Key topics and concerns that have been raised through stakeholder engagement, including how the organization has responded to those key topics and concerns, including through its reporting	CORE	Yes	14
GRI 102	102-45	Including in the report entities included in the organization's consolidated financial statements	CORE	Yes	118
GRI 102	102-46	Process for defining the report content and the topic Boundaries	CORE	Yes	118
GRI 102	102-47	List of the material topics identified	CORE	Yes	118
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	100, 112
GRI 102	102-49	Changes in reporting	CORE	Not applicable	Not applicable
GRI 102	102-50	Reporting period	CORE	Yes	118
GRI 102	102-51	Date of the most recent previous report (if any)	CORE	Yes	118
GRI 102	102-52	Reporting cycle	CORE	Yes	118
GRI 102	102-53	Contact point	CORE	Yes	142

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	118
GRI 102	102-55	GRI content index	CORE	Yes	129
GRI 102	102-56	Organization's policy and current practice with regard to seeking external assurance for the report	CORE	Yes	118
Management Approach					
GRI 103	103-1	Explanation of the material topic and its Boundary	CORE	Yes	9, 119
GRI 103	103-2 103-3	The management approach and its components in the area of compliance with law and regulations Evaluation of the management approach in a given area	CORE	Yes	120
GRI 103	103-2 103-3	The management approach and its components in the area of Human Resources Evaluation of the management approach in a given area	CORE	Yes	120
GRI 103	103-2 103-3	The management approach and its components in the area of Education and training Evaluation of the management approach in a given area	CORE	Yes	120
GRI 103	103-2 103-3	The management approach and its components in the area of Diversity and equal opportunity Evaluation of the management approach in a given area	CORE	Yes	120
GRI 103	103-2 103-3	The management approach and its components in the area of Anti-corruption policies and procedures Evaluation of the management approach in a given area	CORE	Yes	120
GRI 103	103-2 103-3	The management approach and its components in the area of social impact Evaluation of the management approach in a given area	CORE	Yes	120
GRI 103	103-2 103-3	The management approach and its components in the area of environmental impact Evaluation of the management approach in a given area	CORE	Yes	120

Topic-specific disclosures					
Economic topics					
Economic performance					
GRI 201	201-1	Direct economic value generated and distributed (including revenues, operating costs, employee wages and benefits, donations and other community investments, undistributed profit and payments to providers of capital and government)		Yes	41
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	19, 20, 29, 33, 34, 36
GRI 203	203-2	Identification and description of significant indirect economic impacts, including the scale and extent of impact		Yes	19, 20, 29, 33, 34, 36
GRI 205	205-3	Confirmed incidents of corruption and actions Yesen		Yes	123
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	123
Environmental topics					
Materials					
GRI 301	301-1	Non-renewable / renewable materials used by weight or volume		Yes	112
GRI 302	302-1	Energy consumption within the organization, including fuel types		Yes	110
GRI 302	302-4	Reduction of energy consumption		Yes	110
Effluents and waste					
GRI 306	306-1	Total volume of water discharge by destination		Yes	112
GRI 306	306-2	Total weight of waste by type and disposal method		Yes	113
Social topics:					
Employment					
GRI 401	401-1	New employee hires and employee turnover		Yes	87

GRI 401	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Yes	89
Occupational Health and Safety				
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	100
GRI 403	403-2	Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	Yes	100
GRI 403	403-3	Workers with high incidence or high risk of diseases related to their occupation	Yes	98
GRI 403	403-4	Health and safety topics covered in formal agreements with trade unions	Yes	100
Training and education				
GRI 404	404-1	Average hours of training per year per employee	Yes	95
GRI 404	404-2	Programs for upgrading employee skills and transition assistance programs which support continued employability and facilitate the retirement process	Yes	96
GRI 404	404-3	Percentage of employees receiving regular performance and career development reviews by gender and employee category	Yes	96
Diversity and equal opportunity				
GRI 405	405-1	Governance bodies and employees, by employee category, gender, age and other indicators of diversity	Yes	42
GRI 405	405-2	Ratio of basic salary and remuneration of women to men	Yes	88
Non-discrimination				
GRI 406	406-1	Total number of incidents of discrimination and actions Yesen in this respect	Yes	125
Local communities				
GRI 413	413-2	Operations with significant actual and potential negative impacts on local communities	Yes	116
Customer health and safety				
GRI 416	416-2	Incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts	Yes	69
Marketing and labelling of products and services				
GRI 417	417-3	Incidents of non-compliance with regulations and voluntary codes concerning marketing communications	Yes	82

Customer privacy					
GRI 418	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		Yes	70
Socioeconomic compliance					
GRI 419	419-1	Non-compliance with laws and regulations in the social and economic area		Yes	121
Requirements of the Directive 2014/95/EU					
Description of the undertaking's business model				Yes	Chapter 2 p. 41, 42 Chapter 3 p. 65 Chapter 6 p. 119
Description of key risk management				Yes	Chapter 2 p. 52
Description of the policies, due diligence processes and key performance indicators pursued by the undertaking in relation to employee matters				Yes	Chapter 4 p. 85 Chapter 6 p. 125
Description of the policies, due diligence processes and key performance indicators pursued by the undertaking in relation to environmental matters				Yes	Chapter 5 p. 103 Chapter 6 p. 127
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. 123
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. 124
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, 29 Chapter 6 p. 126

List of good practices

Lp.	Cel Zrównoważonego Rozwoju (SDG)	Tytuł dobrej praktyki	Kontynuacja	Nowość	Strona
1	SDG 9	Dialogue with the stakeholders	YES	NO	18
2	SDG 8	Social Responsibility Report of Polsat Group	YES	NO	18
3	SDG 3, 4	PLN 50 million for the fight against coronavirus	NO	YES	21
4	SDG 3	Purchase of 200 thousand coronavirus tests including the necessary laboratory equipment	NO	YES	22
5	SDG 3	Purchase of medical equipment	NO	YES	22
6	SDG 3	"Advertising to the rescue – together in the fight against coronavirus" – a special commercial block in Polsat	NO	YES	22
7	SDG 4	Tablets for remote learning for orphanages and foster families	NO	YES	23
8	SDG 4	Start-up sets for day care centers	NO	YES	23
9	SDG 4	"Print with smile" – printers for educational institutions	NO	YES	23
10	SDG 8	"Feel the taste of help"	NO	YES	24
11	SDG 3	"Let's help each other" – a social campaign addressed to senior citizens	NO	YES	24
12	SDG 3	"Stay with me" – social and spiritual action for people hospitalized due to COVID-19	NO	YES	25
13	SDG 3	#heroeswearmasks (#bohateranosimaske) action	NO	YES	25
14	SDG 3	Report. Everything about coronavirus	NO	YES	26
15	SDG 3	Easter celebrations in Polsat News	NO	YES	26
16	SDG 3	Integrated rescue system and "Rescue" application	YES	NO	28
17	SDG 3, 4	#JESTEŚMYDLADZIECI(#WEAREHEREFORTHE CHILDREN) Program	YES	NO	31

Lp.	Cel Zrównoważonego Rozwoju (SDG)	Tytuł dobrej praktyki	Kontynuacja	Nowość	Strona
18	SDG 3	St. Nicholas Day Commercial Block	YES	NO	32
19	SDG 3	Child's Day gifts for the children treated in hospitals	NO	YES	34
20	SDG 4	Blood donation action organized next to TV Polsat HQ	NO	YES	34
21	SDG 1	Big Board Games Tournament	NO	YES	35
22	SDG 1	Christmas gift packs for children from orphanages	YES	NO	35
23	SDG 3	Santa Claus Courier	YES	NO	35
24	SDG 3	Christmas Home Workshops: DIY	NO	YES	36
25	SDG 3	Workout during the pandemics	NO	YES	37
26	SDG 9	Development and promotion of Polish volleyball	YES	NO	37
27	SDG 10	Lower costs of calls from Poland to Belarus	NO	YES	63
28	SDG 9	5G network roll-out	NO	YES	65
29	SDG 9	Development of LTE technology	NO	YES	66
30	SDG 4	10 years of cooperation with the Copernicus Science Centre	YES	NO	67
31	SDG 10	Services for the disabled	YES	NO	75
32	SDG 1	Our new home	YES	NO	77
33	SDG 10	Support for disabled people and diversity	YES	NO	78
34	SDG 1, 3	Charity goal of the "Your Face Sounds Familiar" show	YES	NO	78
35	SDG 8	New technology in Polsat Sports Studio	YES	NO	80
36	SDG 10	Polsat News with captioning	NO	YES	82
37	SDG 9	Crowd+ Program	YES	NO	92

Lp.	Cel Zrównoważonego Rozwoju (SDG)	Tytuł dobrej praktyki	Kontynuacja	Nowość	Strona
38	SDG 4	Academy of Knowledge	YES	NO	92
39	SDG 4	PMO Zone	NO	YES	93
40	SDG 9	Academy of Innovation	YES	NO	94
41	SDG 9	Innovative Tuesdays	YES	NO	94
42	SDG 8	Training on intergenerational management	NO	YES	97
43	SDG 8	Occupational Health and Safety Day	NO	YES	98
44	SDG 3, 8	Civil Defense Formation	YES	NO	101
45	SDG 13	Integrated Environmental Management System	YES	NO	104
46	SDG 13	Campaign of Clean Poland Program Association	NO	YES	106
47	SDG 13	#StartWithMyself (#ZaczynamOdSiebie) social action	NO	YES	107
48	SDG 13	"Earth Festival. Stars for Clean Poland" concert in Polsat	NO	YES	107
49	SDG 13	Ecological education in "Brawo Ty!" magazine of Polsat Group	YES	NO	107
50	SDG 13	Eco-friendly at work and at home	NO	YES	108
51	SDG 13	Planet or plastic?	NO	YES	108
52	SDG 13	Photovoltaic offer	NO	YES	109
53	SDG 13	Optimization of energy consumption by base transceiver stations	YES	NO	110
54	SDG 13	Internal car rental: car – sharing	YES	NO	111
55	SDG 13	Do not dispose the waste with haste	YES	NO	111
56	SDG 13	Waste recycling	YES	NO	114
57	SDG 13	Ecological set-top-boxes	YES	NO	115

Lp.	Cel Zrównoważonego Rozwoju (SDG)	Tytuł dobrej praktyki	Kontynuacja	Nowość	Strona
58	SDG 13	Cooperation under SI2PEM project	YES	NO	116

Glossary

5G – it is an abbreviation which stands for the latest, fifth generation mobile networks. The development of 5G networks is associated with increasingly faster data transfer, stable Internet connection and low latency, which will enable a change for the better in many areas of life.

AA1000SES STANDARD – a standard developed by the Institute of Social and Ethical AccountAbility outlining guiding principles for strategic management of the organization and its activities in the social and ethical area.

ACCOUNTING ACT – a Polish legal act which sets out the rules of accounting and financial and non-financial reporting.

ARPU – average revenue per given unit generated in a given settlement period.

AUDIENCE SHARE – the group of TV viewers watching a channel at a given time, expressed as the percentage of all TV viewers at the time.

BTS – a mast, transceiver station which, thanks to transmitting-receiving antennas establishing the radio coverage, communicates with terminals (mobile phones, modems) remaining in its operating area.

CHURN – termination of the contract with Customer by means of the termination notice, collections or other activities resulting in the situation that after termination of the contract the Customer does not have any active service provided in the contract model. Churn rate presents the relation of the number of customers for whom the last service has been deactivated within the last 12 months to the annual average number of customers in this 12-month period.

CODE OF ETHICS – a document defining a set of basic values adopted by the company as a code of conduct. This document include also standards of conduct of the company and its employees towards various groups of stakeholders, consistently resulting from the adopted values. Contents of the Code of Ethics of a given company depend on many factors, both internal and external ones.

CORPORATE GOVERNANCE – a set of rules concerning shareholders, governing bodies of the Company and their members, describing their internal and external relations.

CORPORATE SOCIAL RESPONSIBILITY (CSR) – according to PN-ISO 26000 standard, it is a responsibility of the organization for the impact of decisions and activities undertaken by it on the society and environment, through transparent and ethical behaviour in key areas.

CSR GOOD PRACTICE – a voluntary activity being an expression of corporate social responsibility, going beyond the requirements defined by law and long-term in its nature. This includes business activities, programs or projects related to specific areas of the organization's operations which are addressed to one or many groups of stakeholders, and their essence is linked to the social mission of the organization.

CUSTOMER - natural person, legal entity or an organizational unit without legal personality who has at least one active service provided in a contract model.

DIALOGUE SESSION – a meeting with key internal and external stakeholders, during which they provide information, opinions and requests addressed to the organization.

DIALOGUE WITH STAKEHOLDERES – it is an open communication by the company with groups and/or individuals who have direct or indirect impact on its activities. Honest, systematic dialogue is the basis of effective CSR policy, because information acquired thanks to such a form of communication plays a key role in defining strategic assumptions of the social responsibility at the level of the entire organization. Being aware of expectations of individual stakeholders, including them in the solution creation process helps in building trust in the company.

DIVIDEND - part of Company's profit distributed to the shareholders.

DONATION – a form of agreement in which the donor is obliged to provide a free benefit to the beneficiary, at the expense of the donator's assets. The donation may be granted both by natural and legal persons. The subject of the donation may include real property and movable property, money as well as economic rights, whereas it may not include free provision of services.

EBITDA – we define EBITDA as net profit (loss), as determined in accordance with IFRS, before depreciation and amortization (other than for programming rights), impairment charges and reversals on property, plant and equipment and intangible assets, net value of disposed property, plant and equipment and intangible assets, revenue obtained from interest, finance costs, positive (negative) exchange rate differences, income taxes and share of net results of jointly controlled entities.

EMPLOYEE VOLUNTEERING – undertaking and supporting charity activities by the organization, with voluntary cooperation of people employed by it, for the benefit of non-governmental organizations (NGO) and other institutions specified by law.

ENVIRONMENTAL IMPACT – impact of a given organization, through its activities, products or services, on the natural environment.

ESG – an acronym for environmental, social, governance. ESG provides a kind of framework for enterprise analysis, allowing for comparing of companies against their competitors based on certain specific measures from three main areas related to environment (E), society (S) and corporate governance (G).

FTE – the abbreviation from English meaning "Full Time Equivalent." It is expressed as the hours worked by a full-time employee during a year. The FTE is most often used to convert the hours worked by several employees who work part-time to employees with full-time contracts.

GDPR – Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC;

GLOBAL REPORTING INITIATIVE (GRI) – international reporting standard of responsible business and sustainable development for companies.

GRI INDICATORS – indicators showing economic, environmental data and covering social aspects of the organization's operations.

IPTV – technology which allows for sending television signal in IP-based broadband networks (Internet Protocol Television).

ISO 14001 – ISO environmental management standard, which allows for building Environmental Management Systems based on the so-called process approach. A continuous improvement of activities of a given organization is the basis for this standard.

ISO 26000 – ISO standard which systemizes the knowledge in the area of Corporate Social Responsibility. It defines its framework and outlines its basic assumptions. According to ISO 26000, the area of corporate social responsibility includes: corporate governance, human rights, employment relations, protection of natural environment, relations with consumers and social involvement. At the same time, ISO 26000 clearly distinguishes between the terms of "sustainable development" and "social responsibility", which are often used interchangeably.

LTE – (Long-Term Evolution) - wireless data transmission technology, characterised by much higher transfer speeds, larger network capacity, and lower latencies than traditional technologies. At present, it is the world's fastest and most advanced mobile Internet.

NON-GOVERNMENTAL ORGANIZATION – A non-profit voluntary organization which acts outside governmental and political structures and functions for social issues and the public good. Its operations are largely based on voluntary work (NGO).

RGU (Revenue Generating Unit) – single, active service of pay TV, Internet Access or mobile telephony provided in contract or prepaid model.

SET-TOP BOX - a device processing the encoded digital signal so that it may be received by a TV set. It is generally used to receive digital satellite, cable or online pay TV services.

SHARE IN ADVERTISING MARKET – share of TV advertisement and sponsorship revenue of a given entity in the total revenue from TV advertising in Poland.

SOCIAL ENGAGEMENT– deliberate participation of the enterprise / organization in social life. This may take various forms, e.g. charity activities, community investments, cooperation with social partners, children and adults education, cooperation with universities, sponsoring, participation in social campaigns. Not only engagement is what counts, but also an effective measurement and evaluation of these activities. Social engagement often contributes to solving local and trans-regional social problems.

SOCIAL MISSION OF CYFROWY POLSAT GROUP – We pursue our social mission (#DigitalResponsibility) in the fields of safety, aid to children, education and promotion of sports.

SOCIAL REPORT – a report covering environmental, social and corporate governance issues, presenting a condensed image of management, including the results of the responsible business.

SPONSORING – a joint obligation between two parties, a sponsor and beneficiary. The sponsor provides funds, material aid or services to the beneficiary in return for promotional services of the beneficiary. Sponsoring is a planned and conscious activity undertaken to develop a positive image of the company. It is often a part of the long-term marketing strategy of a business.

STAFF TURNOVER – the process of movement of employees within the structures of an organization or outside it; it denotes replacement, hiring, laying off and voluntary leaves by employees. Staff turnover is calculated as "the sum of the total number of employees (FTE) leaving over the year to the total number of employees (FTE)".

STAKEHOLDERS – persons or groups of persons interested in the activities of the organization, who have some influence over the organization, as well as persons who are affected by the activities of this organization.

SUPPLY CHAIN – a flow of materials, products, services and/or money from the development of a concept of product / service until the moment of its consumption by the customer and the receipt of payment by participants of the process.

SUSTAINABLE DEVELOPMENT GOALS (SDG) - 17 goals of UN thanks to which in 2030 the society should live better, healthier and safer in social, environmental and economic terms.

[GRI 102-53]

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