



Management's report on non-financial information

for the year ended 31 December 2020

Dear Readers!

In this particular, pandemic year, our priority was to ensure continuity of service for our users and customers, and to guarantee safe conditions for our employees. Since mid-March, most of the Group's employees have switched to the remote working mode. For those who worked in the office, we arranged conditions for safe and comfortable performance of their professional duties.

In 2020, the WP Group identified and analysed ESG risks, i.e. risks and resulting threats and opportunities in the areas of environmental matters, social and employee matters, and human rights. The analysis was conducted in collaboration with an external consulting firm.

For the first time, we counted the so-called carbon footprint and reduced the greenhouse gas emissions generated by our holding, expressed in CO₂ equivalent, by 14% compared to 2019. However, our ambitions and plans reach further. Among other things, we will make the operation of our server rooms climate-neutral within two years.

Jacek Świdorski

Chairman of the Management Board of Wirtualna Polska Holding SA

[102-14]

ABOUT THE GROUP

Basic information

Learn more about us

[102-1; 102-3; 102-4]

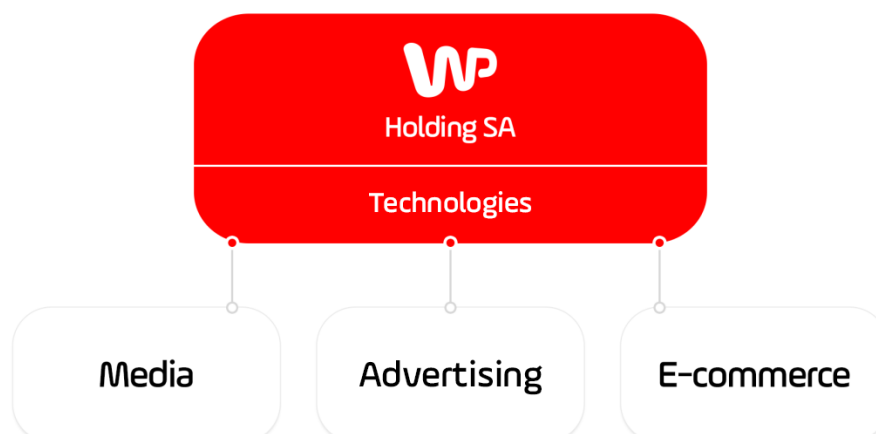
Wirtualna Polska is a capital group headed by Wirtualna Polska Holding SA, with its registered office in Warsaw, ul. Żwirki i Wigury 16. Our group operates in Poland. It offers interesting and attractive work environments in, e.g., Warsaw, Gdańsk, Wrocław, Lublin and Chorzów.

Our main locations:



Our brands, products, services and business model

[102-2]



Wirtualna Polska is a technology holding. Its operations involve media, advertising and e-commerce. Our mission is to remain the partner of first choice for Poles. Our websites are based on innovative solutions that allow us to broaden our target group and provide precise services and advertisements.

The scale of our operations



21,4 million
real
users



3,4 billion
PV



13 minutes
daily

Page view indicators for our website	unit	2020	2019
Number of real users	mln	21,4	21,5
Number of page views	bln	3,4	2,8
Time spent daily by a single user	min.	13,0*	26.5

*In the Mediapanel market measurement carried out by PBI, there was a methodological change in 2020. From October 2020 onwards, only active browser tabs are taken into account when counting the time spent by the user in the portals. This resulted in a significant change in the calculation of time. The number of real users of our portals remained almost unchanged, while the number of page views increased by over a fifth during the year. This means that users are spending more and more time on our services.

Media

Our journalists and reporters prepare tens of materials on a daily basis, including interviews, video reports, opinions, features and news. Every day, they provide current information, comment on the current events and present titbits from the world of entertainment. They make Wirtualna Polska a place that Internet users return to every day.

Portals and content



For us and our users, Wirtualna Polska is the centre of everything that happens in Poland. It is thanks to Wirtualna Polska's team of employees and collaborators that WP Home Page has outstripped the competition, rising up to the 1st place in the Mediapanel measurement.

WP's portfolio also includes a number of thematic portals. Each day we present the most important news from Poland and the world, we run the most popular financial service in Poland, we also provide a full overview of sports information as well as of automotive, technological, lifestyle and entertainment content. In March 2020, Polygamia.pl was added to our array of services, and as of September 2020 we offer Vibez and praca.money.pl.

money.pl >>> praca

The team of money.pl, the biggest Polish economic service, launched a new version of the recruitment service praca.money.pl in October. It includes, among others, job offers, guides, a salary calculator and sample documents for job candidates. The publisher also offers employer branding tools for employers, such as content marketing and targeted video and display campaigns. In the new version of praca.money.pl, nearly 60 thousand job offers are available.



The look and architecture of the website were designed with mobile users in mind. The service is created by a completely new editorial team composed of young editors, visual artists as well as consultants and representatives of Generation Z. The website features thematic cycles related to ecology, sex education, the fight against discrimination, mental health, as well as a number of lifestyle topics. The team is made up of people aged 18-23 who work remotely and prepare their material completely outside the publishing cycle of a traditional online medium.

Polygamia.pl

It is one of the oldest gaming websites in Poland. Upon its incorporation into the Wirtualna Polska portfolio, it was thoroughly rebuilt and technologically modernised.

E-mail poczta

Other services that facilitate communication to our users are also WP Poczta and o2 poczta. They offer unlimited inbox sizes and attachments of up to 100 MB. They stand apart for their superior level of safety and business solutions. In 2020, we focused on developing a variety of e-mail features, among others, by introducing the 1Login od WP service. Not only does it allow for additional two-step account security, but it also facilitates logging in to many other services. By the end of 2020, more than 3 million Internet users used this service.

Television WP | telewizja

Telewizja WP's programmes include movies and shows from all over the world, never before broadcast on Polish FTA TV channels. The offer of the TV station entails signature commentary programmes, entertainment shows, documentaries and home renovation and decoration programmes. According to data published by Nielsen Audience Measurement, Telewizja WP in 2020 achieved a record-breaking 0.67% SHR in the commercial group of people aged 16-49. It has thus outperformed all MUX8 channels, also in terrestrial and cable distribution. Overall, in 2020 Telewizja WP reached 9.5 million viewers, an increase by 7 percentage points compared to 2019.

Telewizja WP is available terrestrially on the 8th multiplex (MUX8), on Cyfrowy Polsat and CANAL+ platforms, in the best cable networks and via the WP Pilot service.

Video WP pilot

Our users can also tune into traditional television online. WP Pilot enables them to watch over 100 TV channels, of which 30 are entirely free of charge. The service is available without any contracts or decoding devices. In 2020, we also developed streaming of live events, which was very popular amongst Internet users, including broadcasts of sports events and concerts. The television can be watched on the website, through the application for Android, iOS, Windows and Xbox, as well as with the use of Chromecast and Airplay.

Radio OPEN FM

OpenFM is the most popular Polish Internet radio. Listeners can tune into nearly two hundred different music stations, divided into thematic categories. The service is available at www.open.fm and via the mobile application on Android and iOS devices.

Advertising

Wirtualna Polska operates on the Polish online advertising market, offering a wide range of advertising products to its customers. These consist of e.g. modern display advertising, including online video advertising, email advertising, mobile device advertising and efficiency model based advertising (i.e. billed for website accesses, filling out forms, registrations, purchase of goods or services, lead generation, performance marketing). WP has been developing its sales according to an intelligent programming model, which provides many advanced metrics to measure its campaigns.

The year 2020 saw numerous new additions to the video advertising offering, including short Bumper Video Ads, Vertical Video Ads in response to users watching video materials on their phones in a vertical position, and further development of engaging Interactive Video Spots with a poll or a product board. WP has also introduced the WP Custom offer, which is based on a flexible approach to accounting for

display visibility standards selected by advertisers. In 2020, in the big-data area of advertising, we developed consumer profiles that allow us to precisely target users who use specific portals and services.

WP's strategy is based on signature technological solutions and innovations within the holding. WP Marketing Platform is a comprehensive technological platform created by us in 2020. It is used to conduct effective advertising activities on our own areas, the areas of Wirtualna Polska Holding companies and the areas of external publishers cooperating with WP. It features an advanced adserver carrying out campaigns based on user data, multi-step engagement scenarios and effective transaction finalisation. Amongst Wirtualna Polska's innovations special attention should be paid to the WP Sales Booster solution, which is responsible for the implementation of effective sales campaigns with the use of artificial intelligence algorithms allowing for a dynamic selection of a target group, area purchase rates, etc. in selected industries, e.g. fashion, depending on the changing market reality. The basis underlying WP Sales Booster is its ability to dynamically select the target group, the area purchase rate and the presentation of relevant products.

E-commerce

E-commerce of the WP Group is an extensive solution that guarantees the effective reach to recipients, providing users with information about trends and purchase recommendations. The Group operates in the areas of tourism, fashion, interior design and house design, financial services, and in the automotive sector.

In 2020, a significant part of the Group's operations was affected by the outbreak of the COVID-19 pandemic. Lockdown, movement restrictions (particularly relevant to the travel industry) and the general economic downturn have made the Group adapt its business to the new market situation. The companies have taken a number of actions related to seeking new sources of income and reducing costs with a view to continue operations in the face of high uncertainty. At the same time, it should be emphasised that the period since March 2020 has also been intensively used by the Group companies for activities related to the product development, introduction of process optimisations and implementation of technological initiatives. These measures are expected to improve the competitive advantage of the Group companies in the post-pandemic period.



Tourism portals of the Group provide a complete offer to travellers and those looking for accommodation in Poland and abroad. Wakaże.pl is the first tourist portal in Poland and a dynamically developing network of brick-and-mortar locations throughout Poland. Every day, the portal presents current offers of the largest renowned tour operators. Wakaże.pl supports consumers in purchasing decisions due to a unique database of reviews related to hotels and destinations, and thanks to the largest tourist discussion forum, featuring interesting daily topics and travel reports. Users interested in domestic holiday can use nocowanie.pl portal that has the biggest database of domestic accommodation in Poland.

Fashion domodi ALLANI

The mission to support our users in their everyday decisions is also demonstrated by the services offered in the two largest fashion search engines in Poland: domodi.pl and allani.pl. These portals offer several hundred thousand products from hundreds of online shops.

Interior and house design homebook extradom

Homebook.pl is a modern platform for interior design professionals and enthusiasts. It offers users the possibility to search among hundreds of thousands of products from hundreds of shops in the home and interior category. It also has an extensive inspiration section where interior design, advice and trends are presented, and a database of interior design specialists. Extradom.pl specializes in the sale of house design plans online. Both brands integrate the consumers' purchasing journey from the house design, through building materials, up to the interior design.

Financial services direct.money.pl totalmoney.pl Finansowy supermarket

We also assist users in important financial decisions. WP Group's services compare and make it possible to select the best insurance, credit, loan, card and account offers. Our experts use plain language, and the content they create makes it possible to find one's way through the complex world of finance. For those interested in in-depth knowledge, they also prepare professional rankings and analyses.

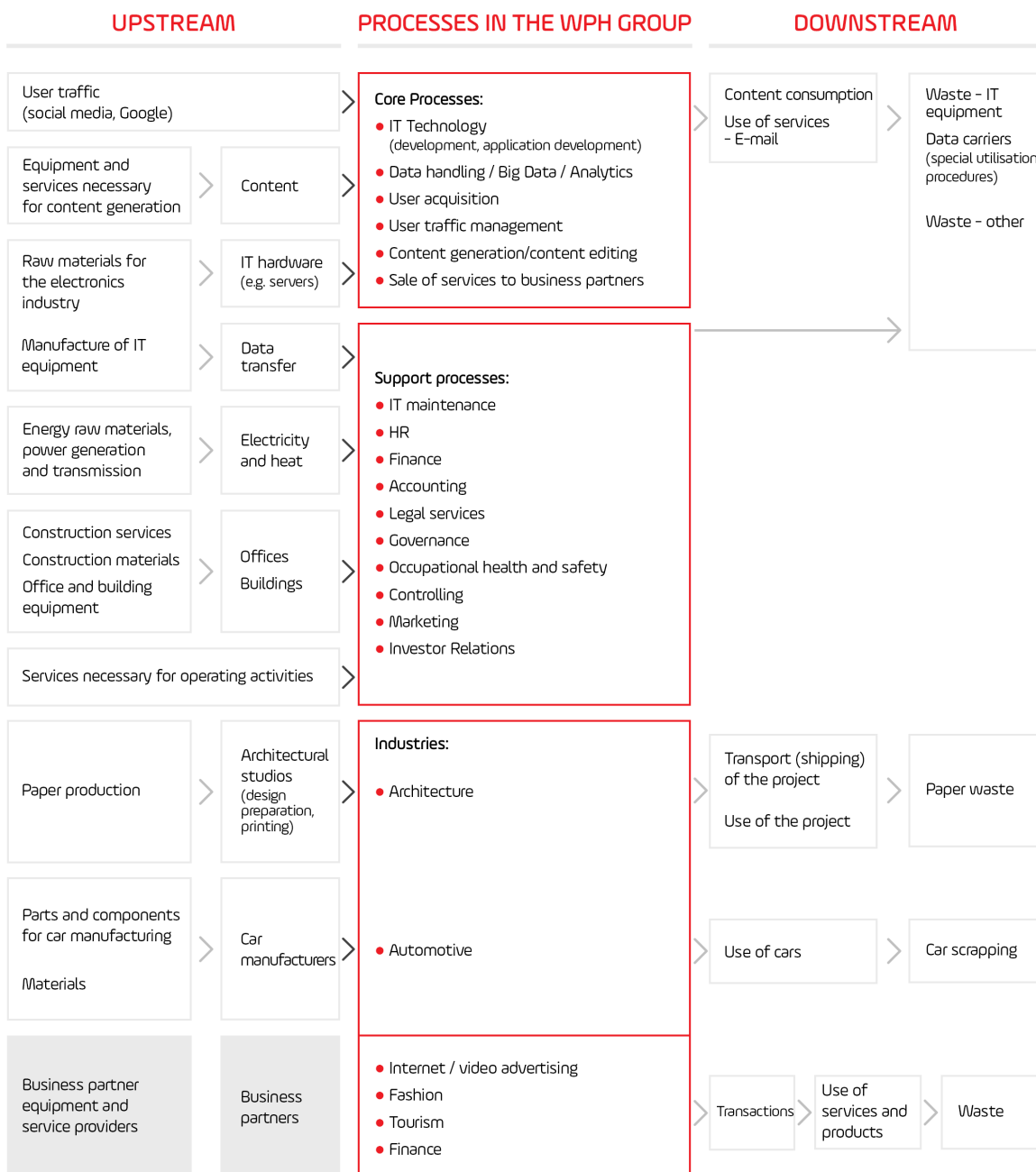
Automotive superauto.pl

Purchasing and financing of cars is another area of e-commerce in which WP operates through its superauto.pl service. It presents a wide range of new cars from authorised dealers of different brands. The highest standard of services provided by a team of experienced consultants enables individual and corporate customers to finance the purchase of a new car without leaving home, by way of lease, rental or credit.

WP Group supply chain

[102-9; 102-10]

We operate in the Internet, media and advertising sectors. We use services of trusted and long-term partners. As a Group with a portfolio involving chiefly electronic services based on its IT infrastructure, we do not identify key suppliers or operate based on an extensive supply chain, which is typical of production companies. Our principal task is to ensure the continuity of service provision: the access to publications, audio/video materials, e-commerce portals and the operation of our partners' advertising display system. Below we present the basic chain of service provision in WP Group.



Key:

Elements of the WPH Group value chain under direct control of the Group
(operational processes in the WPH Group)

Upstream and downstream components of the WPH Group value chain

Elements not belonging to the value chain of the WPH Group, but to the value chains of the WPH Group's business partners, which the WPH Group may partially influence

In our business, we abide by the following principles:

- In building relationships with the business partners that ensure the effective operation of our advertising chain, we pay attention to the transparency of actions taken in respect of our customers and the compliance with legal provisions applicable in the advertising services sector. These regulations involve the protection of personal data and provision of electronic services, and the compliance with relevant industry standards set out, among others, by IAB Europe in the Transparency and Consent Framework.
- Our e-commerce business partners deliver the goods and services that we offer to our users. In this cooperation we always select the suppliers we can trust, who know our customers' needs, and who adapt their respective offers to customers' preferences. We would like our partners to be local suppliers and points of first contact for our customers. We diversify our offer in order to best meet our customers' needs and, at the same time, increase the range of our partners' activities. We guarantee transparent rules of cooperation, competitiveness and attractiveness of our offer, as well as trust and timely payments.
- It is our responsibility to identify risks related to the procurement chain, and to respond to any unfair or unethical behaviour among customers, partners and suppliers. The WP Group does not tolerate any corruption, regardless of its form or purpose. Restrictive agreements and abuse of a dominant position are unacceptable.

Wirtualna Polska's industry presence

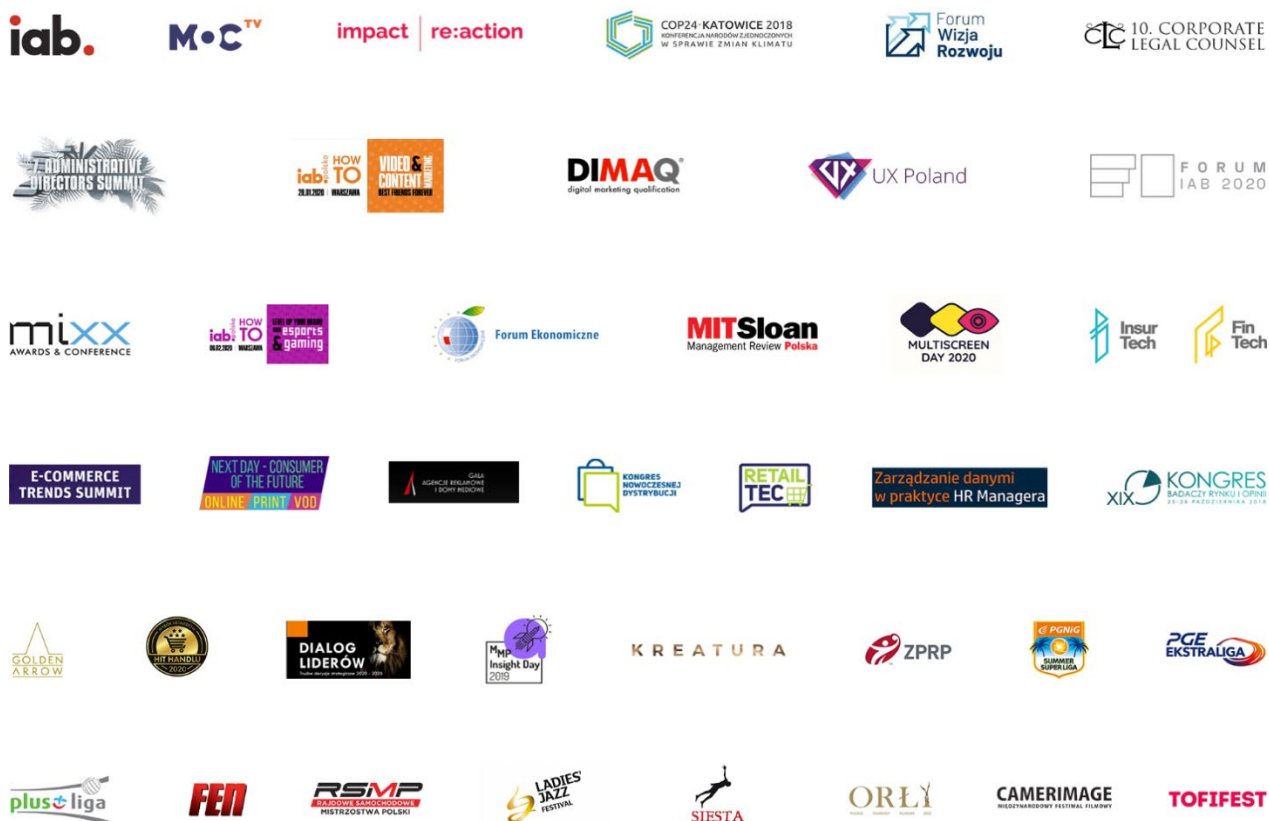
[102-13]

Wirtualna Polska is a managing member of the Association of Employers of the Internet Industry IAB Polska. The mission of the organisation is to support interactive communication and publicise the Internet as an effective medium, among others, through education and research activities. Chair of the Supervisory Board of IAB Polska is Joanna Pawlak, CEO of Wirtualna Polska Media SA. Employees of Wirtualna Polska serve as experts in the industry reports that IAB Polska publishes in cooperation with Harvard Business Review Polska.

WP, along with the other largest media publishers in Poland, supports Polskie Badania Internetu (PBI) as its partner. The most important outcome of this cooperation is the Mediapanel measurement, which has been a standard measurement of Internet audience in Poland for 15 years. WP is also an active member of the Permanent Methodological Team of the PBI Management Board and, at its request, provides its opinions on, among others, planned changes in Mediapanel measurements.

We are also a member of the Polish Chamber of Tourism, Polish Tour Operators Association, and an accredited IATA agent.

Below is a list of some of the organisations, conferences and events in which the WP Group participated or was a media partner in 2020:



The impact of the COVID-19 pandemic on our operations

In March 2020 we observed in Poland a state of epidemic resulting from SARS-CoV-2 infections causing COVID-19 disease. We have appointed a dedicated crisis management team to manage the variable situation and coordinate operational changes. The team was composed of key managers.

Organization of work

Our priority is to provide continuity of services to our customers and to guarantee safe working conditions for our employees. Since mid-March, most of the Group's employees have switched to the remote working mode. On-call shifts were introduced for representatives of the IT, administration and accounting departments to ensure continuity of document flow and provide technical support. The TV studio staff have been divided into two teams for safety reasons. They work on a bi-weekly basis. All offices have been equipped with the necessary hygiene and disinfection measures.

As the state lifted certain restrictions, we saw a gradual, voluntary return of some employees to the offices in the following months. In the case of several Group companies, on-site work was temporarily fully restored. Employees who have returned to the offices have at their disposal the necessary hygiene and disinfection products, face coverings and protective gloves. The necessary distance between workstations is also observed. However, team meetings involving several people continue to be held remotely. With the arrival of the second wave of the pandemic, the recommendation to work remotely and limit the number of people in the office as much as possible was reintroduced. If the epidemic situation in Poland improves, we will consider changing the work model to the so-called hybrid model (combining remote work with work in the office).

Impact on our operations

■ Publishing and advertising activities

The greatest impact of the COVID-19 outbreak on publishing and advertising results was observed in Q2 2020. The situation on the advertising market deteriorated temporarily at that time due to visible limitations on the part of clients from selected industries (e.g. automotive, finance) mainly as regards image campaigns.

Lockdown and shopping malls closures resulted in a strong trend of users switching to online, which in turn resulted in both Q3 and Q4 2020 recording strong positive revenue growth in the publishing and advertising activities.

In the first phase of the restrictions (mainly in March and April), we observed a significant growth in the users' interest in our portals and services, which was caused by an increased need of access to the latest information (mainly related to the epidemic situation) as well as by an increased amount of time the user could devote to spend on our portals and services. Aware of the particular responsibility that rests with us, we have drawn up detailed guidelines for the editorial office to ensure a high level of accuracy of the

information provided and not to fuel the sense of fear and uncertainty amongst the public (e.g. the social campaign "Take care, do not panic").

I International tourism

The international travel industry is the part of the WP Group most affected by the COVID-19 outbreak. The period between March and June 2020 meant an almost complete blocking of operations for international tourism.

A partial resumption of foreign tourist traffic did not occur until July 2020, but as expected, the revenue generated remained at the level of several dozen percent lower than in the same period the year before. A significant increase in the number of infections in Q4 again resulted in lower demand for travel services, which translated into a decrease in sales for Wakacje.pl by several dozen percent year-on-year.

The Group has taken a number of measures to reduce short-term losses, including in particular through optimisation of the cost base. We are also expanding our offer of stays in Poland, clients can also spend holidays abroad with the option of choosing their own means of transport.

I Domestic tourism

The periods during which all facilities offering accommodation were closed resulted in a significant decrease in the level of revenue for Nocowanie.pl company.

Available analyses of the tourism market in Poland for 2020 indicate a tendency for Poles to be more interested in domestic tourism than in previous years. The Group decided to take advantage of these trends and conducted an advertising campaign in mid-2020 with a view to increase awareness of the Nocowanie brand among potential customers, which include owners of guest houses and accommodation facilities across Poland, which should strengthen the company's strategic position in the long run.

In the period of the first total lockdown in tourism, Nocowanie.pl conducted a social campaign among owners of accommodation facilities cooperating with the brand, encouraging them to offer rooms to health care employees. An assistance package has also been introduced for apartments and guest houses in terms of providing them with legal advice and sending disinfectants, among other things.

I Fashion/Interior design

During the initial phase of the epidemic, the general level of uncertainty in the society resulted in reduced purchase intentions and fewer transactions compared to the pre-pandemic period. Over time, there has been a noticeable improvement in consumer sentiment and an increase in the online shopping interest. This trend was particularly pronounced during the period when large shopping malls were closed, but has weakened as restrictions were lifted, particularly for the fashion industry. In Q3, the share of online sales in the fashion industry was back at its pre-pandemic levels, while in Q4, in relation to the second wave of the pandemic, consumers returned to shop for clothes online. However, this effect is mitigated by a reduction in user demand (due to continued uncertainty and sentiment volatility), which ultimately translates into a decline in market trading.

In order to take advantage of the identified change in Poles' shopping habits, the Group decided to accelerate the implementation of certain new functionalities in Domodi services. The Group is

responding to current consumer demand by expanding its homewear offer and introducing an aggregation of face covering assortments since the beginning of the pandemic.

Financial products

Since the second half of March, the operations of fixed branch offices of banks and financial institutions have been restricted, which negatively impacted the efficiency of transactions. Banks have also made their creditworthiness criteria significantly stricter, and some have even stopped cooperating.

At the moment, the demand for financial products remains stable, the number of leads generated on our own areas remains at a satisfactory level.

Architectural designs

In the first stage after the onset of the pandemic, there was a temporary strong decline in interest in offering to buy architectural designs for houses. Fortunately, the interest returned to satisfactory levels at the end of March. In the following months a significant increase in consumers' interest in house designs can be noticed, which positively influences the results of Extradom.pl companies. A possible consequence of the COVID-19 pandemic may be an increased interest in owning one's own house as an alternative to purchasing an apartment as a result of the time when we experienced movement restrictions and remote work.

Car sale

The outbreak of the pandemic at the beginning resulted in a decreased demand in purchasing new vehicles, with stricter creditworthiness criteria applied by banks and leasing centres. Disruption of global supply chains leading to production stoppages and supply constraints by numerous factories was also a significant problem. The social distance forced by the COVID-19 pandemic accelerated changes in consumer habits and directed their interest towards searching and purchasing a car online. Superauto.pl, due to its vast experience in selling vehicles and financing via the Internet, has become a beneficiary of these changes, exceeding (despite the pandemic) the assumed results growth objectives for 2020.

Economic aspect

The economic aspect of sustainable development concerns the impact on our stakeholders' economic conditions. Do we contribute to the creation of shared value and how? Are we involved in socio-economic changes towards a better quality of life and to what extent? We have been facilitating communication for many years. We inform our users about events. We provide a number of free-of-charge services, enabling access to them for everyone, regardless of their financial status. We enable people to pursue their careers, regardless of gender, sexual orientation, skin colour or beliefs. We invest in our employees. Key aspects identified in this category include economic results and market presence.

Economic results

[102-7; 201-1]

This aspect concerns the economic value that we have generated and its distribution. This is a key indicator reflecting how we create value for our stakeholders and the local economy.

(in PLN thousands)	Twelve months ended 31 December 2020	Twelve months ending on 31 December 2019	Change in %
Sales revenues	632 286	708 700	-11%
Operating costs	(510 575)	(578 755)	-12%
EBITDA	202 550	209 227	-3%
EBIT	121 711	129 945	-6%
Financial income and expenses	(31 514)	(16 794)	88%
Revaluation of liabilities to buy out non-controlling interests and other liabilities resulting from combination of businesses	4 125	(12 221)	(133,8%)
Share in profits from investments accounted for using the equity method	(2 923)	(2 077)	n/d
Profit before tax	91 399	98 853	-8%
Net profit	81 699	71 132	15%

Market presence

[102-6; 102-7; 202-1]

We continue to increase the number of offered services and products. We manage news portals, as well as provide advice and education. We offer advertising services in our media and on our e-commerce portals. As part of our Internet sales, we broker in e.g. services involving accommodation and trips, interior and house designs, financial services and comparison engines, automotive offers and fashion offers of the best brands.

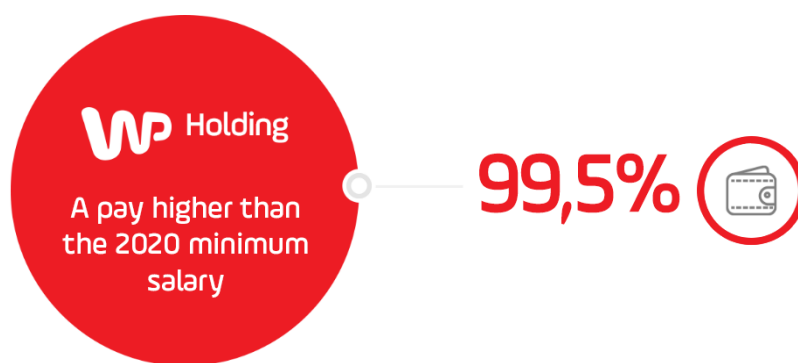
Based on data from the entire 2020:

- 73% of WP Group's revenue originates from the domestic market
- 24% from EU countries
- 3% from non-EU countries

Our revenues from EU countries increased the most (a year ago, 19% of revenues originated from this region).

Our principal business locations are the places where the WP Group employs more than 100 people. These include: Warsaw, Gdańsk, Wrocław, Lublin and Chorzów.

We offer a competitive, attractive and rewarding pay that meets the non-discrimination principle. We would like to build a culture of trust and loyalty among employees. We apply the minimum salary binding throughout Poland and uniform throughout the country. In 2020, it amounted to PLN 2,600 gross. The vast majority of our employees (99.5%) are paid more than the minimum salary.



Key non-financial performance indicators

Disclosure	Unit	Twelve months ended 31 December 2020	Twelve months ending on 31 December 2019	Change in %
Management area				
Number of real users	mln	21.4	21.5	-0.5%
Time spent daily by 1 user on our website *	min.	13	26.5	*
Environmental area				
Total Scope greenhouse gas emissions 1+2 market-based	Mg CO ₂ e	7,329.9	8,535.0	-14.1%
Emissions per PLN 1 mln EBITDA	Mg CO ₂ e/PLN 1 mln	36.2	40.8	-11.2%
Number of unique users - recipients of content covering environmental issues	mln UU	27.3	27.0	+1.1%
Employee area				
LTI (Leadership Trust Index)	point	44.5	43.0	+1.5 points
Gender Pay Gap Ratio (difference between average pay for men and women)	%	12%	14%	-2 p.p.
Staff turnover rate for all employees	%	25%	27%	-2 p.p.

* Data covering years 2020/2019 are not comparable due to change in methodology. From October 2020 onwards, only active browser tabs are taken into account when counting the time spent by the user in our portals.

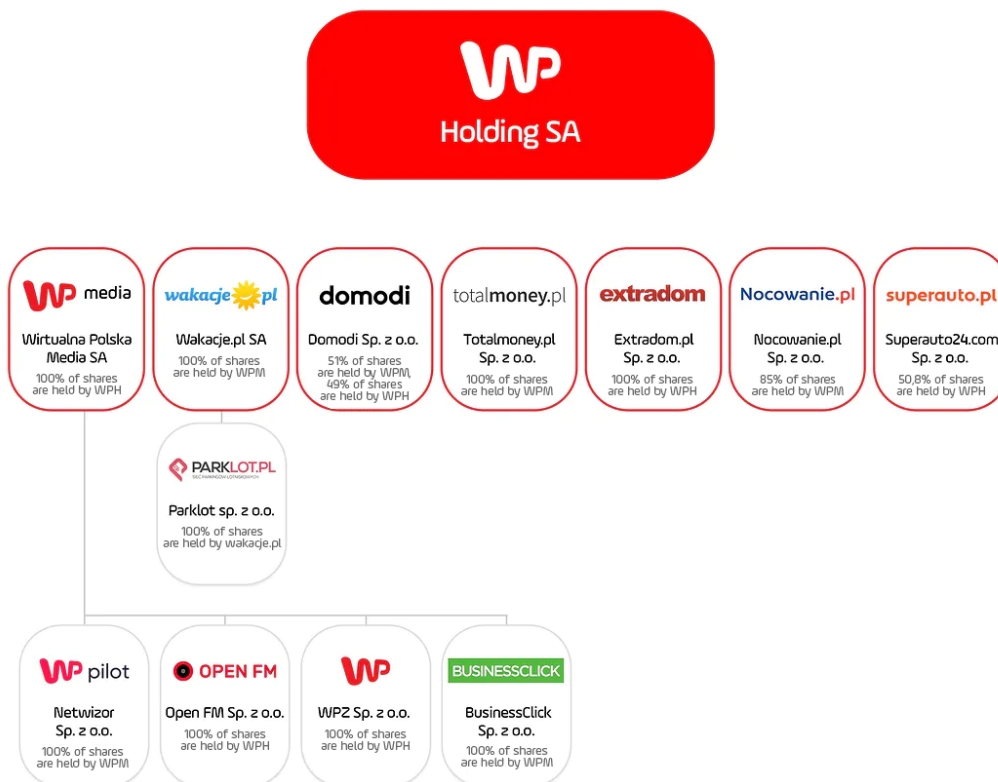
**Gender Pay Gap Ratio (GPGR) is an indicator calculated as an absolute value from the difference between the ratio of the average pay of one gender to the other gender and the value of 100%. The GPGR is a gender-neutral indicator. Its value of 0% indicates pay equality between genders.

Organisational structure and corporate governance

The structure of our Group

As at 31 December 2020 and as at the date of publication of this report, the structure of Wirtualna Polska Holding Group was as follows:

[102-45]



Companies from the Wirtualna Polska Holding SA Group also hold minority shares in the following entities:



Key changes

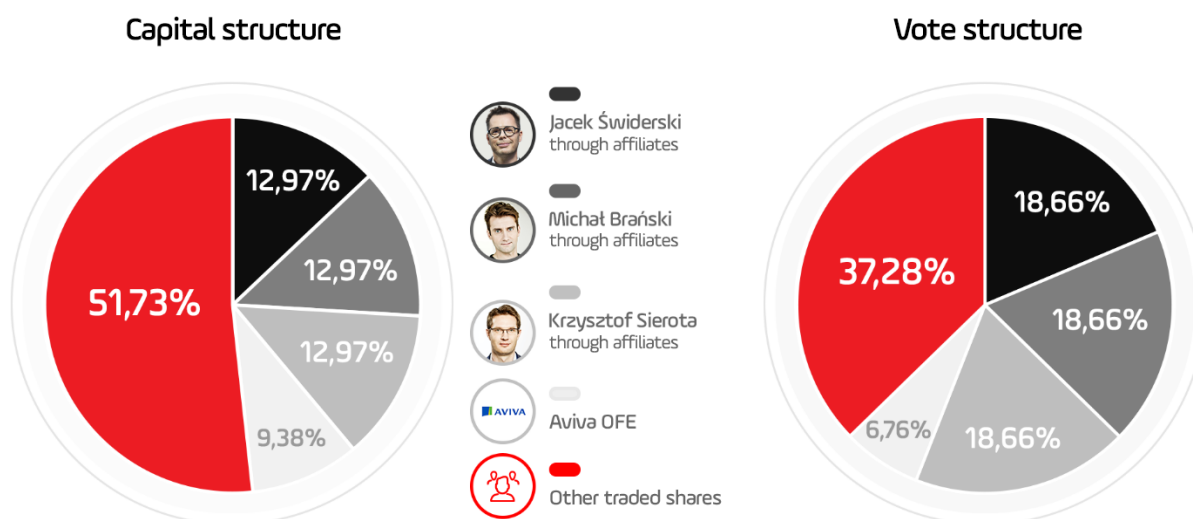
- On 2 January 2020, Finansowysupermarket.pl Sp. z o.o., with its registered seat in Warsaw, merged with Totalmoney.pl Sp. z o.o., with its registered seat in Wrocław.

- On 30 January 2020, Autocentrum.pl S.A., with its registered office in Warsaw, merged with Wirtualna Polska Media S.A., with its registered office in Warsaw.
- On 16 July 2020, Travel Network Solutions sp. z o.o., with its registered office in Warsaw, merged with Wakacje.pl S.A., with its registered office in Gdańsk.
- On 30 September 2020, eHoliday.pl Sp. z o.o., with its registered office in Warsaw, merged with Nocowanie.pl Sp. z o.o., with its registered office in Lublin.

Shareholding and legal form of WP

[102-5]

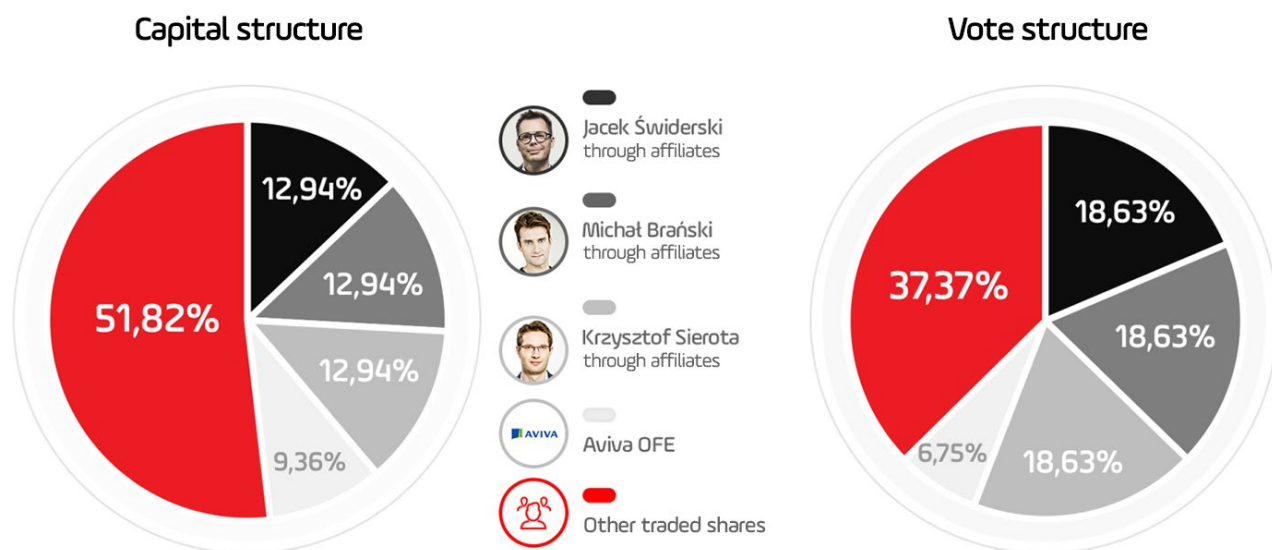
Wirtualna Polska Holding S.A. is a joint-stock company listed on the Warsaw Stock Exchange. The shareholder structure of Wirtualna Polska Holding S.A. as at 31 December 2020 was as follows:



Shareholder	Number of shares	% of share capital	Number of votes	% of votes
Jacek Świdorski through his affiliates:	3,777,164	12.97%	7,540,401	18.66%
including Orfe SA	3,763,237	12.92%	7,526,472	18.62%
Michał Brański through his affiliates:	3,777,164	12.97%	7,540,400	18.66%
including 10X SA	3,763,236	12.92%	7,526,472	18.62%
Krzysztof Sierota through his affiliates:	3,777,164	12.97%	7,540,400	18.66%
including Albemuth Investments SA	3,763,236	12.92%	7,526,472	18.62%
Founders in total	11,331,492	38.90%	22,621,201	55.97%
Aviva OFE	2,731,000	9.38%	2,731,000	6.76%
Other traded shares	15,068,006	51.73%	15,068,006	37.28%
In total	29,130,498	100.00%	40,420,207	100.00%

* The Founders, in connection with the shareholders agreement entered into by the Founders and their affiliates (Orfe S.A., 10X S.A. and Albemuth Inwestycje S.A.) on 19 March 2015, constituting an agreement on voting unanimously at the Company's general meeting of shareholders and pursuing a sustainable policy towards the Company within the meaning of Article 87(1)(5) of the Act, exercise their voting rights jointly

As at the publication of this report, the shareholder structure, directly or indirectly through affiliates, at least 5% of the total number of votes at the General Meeting of the Company is as follows:



Shareholders	Number of shares	% of share capital	Number of votes	% of votes
Jacek Świdorski through his affiliates: including Orfe S.A.	3,777,164	12.94%	7,540,401	18.63%
Michał Brański through his affiliates: including 10X S.A.	3,763,237	12.89%	7,526,474	18.59%
Krzysztof Sierota through his affiliates: including Albemuth Inwestycje S.A.	3,777,164	12.94%	7,540,400	18.63%
Founders in total	11,331,492	38.82%	22,621,201	55.88%
AVIVA OFE	2,731,000	9.36%	2,731,000	6.75%
Other traded shares	15,126,467	51.82%	15,126,467	37.37%
In total	29,188,959	100.00%	40,478,668	100.00%

The shareholder structure is also available on the website at: <https://holding.wp.pl/inwestor/akcjonariat>

Code of Best Practice for WSE Listed Companies

In 2020, the following changes in compliance with the Code of Best Practice for WSE Listed Companies were adopted:

- IV.R.2.** - to the extent the Company is obliged to organise a General Meeting using electronic means of communication - in accordance with the Articles of Association, participation in a General Meeting using electronic means of communication will be ensured by the Company if the announcement of the convening of the General Meeting includes information on the possibility for shareholders to participate in the General Meeting via electronic means of communication. In view of the above, the Management Board of the Company decides each time, when publishing the announcement of the convening of the General Meeting, whether a possibility of participation via electronic means of communication will be provided for a given General Meeting, in particular taking into account the

demand reported by shareholders or factors related to the external situation, e.g. restrictions related to the Covid-19 pandemic.

- **IV.Z.2.** - to the extent that, if justified by the company's shareholding structure, the company provides generally accessible real-time broadcasts of General Meetings - the company provides generally accessible real-time broadcasts of General Meetings as long as the announcement of the General Meeting sets out the possibility to participate in the General Meeting via electronic means of communication.

- **VI.R.1.** - to the extent to which remuneration of members of the company's governing bodies and key managers should result from the adopted remuneration policy - the General Meeting of the Company adopted the remuneration policy for the Management Board and Supervisory Board on 14 July 2020. Until the adoption of the remuneration policy, the amount of remuneration of the members of the Company's Management Board was shaped based on the scope of tasks entrusted to them and responsibility related to the performed functions, as well as it depends on the Company's economic results. The amount of remuneration of the Supervisory Board members is determined by the General Meeting of Shareholders. Remuneration of the members of the Management Board and the Supervisory Board as well as other benefits due to the members of the Company's governing bodies are disclosed in the annual financial statements and also, starting from 2021, in the remuneration report pursuant to Article 90g of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies dated 29 July 2005.

Our governing bodies and corporate governance

[102-18; 102-22; 102-23; 102-24; 405-1]

The Management Board is the managing body of Wirtualna Polska Holding SA. Its composition as at 31 December 2020 and as at the date of submitting this report for publication was as follows:

Management Board of Holding SA



Jacek Świdorski
CEO



Elżbieta Bujniewicz-Belka
CFO



Michał Brański
VP Strategy



Krzysztof Sierota
CTO

There were no changes to the Management Board structure in 2020.

What does the Management Board do?

Directs company's operations and manages its assets

Represents the company

Makes decisions in all matters not restricted by the Articles of Association or legal provisions to the exclusive capacity of the Supervisory Board or the General Meeting of Shareholders



All its members are obliged and entitled to jointly manage company's affairs

Operates under the Bylaws of the Management Board

Appointed for a joint three-year term of office

Complete information on the functioning of the Management Board is available in the Articles of Association of Wirtualna Polska Holding SA at: <http://inwestor.wp.pl/en/corporate-governance/statute/>.

Supervisory Board

The Supervisory Board supervises the WP Holding S.A. operations in all the fields of its activity

Supervisory Board of Holding SA

Jarostaw Mikos
Chairman of the Supervisory Board

Witold Woźniak
Supervisory Board Member

Beata Barwińska-Piotrowska
Supervisory Board Member

Mariusz Jarzębowski
Member of the Supervisory Board meeting the independence criterion

Aleksander Wilewski
Member of the Supervisory Board meeting the independence criterion
Chairman of the Audit Committee

Piotr Walter
Member of the Supervisory Board meeting the independence criterion

What does the Supervisory Board do?

with respect to both the company and its subsidiary, entering into employment contracts, mandate agreements, service agreements (or other agreements of a similar nature) under which the annual remuneration exceeds PLN 1.2 million (including the maximum possible level of bonuses to be paid under such agreements)

company or any of its subsidiaries entering into an agreement resulting in consolidated financial debt exceeding 2.25 times consolidated EBITDA

issuing of opinions on company's long-term development programmes and annual financial plans

examination and provision of opinions on matters involved in resolutions of the General Meeting of Shareholders



appointment or change of the entity authorised to audit company's financial statements and to carry out company's financial audit activities

appointment and dismissal of Management Board members at the request of the Chair of the Management Board

determination of the number of Management Board members at the request of the Chair of the Management Board

determination of the Bylaws of the Supervisory Board and the Bylaws of the Management Board

approval of the company entering into a significant transaction with a related entity, excluding typical transactions concluded on an arm's length basis as part of company's operating activities with a subsidiary in which the company holds a majority capital share

Complete information on the functioning of the Supervisory Board is available in the Articles of Association of Wirtualna Polska Holding SA at: <http://inwestor.wp.pl/en/corporate-governance/statute/>.

Changes in the structure of the Supervisory Board

- On 7 July 2020, Krzysztof Krawczyk submitted his resignation from the position of the Deputy Chairman of the Supervisory Board of Wirtualna Polska Holding S.A. and from the position of the Member of the Supervisory Board.
- On 21 August 2020, the Extraordinary General Meeting appointed Witold Woźniak as a Member of the Supervisory Board.
- In August 2020, Aleksander Wilewski was appointed as the Chairman of the Audit Committee of the Supervisory Board.

The Stakeholders of Wirtualna Polska

[102-40; 102-42; 102-43; 102-44]

More than **21 million** stakeholders

	Manner of engagement	Frequency of engagement	Key issues and matters
EXTERNAL STAKEHOLDER GROUPS			
Shareholders and investors	<ul style="list-style-type: none"> direct contacts and one-on-one meetings group-dedicated website organisation of meetings and conferences provision of detailed information on results (communication, reports) 	regular quarterly and annual publication of results, continued direct contact	<ul style="list-style-type: none"> ✓ transparency of published information and provision of translation into English
Business partners and suppliers*	<ul style="list-style-type: none"> business meetings entering into agreements participation in conferences, and media partnerships with organisations 	continued contact	<ul style="list-style-type: none"> ✓ transparent rules of cooperation
* We operate mainly on the internet and do not demonstrate a separate group of suppliers, typical for production companies. Our suppliers include, among others, computer and IT companies that supply hardware and licensed software. The same rules of cooperation apply to business partners and suppliers.			
Society	<ul style="list-style-type: none"> possibility of commenting on information available on the portals 	continued contact	<ul style="list-style-type: none"> ✓ ensuring the exchange of opinions and views counteracting hatred, hate and preventing incitement to aggression
	Customer Service Office		<ul style="list-style-type: none"> functionality of portals, questions on possibility of adding new solutions; according to the procedure, each issue is passed on to technical and business operatives dealing with a relevant service
<ul style="list-style-type: none"> portal users readers listeners viewers 	Wirtualna Polska image survey	annual survey	<ul style="list-style-type: none"> further focus on local topics; we have introduced, among others, the new WVP Wrocław service ✓ easy availability of the weather forecast; we have improved the visibility of the weather widget on WVP homepage, we have also introduced a completely new version of the weather page, WVP Pogoda ✓ building trust in WVP's actions and brands; we conducted the #Stop!Mowie!Nienawisci campaign, in which children read aloud the controversial and unethical statements of public figures. The campaign was aimed at changing the language in the public space, making the audience reflect, and making the quoted public figures aware that their words are heard by everyone, including the youngest; building trust in WVP's actions and brands; we are improving the mechanisms of moderating comments on the websites
	survey for WVP Poczta and Poczta o2 users		<ul style="list-style-type: none"> according to the procedure, each issue is transferred to technical and business operatives dealing with a relevant service ✓ introduction, together with Migam, of the free "mail without frontiers" service, "Poczta bez granic", which allows mail users with hearing impairment to contact the Customer Service Department without any restrictions ✓ implementation of free e-prescription sorting functionality in a dedicated part of the email box
	satisfaction surveys involving offered services and new functionalities available on the portals	several times a year	<ul style="list-style-type: none"> according to the procedure, each issue is transferred to technical and business operatives dealing with a relevant service
Customers	customer satisfaction survey of WVP Advertising Agency (quantitative survey, individual interviews)	annual surveys	<ul style="list-style-type: none"> ✓ evaluation of the advertising offer and customer service ✓ deeper knowledge of the phenomena on the online advertising market and understanding them from the perspective of media houses and direct customers
<ul style="list-style-type: none"> business customers e-commerce 	satisfaction survey regarding the level of e-commerce services, e.g. NPS	surveys carried out on an ongoing basis throughout the year	<ul style="list-style-type: none"> ✓ evaluation of the e-commerce offer, e.g. satisfaction with a trip made
	continued contact		
State authorities, regulators and legislators	<ul style="list-style-type: none"> compliance with information obligations participation in industry conferences and consultations 	continued contact	<ul style="list-style-type: none"> ✓ compliance with requirements ✓ availability of services
INTERNAL STAKEHOLDER GROUPS			
Employees and co-workers	<ul style="list-style-type: none"> employee surveys support of HR Business Partners 	<ul style="list-style-type: none"> annual surveys weekly HRBP statuses permanent direct contact 	<ul style="list-style-type: none"> evaluation of employee satisfaction and engagement levels survey of employee needs ✓ introduction of programmes engaging employees and building trust among them

Key aspects, implemented policies and impact indexes: how and to what extent we influence our stakeholders, society and the environment

[102-15; 102-21; 102-46; 102-47; 103-1]

The process of identification of key non-financial aspects has been carried out on the basis of GRI Standards guidelines applicable to the preparation of sustainable development reports. The impact of Wirtualna Polska on the society and the environment as well as on stakeholders has been determined and evaluated with the participation of our employees, based on surveys and questionnaires addressed to our users and partners. Based on the checklist, the team has made subjective assessments of each aspect included in the GRI Standards guidelines. The next step has been to summarise the results and, in the case of extreme assessments, discuss each aspect with a view to reaching consensus and final assessment. Priorities have been introduced according to mean assessments in order to identify those that are relevant to the Group.

Significant non-financial aspects of Wirtualna Polska

ECONOMIC

- economic results
- market presence

SOCIAL

- employment and decent work practices
 - employment
 - training and education
 - diversity and equal opportunities
 - equal pay for women and men

human rights

- non-discrimination

society

- prevention of corruption
- compliance with regulations on social responsibility
- complaint mechanisms related to social impact

responsibility for products and services

- compliance with regulations, e.g. the right to information, GDPR
- building trust: reliable content and services

ENVIRONMENTAL

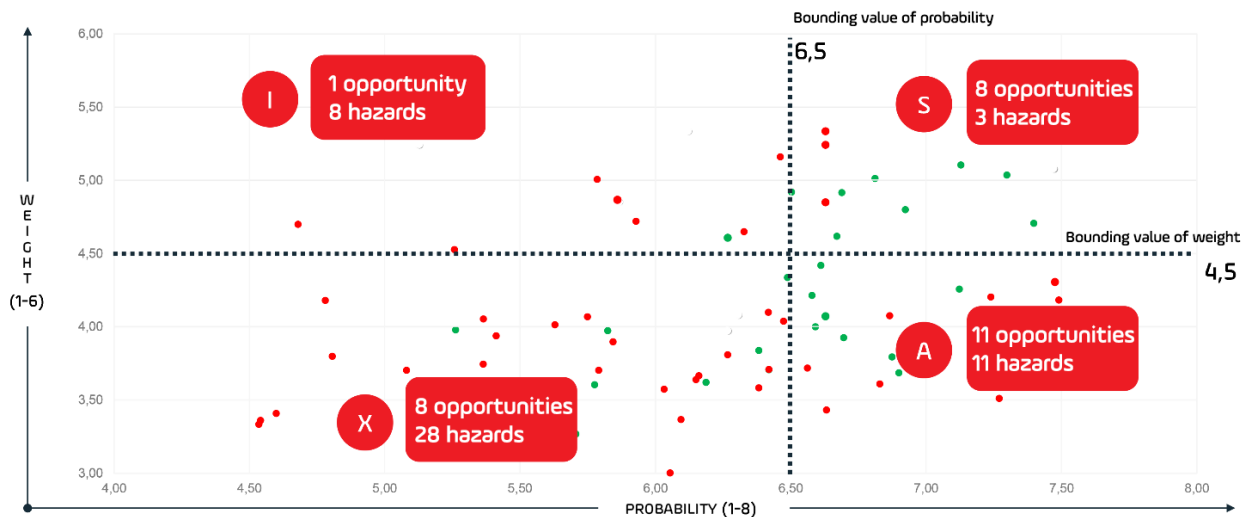
- care for the environment
- education on climate change

ESG risks

The WP Group identified and analysed ESG risks, i.e. risks and resulting hazards and opportunities in the areas of climate change, environmental matters, social and employee matters, and human rights. The analysis was carried out in collaboration with an external consulting company, following the AXIS® (Amplification, Seizure, eXclusion, Intensification) methodology, in a four-stage process including comparative, questionnaire, quantitative and qualitative analyses. The process is based on assumptions compliant with ISO 31000 Risk management standard.

Thirty five risks and their potential effects in the form of 27 opportunities and 51 hazards to the organisation were analysed. After assessing the likelihood and significance of individual hazards and opportunities, it was determined that eight opportunities and three hazards are of significant importance to the WP Group. In addition, 12 opportunities and 19 hazards were monitored and managed in justified cases.

Map of risks and opportunities for the WP Group



List of significant risks, hazards and opportunities related to ESG together with the way they are managed

Risk	Opportunity/ Hazards	Method of management
Corporate and management governance		
Risks related to resilience	A chance to use development opportunities more efficiently than the competition, resulting from high flexibility and efficiency of the company's management system	We continuously optimise our strategies and internal policies in line with the principles of sustainable development.
Supply chain and e-commerce risks	The hazard of inadequate protection of customers' personal data	We require compliance with all data protection requirements.

Risk	Opportunity/ Hazard	Method of management
Employee matters		
Risk of changes in the employment structure	Opportunity related to equal pay.	We use the opportunity by providing our employees with high standards in employment, we monitor the state of equal pay in our organisation on an ongoing basis.
	Hazard of losing key employees and difficulty in recruiting new staff	We counter the hazard by maintaining a position of an attractive and competitive employer. We provide our current employees with a comfortable and safe working environment as well as unique development opportunities.

The relevant risks, hazards and opportunities concerning climate change issues are presented in the section on environmental matters.

Apart from the risks mentioned above and in the section on environmental matters, no other significant non-financial risks have been identified.

Values, priorities and ethics at WP

[102-16]

The values that we follow every day at Wirtualna Polska affect the development and success of the WP Group, but also help us maintain a unique working atmosphere and are important elements of the employee appraisal process.

Our values and the way the WP Group perceives its employees and the work they perform are presented in Wirtualna Polska's Compass of Ethics. The values and the information on the importance of ethical work performance at WP are communicated at an onboarding meeting that is organised for all new hires. For many years, the Group has also been analysing employee satisfaction and the compliance with ethics policies through an anonymous survey completed annually. Its results serve as the basis for improvements in working conditions and introduction of new solutions.



In our everyday operation, we follow the principle of respecting dignity of every human being. We build relationships based on respect, honesty and social dialogue. We respect fundamental human rights (we counteract and prevent mobbing; psychological, physical and sexual harassment; and all forms of abuse) as well as diversity and dignity (we avoid discrimination based on religion, political opinions, background, social status, sexual orientation, age, gender, marital status or disability).

In our business, we focus on education, safety, environmental protection and health.

Education

We are a source of information, knowledge and inspiration in respect of lifelong learning.

We shape attitudes and skills related to acquiring information as well as its selection and verification.

Environment protection

We are a source of reliable information about risks.

We support the shaping of civic rights and obligations in this respect.

Health

We provide access to reliable and ethical knowledge.

We build awareness in respect of health and health care.

We encourage preventive care.

OUR PRIORITIES

Safety

We focus on the safety of children on the Internet.

We actively participate in initiatives building awareness, knowledge and skills of children, parents and guardians.

In external relations, we strive for providing top-quality services to users. We build relationships with them based on trust and transparent communication, and we abide by signed agreements. As part of our editorial activity, we provide reliable information. We are apolitical and guided by the Group's Publishing Policy. We comply with consumer protection laws, and do not engage in unfair market practices. We respect rules of fair competition and signed agreements in cooperating with customers, business partners and suppliers.

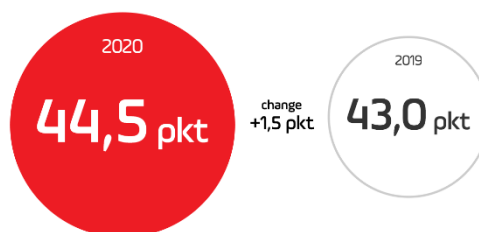
As a company listed on the Warsaw Stock Exchange, we comply with the rules included in the Code of Best Practice for WSE-listed companies, and notify the public how we implement these rules. We maintain active relations with capital market participants and institutions based on applicable legal provisions and best practices: the principle of openness and equal treatment of all investors through equal access to information. We are responsible for timely publication and delivery of reliable, credible and up-to-date financial statements and reports that reflect the accurate economic and financial position of the WP Group. Compliance with all accounting and financial reporting standards and legal provisions is of the utmost importance to us; we always ensure timely and appropriate responses to requests received from government authorities.

Corporate social responsibility is an important part of WP Group's operations, helping it achieve its business objectives, build its image and shape its values. For us, this means investing in human resources, supporting educational and cultural projects, and protecting the environment.

Trust

We have implemented the Leadership Trust Index (LTI) in the WP Group, which shows the level of trust to line managers. The Leadership Trust Index may take values from -100 to +100. In each of our holding companies, LTI has positive values. Thanks to LTI, each manager may decide how they will work on their result. This is a form of feedback that is to be used for individual work on strengthening managerial competencies and team dialogue. As we are aware of the fact that LTI analyses perceptions in a particularly sensitive area, we have introduced ethical standards to work on this index.

LTI (Leadership Trust Index)



Preventing corruption

[205-1; 205-2; 205-3]

In order to prevent corruption, we pursue consistent employment and remuneration policies. The company has implemented a code identifying priority areas of ethics.

Principles applicable to sales and supply chain relations aim at defining uniform and transparent standards in order to prevent corruption. The company has introduced procedures for recording everything that happens in the supply chain and the sales process, following the principle of approval of business activities at every level of the organisation.

In the WP Group, we ensure that our employees and co-workers refrain from taking any actions that could give rise to a conflict of interest. We have a zero-tolerance policy in respect of corruption in all aspects of our operations. A conflict of interest exists if a decision-making process may be influenced by personal interest and where this is contrary to the interests of the WP Group.

In particular, the following are not permitted

- Corrupted use of business opportunities gained through employment at or collaboration with WP Group.
- Decision-making or influencing the decision-making process related to the WP Group starting cooperation based on corruption criteria.
- Obtaining any personal benefits from transactions conducted by the WP Group.
- Acceptance and offer by employees and co-workers of gifts, gratuities, financial gifts from or to customers, partners or suppliers, in connection with work or cooperation with WP Group (not applicable to various types of small occasional or Christmas presents).

Exceptions to the above rules are occasional small gifts (other than cash) of low value that, in general practice, do not go beyond the framework of business integrity. Meetings in the form of business meals or conferences and external meetings are also permitted.

Any observed irregularities or concerns about activities that may run against the Code of Ethics and lead to corrupt practices should be reported to supervisors.

The Group makes it clear to its employees that, in the event of any doubt as to whether relevant behaviour could be deemed as corruption, they must refuse to accept a gift, souvenir or other form of gratuity; furthermore, they may always seek advice and opinion in this respect.

No court cases are pending against the WP Group or its employees, and no corruption-related court judgment was passed during the reporting period.

Compliance with regulations on social impact and complaint mechanisms

Group's compliance with regulations confirms our ability to manage its business in such a way as to minimise non-conformities, infringements and risk of potential penalties or, indirectly, being detrimental to our reputation.

There have been no cases of non-compliance with laws or regulations at the WP Group concerning the provision and use of products and services, resulting in any non-financial sanctions on any of the WP Group companies.

Issues of the organisation's impact on the society as a result of the actions taken by the organisation, and in its relations with other entities may give rise to disputes. Effective complaint mechanisms play an important role in remedying negative social impacts.

Nature of impact

The nature of WP Group's social commitment and impact on the society, in particular the essence of the services provided by the WP Group companies, such as IT society services, information services, e-commerce services and other electronic services, sometimes lead to criticism, offensive comments or hate on the Internet, which is typical of this channel of communication. The WP Group receives complaints about the impact on the society through direct channels of communication, such as electronic forms available on websites, including at pomoc.wp.pl/formularz.html, and by email and phone via the Customer Service Office. With regard to aspects of violation of customer privacy and loss of customer data, complaints are accepted by appointed Data Protection Officer via dedicated email and notification form at: http://onas.wp.pl/formularz_rod.html. Key issues and reports raised in 2019 are listed in the section: "Stakeholders of Wirtualna Polska."

The company pursues a programme policy with the principal objective of shaping the Internet users' opinions through reliable reporting of events, explaining their importance and significance, and advising on everyday choices, both in respect of life and consumer affairs. In order to implement a socially responsible editorial policy, the topics tackled on WP portal cannot hurt religious feelings, propagate violence, the use of drugs and alcohol, and must not foment any form of hate or intolerance. The company undertakes actions aimed at eliminating the socially unacceptable behaviour of users through the introduction of appropriate rules and regulations, policies and mechanisms making it possible to report on socially unacceptable behaviour.

Obligations of users

Users of the services provided by Group companies are obliged to observe rules and regulations, generally applicable legal provisions, rules of social coexistence, good manners and netiquette. We actively prevent hate speech by responding to all forms of expression that spread, promote or justify racial hatred, xenophobia, anti-Semitism and other forms of hatred based on intolerance, discrimination and hostility towards minorities, immigrants and people with immigrant background.

Available tools

We provide tools that enable reporting any comments, opinions, content and communications contrary to provisions of rules and regulations, generally applicable legal provisions, principles of social coexistence and good manners. WP Group has the right to immediately remove any such content as well as user profile, thus preventing the use of WP Group's services. Wirtualna Polska also reserves more far-reaching rights, including the right to notify state authorities competent in respect of crime prevention and prosecution.

Responsibility for products and services

[419-1]

We provide our users with intuitive and modern portals in which we use the best product solutions. We continue to invest in improving algorithms to match content, including advertising content, to the needs of our users. In order to ensure compliance of such activities with the legal environment in which we operate, we provide CMP (Consent Management Platform) in the standard prepared by IAB Europe. Therefore, we operate based on trust of both our users and advertising partners, as part of the Transparency & Consent Framework. The JavaScript-based solution enables users of our portals to give their consent and to fully understand rules of data processing in order to optimise the operation of our portals. In the information layer, we provide verified information and materials prepared in such a way as to give our readers the widest possible view of the situation. We do not limit ourselves to telling "what happened", but rather we explain how a given event affects the life of our users and their decisions in social and political aspects, as well as the consumer decision-making process. The dynamics of our industry and the desire to better respond to the needs of our users require technological support.

- We know how important it is to protect children on the Internet. Administration solutions used on our portals enable us to protect children from accessing inappropriate content. Verification of content before publication ensures that the youngest WP users and their parents feel safe.
- We strongly oppose hatred on the Internet. Our team of moderators works particularly intensively when what happens causes a wave of hatred in the comments.

There have been no cases of non-compliance with laws or regulations at the WP Group concerning the provision and use of products and services, resulting in any financial penalties being imposed on any of the WP Group companies.

Compliance with regulations on product and service liability

[419-1]

WP Group's compliance with regulations confirms our ability to manage its business in such a way as to minimise non-conformities, infringements and risk of potential penalties or, indirectly, being detrimental to our reputation.

There have been no cases of non-compliance with laws or regulations at the Group concerning the provision and use of products and services, resulting in any non-financial sanctions against any of the WP Group companies. No significant financial penalties were imposed on WP Group.

The Code of Journalistic Ethics

As of March 2020, Wirtualna Polska Media S.A. implemented the Code of Journalistic Ethics. It details the principles and values followed by all our journalists. The Code provides for their full independence and describes the specific rules of their daily work. The Code defines, among other things, the role of the editorial office in the structure, the rules of contact with clients and the rules of content tagging.

An Ethics and Standards Editor has also been appointed under the provisions of the Code. This person is responsible for analysing editorial materials in terms of possible violations of the provisions of the Code, observing the developed standards of cooperation, and provides support in resolving reported events of violation. The Ethics and Standards Editor reports directly to the Supervisory Board.

Journalists and associates may report any violation of the adopted principles to their line manager, a senior manager or a high-level HR manager.

WP has also improved its commercial content tagging system. Paid materials are tagged at the beginning and end in such a way that the users have no doubt that they are dealing with advertising or sponsored content.

In the case of editorial patronage, the customer may not interfere with the content. Paid patronage is carried out by native editors and is always tagged as a commercial material. If the marketing department assumes patronage of the same event that is assumed by the editorial department, they will accomplish their goals independently.

— Employment

Employee relations and significant risks pertaining to employment

Our responsibility in terms of employment refers to standards of the recruitment process and working conditions, including pay, working time, breaks, holidays, dismissal practices, protection of women on maternity leaves, workplace environment, and occupational health and safety.

We strive for the highest employment standards. To this end, we have implemented policies that define our approach and applicable principles.

Employment and remuneration policies

[401-2]

- We observe principles of equal treatment, including in respect of employment and remuneration policies.
- We shape employment and cooperation conditions independently, taking into account the type and quality of work or services performed, our needs and opportunities, and the market environment.
- The amounts of salaries, rises, bonuses and commissions depends on competencies and results obtained, regardless of gender, religious beliefs, political views, background, social status, sexual orientation, age, marital status or disability.
- Employee's closest family and life partners may be employed at the Group and collaborate with WP, provided that they are not in a professional dependency relationship with such an employee and do not affect this employee's competences, promotion, working conditions or salaries.
- We build an internal labour market by promoting policies of development and promotion within the Capital Group, enabling all employees to participate in the completed recruitment processes.
- We encourage employees to become ambassadors of our company, receiving recommendations from them in respect of the people they know for their good quality work and high commitment
- We are developing a programme of benefits for employees. We trust our employees and we know that, within the budget allocated, they will choose what is realistically relevant to their needs at a given time and fits their lifestyle. Furthermore, the programme aims at promoting public activity and participation in charity campaigns.

Safety and quality of working conditions

- Health and safety are the fundamental rights for all of us; therefore, we ensure the best possible working conditions and abide by health and safety rules and practices. In 2020, no accident at work was reported.
- We provide regular health and safety training, preventive occupational medical care, initial and periodic examinations, specialist driver examinations; and we take all the measures aiming to reduce the number of accidents at work.
- We ensure the highest quality and standard of the environment by arranging modern, aesthetic and functional office spaces to provide employees with comfort and a friendly atmosphere in the workplace.

Respect for privacy

- We respect the privacy of our employees, but expect them to comply with the Compass of Ethics if private activities affect WP Group's operation or performance of official duties.
- Everyone has the right to their political views, religious beliefs and opinions on social, philosophical or other matters. We do not want them to have a negative impact on team relations or relationships with customers, partners or suppliers.
- We apply transparent rules for access to business email, business computers and phones. In justified situations, the Management Board may decide to access data collected on these devices, without prior consent, only if there is suspicion of abuse, if the access to data is necessary in the absence of an employee, or if authorised entities request such access under applicable legal provisions.

Fraud prevention

- We prevent fraud that may be detrimental to the WP Group and Group companies, as well as to our employees and collaborators. We have put in place appropriate control procedures to prevent fraud, for instance the Code of Journalistic Ethics.

Employment structure at Wirtualna Polska

[102-8; 401-1;401-3]

In 2020, WP Holding companies featured the following employment structure (under fixed-term and permanent employment contracts):



Location	EMPLOYEES			NEW HIRES		
	2018	2019	2020	2018	2019	2020
Warsaw	315	312	319	112	74	66
Lublin	131	130	107	74	46	32
Wrocław	164	236	235	64	71	73
Gdańsk	409	434	400	318	119	61
Other	27	94	117	11	37	56
TOTAL	1046	1206	1,178	579	347	288

The vast majority of WP Holding employees are employed on a full-time basis. The ratio of employees employed in WP Holding on a part-time basis remains at a level comparable to 2019:



The staff turnover rate remained at a similar level compared to 2019. Given the very unstable national and global economic situation associated with the Covid 19 epidemic, we see this as a very positive result.

WP Holding's staff turnover rate by gender:			
STAFF TURNOVER RATE			
Gender	2018	2019	2020
Women	22%	22%	24%
Men	29%	32%	25%
Age group	2018	2019	2020
under 30	45%	30%	45.0%
30 to 50	11%	26%	11.0%
over 50	0%	38%	0.0%
In total, all employees	27%	27%	25%

Age of Wirtualna Polska's employees

Taking into account the age of our employees, the majority of them are people aged 30-50. The total number of people employed in the structures of WP Holding companies, broken down by age groups, is as follows:



Equal pay for women and men

[405-2]

We make sure that work performed by all employees is adequately remunerated, regardless of their gender. Due to different gender distribution in individual job groups, the ratio of women's salaries to men's salaries in the structures of WP Holding companies is not evenly distributed. We do not

differentiate remuneration based on gender. The amount of pay at WP Group is affected by, among others, seniority, performance results and the complexity of duties in various areas.

Among other things, we use the Gender Pay Gap Ratio to measure pay equality in our company. The Gender Pay Gap Ratio (GPGR) is an indicator calculated as an absolute value from the difference between the ratio of the average pay of one gender to the other gender and the value of 100%. The GPGR is a gender-neutral indicator.

In individual hierarchy groups, the ratio of women's salaries to men's salaries is as follows:

Hierarchy of positions	Remuneration ratio
Senior management	124%
Managers and leads	95%
Other employees	87%
All employees	88%
Gender Pay Gap Ratio	12%

— Training and education

We are deeply aware that employees are the most valuable asset of Wirtualna Polska. The development of the entire organisation, the quality of our products and services, and the form and content of the information provided all depend on them to a great extent. Therefore, investing in our employees is a priority to us. We invest primarily in increasing the knowledge and skills of our employees, but we do not forget about the comfort of work in our offices, work tools and the principle of mutual respect as outlined in the WP Group Values.

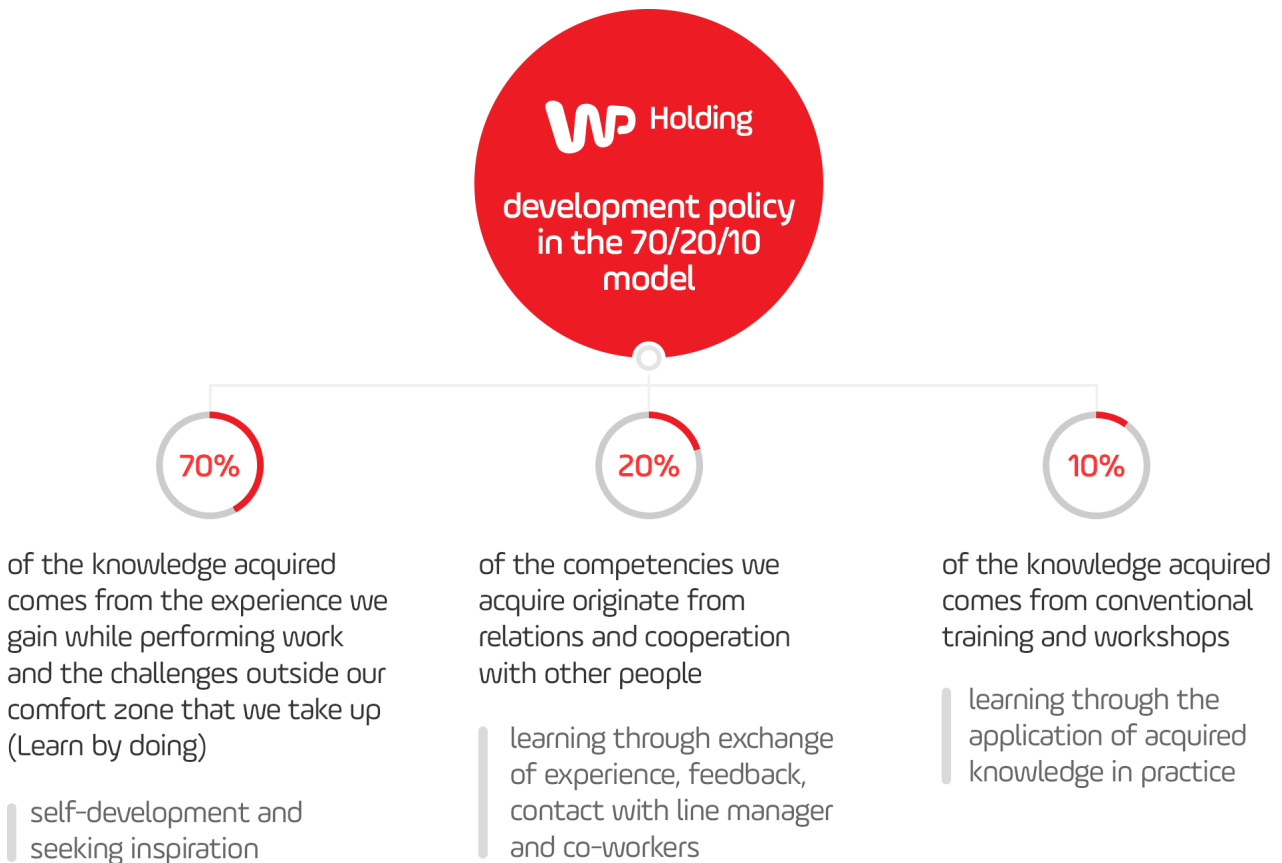
We ensure the commitment of our employees by introducing certain measures across the company aimed at increasing their motivation and satisfaction. We believe that this attitude directly affects the satisfaction of our employees, which directly translates into customer satisfaction. Each year we ask our employees what they think about the strategy in an anonymous survey, services, portals, working atmosphere and line managers. We also ask about the changes we introduced in a previous year to see if employees appreciate them; if they are being implemented in the right way; and if they address the areas that affect the commitment of our team.

We conduct regular periodic assessments of our employees.

Managerial skills development and lifelong learning programmes

[404-2]

Our development policy is based on the 70/20/10 model:



Activities for employees

In 2020, we completed numerous development initiatives for our employees. Details are presented below.

Support for employees and managers facing the challenges of remote work

In 2020, we faced a unique challenge in terms of conducting development activities. We moved our initiatives and implemented solutions that allowed us to support the development of employees and managers in the online formula. We organised a series of webinars titled “Maintaining Engagement during Change and Crisis”, “Remote Management during Change”; we also supported employee well-being through inspirational talks on managing emotions. We also offered our employees the opportunity to have individual consultations with psychologists, and about 200 people availed themselves of this opportunity.

Engaging Leader managerial programme

With managerial staff in mind, we offer a special development programme based on the two paths of advancement: Beginner and Expert. Its aim is to develop managerial skills. It is based on five qualities of the

“Engaging Leader” and our values. The workshops discuss the importance of the role of a manager, and feature the training in effective team management skills. In 2020, the programme was transitioned to an online format and we trained 52 individuals who completed a total of 1,092 hours of workshops.

External training

WP Group’s employees have the opportunity to participate in many training events provided by the best suppliers on the market, as well as in conferences that develop their competencies. We pay a lot of attention to the areas of IT, project management and sales process management. All these components have a direct impact on our competitiveness on the market and on the quality of our offer to our customers. The possibility of meeting inspiring people, creators and authoritative figures at corporate meetings is another feature of the development portfolio.

Internal training

The WP Academy is an offer of internal training which enables us to share knowledge in terms of sales, products, media, e-commerce or business presentations. Thanks to the WP Academy, in 2020 we have trained 1,637 employees who spent a total of 2,780 hours in training. The average rating for these events is 8.8 on a 10-point scale. Most of the trainers provide the training as part of the project are our employees. As part of the WP Academy, we also provide inspiring webinars with external experts. In addition to the training included in the portfolio of WP Academy, we also offer separate, regular training events to our new hires that help understand WP Group’s operations, culture and values.

Industry conferences

Employees are encouraged to participate in various conferences related to the principal areas of Group’s operations, and in industry meetings within the scope of their professional skills and competencies. They provide an opportunity to learn about trends on the market, and establish business relations.

Internal labour market

The “internal labour market” sets out a coherent framework for the movement of our employees between individual companies or between areas within a single company. This is possible thanks to a transparent recruitment policy. Each of our employees receives a newsletter in which we announce the current recruitment needs of individual teams. Everyone can apply to join the process and develop their passions and skills within the Group. In 2020, thanks to the internal recruitment processes, we finalised 8% of all recruitment processes at WP Media and within the Group we have filled key managerial positions through internal recruitment.

On-boarding

An on-boarding meeting is part of the introduction of new hires to the Wirtualna Polska culture. On their first day of work, new employees learn about our structure, values, products and the most important facts of our company life. They receive information about their benefits, and a handful of practical tips that make getting started easier. They also become familiar with the WP Ethics Compass. The on-boarding process involves HR teams, line managers and colleagues with whom the new hires will be working from that day on.

Employer Branding activities

We actively participate in Employer Branding: we are present on LinkedIn and Facebook. We cooperate with technical universities, participate in IT events and job fairs; and work with schools that provide training in IT skills, and with student organisations.

Wirtualna Polska has assumed the patronage of the international student organisation Enactus. We are committed to the development of the local community by supporting initiatives of young, active people who implement innovative educational, technological and social projects.

We also take care of the internal Employer Branding, taking various initiatives and actions aimed at our employees; they strengthen the friendly atmosphere at work and build commitment and trust, these include, e.g., celebrating Valentine's Day, Children's Day, and the WP Health Week.

Recommendation Programme

In order to involve our employees in the process of building the organisation, in line with the principles we have outlined in the Recommendation Programme "Recommend a new colleague," our employees can recommend candidates for selected recruitment processes. Thanks to employee recommendations, we have completed 24% of all recruitment processes.

We are building commitment to the organisation by applying a coherent Managerial Competencies Model

An accurate competencies model does not only enable to streamline HR processes and improve the performance of our employees, but also affects business results. Taking into account that the achievement of business objectives and leader's effectiveness are strongly correlated with the engaging leadership abilities, we have based our competencies model on the idea of Engaging Leader.

We are building commitment to the organisation by applying a coherent IT Competencies Model

As a leader of IT solutions, we take care of the development of our technology teams. Thanks to the IT Competencies Model that we have created, we are able to better plan the development of key competencies within IT teams, career paths and employee commitment in our organisation. This model introduces transparency in terms of promotions, which directly supports our values.

Non-discrimination

Our points of reference for implementing the principle of non-discrimination are international conventions

The Convention concerning
Discrimination in Respect
of Employment and Occupation



The Convention concerning
Equal Remuneration
of Men and Women Workers
for Work of Equal Value

Wirtualna Polska has Work Regulations and the Compass of Ethics in place. As an employer, WP undertakes to counteract discrimination in employment, in particular based on gender, age, disability, race, religion, nationality, political beliefs, trade union membership, ethnic origin, denomination, sexual orientation, as well as on the grounds of either fixed-term or permanent, or full-time or part-time employment.

As an employer, the WP Group treats employees equally in respect of establishing and terminating employment relationships, employment terms and conditions, promotion and access to training to improve professional qualifications. Equal treatment in employment means non-discrimination in any

way, directly or indirectly, for reasons specified by the Company in its work regulations. Furthermore, the company has committed itself to and undertakes all the measures to ensure the elimination of direct and indirect discrimination, which could lead to a differentiation in the situation of employees based on any of the characteristics listed above.

Wirtualna Polska does not permit any discrimination based on gender the purpose or effect of which is violation of employee's dignity, or humiliation or demeaning (sexual harassment) of any employee.

The Company also prohibits all forms of mobbing, defined as any act or conduct involving or directed against an employee, consisting of persistent and prolonged harassment or intimidation of an employee, resulting in his or her underestimation of professional suitability, causing or aimed at humiliating or ridiculing the employee, isolating or eliminating him or her from the team.

Reporting statistics

Two cases of mobbing were reported in 2020. They were investigated according to the procedure in place. A committee was appointed to speak with all the parties, go through with the procedure and issue an opinion. In one of the cases, the allegations proved substantiated, and the person found to have engaged in unethical practices faced the consequences as per the established practice.

Two reports concerned workplace communication and the use of inappropriate titles, hate speech and expressing opinions in an aggressive way. Actions have been taken to prevent such behaviour: superiors met with the employees in question and with an HR representative. The employees have been given a reprimand and all teams have been reminded of the Code of Ethics and of the values that we are committed to.

Once a year we conduct an Engagement Survey, and twice annually a Pulsecheck survey, to offer our employees the opportunity to give us feedback on violations of the Code of Ethics for Journalists, as well as report any other unethical behaviour anonymously. All the survey results are analysed in detail. Our HR reacts to every report and alarming sign.

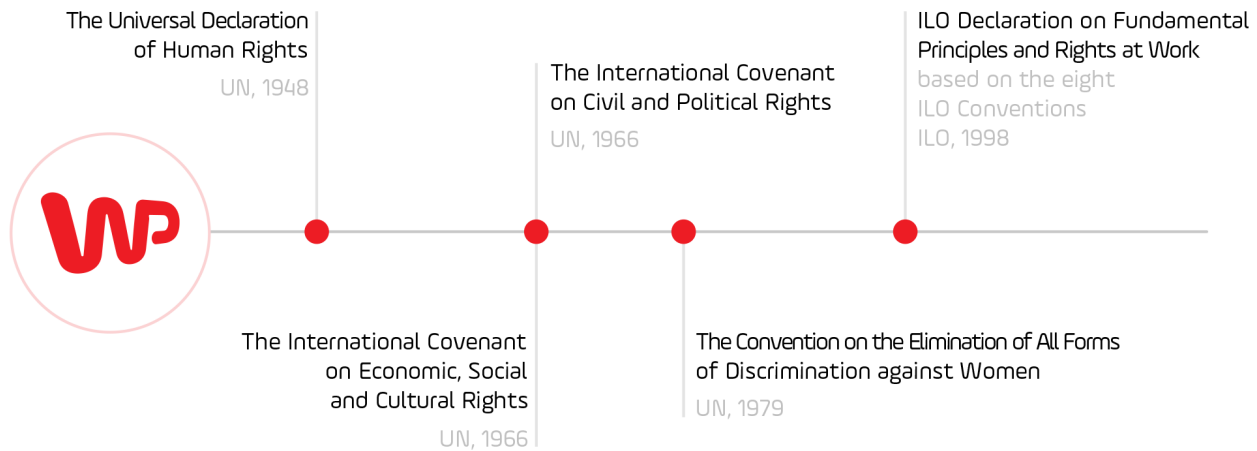
Human rights

[102-12; 406-1]

The WP Group's activities are guided by the principle of respect for and dignity of every human being, with commitment to respect for fundamental rights, including, among others, the non-employment of minors (unless permitted by applicable labour laws), the countering and prevention of all irregularities in labour relations, in particular mobbing, psychological, physical, sexual and other forms of abuse.

WP respects human rights and recognises them as the core values in the development of editorial policy, ethical principles addressed to employees and chief requirements of business operations. In our operations, we comply with regulations regarding fundamental human rights included in the International Bill of Human Rights and the United Nations Universal Declaration of Human Rights.

Employment and decent work practices



[102-8; 102-12; 401-1; 404-2; 405-1]

Rules for reporting violations and irregularities

- Employees are required to respond as quickly as possible to any practices or actions that are contrary to the Compass of Ethics, Group's internal regulations or applicable legal provisions.
- Any comments can be reported by e-mail, telephone or in person to the immediate supervisor and/or persons designated for this purpose by the Group's Management Boards.
- All reports are handled in investigation procedures. The form and the persons involved in such procedures are determined by Chair of Management Boards of individual Group companies together with the persons appointed by them for this purpose (or Supervisory Boards of individual Group companies if the report involves Management Board Members).
- If a report is made in good faith, the Group undertakes to ensure the safety and anonymity of the whistleblower, so that they are not affected by any negative consequences resulting from the report. The Group also undertakes to protect the good name of the person against whom any allegations are made until the case is unequivocally resolved.
- In order to implement the policies preventing discrimination, sexual harassment and mobbing, the Company has appointed HR Business Partner within the Human Resources area. Employees in this position are responsible for contacting Company employees in all areas of company's operations and collecting information from them. The Group has put in place a rapid escalation path for problems related to discrimination based on race, skin colour, gender, religion, political beliefs, ethnic or social origin, by determining the persons appointed for this purpose by Management Boards of individual WP Group companies. In addition, there is a special place on the company intranet where employees can report any irregularities they have noticed at any time.
- In the reporting period, the Group has not had any discrimination cases, including discrimination based on race, skin colour, gender, religion, political beliefs, ethnic or social origin.

Society

The role of Wirtualna Polska in the society

[103-2; 205-3; 419-1]

As a Group operating in the areas of media and Internet, we feel greatly responsible for fostering, promoting and supporting education, health, environmental protection and the safety of children, among others. We are a trustworthy company for our employees, co-workers and users. Primary principles of influencing the society and local communities that we follow in our daily work are set out in our policies.

Policies on the provision of services to users

- We strive for providing top-quality services to users.
- We build relationships with users based on trust and transparent communication, and we abide by terms and conditions of signed agreements.
- We comply with consumer protection laws, and do not engage in unfair market practices.

Cooperation with customers, partners, suppliers and relations with competitors

- We abide by fair competition principles, and terms and conditions of signed agreements.
- We do not cooperate with clients, partners and suppliers who engage in unfair or unethical practices. We react to all cases of unfair and unethical conduct of clients, partners and suppliers that relate to our procurement.
- We do not tolerate any corruption, regardless of its form or purpose.
- We do not enter into restrictive agreements or abuse a dominant position.

Relations with local communities

- We feel part of the community in which we operate; we take on commitments to support local communities. We are aware of how the media affect social attitudes and behaviours; we take part in charity campaigns, sponsor events promoting charity and work with institutions supporting people in difficult life situations.
- We foster and stimulate civic and charity involvement among employees by encouraging them to engage in employee volunteering.

We do not forget about socially important topics, we talk about them to users and promote them among employees

Everyday information, creation of knowledge and inspiration for lifelong learning play a particular role in promoting the best possible attitudes. Our strength is also our ability to make a positive impact on socially relevant issues. WP's portals are sources of reliable information on environment protection, health and safety on the Internet. This way, Wirtualna Polska would like to build awareness and contribute to a better future for Poland. We promote pro-ecological attitudes, active lifestyle, health protection and preventive care.

Media aspects of Wirtualna Polska's operations

FREEDOM OF EXPRESSION

Wirtualna Polska is a medium where journalists and reporters, regardless of their political, economic or religious beliefs, can speak without fear. The freedom of expression ends where we encroach another persons' freedom. Expressed views must not discriminate or harm anybody, or incite hatred against anyone. This is one of the most important principles of our Stylebook, defining the principles of work of WP's journalists and reporters.

HUMAN RIGHTS AND CULTURAL RIGHTS

We take care of them every day in our journalists' and reporters' work. Our journalists and reporters work in accordance with principles of WP Stylebook and Guidebook that also feature provisions concerning human rights. In 2020, we supported human rights by dedicated actions in our services.

INTELLECTUAL PROPERTY

Respect for intellectual property is crucial for the operation of any medium. At Wirtualna Polska, a dedicated content management team makes sure that our contractors feel safe thanks to appropriate contractual provisions. We always pay for the content we order, and act in accordance with the legal standards that apply to us. In accordance with provisions of WP Stylebook and Guidebook, our journalists and reporters exercise due diligence in marking quotations and sources of information.

PRIVACY PROTECTION

The first and foremost principle of every WP journalist is "first, do no harm." In our privacy protection policies, we clearly and prominently define a public person and the rules of privacy protection.

CONTENT CREATION

As part of our work on quality online journalism, we always verify the sources of information and avoid fake news. The credibility of our content and the source of the materials, as well as their diversity and the presentation of the world from various perspectives is of crucial importance to us.

CONTENT DISSEMINATION

In the case of WP, it takes place mainly on the homepage of the portal that, in December 2020 according to the Mediapanel study, was visited by **12,3** million real users. Social media and search engines are also important distribution channels for us. WP also includes terrestrial television (Telewizja WP) and Internet radio (Open FM) thanks to which the distribution of our information permeates between channels. The synergy is beneficial to recipients of our content.

INTERACTION WITH CONTENT RECIPIENTS

At WP, we make sure we are wherever important things happen. Through the WP #dziejesie contact platform the users can report topics, interesting stories, outrageous problems or simply let us know about a local event. Interactions in social media and comments on WP portals are also a natural way of contact with the editorial team.

Journalists' and reporters' campaigns

[413-1]

In 2020, our editorial team conducted numerous social campaigns and initiatives.

- **#PodarujPrzyłbicęSzpitalowi** WP joined a group of companies that supported medics on the front line of the battle against the pandemic by providing them with face shields. In April 2020, one thousand face shields were supplied to ten COVID hospitals, among others in Wrocław, Grudziądz, Gdańsk, Gorzów Wielkopolski, Kędzierzyn-Koźle, Poznań and Elbląg.



- **#MoneyPomaga** money.pl, the largest economic portal in Poland, published articles promoting small entrepreneurs over a period of four weeks. Many companies that suffered the adverse consequences of the pandemic joined the #moneypomaga action in May 2020. The cost of publication of one article was a symbolic PLN 1+VAT. In total, over 20 such articles were released.



- **"Dbaj nie panikuj"** In September, the editors of Wirtualna Polska launched a campaign presenting current information on the coronavirus and useful infographics. Readers could get answers to their questions about this pandemic. The journalists focused, among others, on how to distinguish symptoms of the coronavirus from those of flu, mentioned unusual symptoms, ways to protect oneself against this superinfection and how to treat it at home.

A dedicated website was created at www.dbajniepanikuj.wp.pl, containing all the publications, helpful infographics that explain particular issues in a simple way. It can also be used to ask any and all nagging questions. The Polish Academy of Sciences was our partner in this campaign. In total, we produced 135 materials that reached 11 million users.



- For the third time, WP organized the **Jedziemy WPolskę** initiative. In this edition, we travelled in a camper that changed into a mobile newsroom for the needs of this action. Our journalists presented the backstage of their work and showed how materials are created. More than ten people were involved in the process of preparing these materials. Reportage pieces were released once a week throughout the summer.



Our reporters visited many places, such as: Sokołów Podlaski, Góra Grabarka, Kruszyniany, Terespol, Janów Podlaski, Radzyń Podlaski and Gredele. In each of these towns, they spoke with the residents, activists, local journalists and authorities. Social matters took centre stage in the materials produced. The journalists covered the changes that already took place or are under way in Eastern Poland and encouraged Poles to visit interesting spots off the beaten tourist track. In total, our camper travelled over one thousand kilometres, and 11 reportage pieces that reached nearly 2 million users were produced.

- Passers-by at the Centrum underground station in Warsaw could see a dozen or so large garbage bags filled with what was collected over just one day in the Celestynów forest. A provocation by Wirtualna Polska and the State Forests in early July 2020 started a series of ecological publications and #EkoWyzwanie, in which WP encouraged its readers to collect trash while taking walks and vacationing. WP editors devoted a lot of space to waste, recycling and zero waste. Our journalists reminded readers of the most important rules and suggested practical solutions. Among others, we published articles on the negative impact of trash and the costs it generates. The editors encouraged people to repair broken equipment and showed them how much they could save in this way. Tips of reducing food waste were another topic covered. In total, about 20 materials were released, and they reached over half a million users.



- In September 2020, WP started the **Pogranicze** action. It was a series of reportages about life on the Polish-German border during the quarantine. The journalists showed the specificity of the region, where relations are defined by trade and everyday life, not by historical emotions. They shed light on what is difficult to notice from further into the country. Along the 467-kilometre border, from the tri-nation point at the confluence of Polish, German and Czech borders, all the way to Świnoujście, journalists spoke with the residents to learn how the quarantine months affected the close-knit communities of both nations. This series



was a result of collaboration between Wirtualna Polska, Deutsche Welle and Interia.

- In December, Wirtualna Polska bought fifteen laptops and delivered them to the University Clinical Hospital in Wrocław. The donated equipment is used by the staff of vaccination centres and the Laboratory of Molecular Biology, which tests patients and hospital employees for SARS-CoV-2 virus all week and around the clock.



- In December 2020, the editors of the Pudelek portal conducted the **#AdoptujŚwiadomie** campaign, advising against buying dogs as Christmas gifts. The campaign included a series of articles about pets that ended up in shelters as a result of human irresponsibility. In a bid to rehome them, the Pudelek editorial team organized makeovers and professional photo shoots for the dogs. Celebrities, such as Małgorzata Rozenek, Sylwia Przybysz or Damian Kordas, joined in the effort. The pets featured were in the foster care of Fundacja Azylu pod Psim Aniołem. The **#AdoptujŚwiadomie** campaign was a success, and all pets have found their forever homes.



Environmental impact

Environmental sustainable management

[102-11]

Our operations are carried out chiefly on the Internet, and we do not undertake any physical production processes that may have an impact on the environment. Our offices are situated in high-performance buildings that provide extensive solutions to support the natural environment and work comfort, as well as the well-being of our employees. We use sustainable services of trusted partners in the field of protection, waste collection, recycling and utilities supply. Caring for the natural environment and climate change education are important aspects to us.

We monitor our impact

Climate risk analysis

Climate risk analysis has been performed as part of the same process that has been described in the **Risks and materiality** section. As regards climate risks, besides the likelihood and severity of the individual hazards and opportunities, we also estimated the time horizon over which they may occur. In the case of the WP Group, due to the specific nature of its business model, after taking into account the conclusions of the analysis of comparable entities in the industry, the following definitions of periods were adopted:

- Short time horizon: up to 5 years
- Medium time horizon: between 5 and 15 years
- Long time horizon: over 15 years

The identified climate-related risks, hazards and opportunities were analysed through assigning them to the risk groups specified in the TCFD Recommendations.

Risk	Hazard/Opportunity	Time horizon	Method of management
Physical risks			
Risks of intensified strength and frequency of extreme weather events, such as hurricanes, cloudbursts or floods	Power outages hazard	Medium-long	We implement crisis management procedures, manage our environmental impact by joining in the global efforts to address climate change
Regulatory transition risks			
Risk of taxes, tariffs or other carbon levies	Opportunity to capitalize on demand for products that help customers reduce their greenhouse gas emissions and carbon footprint	Short-medium	Expansion and optimisation of our services, e.g., providing e-commerce solutions

Technological transition risks			
Risk of replacing existing services and technology solutions with low-carbon ones	Opportunity to provide platforms for digitalisation of high-carbon business processes	Short-medium	Conducting projects to optimize the impact of our services e.g. mail server project
Risks associated with a closed loop economy	Opportunity to provide solutions to support implementation of a closed loop economy	Short-medium	We promote and educate consumers of our content about closed loop issues
Risk of digitalisation	Opportunity to use advanced analytics and artificial intelligence in product and service development	Short-medium	We plan to conduct research projects
	Opportunity to increase revenue due to changes in demand for online promotion	Short-medium	We are developing our Advertising segment, making efforts to develop best practices and optimize display of content on our sites
	Opportunity to take advantage of the virtualisation trend in business contacts	Short	Implementation of new services and portals

Greenhouse gas emissions

[305-1; 305-2; 305-3; 305-4]

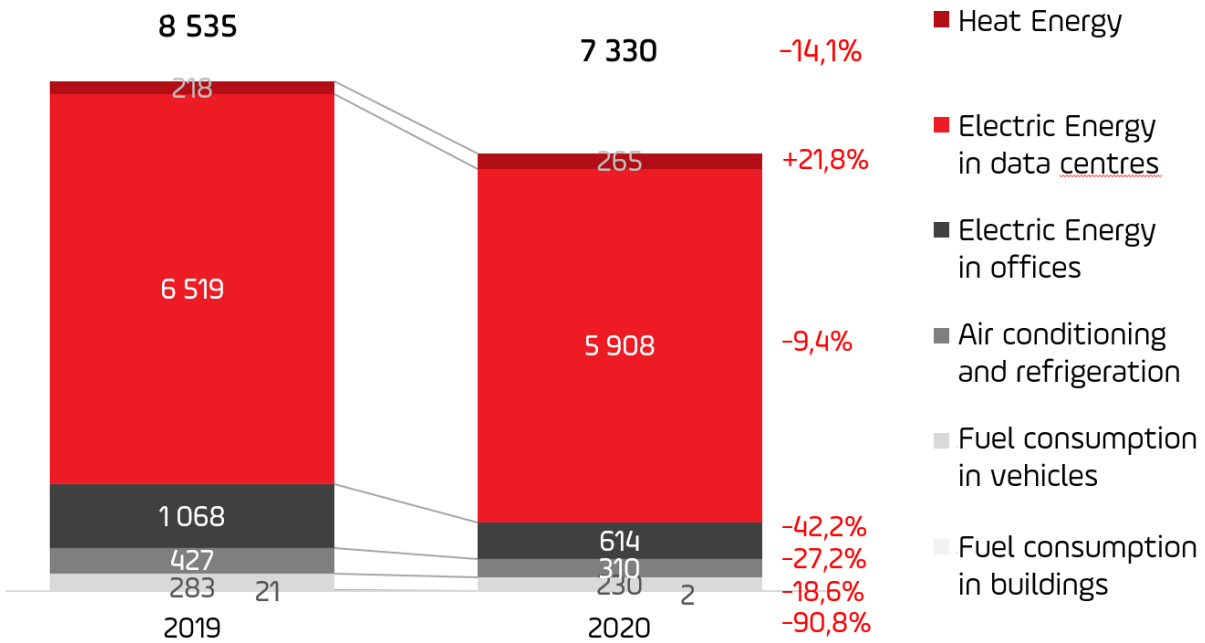
The primary greenhouse gas emissions metrics we use are direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions (for indirect emissions we use a market-based approach). We also calculate emission intensity factors per employee, per PLN 1m revenue and per PLN 1m EBITDA. We calculate and report greenhouse gas emissions in accordance with the internationally recognised GHG Protocol standard (for details on our assumptions, see the "About the report" section).

Wirtualna Polska Holding Group GHG emissions in the years 2019-2020

[Mg CO ₂ e, %]	2020	2019	Y/y change
Scope 1 emissions, including:	542.4	729.9	-25.7%
fuel consumption in buildings	1.9	20.5	-90.8%
vehicle fuel consumption	230.1	282.6	-18.6%
air conditioning and refrigeration	310.5	426.8	-27.2%
Scope 2 emissions, location-based	5 931.4	6 947.8	-14.6%
Scope 2 emissions, market-based, including:	6 787.5	7 805.2	-13.0%
Electricity, including:	6 522.2	7 587.4	-14.0%
offices	614.3	1 068.2	-42.5%
data centres	5 907.9	6 519.2	-9.4%
heat energy	265.3	217.8	21.8%
Total Scope 1+2 greenhouse gas emissions, market-based	7 329.9	8 535.2	-14.1%
emissions per 1 employee (Mg CO ₂ e/person)	6.2	7.1	-12.1%
emissions per PLN 1m in revenue (Mg CO ₂ e/PLN 1m)	12.02	12.04	-0.2%
emissions per PLN 1m EBITDA (Mg CO ₂ e/PLN 1m)	36.2	40.8	-11.2%

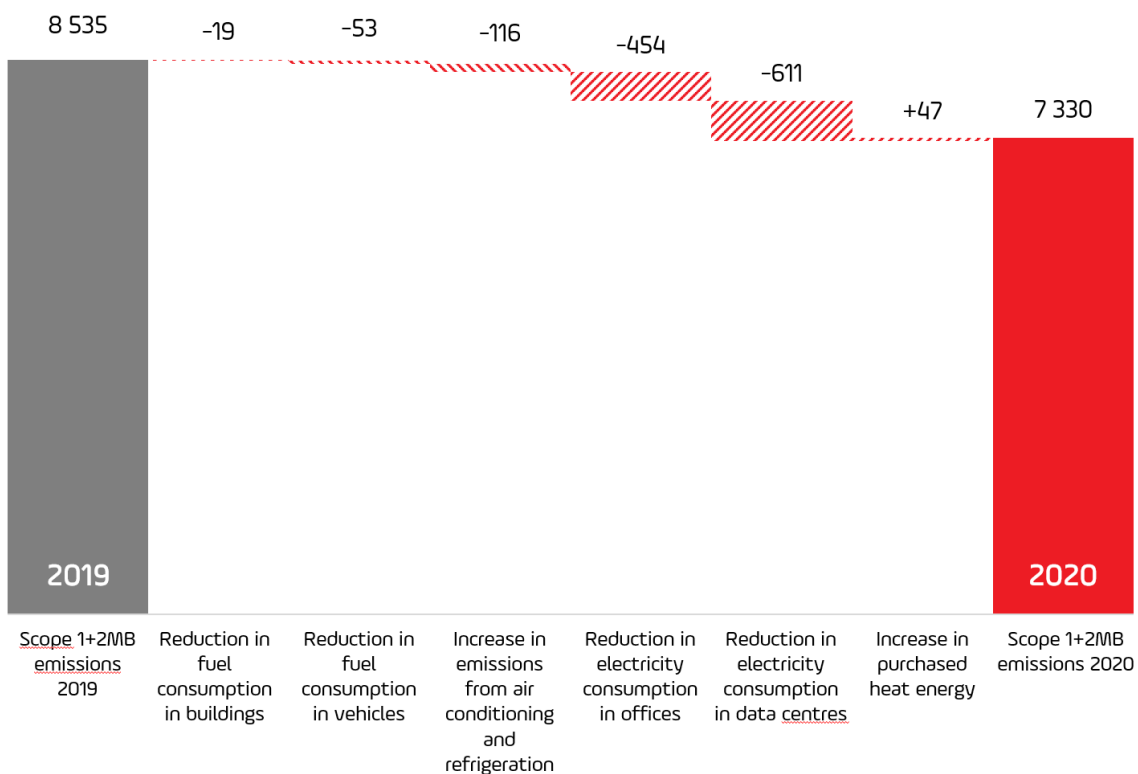
GHG emissions source structure in the years 2019-2020

[Mg CO₂e]



More than ¾ of our GHG emissions are related to the generation of electricity required to power our data centres. The next largest source categories of emissions are the generation of electricity to power our offices and emissions associated with refrigerants in our air conditioning and refrigeration systems; these categories are the source of 8.2% and 4.1% of emissions, respectively. The remaining source categories are less significant and collectively account for 6.6% of emissions.

GHG emissions change factors in the years 2019-2020



Group GHG emissions (combined Scope 1 and Scope 2 market-based emissions) decreased by 14.1% in 2020. The greatest impact was a reduction in emissions associated with the generation of electricity to power our data centres (down by 9.4%), which was related to reduced energy consumption. There was also a significant reduction (down by 42.5%) in emissions related to electricity consumption in group offices, which was a result of many employees working remotely for a significant part of the year. Emissions connected to refrigerants used in AC and refrigeration fell by 27.2%. This reduction was also influenced by moving to more modern offices, among others. The remaining factors had a smaller impact on the changes in emissions in 2020.

It is worth mentioning, however, that emissions from fuel consumption in the company's buildings were reduced to almost zero. In 2019, one of our subsidiaries occupied a building heated with natural gas, and in 2020 it was already located at another site using district heat. Despite an increase in the size of the vehicle fleet (by 19.6% to 61 units), fuel consumption was reduced, resulting in an 18.6% decrease in emissions.

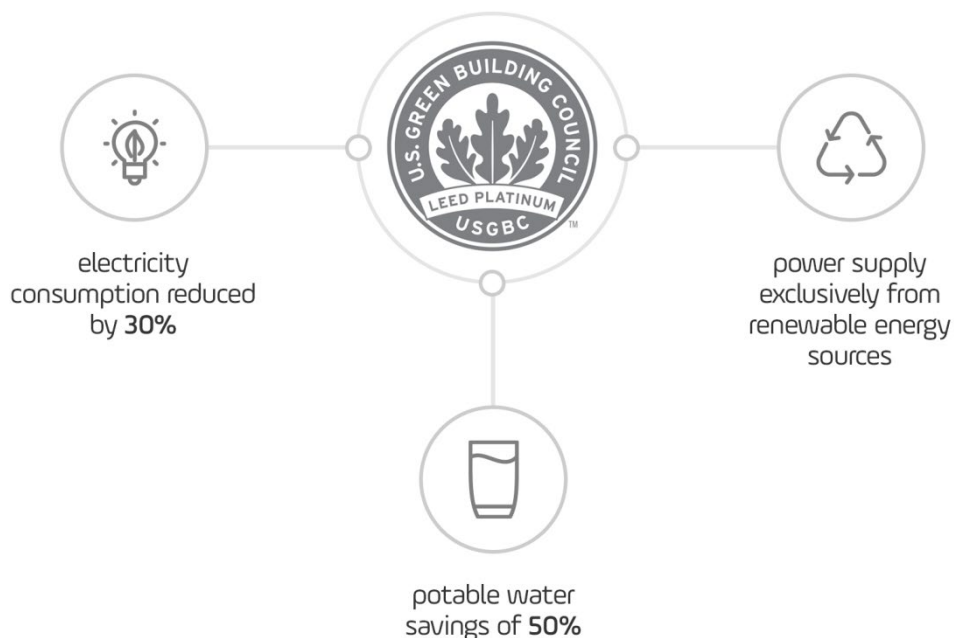
The emission intensity ratios (we use Scope 1 + 2 market-based emission values as the numerator) decreased for emissions per employee (by 12.1% to 6.2 Mg CO₂e / person) and per PLN 1m EBITDA (by 11.2% to 36.2 Mg CO₂e / PLN 1m). Emissions per PLN 1m revenue remained at a level comparable to 2019 (down by 0.2% to 12.02 Mg CO₂e / PLN 1m from 12.04 Mg CO₂e / PLN 1m). These changes are a consequence of the change in the absolute amount of greenhouse gases emitted as well as changes in the number of employees (down by 2.3% y/y), revenues (down by 13.9% y/y) and EBITDA (down by 3.2% y/y).

Environmental aspect

Environmental care

We observe environmental laws, and we effectively use natural resources and prevent pollution. Our Gdańsk office is located in a LEED (Leadership in Energy and Environmental Design) certified building that has obtained the highest Platinum level. Our Warsaw office holds the same certificate. Other teams from Gdańsk, Wrocław and Lublin have also moved to eco-friendly offices in 2020.

LEED Platinum certification



Wirtualna Polska's main headquarters is located in an eco-friendly complex, that is Business Garden at ul. Żwirki i Wigury 16 in Warsaw. It features open spaces, green relax zones, a gym and a club where employees can socialise and spend time together.

The building and its surroundings have been designed by JSK Architekci. This studio has also drawn up the design of the National Stadium, a number of airports and office buildings. The architects have retained the greenery of this spot, creating a veritable park between the buildings. It is freely accessible to both employees and the general public.



Business Garden is one of the best examples of green architecture in the city. 60% of the complex area is biologically active. Wherever possible, green roofs have been set up. The buildings are equipped with a rainwater management system, which saves 6 million litres of water per year in the complex.

The new WP office is also equipped with an innovative ventilation system based on cooling beams, thanks to which fresh air exceeds current standards and cooling is not necessary for most of the year. Energy-saving lighting with automatic control system has been installed in all the premises. There are also hives, birdhouses and insect hotels in the complex. All of these initiatives reduce the CO₂ emissions.

In 2020, we made further investments to optimize our environmental impact:

■ Cooling system – Freecooling

An additional glycol circuit was added in the Gdańsk server room. The air conditioners were equipped with so-called coolers thanks to which the air at the inlet to the precision air conditioning is colder and in effect the compressors of the cooling systems work less frequently. In winter, the compressors practically do not engage at all.

In principle, the supply of cold air from outside is carried out by two 5.5 KW fans and a ventilation ducts system with the warm air outlet leading to the roof of the building.

We do not use the air conditioning when outdoor temperature is below 25C, which in practice means that air conditioners only work in the period from mid-May to early October, and also not around the clock, but only when temperatures during the day rise.

Mail server project

In 2020, we went through an innovative mail server optimisation project. We increased the number of hard disk bays from 6 to 8 in the same chassis and machine, and increased their capacity. This resulted in a three-fold reduction of space in the server room needed to store our clients' mail replicas.

ESG risk analysis

In 2020, we conducted a climate risk analysis of our organisation, the preliminary results of which are published in this report.

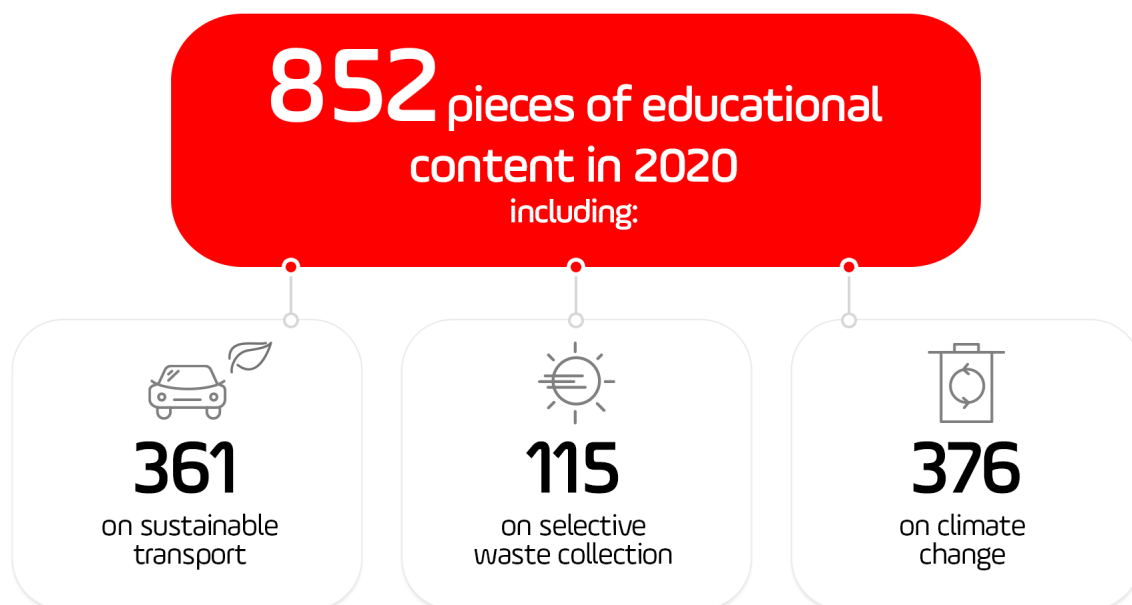
Our carbon footprint

In 2020, we calculated our Scope 1 (direct) and Scope 2 (indirect) emissions. The results of the calculations are published in this report. For 2021, we have planned to compile Scope 3 emissions – these are emissions generated by entities in our value chain, but outside our internal organisation.

Climate change education

We are aware of our impact related to shaping environmental awareness and attitudes and to sustainability among our key stakeholders. We realise that we have an enormous educational potential.

We take part in projects promoting ecological lifestyle, we promote conscious use of energy, moderate water consumption, selective waste collection, sustainable transportation and many other initiatives.



The Group does not apply the precautionary principle in the context of potential environmental impact.

Information about the report

[102-49; 102-50; 102-51; 102-52; 102-53; 102-54; 102-56]

This document has been based on the Global Reporting Initiative (GRI Standard), an international standard for non-financial disclosures. The non-financial disclosure has been drawn up in accordance with legal requirements for disclosure of non-financial information set out in Article 49b(2)-(8) of the Accounting Act.

In the non-financial disclosure, "we," "our," "ours," "Company," "WP Group," "Wirtualna Polska" and "Group" refer, depending on the context, to Wirtualna Polska Holding SA and its consolidated subsidiaries.

The non-financial disclosure describes the Group's operations in the period between 1 January and 31 December 2020, unless stated otherwise. In the reporting period, no significant changes in size, structure, ownership form or supply chain were noted.

In determining the content of the disclosure, we analysed internal and external factors, including press releases in the reporting period, topics discussed in internal communications, the current business strategy of WP Group, and topics important in non-financial disclosures for the media industry.

In the disclosure, we described in detail all the key topics, presenting both the approach to managing them and the corresponding indicators. The materiality assessment will be reviewed annually as part of the internal verification process.

The figures used in the disclosure come from internal reporting systems. All of them have been internally checked before publication. We did not use the support of an external auditor.

Greenhouse gas emissions are calculated and reported in accordance with The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, as revised. The reporting boundaries (organisational boundaries) cover the parent company and all group entities according to operational and financial control (100% of each entity's emissions). Consolidation covers all levels of the group. The base year adopted by the organisation was fiscal year 2019. The base year emissions were not recalculated during the last year. There were no biogenic emissions in the company or the group. The emissions calculations have not been externally verified.

Emissions were calculated using tools provided by the GHG Protocol (<https://ghgprotocol.org/calculation-tools>). In order to calculate GHG emissions, we used the global warming potential (GWP) coefficients from the "Global Warming Potential Values" appendix of the GHG Protocol Corporate Accounting and Reporting Standard. These coefficients were originally taken from the 5th report of the Intergovernmental Panel on Climate Change (IPCC Fifth Assessment Report AR5). In order to calculate the Scope 2 GHG emission values, we used the location-based method (based on average emission intensity factors for electricity and heat provided by the National Energy Agency and the Energy Regulatory Office) and the market-based method (based on emission intensity factors provided by electricity suppliers; for heat, due to lack of source information from suppliers, the national factor provided by the Energy Regulatory office was used).

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Grupa Wirtualna Polska

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